



AGENDA
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL
DRAINAGE DISTRICT
September 17, 2003

7:00 p.m.
TOWN COUNCIL CHAMBERS
94 Ashfield Road
Atherton, California

REGULAR MEETING

- 7:00 P.M. 1. PLEDGE OF ALLEGIANCE**
- 7:03 P.M. 2. ROLL CALL McKeithen, Marsala, Carlson, Janz, Conwell**
- 7:05 P.M. 3. PRESENTATIONS**
- A. Presentation by Midpeninsula Community Media Center**
B. Oath of Office for Police Officer Jason Yoakum
C. Proclamation - Constitution Week September 17 - 23
D. Proclamation - Pollution Prevention Week September 15 - 21
- 7:25 P.M. 4. COUNCIL REPORTS**
- 7:40 P.M. 5. PUBLIC COMMENTS (only for items which are not on the agenda – limit of three minutes per person)**
- 7:50 P.M. 6. STAFF REPORTS**
- 8:00 P.M. 7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT (Per Resolution No. 02-31)**
- San Mateo County Mosquito Abatement District**
- 8:10 P.M. CONSENT CALENDAR (Items 8 – 22)**
- 8. APPROVAL OF MINUTES OF SPECIAL AND REGULAR COUNCIL MEETINGS OF JULY 16, 2003**

9. APPROVAL OF BILLS AND CLAIMS FOR JULY, 2003 IN THE AMOUNT OF \$1,132,669, AND AUGUST, 2003 IN THE AMOUNT OF \$767,061

10. ACCEPTANCE OF MONTHLY FINANCIAL REPORTS FOR JULY AND AUGUST 2003

11. APPROVAL OF ANNUAL INVESTMENT POLICY

12. ADOPTION OF AN ORDINANCE AMENDING ATHERTON MUNICIPAL CODE SECTION 17 REGULATING ACCESSORY STRUCTURES FOR SECOND DWELLING UNITS

Recommendation: Adopt Ordinance No. ___ amending Atherton Municipal Code Section 17 regulating second dwelling units, and waive further reading.

13. ADOPTION OF AN ORDINANCE AMENDING ATHERTON MUNICIPAL CODE SECTION 15 REGARDING ENVIRONMENTAL REVIEW

Recommendation: Adopt Ordinance No. ___ amending Atherton Municipal Code Section 15 regarding the environmental review process for removal of heritage trees, and waive further reading.

14. ADOPTION OF AN ORDINANCE AMENDING ORDINANCE NO. 538 TO CONTINUE IN EFFECT EXISTING PROCEDURES FOR INFORMAL COMPETITIVE BID AND SMALL PURCHASES

Recommendation: Adopt Ordinance No. ___ amending Ordinance 538 to continue in effect existing procedures for informal competitive bid and small purchases under Chapter 3.16 of the Atherton Municipal Code, and waive further reading.

15. ACCEPTANCE OF QUARTERLY INVESTMENT REPORT FOR QUARTER ENDING JUNE 30, 2003

Recommendation: Accept the quarterly investment report for the quarter ending June 30, 2003.

16. ACCEPTANCE OF WORK AND AUTHORIZATION TO RECORD A NOTICE OF COMPLETION FOR ATHERTON AVENUE

RECONSTRUCTION, PROJECT NO. 03-004

Recommendation: Accept the work and authorize recording of a notice of completion for the Atherton Avenue - Stern Lane to Linda Vista Avenue Reconstruction Project No. 03-004.

17. ACCEPTANCE OF WORK AND AUTHORIZATION TO RECORD NOTICE OF COMPLETION FOR HOLBROOK-PALMER PARK PARKING LOT, PROJECT NO. 03-003

Recommendation: Accept the work and authorize recording of a notice of completion for the Holbrook-Palmer Park Parking Lot Patching and Sealing Project, Project 03-003.

18. APPROVE APPOINTMENTS TO ATHERTON ARTS COMMITTEE

Recommendation: Approve the recommendation of the City Council Screening Committee to appoint members to the Atherton Arts Committee.

19. AWARD OF CONTRACT AND APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR STREET CORPORATION YARD PROJECT

Recommendation: Award the contract for the Street Corporation Yard Project, Project No. 03-007, to John Plane Construction, Inc. in the amount of \$568,616 and approve a supplemental appropriation in the amount of \$78,616 for the project.

20. ADOPTION OF A RESOLUTION APPROVING AN AGREEMENT WITH CALTRANS FOR HIGHWAY MAINTENANCE SERVICES

Recommendation: Adopt a resolution approving an agreement with Caltrans to perform highway maintenance services along El Camino Real and authorizing the Mayor to execute said agreement. Increase appropriations for Public Works contract services by \$26,800.

21. ADOPTION OF RESOLUTIONS APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE ROBERTI-Z'BERG-HARRIS BLOCK GRANT AND THE 2002 RESOURCES BOND ACT

Recommendation: Adopt two resolutions approving the Town of Atherton's application for grant funds for the Roberti-Z'Berg-Harris Block Grant and the 2002 Resources Bond Act.

22. APPROVAL OF PURCHASE OF UTILITY VEHICLE FOR HOLBROOK-PALMER PARK

Recommendation: Approve the purchase of a Toro Workman 3100 utility vehicle for Holbrook-Palmer Park for a total price not to exceed \$16,500.

PUBLIC HEARINGS (Item 23)

8:15 P.M. 23. PUBLIC HEARING –

CONSIDER ADOPTION OF A RESOLUTION MODIFYING FEES FOR SERVICES RELATED TO BUILDING AND PLANNING AND CONFIRMING EXISTING PRACTICE REGARDING BUILDING PERMIT VALUATIONS

Recommendation: Conduct public hearing. Adopt a resolution modifying fees for services related to Building and Planning, establishing new fees for After Hours Construction, Deposit for Planning Review, and School Annual Master Plan Review, and confirming existing practice regarding building permit valuations.

REGULAR AGENDA (Items 24 - 31)

8:45 P.M. 24. DISCUSSION AND POSSIBLE ACTION – REPORT ON CONSTRUCTION AND LANDSCAPE SCREENING PLAN FOR RETAINING WALL AT 85 ORCHARD HILLS AND RELATED SITE IMPROVEMENTS AND DEVELOPMENT

Recommendation: After consideration of staff report, give direction to staff if appropriate.

9:05 P.M. 25. STATUS REPORT ON THE TEMPORARY NO PARKING ZONE ON OAK GROVE AVENUE – CONSIDER CONTINUING TEMPORARY PLACEMENT OF NO PARKING SIGNS

Recommendation: Continue the temporary placement of the no parking signs on Oak Grove Avenue until the completion of the current

construction and repaving of the T-lot at Menlo-Atherton High School.

- 9:15 P.M. 26. **CONSIDERATION OF FELTON GABLES HOMEOWNERS' ASSOCIATION REQUEST TO CONSTRUCT A GATE FOR PEDESTRIAN ACCESS FROM FELTON GABLES TO HOLBROOK-PALMER PARK**

Recommendation: Consider the request from Felton Gables Homeowners for pedestrian access via a proposed restricted access gate to be constructed at the southwest corner of the subdivision adjoining Holbrook-Palmer Park.

- 9:30 P.M. 27. **DISCUSSION AND POSSIBLE ACTION – LOCAL DOCUMENTARY PROPERTY TRANSFER TAX**

Recommendation: Receive City Attorney memo regarding Local Documentary Property Transfer Tax and give direction to staff if appropriate.

- 9:45 P.M. 28. **ACCEPTANCE OF LITTLE LEAGUE ANNUAL COMPLIANCE REPORT**

Recommendation: Accept the status report from the City Manager regarding compliance by the Little League to the terms of the Park License Agreement, receive input from City Council, and direct the City Manager to meet with the President of the Little League to ensure compliance and conduct an annual review.

- 10:00 P.M. 29. **APPROVE LIBRARY FUND SPECIAL REVENUE DONOR FUND APPROPRIATION REQUEST**

Recommendation: Approve an increase in Library Special Revenue Fund appropriations by \$40,000 to enable the Library to purchase certain equipment and services in FY 2003-04.

- 10:10 P.M. 30. **CONSIDER REQUEST FROM CITY OF MOUNTAIN VIEW REGARDING RELOCATION OF THE CALIFORNIA AIR NATIONAL GUARD 129TH RESCUE WING**

Recommendation: Consider request from the City of Mountain View regarding the relocation of the California Air National Guard 129th

Rescue Wing, and give direction to staff if appropriate.

10:20 P.M. 31. PUBLIC COMMENTS

10:30 P.M. 32. ADJOURNMENT

Agendas and staff reports may be accessed on the Town website at: www.ci.atherton.ca.us

☞ Please contact the City Clerk's Office at 650.752.0529 with any questions

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the City Clerk's Office at (650) 752-0529. 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)



Draft Minutes
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL
DRAINAGE DISTRICT
July 16, 2003
6:00 P.M.
Meeting Room
Town Administrative Offices
91 Ashfield Road, Atherton
Special Meeting

Mayor Janz called the meeting to order at 6:00 p.m.

1. **ROLL CALL**

PRESENT:
Kathy McKeithen
Charles E. Marsala
Alan B. Carlson
William R. Conwell
James R. Janz

City Manager Jim Robinson and City Attorney Marc Hynes were also present.

2. PUBLIC COMMENTS

There were no public comments.

3. CLOSED SESSION

The Council adjourned to Closed Session at 6:10 p.m.

4. RECONVENE TO OPEN SESSION

The Council reconvened to Open Session at 6:55 p.m. The following action was taken:

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
pursuant to subdivision (c) of Section 54956.9: Three potential cases.**

Direction was given to the City Attorney.

- B. LIABILITY CLAIMS - pursuant to Government Code Section 54956.95
Claimant: Steve Snider
Agency claimed against: Town of Atherton**

Direction was given to the City Attorney.

- C. CONFERENCE WITH LABOR NEGOTIATOR – Labor negotiations pursuant to
Government Code Section 54957.6**

**Agency Negotiator: James H. Robinson, City Manager
Employee Organization:
Teamsters Local Union 856
Non-management Miscellaneous Employees**

No reportable action.

5. ADJOURN

The meeting adjourned at 7:00 p.m.

Respectfully submitted,

James R. Janz, Mayor



**Draft Minutes
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL
DRAINAGE DISTRICT**

July 16, 2003

7:00 p.m.

TOWN COUNCIL CHAMBERS

94 Ashfield Road
Atherton, California

REGULAR MEETING

Mayor Janz called the meeting to order at 7:07 p.m.

- 1. PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**

PRESENT: Kathy McKeithen
Charles E. Marsala
Alan B. Carlson
William R. Conwell
James R. Janz

City Manager Jim Robinson and City Attorney Marc Hynes were present.

- 3. PRESENTATIONS**

A. Presentation by P.G.& E.

Alan Fisher, Project Manager, gave a presentation on the Rule 20 Utility Undergrounding process. Stephanie Isaacson, Public Affairs Representative, was also present.

- 4. COUNCIL REPORTS**

- Council Member Conwell reported that he attended the Criminal Justice Commission meeting today. The Commission addressed budget issues and established grant recipients for the upcoming year. He also attended the San Francisco Airport Roundtable meeting and reported that the number of complaints made regarding aircraft noise may have been reported incorrectly in the past because of telephone problems.
- Mayor Janz reported that he will attend the Peninsula Division League of Cities meeting July 24 and the San Mateo County Council of Cities meeting July 25. He announced that he plans to write a letter to Caltrain regarding complaints that construction work on the tracks is being conducted on weekend nights.
- Council Member Carlson stated this month's Transportation Committee and Atherton Channel Drainage District Subcommittee meetings were canceled.
- Council Member Marsala attended the Library Joint Powers Authority meeting. The JPA is working on resolving administration issues between the County and the cities. He reported that the General Plan Committee met July 2 and reviewed ordinances from other cities related to construction site parking. He also announced that the Holbrook-Palmer Park Foundation and Atherton Dames are planning an 80th anniversary celebration for the Town on September 12 at Holbrook-Palmer Park.
- Vice Mayor McKeithen reported that the General Plan Committee looked at Los Altos Hills and Portola Valley construction ordinances. The Committee plans to conduct further review of ordinances regulating construction site parking and code enforcement. The next meeting will be September 10. The Vice Mayor also reported that she received a call from a resident regarding landscape screening for the retaining wall at 85 Orchard Hills. She asked that an item be agendaized for the September Council meeting for discussion of the landscape screening requirements at this address. Council Member Carlson asked the City Attorney to inform the Council of the rights of the Town with respect to non-written representation made to the Council that has not been complied with.

5. PUBLIC COMMENTS

Mayor Janz announced that in an effort to limit the length of Council meetings he would begin enforcement of the 3 minute speaker rule.

The following members of the audience spoke:

Mary Chen

Paul Baynton, representing the property owner at 85 Orchard Hills

John Sisson

6. STAFF REPORTS

- **City Manager Jim Robinson reported that the City Council received a revised summary list of bills and claims for the month of June. Supplemental staff reports were also provided for the tennis courts bid results and the Elena Avenue Box Culvert bid results. He also asked that the Council add an urgency item to the agenda for adoption of a resolution implementing fees for funding the FY 2003-04 Countywide National Pollution Discharge Elimination System (NPDES) General Program. The request was received on Monday, July 14, and the adopted resolution must be submitted to the County by August 5.**

The City Manager also stated that Menlo Park Fire Protection District asked that the issue regarding fire sprinkler requirements be delayed. It will appear before the Council at the September meeting. He asked Mayor Janz and Council Member Marsala to contact him regarding the scheduled August 6 Waste Reduction Committee meeting.

MOTION – to add an urgency item to the agenda regarding adoption of a resolution imposing charges for funding the Fiscal Year 2003-04 Countywide NPDES General Program.

M/S Janz/McKeithen

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

- **City Attorney Marc Hynes reported out of the Closed Session held at 6:00 p.m. as follows:**

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION pursuant to subdivision (c) of Section 54956.9: Three potential cases.

Direction was given to the City Attorney.

B. LIABILITY CLAIMS - pursuant to Government Code Section 54956.95

Claimant: Steve Snider

Agency claimed against: Town of Atherton

Direction was given to the City Attorney.

D. CONFERENCE WITH LABOR NEGOTIATOR – Labor negotiations pursuant to Government Code Section 54957.6

Agency Negotiator: James H. Robinson, City Manager

Employee Organization: Teamsters Local Union 856 Non-management

Miscellaneous Employees

No reportable action.

The City Attorney stated that he will present a report at the September meeting regarding the process for changing from a general law city to a charter city, and the possibility of increasing the real property transfer tax.

7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT

Crime Prevention Task Force member, Sharon Turner, presented a report on the current Task Force activities.

CONSENT CALENDAR

Council Member Conwell asked for clarification regarding the tennis fund expenditures on the monthly financial report. He also announced Park and Recreation Commission appointee, Etta Mae Bauer, and Arts Committee appointee, Marguerette Paponis, and expressed appreciation for their volunteerism.

Vice Mayor McKeithen asked that Item 15 be removed from the Consent Agenda.

MOTION – to approve the Consent Agenda with the exception of Item 15, and with the revised bills and claims list, and with a correction to the agreement in Item 11, changing the number of payments on Page 2, Section 2B of the agreement with the City of Palo Alto, to four instead of three.

M/S McKeithen/Marsala

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

- 8. APPROVED MINUTES OF SPECIAL COUNCIL MEETING OF JUNE 16, 2003 AND SPECIAL AND REGULAR COUNCIL MEETINGS OF JUNE 18, 2003**
- 9. APPROVED REVISED BILLS AND CLAIMS LIST FOR JUNE 2003 IN THE AMOUNT OF \$958,768**
- 10. ACCEPTED MONTHLY FINANCIAL REPORT FOR JUNE 2003**
- 11. APPROVED AMENDMENT TO AGREEMENT FOR INFORMATION TECHNOLOGY SERVICES BETWEEN THE TOWN OF ATHERTON AND THE CITY OF PALO ALTO FOR FISCAL YEAR 2003-04**

Approved Amendment No. 1 to the agreement between the Town of Atherton and the City of Palo Alto for Information Technology Services for the period of July 1, 2003 through

June 30, 2004, with a correction to Page 2, Section 2B of the agreement, changing the number of payments to four instead of three.

12. APPROVED PLANS AND SPECIFICATIONS FOR PUBLIC WORKS CORPORATION YARD REMODEL, AUTHORIZED STAFF TO ACCEPT THE LOWEST RESPONSIBLE BID WITHIN THE BUDGET ESTIMATE, AND AUTHORIZED MAYOR TO EXECUTE CONTRACT

Approved the plans and specifications for the Public Works Street Corporation Yard Remodel Project, Project No. 03-007, and authorized staff to award the contract to the lowest responsible bidder if the bids received for the base project or the alternative are equal to or below the project budget, and authorized the Mayor to execute said contract.

13. ADOPTED ORDINANCE NO. 542 CONFORMING THE TOWN'S FEE SCHEDULE RELATED TO ANIMAL CONTROL TO THE COUNTY OF SAN MATEO'S RECOMMENDED FEE SCHEDULE

Adopted Ordinance No. 542 amending Section 6.04.240A of the Atherton Municipal Code pertaining to animal control fees and charges.

14. APPROVED APPOINTMENT OF DAMES REPRESENTATIVE TO PARK AND RECREATION COMMISSION AND APPOINTMENT OF MEMBER TO ARTS COMMITTEE

Accepted the recommendation of the City Council Screening Committee to appoint Etta Mae Bauer to the Park and Recreation Commission as the Dames representative for a two year term, and Marguerette Paponis to the Arts Committee for an indefinite term.

15. APPROVAL OF INDEPENDENT CONTRACTOR AGREEMENT BETWEEN THE TOWN OF ATHERTON AND KCL ASSOCIATES, INC. FOR BUILDING INSPECTION SERVICES FOR FISCAL YEAR 2003-04

Removed from Consent Agenda and placed at end of Regular Agenda.

16. APPROVED TOW COMPANY CONTRACT

Approved a contract with Ed's Tow & Cradle for addition to the Atherton Police Department Tow Rotation List.

17. APPROVED LETTERS IN RESPONSE TO CIVIL GRAND JURY REQUESTS

Approved letters prepared by the City Manager and Police Chief in response to San Mateo County 2002-03 Civil Grand Jury requests related to bicycle safety, handling of forensic evidence, and warrant enforcement.

PUBLIC HEARINGS

18. PUBLIC HEARING - ADOPTION OF A RESOLUTION ESTABLISHING A SPECIAL TAX FOR MUNICIPAL SERVICES FOR THE FISCAL YEAR 2003-2004

Finance Director John Johns presented the staff report for this item. Ordinance No. 520 requires that each fiscal year, during the four year Special Tax for Municipal Services, the City Council adopt a resolution setting the rate for the Special Tax. The amount of the tax is determined following adoption of the annual budget.

The Fiscal Year 2003-04 Budget was approved by Council on June 18 and includes estimated parcel tax revenues of \$1,770,000, an increase of \$200,000 over the 2002-03 Budget estimate. The FY 2003-04 Budget assumes that the maximum amount of the parcel tax will be assessed for each parcel. In his staff report, Finance Director Johns explained that the City Council has designated the additional parcel tax revenue to be utilized to increase the Town's financial reserves. The increase in reserves is necessary to plan for increasing pension and employee benefits costs, and to plan for the possible loss of State Vehicle License funds. An intermediate range financial plan for Fiscal Years 2004-05 to Fiscal Year 2006-07 was included in the staff report.

Mayor Janz opened the public hearing at 8:23 p.m. There were no comments. The public hearing was closed.

The Council expressed concerns that cities will continue to be faced with difficulties in balancing their budgets. The Council emphasized the fact that the Town will need to continue to be vigilant in adhering to the budget.

Staff was asked to work with the Finance Committee on development of a fiscal plan which would include recommendations for current fees and services. Staff will return to the Council with recommendations at mid year.

City Manager Jim Robinson brought several issues to the Council's attention regarding the assessment of the parcel tax on certain parcels in Town. The Finance Director stated that the Town will be collecting on those parcels classified as utility easements. In addition, the County Assessor has advised the Finance Director that there are dwelling units located at Menlo School subject to the parcel tax. Pat Pannell, Chief Financial Officer for Menlo School, spoke regarding the assessment of the dwelling units located at

the School. It was determined that as there is no provision in the ordinance for exempting properties from the parcel tax, all parcels subject to the tax should be assessed.

MOTION – to adopt Resolution No. 03-14 establishing a Special Tax for Municipal Services for the Fiscal Year 2003-04 as set forth in Ordinance No. 520.

M/S McKeithen/Carlson

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

**19. PUBLIC HEARING - INTRODUCTION OF AN ORDINANCE AMENDING
ATHERTON MUNICIPAL CODE SECTION 17 REGULATING ACCESSORY
STRUCTURES - SECOND DWELLING UNITS**

Deputy Town Planner Lisa Costa Sanders presented the staff report for this item. Under new State law, cities must consider all applications for second dwelling units ministerially, without the requirement of discretionary review and a hearing. The intent of the law is to streamline the process for approving second units. Cities may no longer attach conditions to the approval. Atherton Municipal Code currently requires a Conditional Use Permit for accessory structures for human habitation. The General Plan Committee, at their June 4, 2003 meeting, reviewed the proposed changes to the requirements for second dwelling units. The Planning Commission reviewed the proposed ordinance at their June 25, 2003 meeting and recommended the City Council adopt the ordinance amending the Code to comply with the new State law.

Mayor Janz opened the public hearing at 9:07 p.m. There were no comments.
The public hearing was closed.

MOTION – to introduce an ordinance for adoption amending Title 17 of the Atherton Municipal Code regulating second dwelling units within the Town of Atherton, correcting Section 2, (refer to Section 17.24.030), remove “for human habitation” from Section 4, and Section 5; and waive further reading.

M/S Janz/McKeithen

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

Mayor Janz called a recess at 9:15 p.m.
The Council reconvened at 9:22 p.m.

REGULAR AGENDA

**20. REPORT FROM BKF ENGINEERS, H.T. HARVEY & ASSOCIATES, AND TOWN
ARBORIST ON UPPER ATHERTON CHANNEL REPAIR PROJECT**

Public Works Director Duncan Jones introduced Max Busnardo, a restoration ecologist with H.T. Harvey and Associates, who gave a presentation on the design study for stability improvements to the Upper Atherton Channel.

BKF Engineers and H.T. Harvey & Associates presented the recommended project and the re-vegetation concept to the Atherton Channel Drainage Subcommittee on April 28, 2003. Revisions to the project program were made when an endangered species (red-legged frog) was found at the project site. The consultants provided the revisions to the Subcommittee on June 2, 2003. The staff report to the Council also included a report from Town Arborist Kathy Hughes Anderson on possible impacts the proposed stability improvements may have on trees located along the Channel.

Mr. Busnardo outlined the steps necessary prior to making improvements to the upper channel. Certain environmental approvals are required including permits from the U.S. Army Corp. of Engineers, U.S. Fish and Wildlife Service, the Regional Water Quality Control Board, and the California Department of Fish and Game.

Item No. 22 was taken out of order.

22. CONSIDERATION OF APPROVAL OF AWARD OF CONTRACT FOR TENNIS COURTS RESTORATION PROJECT

Public Works Director Duncan Jones presented the staff report for this item. Approval of the plans and specifications for this project came before the City Council at the June 18, 2003 meeting. At that time, the Council voted to appropriate \$290,000 in the Capital Improvement Program Budget for the Tennis Court Restoration Project with the understanding that the final decision on the specific improvements would be made by the Council when the bids were received. Council further voted to direct staff to prepare the specifications to allow for modification of the scope of work if the Council so desired.

A supplemental staff report reflecting bid results was provided to the Council. Two bids were received on July 14, 2003.

The Mayor asked for public comments. The following members of the audience spoke:

David Fowler, Menlo Park

Craig Nimitz, Atherton

Bruce Evans, Atherton

Rod Boghosian, Atherton, (representing a recently formed committee of tennis players)

Kay O'Neil, Menlo Park

John Sisson, Atherton

Rachel Croft, Atherton

Cat Westover, Park and Recreation Commission, stated that the consensus of the Park and Recreation Commission at their last meeting was to review the project and reconsider the funding if the bids came in over \$180,000.

Council Member Carlson expressed his concerns that the Tennis Courts Improvement Project was not at the top of the list of priority projects the Council had established earlier in the year. He suggested that the Council send the project back to the Park and Recreation Commission to work on development of a fundraising plan.

Council Member Conwell expressed concerns with the minimal number of people that the Tennis Courts Improvements would serve. Mayor Janz and Council Member Conwell both agreed that the project should be returned to the Park and Recreation Commission for consideration of the bid results, with recommendations for the project and funding to be brought back to the Council.

Vice Mayor McKeithen expressed her concerns with asking Town residents to subsidize the improvements to the courts when the Town is looking for additional revenues for operations. She suggested that the tennis pro's contract should be reviewed to determine if the agreement is beneficial to the Town. She was opposed to creating any long-term debt by implementing a sinking fund for the project.

Council Member Marsala stated that the Town should do something now to resolve the courts' safety issues. His concern was that cities need recreation and that the Town should not wait on this project.

MOTION – to return the capital project for the Tennis Courts Restoration to the Park and Recreation Commission for reevaluation of its scope, and direct the Commission to return to the Council with suggestions for developing a private funding plan for the project, and to review membership and fee issues.

M/S Carlson/McKeithen Ayes: 4 Noes: 1 (Marsala) Absent: 0 Abstain: 0

21. DISCUSSION AND POSSIBLE ACTION – INTRODUCTION OF AN ORDINANCE AMENDING A THERTON MUNICIPAL CODE SECTION 15.32 REGARDING ENVIRONMENTAL REVIEW

Deputy Town Planner Lisa Costa Sanders presented the staff report for this item. The California Environmental Quality Act (CEQA) allows jurisdictions to establish a threshold of significance in determining the significance of environmental effects. Staff has recommended that the Council adopt an ordinance establishing a threshold of significance in order to clarify the environmental review process for the removal of heritage trees.

The Planning Commission, at their June 25, 2003 meeting, reviewed the proposed ordinance and recommended it to the City Council for adoption.

Town Arborist Kathy Hughes Anderson was present and confirmed that there are mitigation requirements for the removal of dead or dangerous trees in the Municipal Code. The Code states that dead or dangerous trees are handled ministerially. The proposed ordinance includes language stating that dead or dangerous heritage trees may be considered categorically exempt from CEQA.

Council Member Marsala left the podium at 11:28 p.m.

MOTION – to introduce an ordinance for adoption amending Atherton Municipal Code Section 15.32 regarding the environmental review process for removal of heritage trees, and waive further reading.

M/S Conwell/Janz Ayes: 4 Noes: 0 Absent: 1 (Marsala) Abstain: 0

Council Member Marsala returned to the podium at 11:36 p.m.

**23. CONSIDERATION OF AWARD OF CONTRACT FOR ELENA AVENUE –
ATHERTON CHANNEL BOX CULVERT REPLACEMENT, PROJECT NO. 03-006**

Public Works Director Duncan Jones presented the staff report for this item. A supplemental staff report was presented to the Council stating bid results for the project. The adopted Capital Improvement Program includes funds for designing and constructing enlarged replacements for existing box culverts at the Elena Avenue and Barry Lane street crossings of the Atherton Channel. The Town has obtained permits from the Army Corps. of Engineers and the U.S. Fish and Wildlife Service for this project. The Barry Lane Box Culvert is scheduled to be replaced next year.

This project was previously bid on June 28, 2003, but due to a technical error, the project had to be rebid on July 15, 2003.

MOTION – to award the contract for the Elena Avenue Atherton Channel Box Culvert Replacement Project, Project No. 03-005, to Bianchi Construction in the amount of \$185,602.50, authorize the Mayor to execute the contract, and reject all bids received on June 28, 2003.

M/S Janz/McKeithen Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

**24. ADOPTION OF AN URGENCY ORDINANCE AMENDING ORDINANCE NO. 538 -
PURCHASING PROCEDURES**

Finance Director John Johns presented the staff report for this item. The City Council, at their November 20, 2002 regular meeting, adopted an ordinance amending Atherton Municipal Code Section 3.16 related to purchasing procedures. The ordinance increased the limit for purchases requiring the issuance of a purchase order from \$250 to \$750, and set a sunset provision of six months for the ordinance. Staff was directed to report back to the Council on the effectiveness of the revised purchasing procedures after the six month period.

Staff had recommended amending the purchasing ordinance because purchases less than \$750 constitute a small fraction of the total dollar value of expenditures and increasing the threshold would better enable the Finance Department to comply with Section 3.16 within its existing staffing constraints.

The Finance Director reported that the Finance Department, in January of 2003, implemented an on-line purchasing and requisitioning system. Although the Finance Department has performed an analysis of vendor payments and purchases for a six month period, the Finance Director recommended that a comparison be made for an entire fiscal year to determine if the on-line purchasing system has resulted in compliance with the purchasing ordinance. Discussion ensued.

Council Member Marsala left the meeting at 12:00 a.m.

MOTION – to adopt Urgency Ordinance No. 543 amending Ordinance No. 538 to continue in effect existing procedures for informal competitive bid and small purchases under Chapter 3.16 of the Atherton Municipal Code, waive further reading, and direct staff to report back on the effectiveness of the Finance Department’s implementation of its on-line purchasing and requisitioning system in August 2004.

M/S McKeithen/Carlson

Ayes: 4 Noes: Absent: 1(Marsala) Abstain: 0

25. URGENCY ITEM – ADOPTION OF A RESOLUTION RECOMMENDING THAT THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT IMPOSE CHARGES FOR FUNDING THE 2003-04 COUNTYWIDE NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) GENERAL PROGRAM

This item was added to the agenda as an urgency item because it was received after the agenda was published. The City Manager stated that each year the Town is required to adopt a resolution requesting the County to collect fees for funding the Countywide National Pollution Discharge Elimination System General Program. The fees are based on individual parcels and will increase to \$6.0074 for a single family parcel for Fiscal Year 2003/04.

Motion – to approve Resolution No. 03-15, requesting that the San Mateo County Flood Control District impose basic and additional charges for funding the expanded scope of work for the 2003/04 Countywide National Pollution Discharge Elimination System (NPDES) General Program.

M/S Janz/McKeithen

Ayes: 4 Noes: Absent: 1(Marsala) Abstain: 0

**26. (FORMERLY ITEM 15 WHICH WAS REMOVED FROM THE CONSENT AGENDA)
- APPROVAL OF INDEPENDENT CONTRACTOR AGREEMENT BETWEEN THE TOWN OF ATHERTON AND KCL ASSOCIATES, INC. FOR BUILDING INSPECTION SERVICES FOR FISCAL YEAR 2003-04**

Vice Mayor McKeithen asked that this item be removed from the Consent Agenda.

The Town Building Department has been utilizing the services of KCL Associates, Inc. for building inspection on a month to month basis, payable by invoice. In order to formalize the relationship with the contractor and to limit the Town's liability exposure, the City Attorney in consultation with the Town's labor relations counsel. has drafted an independent contractor agreement.

Senior Building Inspector Mike Wasmann was present to answer Council's questions regarding the Town's current relationship with KCL Associates, Inc. City Attorney Marc Hynes confirmed that Ms. T.C. Beier, President of the company, is an independent contractor but is given immunity coverage by the Town's errors and omissions insurance under this agreement. No other benefits are provided. Vice Mayor McKeithen proposed changing the effective date of the agreement to July 1, 2003, removing the word "the" from "the services" under Section 1, and capitalizing "Town" in Section 6.

MOTION - to approve the Independent Contractor Agreement between the Town of Atherton and KCL Associates, Inc. for Building Inspection Services for Fiscal Year 2003/04 with the following modifications: Under Section 3, change the effective date of the agreement to July 1, 2003, and correct typos as noted.

M/S Janz/Conwell

Ayes: 4 Noes: Absent: 1(Marsala) Abstain: 0

27. DISCUSSION AND POSSIBLE ACTION – CANCELLATION OF REGULAR AUGUST CITY COUNCIL MEETING

City Manager Jim Robinson stated in the staff report that the City Council has traditionally cancelled the August regular City Council meeting. The next regularly

scheduled meeting would be September 17, 2003. Items were placed on the July 16 agenda in anticipation of the cancellation of the August meeting.

MOTION – to cancel the August 20, 2003 regular City Council meeting.

M/S Carlson/Janz

Ayes: 4 Noes: 0 Absent: 1(Marsala) Abstain: 0

28. PUBLIC COMMENTS

City Manager Jim Robinson stated that since the Council would not be meeting for sixty days (until September 17), staff will send out a preliminary agenda for the September meeting.

Vice Mayor McKeithen requested that the City Manager look into complaints she has received regarding the Building Department permit process.

29. ADJOURNMENT

The meeting adjourned at 12:20 a.m.

Respectfully submitted,

Sharon Barker, City Clerk

TOWN OF ATHERTON

CLAIMS LIST

July, 2003

Payroll Checks	2618 – 2740	\$ 41,808
Electronic Transfers		268,115
A/P Checks	15727 - 15913	822,746
	TOTAL	\$1,132,669

I, James H. Robinson, City Manager of the Town of Atherton, do hereby certify under penalty of perjury that the demands listed above, check numbers 2618 through 2740 (payroll) and 15727 through 15913 (accounts payable), and electronic transfers for employees federal payroll taxes and fees, inclusive, amount to \$1,132,669 are true and correct, and that there are funds for payment.

James H. Robinson
City Manager

The above claims, check numbers 2618 through 2740 (payroll) and 15727 through 15913 (accounts payable), and electronic transfers for employees federal payroll taxes and fees, inclusive, amount to \$1,132,669; are hereby approved for payment.

James R. Janz
Mayor, Town of Atherton

SOURCE OF FUNDS

101	General Fund	\$557,749
105	Tennis Fund	4,821
201	Special Parcel Tax	419,130
202	Transportation	-
203	Gas Tax Fund	-
210	Road Construction Impact Fees	-
213	Library Special Revenue Fund	-
401	General Capital Projects	26,030
402	Storm Drainage	6,834
403	Atherton Channel District	-
404	Park Playground Improvement	-
405	Middlefield Road Rehab.	-
406	Facilities Construction	6,970
610	Vehicle Replacement	-
611	Computer Maint. & Replacement	4,020
612	Administrative Services	98,478

614	Workers Compensation Insurance	-
715	Evans Estate	8,637
	TOTAL	\$1,132,669

TOWN OF ATHERTON
CLAIMS LIST
August, 2003

Payroll Checks	2743 - 2896	\$ 47,625
Electronic Transfers		277,503
A/P Checks	15926 - 16098	441,933
	TOTAL	\$ 767,061

I, James H. Robinson, City Manager of the Town of Atherton, do hereby certify under penalty of perjury that the demands listed above, check numbers 2743 through 2896 (payroll) and 15926 through 16098 (accounts payable), and electronic transfers for employees federal payroll taxes and fees, inclusive, amount to \$767,061; are true and correct, and that there are funds for payment.

James H. Robinson
City Manager

The above claims, check numbers 2743 through 2896 (payroll) and 15926 through 16098 (accounts payable), and electronic transfers for employees federal payroll taxes and fees, inclusive, amount to \$767,061; and are hereby approved for payment.

James R. Janz
Mayor, Town of Atherton

SOURCE OF FUNDS

101	General Fund	\$589,658
105	Tennis Fund	650
201	Special Parcel Tax	118,883
202	Transportation	-
203	Gas Tax Fund	23,107
210	Road Construction Impact Fees	-
211	Park Grants Fund	5363
213	Library Special Revenue Fund	2,372
401	General Capital Projects	77
402	Storm Drainage	-
403	Atherton Channel District	-

404	Park Playground Improvement	-
406	Facilities Construction	2,841
610	Vehicle Replacement	-
611	Computer Maint. & Replacement	15,994
612	Administrative Services	2,347
614	Workers Compensation Insurance	-
715	Evans Estate	5,768
	TOTAL	\$767,061



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

SUBJECT: MONTHLY FINANCIAL REPORT, JULY, 2003

RECOMMENDATION:

Receive the Monthly Financial Report for July, 2003.

INTRODUCTION:

The attached schedules show revenues and expenditures and fund balance for all funds as of July 31, 2003.

HIGHLIGHTS

For the first month of FY 2003-04 General Fund revenues amounted to \$156,557. This represents 2% of estimated revenues for the year. General Fund expenditures amounted to \$462,948 or 6% of total FY 2003-04 General Fund appropriations. The significant gap between current period revenues and current period expenditures is to be expected at the beginning of the fiscal year. For example, approximately \$4 million or slightly more than 50% of total estimated General Fund revenues for FY 2003-04 will be realized in the form of property tax apportionments and operating transfers from other funds. Such revenues are not scheduled to flow into the General Fund until the 2nd quarter of FY 2003-04.

FISCAL IMPACT:

None

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

TOWN OF ATHERTON
Revenue Summary
For the Month ended July 31st, 2003

Fund	Revenue Source	2003-04 Estimate	Current Period Revenues	Year to Date Revenues	% Received
	Property Tax	\$ 3,035,934	-	\$ -	0%
	Sales and Use Tax	200,640	6,385	6,385	3%
	Other Taxes	882,115	35,827	35,827	4%
	Licenses & Permits	1,541,673	69,636	69,636	5%
	Fines & Forfeitures	70,000	6,292	6,292	9%
	Revenue from Other Agencies	139,000	-	-	0%
	Charges for Services	445,900	35,022	35,022	8%
	Investment & Rental Income	347,300	3,131	3,131	1%
	Other Revenues	3,000	264	264	9%
	Total General Fund Revenues	6,665,562	156,557	156,557	2%
	Interfund (Operating) Transfers In	1,009,871	-	-	0%
101	General Fund Total	7,675,433	156,557	156,557	2%
	Special Revenue Funds:				
105	Tennis	9,000	800	800	9%
201	Special Parcel Tax	1,770,000	-	-	0%
202	Transportation	177,740	-	-	0%
203	Street Improvement (Gas Tax)	149,309	-	-	0%
209	Law Enforcement	100,000	-	-	0%
210	Road Construction Impact Fees	340,000	18,220	18,220	5%
211	State Park Grants Fund	93,040	-	-	0%
213	Library	200,000	2,000	2,000	1%
	Total	2,839,089	21,020	21,020	1%
	Capital Project Funds:				
401	Capital Improvement	-	-	-	
402	Storm Drainage	-	-	-	
403	Channel Drainage District	46,000	89	89	0%
404	Park Playground Improvement	-	-	-	0%
405	Middlefield Road Grants	-	1,514	1,514	
406	Facilities Construction	-	-	-	
	Total	46,000	1,603	1,603	3%
	Internal Service Funds:				
610	Vehicle Replacement	-	-	-	
611	Information Technology	96,043	-	-	0%
612	Administrative Services	283,128	-	-	0%
614	Workers Compensation Insurance	-	-	-	
	Total	379,171	-	-	0%
	Trust and Agency Funds:				
715	Evans Creative Design	74,000	8,254	8,254	11%
	Total	74,000	8,254	8,254	11%
	Total Revenues	11,013,693	187,434	187,434	2%

TOWN OF ATHERTON
Expenditure Summary
For the Month Ended July 31st, 2003

Fund	Description Department	2003-04 Budget	Current Period Expenditures	Year to Date Expenditures	% Spent
101	General Fund				
	11 City Council	\$ 20,174	\$ 3,045	3,045	15%
	12 City Manager	497,895	38,212	38,212	8%
	16 City Attorney	175,551	7,500	7,500	4%
	18 Finance	434,137	21,116	21,116	5%
	25 Building	902,873	45,590	45,590	5%
	40 Police	3,629,233	252,105	252,105	7%
	50 Public Works	1,759,627	95,380	95,380	5%
	Contingency	100,000	-	-	0%
	Total General Fund Expenditures	<u>7,519,490</u>	<u>462,948</u>	<u>462,948</u>	<u>6%</u>
	Interfund (Operating) Transfers Out	-	-	-	0%
101	General Fund Total	<u>\$ 7,519,490</u>	<u>\$ 462,948</u>	<u>\$ 462,948</u>	<u>6%</u>
Special Revenue Funds:					
105	Tennis	22,936	71	71	0%
201	Special Parcel Tax	1,986,917	-	-	0%
202	Transportation	177,740	-	-	0%
203	Street Improvement (Gas Tax)	180,080	-	-	0%
209	Law Enforcement	100,000	8,969	8,969	9%
210	Road Impact Fees	588,682	-	-	0%
211	State Park Grants	81,660	-	-	0%
213	Library Fund	15,720	356	356	2%
	Total	<u>3,153,735</u>	<u>9,396</u>	<u>9,396</u>	<u>0%</u>
Capital Project Funds:					
401	Capital Improvement	284,451	25,852	25,852	0%
402	Storm Drainage	25,713	2,309	2,309	0%
403	Channel Drainage District	411,554	-	-	0%
404	Park Playground Fund	-	-	-	-
405	Middlefield Road Grants	-	-	-	-
406	Facilities Construction	287,267	6,970	6,970	0%
	Total	<u>1,008,985</u>	<u>35,131</u>	<u>35,131</u>	<u>3%</u>
Internal Service Funds:					
610	Vehicle Replacement	10,000	-	-	0%
611	Information Technology	107,500	1,129	1,129	1%
612	Administrative Services	328,151	104,359	104,359	32%
614	Workers Compensation Insurance	-	-	-	-
	Total	<u>445,651</u>	<u>105,488</u>	<u>105,488</u>	<u>24%</u>
Trust and Agency Funds:					
715	Evans Creative Design	62,100	3,808	3,808	6%
	Total	<u>62,100</u>	<u>3,808</u>	<u>3,808</u>	<u>6%</u>
	Total Expenditures	<u>12,189,961</u>	<u>616,771</u>	<u>616,771</u>	<u>5%</u>

TOWN OF ATHERTON
Budget Summary
Fiscal Year 2003-04
July 31st, 2003

Fund	Description	Beginning Fund Balance July 1, 2003	Revenues to Date	Transfers to Date	Expenditures To Date	Ending Fund Balance to Date
101	General Fund	5,284,633	156,557	-	462,948	4,978,242
	Special Revenue Funds:					
105	Tennis	10,543	800		71	11,272
201	Special Municipal Tax	895,443	-		-	895,443
202	Transportation	14,728	-		-	14,728
203	Street Improvement (Gas Tax)	126,605	-		-	126,605
209	Law Enforcement	22,911	-		8,969	13,942
210	Road Construction Impact Fees	650,346	18,220		-	668,566
213	Library Special Revenue Fund	723,832	-		356	723,476
	Sub Total	<u>2,444,408</u>	<u>19,020</u>	-	<u>9,396</u>	<u>2,454,032</u>
	Capital Projects Funds:					
401	Capital Improvement	358,152	-		25,852	332,300
402	Storm Drainage	48,225	-		2,309	45,916
403	Channel Drainage District	405,865	89		-	405,954
404	Park Playground Improvement	28,958	-		-	28,958
405	Middlefield Road Grants	-	1,514		-	1,514
406	Facilities Construction	274,654	-		-	274,654
	Sub Total	<u>1,115,854</u>	<u>1,603</u>	-	<u>28,161</u>	<u>1,089,296</u>
	Internal Service Fund					
610	Vehicle Replacement	402,633	-		-	402,633
611	Information Technology	78,723	-		1,129	77,594
612	Administrative Services	134,052	-		104,359	29,693
614	Workers Compensation Insurance	-	-		-	-
	Sub Total	<u>615,408</u>	<u>-</u>	-	<u>105,488</u>	<u>509,920</u>
	Trust and Agency Funds					
715	Evans Creative Design	116,028	8,254		3,808	120,474
	Sub Total	<u>116,028</u>	<u>8,254</u>	-	<u>3,808</u>	<u>120,474</u>
	Grand Total	<u>\$ 9,576,331</u>	<u>\$ 185,434</u>	<u>\$ -</u>	<u>\$ 609,801</u>	<u>\$ 9,151,964</u>



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF WEDNESDAY SEPTEMBER 17, 2003

SUBJECT: MONTHLY FINANCIAL REPORT, AUGUST, 2003

RECOMMENDATION:

Receive the Monthly Financial Report for August, 2003.

INTRODUCTION:

The attached schedules show revenues and expenditures and fund balance for all funds as of August 31st, 2003.

HIGHLIGHTS

With 16 percent of the fiscal year elapsed as of August 31st, year to date General Fund revenues amounted to \$336,013, or 4% of the \$7,675,433 estimated for the year. The pattern of revenue flowing to the General Fund reflects the seasonal nature of some revenue accounts. For example, property taxes, investment and rental income and intergovernmental revenues have amounted to 0%, 2% and 3% of total estimated revenues to date. By contrast, other revenue accounts have, as expected, exhibited a fairly stable pattern of receipts. For example, licenses and permits, fines and forfeitures and charges for current services have amounted to 14%, 13% and 14% of estimated revenues for the year.

In August other tax revenue amounted to a negative \$24,142. This is due to the reversal of a prior year accrual of a similar amount of revenues that was recognized as FY 2002-03 in accordance with generally accepted governmental accounting principals.

Year to date General Fund expenditures have amounted to \$1,033,134 or 14% of total appropriations for the year.

FISCAL IMPACT:

None

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

TOWN OF ATHERTON
Revenue Summary
For the Month ended August 31st, 2003

Fund	Revenue Source	2003-04 Estimate	Current Period Revenues	Year to Date Revenues	% Received
	Property Tax	\$ 3,035,934	7,789	\$ 7,789	0%
	Sales and Use Tax	200,640	15,085	21,470	11%
	Other Taxes	882,115	(24,142)	11,685	1%
	Licenses & Permits	1,541,673	138,559	208,195	14%
	Fines & Forfeitures	70,000	2,493	8,785	13%
	Revenue from Other Agencies	139,000	4,691	4,691	3%
	Charges for Services	445,900	29,593	64,614	14%
	Investment & Rental Income	347,300	4,868	7,999	2%
	Other Revenues	3,000	521	785	26%
	Total General Fund Revenues	6,665,562	179,457	336,013	5%
	Interfund (Operating) Transfers In	1,009,871	-	-	0%
101	General Fund Total	7,675,433	179,457	336,013	4%
	Special Revenue Funds:				
105	Tennis	9,000	-	800	9%
201	Special Parcel Tax	1,770,000	-	-	0%
202	Transportation	177,740	-	-	0%
203	Street Improvement (Gas Tax)	149,309	19,143	19,143	13%
209	Law Enforcement	100,000	-	-	0%
210	Road Construction Impact Fees	340,000	38,364	56,584	17%
211	State Park Grants Fund	93,040	-	-	0%
213	Library	200,000	5,105	7,105	4%
	Total	2,839,089	62,612	83,632	3%
	Capital Project Funds:				
401	Capital Improvement	-	-	-	
402	Storm Drainage	-	-	-	
403	Channel Drainage District	46,000	112	201	0%
404	Park Playground Improvement	-	-	-	0%
405	Middlefield Road Grants	-	-	1,514	
406	Facilities Construction	-	-	-	
	Total	46,000	112	1,715	4%
	Internal Service Funds:				
610	Vehicle Replacement	-	-	-	
611	Information Technology	96,043	-	-	0%
612	Administrative Services	283,128	-	-	0%
	Total	379,171	-	-	0%
	Trust and Agency Funds:				
715	Evans Creative Design	74,000	1,020	9,274	13%
	Total	74,000	1,020	9,274	13%
	Total Revenues	11,013,693	243,201	430,634	4%

TOWN OF ATHERTON
Expenditure Summary
For the Month Ended August 31st, 2003

Fund	Description Department	2003-04 Budget	Current Period Expenditures	Year to Date Expenditures	% Spent
101	General Fund				
	11 City Council	\$ 20,174	\$ 287	3,332	17%
	12 City Manager	497,895	43,055	81,267	16%
	16 City Attorney	175,551	7,851	15,351	9%
	18 Finance	434,137	40,556	61,672	14%
	25 Building	902,873	63,219	108,809	12%
	40 Police	3,629,233	283,683	535,787	15%
	50 Public Works	1,759,627	131,536	226,916	13%
	Contingency	100,000	-	-	0%
	Total General Fund Expenditures	<u>7,519,490</u>	<u>570,187</u>	<u>1,033,134</u>	<u>14%</u>
	Interfund (Operating) Transfers Out	-	-	-	0%
101	General Fund Total	<u>\$ 7,519,490</u>	<u>\$ 570,187</u>	<u>\$ 1,033,134</u>	<u>14%</u>
Special Revenue Funds:					
105	Tennis	22,936	1,101	1,172	5%
201	Special Parcel Tax	1,986,917	117,620	117,620	6%
202	Transportation	177,740	-	-	0%
203	Street Improvement (Gas Tax)	180,080	23,107	23,107	13%
209	Law Enforcement	100,000	8,609	17,578	18%
210	Road Impact Fees	588,682	-	-	0%
211	State Park Grants	81,660	-	-	0%
213	Library Fund	15,720	2,372	2,728	17%
	Total	<u>3,153,735</u>	<u>152,809</u>	<u>162,205</u>	<u>5%</u>
Capital Project Funds:					
401	Capital Improvement	284,451	77	25,928	0%
402	Storm Drainage	25,713	-	2,309	0%
403	Channel Drainage District	411,554	-	-	0%
404	Park Playground Fund	-	-	-	-
405	Middlefield Road Grants	-	-	-	-
406	Facilities Construction	287,267	2,841	9,811	0%
	Total	<u>1,008,985</u>	<u>2,918</u>	<u>38,048</u>	<u>4%</u>
Internal Service Funds:					
610	Vehicle Replacement	10,000	-	-	0%
611	Information Technology	107,500	3,917	5,046	5%
612	Administrative Services	328,151	9,384	113,744	35%
	Total	<u>445,651</u>	<u>13,301</u>	<u>118,790</u>	<u>27%</u>
Trust and Agency Funds:					
715	Evans Creative Design	62,100	5,818	9,626	16%
	Total	<u>62,100</u>	<u>5,818</u>	<u>9,626</u>	<u>16%</u>
	Total Expenditures	<u>12,189,961</u>	<u>745,033</u>	<u>1,361,803</u>	<u>11%</u>

TOWN OF ATHERTON
Budget Summary
Fiscal Year 2003-04
As of August 31st, 2003

Fund	Description	Beginning Fund Balance July 1, 2003	Revenues to Date	Transfers to Date	Expenditures To Date	Ending Fund Balance to Date
101	General Fund	5,284,633	336,013	-	1,033,134	4,587,512
	Special Revenue Funds:					
105	Tennis	10,543	800		1,172	10,171
201	Special Municipal Tax	895,443	-		117,620	777,823
202	Transportation	14,728	-		-	14,728
203	Street Improvement (Gas Tax)	126,605	19,143		23,107	122,641
209	Law Enforcement	22,911	-		17,578	5,333
210	Road Construction Impact Fees	650,346	56,584		-	706,930
213	Library Special Revenue Fund	723,832	-		2,728	721,104
	Sub Total	<u>2,444,408</u>	<u>76,527</u>	-	<u>162,205</u>	<u>2,358,730</u>
	Capital Projects Funds:					
401	Capital Improvement	358,152	-		25,928	332,224
402	Storm Drainage	48,225	-		2,309	45,916
403	Channel Drainage District	405,865	201		-	406,066
404	Park Playground Improvement	28,958	-		-	28,958
405	Middlefield Road Grants	-	1,514		-	1,514
406	Facilities Construction	274,654	-		-	274,654
	Sub Total	<u>1,115,854</u>	<u>1,715</u>	-	<u>28,237</u>	<u>1,089,332</u>
	Internal Service Fund					
610	Vehicle Replacement	402,633	-		-	402,633
611	Information Technology	78,723	-		5,046	73,677
612	Administrative Services	134,052	-		113,744	20,308
614	Workers Compensation Insurance	-	-		-	-
	Sub Total	<u>615,408</u>	-	-	<u>118,790</u>	<u>496,618</u>
	Trust and Agency Funds					
715	Evans Creative Design	<u>116,028</u>	<u>9,274</u>		<u>9,626</u>	<u>115,676</u>
	Sub Total	<u>116,028</u>	<u>9,274</u>	-	<u>9,626</u>	<u>115,676</u>
	Grand Total	\$ 9,576,331	\$ 423,529	\$ -	\$ 1,351,992	\$ 8,647,868



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

SUBJECT APPROVAL OF FY 2003-04 INVESTMENT POLICY

RECOMMENDATION

Approve the investment policy as shown in Attachment A to this staff report.

DISCUSSION

Pursuant to Government Code Section 53600 et seq., each municipality is required to review and, if necessary, update its investment policy at annual intervals.

In FY 2002-03 the Finance Department explored alternatives to the Town's existing investment vehicles, the State of California Local Agency Investment Fund and the San Mateo County Investment Pool. These alternatives fell into two broad categories:

- Utilizing the services of an outside investment advisor to tailor a portfolio that was designed to meet the specific investment requirements of the Town of Atherton; and,
- Participation in various pooled money funds that are tailored to the California market and offered by certain for profit and not for profit enterprises such as Morgan Stanley and the CSAC Finance Corporation.

In analyzing these alternatives staff determined that the use of an outside fund manager would not be feasible because it would be difficult to construct an efficient portfolio (that is to construct a portfolio that can be diversified enough so that yields can be optimized for a chosen level of risk) with the limited amount of funds that the Town has to invest.

Based upon a review of the pooled money funds available from certain for profit and not for profit entities, we also determined that the pooled money funds available were either inconsistent with the investment priorities that the Town has adopted or the investment funds did have a sufficient degree of capitalization to constitute a prudent investment.

Accordingly, our recommended investment policy for FY 2003-04 remains unchanged from that approved in FY 2002-03.

FISCAL IMPACT

Approval of the attached investment policy will not require any adjustment to appropriations or estimated revenues.

Prepared by:

Approved by:

John P. Johns, CPA
Finance Director

James H. Robinson
City Manager

Attachment: Investment Policy

Attachment A

Town of Atherton Investment Policy FY 2003-04

OBJECTIVES

In accordance with the Section 53600 et seq. of the California Government the primary objectives of the Town of Atherton investment policy is as follows:

- **Safety** To safeguard principal against loss in value.
- **Liquidity** To maintain an adequate cash flow to fund operations and meet present and future expenditures of the Town.
- **Yield** To obtain the maximum return possible within the range of permissible investments authorized to provide security and liquidity of funds.

These procedures are also intended to adhere to the prudent investor standard as is codified in statute. Additionally, these investment policies are designed to provide assurance that available cash balances in non-interest bearing checking accounts is minimized and to ensure that all transactions involving cash and cash equivalents are subject to adequate internal controls.

PROCEDURES

Investment Instruments: Authorized investment instruments for the Town of Atherton are: 1) State of California Local Agency Investment Fund (LAIF); 2) San Mateo County Investment Pool; and, 3) Certificates of deposit in California financial institutions.

1. **LAIF** Authorizes transfer to and from the Town of Atherton checking and savings accounts or other authorized investment instruments. Transfers are initiated by the City Manager or the Finance Director. A written authorization to LAIF, signed by the City Manager, is required to make changes to employees holding the title of City Manager and Finance Director or to change investment instruments. Summary copies of the investment information will be included with the Treasurers report to Council on a quarterly basis.
2. **SAN MATEO COUNTY INVESTMENT POOL** Authorizes transfer to and from the Town of Atherton's checking and savings accounts or other authorized investment instruments. Only the

City Manager or the Finance Director initiates transfers. Written authorization that specifies bank accounts and authorized signatures will be signed by the City Manager and kept on file with both the Town and the County Treasurer's Office. Summary copies of the investment information will be included with the *Finance Director's* report to Council on a quarterly basis.

3. **CERTIFICATES OF DEPOSIT** Negotiable certificates of deposit that are issued by a nationally or State chartered bank or a State or Federal Savings and Loan Association. Principal of each investment will not exceed \$100,000, or the maximum amount insured by FDIC. The maturity of any certificate of deposit will not exceed 12 months.
4. **INVESTMENT PORTFOLIO COMPOSITION** No more than two-thirds of available cash balances should be held in deposit with either the State of California Local Agency Investment Fund or the San Mateo County Investment Pool. Additionally, no more one third of available cash balances will be held as direct investments with any single bank or other financial institution.
5. **RESTRICTIONS** No investment will be made directly by staff in financial futures, financial option contracts, derivatives or repurchase agreements. Repurchase agreements and reverse repurchase agreements will be allowed by third parties (Local Agency Investment Fund and San Mateo County Investment Pool).
6. **ANNUAL UPDATE** The Town Council will annually review, evaluate and adopt an investment policy by no later than the quarter ended September 30th of each fiscal year.
7. **CASH FLOW AVAILABILITY** The Quarterly Investment Report will include a statement that the projected cash available is adequate to meet expected obligations over the next six months.

RESPONSIBILITIES

CITY MANAGER Has overall responsibility for monitoring investment activity and insuring compliance to the Investment Policy. The City Manager will authorize all investment documents on behalf of the Town and verify that investments are accurately reported to the City Council on a quarterly basis.

FINANCE DIRECTOR Has responsibility for initiating investments, insuring compliance with the Investment Policy, reporting to the City Manager changes in the financial status of investments and institutions, and executing all investment documents on behalf of the Town.



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCILMEMBERS

FROM: MARC G. HYNES, CITY ATTORNEY

DATE: CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING TITLE 17 OF THE ATHERTON MUNICIPAL CODE REGULATING SECOND DWELLING UNITS WITHIN THE TOWN OF ATHERTON.

Recommendation

Consider ordinance which has previously been introduced. Adoption of the ordinance will require three affirmative votes.

Background

This ordinance was introduced at the regular meeting of the City Council of the Town of Atherton on July 16, 2003. A copy of the accompanying staff report is attached for reference.

Fiscal Impact

None.

Respectfully,

MGH:cwb
Attachment

MARC G. HYNES

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
AMENDING TITLE 17 OF THE ATHERTON MUNICIPAL CODE REGULATING
SECOND DWELLING UNITS WITHIN THE TOWN OF ATHERTON**

The City Council of the Town of Atherton does ordain as follows:

SECTION 1: Title 17, Chapter 17.08 of the Atherton Municipal Code is hereby amended by revising Section 17.08.030 to read as follows:

“Second Dwelling Unit” means a building or portion of a building designed for use and occupancy by one or two people living independently of the occupants of the main residence building and containing separate kitchen, bath, sleeping or living facilities.”

SECTION 2: Title 17, Chapters 17.20 and 17.24 of the Atherton Municipal Code are hereby amended by deleting subsection (C) of Sections 17.20.030 and 17.24.030 which subsection reads as follows:

"C. Accessory structures for human habitation."

SECTION 3: Title 17, Chapters 17.20 and 17.24 of the Atherton Municipal Code are hereby amended by adding a new subsection (C) to existing Sections 17.20.020 and 17.24.020 which subsection reads as follows:

"C. Second Dwelling Units in compliance with section 17.26.030."

SECTION 4: Title 17, Chapter 17.36 of the Atherton Municipal Code is hereby amended by revising subsection B of Section 17.36.025 to read as follows:

"B. One kitchen may be within an approved second dwelling unit which is located within the main dwelling building setback lines;"

SECTION 5: Title 17, Chapter 17.36 of the Atherton Municipal Code is hereby amended by revising Section 17.36.030 to read as follows:

“A second dwelling unit is permitted provided the following standards are incorporated into the structural design:

- A. Only one second dwelling unit shall be allowed on each lot or parcel.
- B. Each such second dwelling unit shall meet all applicable setback requirements in effect for residential structures.
- C. The maximum size of each such second dwelling unit shall not exceed six hundred square feet, and no unit shall contain fewer square feet than the minimum prescribed by the applicable building code.
- D. Either the main residence or the second dwelling unit, or both, shall be occupied by the owner of the property.
- E. No more than two persons shall reside in any second dwelling unit.
- F. Each second dwelling unit shall have assigned to it two designated, paved, off-

street parking spaces accessible from a public street, and screened from view of the public street.

- G. Second dwelling units which are to be incorporated into or added to existing residence structures shall be permitted only on lots which have area greater than excess of one-half acre.
- H. Second dwelling units which are to be detached from main residence structures shall be permitted only on lots which have greater than forty thousand square feet, and may be located only in the rear yard.
- I. A separation of at least eight feet shall be maintained between any detached second dwelling unit and its main residence structure.
- J. Any new second dwelling unit which is incorporated into an existing main residence shall have a separate entrance facing the side or rear yard.
- K. The second dwelling structure shall meet all applicable zoning, building and fire regulations.
- L. Any lighting associated with the second dwelling unit shall be shielded or downlit and shall not shine onto adjoining properties.
- M. Landscape screening shall be provided in compliance with the provisions of Chapter 17.50.”

SECTION 6: The City Council hereby declares that it would have passed this Ordinance word by word, sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions on this Ordinance are severable and, if for any reason any word, 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 7: This Ordinance shall be posted in at least three public places according to law and shall take effect and be in force from and after 30 days after its passage and adoption.

* * * * *

Introduced at a regular meeting of the City Council of the Town of Atherton on July 16, 2003.

Passed and adopted as an Ordinance of the Town of Atherton at a regular meeting thereof held on the _____ day of _____, 2003, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

James R. Janz, Mayor

ATTEST:

Sharon Barker, City Clerk

APPROVED AS TO FORM:

Marc G. Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCILMEMBERS

FROM: MARC G. HYNES, CITY ATTORNEY

DATE: CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING CHAPTER 15.32 OF THE ATHERTON MUNICIPAL CODE REGARDING ENVIRONMENTAL REVIEW IN THE TOWN OF ATHERTON

Recommendation

Consider ordinance which has previously been introduced. Adoption of the ordinance will require three affirmative votes.

Background

This ordinance was introduced at the regular meeting of the City Council of the Town of Atherton on July 16, 2003. A copy of the accompanying staff report is attached for reference.

Fiscal Impact

Costs associated with these requirements should be borne by project applicants.

Respectfully,

MGH:cwb
Attachment

MARC G. HYNES

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
AMENDING SECTIONS 15.32 OF THE ATHERTON MUNICIPAL CODE REGARDING ENVIRONMENTAL REVIEW
IN
THE TOWN OF ATHERTON

The City Council of the Town of Atherton does ordain as follows:

SECTION 1: Chapter 15.32 of the Atherton Municipal Code is hereby amended entirely to read as follows:

“Environmental Review”.

SECTION 2: Section 15.32.100 of the Atherton Municipal Code is hereby added to read as follows:

“Threshold of Significance for the Removal of Heritage Trees. The City Council declares that the removal of the following heritage trees could potentially have a significant impact on the environment and that an initial study and mitigated negative declaration or Environmental Impact should be prepared;

- A. More than two heritage trees on parcels of land with an area less than one acre. The removal of two or fewer heritage trees is exempt from further environmental review.
- B. More than five heritage trees on parcels of land with an area of one acre, but less than two acres. The removal of five or fewer heritage trees is exempt from further environmental review.
- C. More than seven heritage trees on parcels of land with an area greater than two acres. The removal of seven or fewer heritage trees is exempt from further environmental review.
- D. More than three heritage trees within a grove, screen, stand or closely planted area. The removal of three or fewer heritage trees, in such situation is exempt from further environmental review.

The applicable environmental determination shall be valid for a period of five years.

In compliance with the California Environmental Quality Act (CEQA), the City Council finds that heritage trees located outside of the tree preservation area can be removed as a matter of right and that such removal is therefore considered to be a ministerial act, statutorily exempt from CEQA, and, the City Council further finds that dead or dangerous heritage trees may be considered categorically exempt from CEQA.”.

SECTION 3: That the City Council hereby declares that it would have passed this Ordinance word by word, sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions of this Ordinance are severable and, if for any reason any word, 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 shall be posted in at least three public places according to law and shall take effect and be in force from and after 30 days after its passage and adoption.

* * * * *

Introduced at a regular meeting of the City Council of the Town of Atherton on July 16, 2003.

Passed and adopted as an Ordinance of the Town of Atherton at a regular meeting thereof held on the ____ day of _____, 2003, by the following vote:

AYES	COUNCILMEMBERS:
NOES	COUNCILMEMBERS
ABSENT	COUNCILMEMBERS
ABSTAIN	COUNCILMEMBERS

James R. Janz, Mayor

ATTEST:

Sharon Barker, City Clerk

APPROVED AS TO FORM:

Marc Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCILMEMBERS

FROM: MARC G. HYNES, CITY ATTORNEY

DATE: CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

**SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF
ATHERTON AMENDING ORDINANCE NO. 538 TO CONTINUE IN
EFFECT EXISTING PROCEDURES FOR INFORMAL COMPETITIVE BID
AND SMALL PURCHASES**

Recommendation

This ordinance has been previously adopted as an urgency measure. This second reading is to provide an alternative adoption in the event the urgency rationale is insufficient. Adoption of the ordinance will require three affirmative votes.

Background

This ordinance was introduced at the regular meeting of the City Council of the Town of Atherton on July 16, 2003. A copy of the accompanying staff report is attached for reference.

Respectfully,

MARC G. HYNES

Attachment

ORDINANCE NO. _____

**AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
AMENDING ORDINANCE NO. 538 TO CONTINUE IN EFFECT EXISTING
PROCEDURES FOR INFORMAL COMPETITIVE BID AND SMALL PURCHASES UNDER
CHAPTER 3.16 OF THE ATHERTON MUNICIPAL CODE**

WHEREAS, by Ordinance No. 538 adopted December 18, 2002, and effective on January 17, 2003, the City Council amended Chapter 3.16 of the Atherton Municipal Code to require that procurement of supplies, services, and equipment over \$750.00 be made only by purchase order or by written contract approved by the City Manager and that any purchase of supplies, services, or equipment up to \$750.00 can be obtained by soliciting a single vendor of choice. Requisitions, purchase orders are not required; and

WHEREAS, the foregoing amendments were to be automatically repealed on the 181st day following the effective date, January 17, 2003, of Ordinance No. 538 unless the City Council shall take further action; and

WHEREAS, the City Council desires to continue the amendments in effect by removing the repealer language as set forth in Ordinance No. 538; and

WHEREAS, in order to ensure the consistent operation of the Town's Finance Department and execution of its duties under existing purchasing regulations the City Council finds and determines that the public welfare requires adoption of this ordinance as an urgency measure;

NOW, THEREFORE, the City Council of the Town of Atherton does ordain as follows:

SECTION 1: Amendment of Code. Section 5 of Ordinance No. 538 is hereby amended by deleting therefrom the second sentence which reads:

"This ordinance shall automatically be repealed and shall be of no further force and effect on and after the 181st day following its effective date unless the City Council shall take further action."

SECTION 2: The City Council hereby declares that it would have passed this Ordinance word by word, sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions of this Ordinance are severable and, if for any reason any word, sentence, paragraph or section of this Ordinance shall be held invalid, such decision shall not affect the validity of the remaining parts of this Ordinance.

SECTION 3: This Ordinance shall be posted in at least three public places according to law and shall take effect immediately as an urgency measure based upon the findings set forth in the above recitals which are incorporated here by reference.

* * * * *
* * * * *

Introduced at a regular meeting of the City Council of the Town of Atherton on July 16, 2003.

Passed and adopted as an Ordinance of the Town of Atherton at a regular meeting thereof held on the _____ day of _____, 2003, by the following vote:

AYES: COUNCILMEMBERS _____

NOES: COUNCILMEMBERS _____

ABSTAIN: COUNCILMEMBERS _____

ABSENT: COUNCILMEMBERS _____

Mayor, Town of Atherton

ATTEST:

Sharon Barker, City Clerk

APPROVED AS TO FORM:

Marc G. Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

SUBJECT: QUARTERLY INVESTMENT REPORT, JUNE 2003

RECOMMENDATION:

Note, receipt and file.

INTRODUCTION:

This is the quarterly status report of the Town's investments in the Local Agency Investment Fund (LAIF) and the San Mateo County Investment Pool (SMCIP) for the quarter ending June 30th, 2003.

DISCUSSION

As of June 30th, 2003, the Town had a total investment of **\$9,783,761**. The total interest earning for the quarter ending June 30th, 2003 amounted to **\$69,511**. The funds are invested in the San Mateo County Investment Pool (SMCIP) and the Local Agency Investment Fund (LAIF).

During the first quarter of 2003, the reported effective yield of the LAIF amounted to 1.7 percent. This compares to an average net earnings reported by the San Mateo County Investment Pool of 3.2 percent.

The interest income and effective yields reported by the San Mateo County Treasurer and by the State of California Treasurer include interest payments on fixed income securities held by these entities as well as any gains or losses realized on securities sold during the reporting interval. Calculations of interest income

earned or reported yields do not reflect any changes in the market value of the fixed income securities held by either the San Mateo County Pool or the State of California Local Agency Investment Fund.

To account for the increase or decrease in the economic value of fixed income securities (unrealized gains or losses) held directly or indirectly through investment pools, Governmental Accounting Standards Board Statement Number 31 requires municipalities to report such unrealized gains or losses separately at year end. This “mark to market” accounting entry is recorded on the financial statements as current year income. Additionally, fund balance is reserved in an amount that is equivalent to the amount of the unrealized gain that has been recorded as current year income.

In FY 2002-03, unrealized investment gains for the Town of Atherton amounted to \$91,345 or roughly one percent of the average daily cash balance the Town’s investment portfolio and nearly 30 percent of the total interest income recorded during all of FY 2002-03.

Investment at SMCIP: San Mateo County Investment Pool is created and managed by the County Treasurer. As of June 30th, the County’s Investment Pool carried investments with a total par value of \$2.2 billion and an average duration to maturity of 2.2 years. The Town’s investment with the San Mateo County Investment Pool as of June 30th amounted to \$7,378,703 or 75 percent of the Town’s total investment holdings.

Attachment 1 to this staff report provides a summary of the composition of the San Mateo County Investment Pool according to investment vehicle.

Investment in LAIF: Local Agency Investment Fund (LAIF) is created and managed by the California State Treasurer. As of June 30th, LAIF had total assets of \$59 billion and an average duration to maturity of about 212 days. The Town’s investment with LAIF as of June 30th, 2003 amounted to \$2,405,058 or 25 percent of the total funds invested.

Attachment 2 to this report provides a summary of the composition of the LAIF according to investment fund.

FISCAL IMPACT:

Informational only.

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

ATTACHMENTS:

1. Quarterly investment summary, San Mateo County Investment Pool
2. Quarterly investment summary, State of California Local Agency Investment Fund

Office of the County Treasurer



LEE BUFFINGTON
TAX COLLECTOR - TREASURER

COUNTY OF SAN MATEO

CHARLES M. TOVSTEIN
ASSISTANT TREASURER

555 COUNTY CENTER • REDWOOD CITY • CALIFORNIA 94063 TELEPHONE: (650) 363-4380

DATE: July 18, 2003
TO: San Mateo County Pool Participants
FROM: Lee Buffington, Tax Collector-Treasurer
SUBJECT: Monthly Investment Reports

Gross earnings for the month of June 30, 2003 were 3.36% and for the quarter ended June 30, 2003 were 3.41%. The current average maturity of the portfolio is 2.4 years with an average duration of 2.2 years. The portfolio continues to hold no derivative products.

San Mateo County Pool fulfills Government Code Section 53646, which states its ability to meet its expenditure requirements for the next six months.

I certify these reports are in compliance with the investment policy dated January 2003. If you have any questions regarding any of these reports, please call Charles Tovstein or myself at (650) 363 - 4580.

Lee Buffington
Tax Collector-Treasurer

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
FOR THE 4TH QUARTER ENDED JUNE 30, 2003**

	<u>06/30/03 Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Investments</u>		
U S Treasury Notes	\$405,000,000	\$998,928
Corporate Notes	\$327,500,000	\$2,872,005
Asset Backed Securities	\$40,820,783	\$61,688
Federal Agencies	\$555,000,000	\$4,271,067
Floating Rate Securities	\$153,000,000	\$218,063
<u>Short Term Investments</u>		
Corporate Notes	\$51,000,000	\$544,913
Federal Agencies	\$406,971,000	\$778,440
Floating Rate Securities	\$15,000,000	\$12,828
Commercial Paper	\$200,500,000	\$104,496
LAIF	\$37,000,000	\$164,502
SUBTOTAL - ACCRUED INCOME	<u>\$2,191,791,783</u>	<u>\$10,026,929</u>
<u>Realized Gain/Loss & Interest Received</u>		
Repurchase Agreements		\$1,399,147
U S Treasury Notes		\$3,507,981
Corporate Notes		\$1,358,287
Asset Backed Securities		\$328,252
Federal Agencies		\$1,861,605
Floating Rate Securities		\$435,494
Commercial Paper		\$318,167
LAIF		\$4,621
Teeter Pool Income		\$161,084
Securities Lending Income		\$98,476
GROSS POOL RATE/EARNINGS*	3.41%	<u>\$19,500,044</u>

<u>POOL BREAKDOWN</u>	<u>Pool 1</u>	<u>Pool 2</u>	<u>Pool 3</u>	<u>TOTAL</u>
Average Balance	329,944,145	514,287,843	1,450,825,502	2,295,057,490
Gross Earnings	2,803,383	4,369,666	12,326,994	19,500,044
Admin Fees	(102,825)	(160,275)	(452,141)	(715,241)
Bank Fees	(77,204)	(51,470)		(128,674)
Net Earnings	<u>2,623,354</u>	<u>4,157,922</u>	<u>11,874,854</u>	<u>18,656,130</u>
Net Earnings %	3.19%	3.24%	3.28%	3.26%

Earnings %'s are based on Q4 02-03 average daily balance of investment pools.
Pool 1 and Pool 2 are charged with bank fees associated with their disbursement/depository activity.

SAN MATEO COUNTY TREASURER'S OFFICE
 FIXED INCOME DISTRIBUTION - SETTLED TRADES
SAN MATEO COUNTY POOL
 June 30, 2003

Summary Information

Totals		Weighted Averages	
Par Value	2,191,791,783	Average YTM	2.2
Market Value	2,255,784,494.11	Average Maturity (yrs)	2.4
Total Cost	2,198,069,485.80	Average Coupon (%)	2.622
Net Gain/Loss	57,715,008.31	Average Duration	2.2
Annual Income	56,423,538.19	Average Moody Rating	Aa1
Accrued Interest	13,467,866.98	Average S&P Rating	AA+
Number of Issues	125		

Distribution by Maturity

<u>Maturity</u>	<u>Number</u>	<u>Mkt Value</u>	<u>% Bond Holdings</u>	<u>Average Y T M</u>	<u>Average Coupon</u>	<u>Average Duration</u>
Under 1 Yr	30	714,455,709.34	31.7	2.3	0.867 %	0.1
1 Yr - 3 Yrs	49	696,797,850.87	30.9	1.7	3.075 %	1.9
3 Yrs - 5 Yrs	39	769,982,270.70	34.1	2.6	3.621 %	3.9
5 Yrs - 7 Yrs	2	11,373,697.92	0.5	2.8	5.188 %	4.7
7 Yrs - 10 Yrs	5	63,174,965.28	2.8	4.4	4.959 %	7.4

Distribution by Coupon

<u>Coupon %</u>	<u>Number</u>	<u>Mkt Value</u>	<u>% Bond Holdings</u>	<u>Average Y T M</u>	<u>Average Coupon</u>	<u>Average Duration</u>
Under 1%	10	550,333,836.40	24.4	2.5	0.000 %	0.0
1% - 3%	37	764,108,528.13	33.9	1.9	2.235 %	2.8
3% - 5%	41	606,134,628.80	26.9	2.3	3.842 %	3.0
5% - 7%	36	324,033,070.44	14.4	2.4	5.587 %	3.0
7% - 10%	1	11,174,430.34	0.5	1.8	7.750 %	1.8

Distribution by Duration

<u>Duration</u>	<u>Number</u>	<u>Mkt Value</u>	<u>% Bond Holdings</u>	<u>Average Y T M</u>	<u>Average Coupon</u>	<u>Average Duration</u>
Under 1	30	714,455,709.34	31.7	2.3	0.867 %	0.1
1 - 3	57	764,912,321.44	33.9	1.8	3.173 %	2.0
3 - 5	33	713,241,498.05	31.6	2.5	3.592 %	4.0

SAN MATEO COUNTY TREASURER'S OFFICE
 FIXED INCOME DISTRIBUTION - SETTLED TRADES
SANMATEO COUNTY POOL
 June 30, 2003

5 - 7	1	11,212,152.78	0.5	4.8	6.250 %	6.6
7 - 10	4	51,962,812.50	2.3	4.3	4.681 %	7.6

Distribution by Moody Rating

<u>Rating</u>	<u>Number</u>	<u>Mkt Value</u>	<u>% Bond Holdings</u>	<u>Average Y T M</u>	<u>Average Coupon</u>	<u>Average Duration</u>
Aaa	79	1,676,932,894.77	74.3	2.3	2.425 %	2.2
Aa1	3	29,384,878.58	1.3	2.9	5.543 %	3.9
Aa2	11	158,554,194.75	7.0	2.2	3.915 %	3.2
Aa3	20	291,881,724.68	12.9	2.2	2.274 %	1.6
A1	7	67,221,533.88	3.0	1.8	3.749 %	1.9
A	3	21,500,166.73	1.0	1.8	5.052 %	1.6
A3	2	10,309,100.72	0.5	1.3	4.154 %	1.5

Distribution by S&P Rating

<u>Rating</u>	<u>Number</u>	<u>Mkt Value</u>	<u>% Bond Holdings</u>	<u>Average Y T M</u>	<u>Average Coupon</u>	<u>Average Duration</u>
AAA	80	1,688,284,881.46	74.8	2.3	2.446 %	2.2
AA	6	69,797,242.80	3.1	2.0	3.259 %	2.9
AA-	17	185,219,110.00	8.2	2.4	4.545 %	3.0
A+	15	269,999,564.78	12.0	2.1	1.831 %	1.6
A	7	42,483,695.07	1.9	1.6	5.263 %	1.5

1.

¹ MARKET VALUE ON THE FIXED INCOME DISTRIBUTION REPORT INCLUDES ANY ACCRUED INTEREST THAT A SECURITY HAS EARNED. TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST.

POOLED MONEY INVESTMENT ACCOUNT
SUMMARY OF INVESTMENT DATA
A COMPARISON OF A JUNE 2003 WITH JUNE 2002
(DOLLARS IN THOUSANDS)

	JUNE 2003	JUNE 2002	CHANGE
Average Daily Portfolio	\$ 59,031,809	\$ 48,996,459	\$ +10,035,350
Accrued Earnings	\$ 82,327	\$ 108,215	-25,888
Effective Yield	1.697	2.687	-0.990
Average Life-Month End (In Days)	212	223	-11
Total Security Transactions			
Amount	\$ 49,976,054	\$ 32,388,219	+17,587,835
Number	1,058	693	+365
Total Time Deposit Transactions			
Amount	\$ 2,061,500	\$ 1,620,500	+441,000
Number	95	109	-14
Average Workday Investment Activity	\$ 2,477,979	\$ 1,700,436	+777,543
Prescribed Demand Account Balances			
For Services	\$ 1,018,519	\$ 714,662	+303,857
For Uncollected Funds	\$ 171,470	\$ 161,681	+9,789

**PHILIP ANGELIDES
TREASURER
STATE OF CALIFORNIA**

**INVESTMENT DIVISION SELECTED INVESTMENT DATA
ANALYSIS OF THE POOLED MONEY INVESTMENT ACCOUNT PORTFOLIO
(000 OMITTED)**

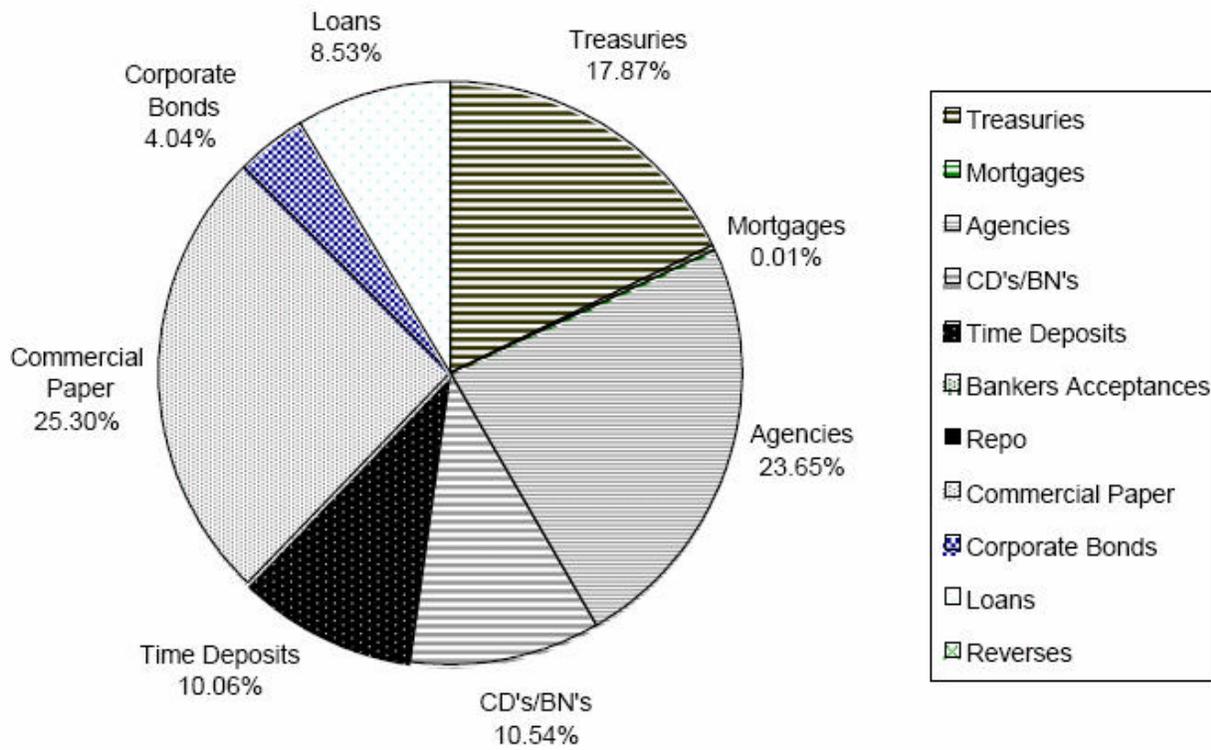
		June 30, 2003		<u>DIFFERENCE IN PERCENT OF PORTFOLIO FROM PRIOR MONTH</u>
<u>TYPE OF SECURITY</u>	<u>AMOUNT</u>	<u>PERCENT OF PORTFOLIO</u>		
Government				
Bills	\$ 1,593,303	2.87		+2.02
Bonds	0	0.00		0.00
Notes	8,311,148	15.00		+3.31
Strips	0	0.00		0.00
Total Government	\$ 9,904,451	17.87		+5.33
Federal Agency Coupons	\$ 4,665,606	8.42		+3.41
Certificates of Deposit	5,740,493	10.36		-9.04
Bank Notes	100,003	0.18		-0.67
Bankers' Acceptances	0	0.00		0.00
Repurchases	0	0.00		0.00
Federal Agency Discount Notes	8,440,754	15.23		+2.24
Time Deposits	5,575,095	10.06		+0.58
GNMAs	572	0.00		0.00
Commercial Paper	14,023,307	25.30		+4.59
FHLMC	4,910	0.01		0.00
Corporate Bonds	2,236,844	4.04		+0.68
Pooled Loans	4,730,471	8.53		+1.15
GF Loans	0	0.00		-8.27
Reversed Repurchases	0	0.00		0.00
Total (All Types)	\$ 55,422,506	100.00		

INVESTMENT ACTIVITY

	JUNE 2003		MAY 2003	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Pooled Money	1058	\$ 49,976,054	468	\$ 21,669,501
Other	33	654,269	28	59,332
Time Deposits	95	2,061,500	89	1,914,400
Totals	1186	\$ 52,691,823	585	\$ 23,643,233
PMIA Monthly Average Effective Yield	1.697		1.769	
Year to Date Yield Last Day of Month	2.152		2.199	

**Pooled Money Investment Account
Portfolio Composition
\$55.4 Billion**

06/30/03





Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER, JAMES ROBINSON**

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

**SUBJECT: ACCEPTANCE OF WORK AND AUTHORIZATION TO RECORD NOTICE
OF COMPLETION – ATHERTON AVENUE RECONSTRUCTION - PROJECT
03-004**

RECOMMENDATION

Accept the work and authorize recording a notice of completion for the Atherton Avenue – Stern Lane to Linda Vista Avenue Reconstruction Project.

INTRODUCTION

The Council awarded a contract in April to G. Bortolotto Construction Company for reconstructing portions of Atherton Avenue, including three cul-de-sacs, between Stern Lane and Linda Vista Avenue. The authorized contract amount was \$292,094. There have been four authorized contract change orders bringing the total to \$357,903. Work under the contract has been completed.

ANALYSIS

The contract price was based on unit prices and included an allowance for removing and replacing any areas of weak subsoil that might be encountered. The job went very well, and the unit quantities were less than the bid estimate. The final cost for all work totaled \$355,483.78.

FISCAL IMPACT

Funding for this project is part of \$724,424 in the FY 02/03 budget for street reconstruction. The cost of this segment of work is \$368,940.22 less than its part of the budget estimate.

CONCLUSION:

It is appropriate for the Council to accept the work and authorize recording a Notice of Completion at this time.

Respectfully submitted:

Reviewed/Approved:

Duncan L. Jones, P.E.
Public Works Director

James Robinson
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER, JAMES ROBINSON**

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

**SUBJECT: ACCEPTANCE OF WORK AND AUTHORIZATION TO RECORD NOTICE
OF COMPLETION – HOLBROOK-PALMER PARK PARKING LOT
PATCHING AND SEALING - PROJECT 03-003**

RECOMMENDATION

Accept the work and authorize recording of a notice of completion for the Holbrook-Palmer Park Parking Lot Patching And Sealing project.

INTRODUCTION

The Council awarded a contract in April to Silicon Valley Paving, Inc. for dig-outs, patching and slurry sealing two parking lots. The authorized contract amount was \$28,723.95. There has been one contract change order for extra slurry to cover additional area that needed to be covered, bringing the total contract to \$30,957.93. Work under the contract has been completed.

ANALYSIS

The contract price was based on unit prices. The job went very well. The final cost for all work totaled \$30,957.93.

FISCAL IMPACT

Funding for this project is part of \$60,000 in the FY 02/03 budget for the park parking lots. The cost of this segment of work is \$29,042.07 less than its part of the budget estimate.

CONCLUSION:

It is appropriate for the Council to accept the work and authorize recording a Notice of Completion at this time.

Respectfully submitted:

Reviewed/Approved:

Duncan L. Jones, P.E.
Public Works Director

James Robinson
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER, JAMES ROBINSON**

FROM: SHARON BARKER, CITY CLERK

DATE: FOR THE CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

SUBJECT: ARTS COMMITTEE APPOINTMENTS

RECOMMENDATION:

Approve the recommendation of the Screening Committee for appointments to the Atherton Arts Committee.

ANALYSIS:

Resolution No. 98-06 establishing the Atherton Arts Committee authorizes the appointment of up to ten members to serve on the Committee. Each member is appointed by the City Council for an indefinite term. Six applications have been received for the four vacancies which currently exist on the Committee. The City Council Screening Committee, consisting of Council Members Conwell and Marsala, interviewed two of the applicants prior to the time the agenda was published. Four more interviews were scheduled for the morning of September 17th. The Screening Committee will announce their recommendations to the Council at the regular meeting on September 17, at which time the Council may consider the appointments.

Respectfully submitted by:

Reviewed/Approved by:

Sharon Barker
City Clerk

James Robinson
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

SUBJECT: AWARD OF CONTRACT AND APPROPRIATION INCREASE OF \$78,616 FOR THE STREET CORPORATION YARD PROJECT, PROJECT NUMBER 03-007

RECOMMENDATION:

Award the contract for the Street Corporation Yard Project, project number 03-007 to John Plane Construction, Inc., the low bidder on the August 22, 2003 bids, for \$568,616, and increase the appropriation for the project by \$78,616 from \$490,000 to \$568,616.

FISCAL IMPACT:

Bids were received for the project on August 22, 2003. John Plane Construction, Inc. was the low bidder at \$568,616. This bid was 8% above the engineer's estimate prepared by Jack Matthews, Architect, the designer of the project, of \$526,365. The low bid is 16% above the project budget of \$490,000 from Facility Construction and Road Impact funds budgeted for the project in the FY 2003-04.

An alternative bid was also received from the contractors for a reduced scope of work for the project. The low bid received for the alternative bid was also from John Plane Construction, Inc. for \$540,116. The engineers estimate for the alternative bid was \$475,000. Because the cost savings for the alternative bid are only \$28,500, and the engineers estimate for this work was \$51,365, staff recommends that the scope of work not be reduced.

Accordingly, staff requests an increase in the appropriation for the Corporation Yard remodel in the amount of \$78,616, (the difference between the current project budget and the low bid). Increasing the appropriation for the corporation yard remodel can be accomplished without impacting the FY 2003-04 portion of the Town's four-year capital program by:

- Using \$68,299 in budgetary savings that were realized from the 2002-03 Street Reconstruction Project; and,
- Reducing 2004-05 appropriations for the Street Patch and Overlay expenditures from \$100,000 to \$88,683.

CONCLUSION:

The bids received for the project are within the funds available in Capital Improvement Program Road Impact Funds, and the contract should be awarded for the amount of the lowest responsible bid.

Prepared By:

Approved:

Duncan L. Jones, PE
Public Works Director

James Robinson
City Manager

Attachments: Bid Results



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

SUBJECT: ADOPTION OF A RESOLUTION APPROVING AN AGREEMENT WITH CALTRANS FOR HIGHWAY MAINTENANCE SERVICES AND ADJUSTMENT TO GENERAL FUND APPROPRIATIONS BY \$26,800.

RECOMMENDATION:

Staff recommends that Council:

- Adopt a resolution approving the attached agreement with the California Department of Transportation (Caltrans) to perform highway maintenance services along El Camino Real and;
- Increase appropriations for contract services and temporary help in the Public Works Department by a total of \$26,800.

DISCUSSION:

Since 1984 the Town of Atherton has performed certain maintenance functions on the El Camino Real routine under contract to Caltrans pursuant to Section 130 of the Streets and Highways Code. The services the Town has provided on behalf of Caltrans includes:

- Cleaning, maintaining and repairing curbs and sidewalks;
- Control of weed and brush along and within the right of way;
- Tree trimming;
- Watering, fertilizing and weed control in planted areas; and,
- Sharing in the costs of maintaining and providing electrical power to certain street lights and signals.

Under the previous agreement, the Town of Atherton was compensated at the maximum rate of \$8,900 annually.

In recognition of the fact that the amount of compensation provided by Caltrans has not been sufficient to provide the desired level of maintenance along the El Camino, the Town's Public Works Superintendent requested that Caltrans renegotiate its agreement with the Town of Atherton.

The proposed agreement is the result of negotiations between Caltrans and the Public Works Department. In summary, the agreement provides for an increase in the compensation to the Town of Atherton for maintenance services by \$26,800 (from \$8,900 to \$35,700) annually. Additionally, the scope of services under the new contract is similar to the previous contract, albeit with one exception, the Town will take on responsibility for major pruning of trees within the right of way. Given the significant increase in compensation and the relatively minor adjustment in the scope of services, staff believes that the new agreement with Caltrans provides the opportunity to dedicate a higher level of maintenance to the El Camino Real without drawing discretionary revenues away from other purposes.

Since there was some degree of uncertainty as to whether the Town would be successful in negotiating a higher level of compensation from Caltrans, additional revenues were not included in the FY 2003-04 budget, nor were any additional funds requested for enhanced maintenance services along the El Camino. We are therefore requesting that, in addition to approving the attached agreement with Caltrans, Council approve an increase in appropriations for contract services and temporary salaries in the amount of \$26,800. Such an increase will be used to perform certain maintenance activities that have either been deferred over the years or that have not been performed as frequently as is desirable such as tree trimming and weed control.

FISCAL IMPACT:

Approving the attached agreement and supplemental appropriation request will increase General Fund revenues by \$26,800 and General Fund expenditures by \$26,800.

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

RESOLUTION 03-__

**A RESOLUTION OF THE TOWN OF ATHERTON
APPROVING AN AGREEMENT WITH CALTRANS FOR MAINTENANCE OF THAT
PORTION OF THE EL CAMINO REAL WHICH IS LOCATED WITHIN THE
GEOGRAPHICAL BOUNDARIES OF THE TOWN OF ATHERTON**

WHEREAS, The Town of Atherton and Caltrans have had a previous agreement for the maintenance of the El Camino Real; and

WHEREAS, this agreement has been in effect since 1984; and

WHEREAS, a new agreement has been negotiated that provides for an increase in compensation to the Town of Atherton along with a minor expansion in the scope of services to be provided by the Town of Atherton; and

WHEREAS, the total compensation under the new agreement will amount to \$35,700 annually.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby adopts the attached agreement for maintenance of that portion of the El Camino Real that is located within the geographic boundaries of the Town of Atherton, and authorizes the Mayor to execute said agreement on behalf of the Town.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 17th day of September, 2003 by the following vote:

*AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS:*

James R. Janz, Mayor
TOWN OF ATHERTON

ATTEST:

Sharon Barker, City Clerk

APPROVED TO FORM:

Marc G. Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER, JAMES ROBINSON**

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

SUBJECT: RESOLUTIONS APPROVING THE TOWN OF ATHERTON TO APPLY FOR GRANT FUNDS FOR THE PER CAPITA GRANT PROGRAM AND THE ROBERTI-Z'BERG-HARRIS URBAN OPEN SPACE AND RECREATION PROGRAM UNDER THE SAFE NEIGHBORHOOD PARKS, CLEAN WATER, CLEAN AIR, AND COASTAL PROTECTION BOND ACT OF 2002

RECOMMENDATION

Adopt two Resolutions approving the Town of Atherton to apply for grant funds for the Per Capita Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2002 and for the Roberti-Z' Berg-Harris Urban Open Space and Recreation Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2002.

INTRODUCTION

The State Park Bond Act of 2002 provides TWO sums of money for park improvement use in Atherton:

Per Capita	\$220,000
Roberti-Z' Berg-Harris (RZH)	\$19,564

The Per Capita grant is intended "specifically for the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities in urban and rural areas". Grant monies may be used for construction of new facilities and rehabilitation of existing facilities. This grant requires no local matching funds. Projects cannot be started until

they are covered by contracts with the State, which must be executed by June 30, 2006, and must be completed by June 30, 2010.

The RZH block grant funds can be used for “acquiring new park land or historic sites, preservation, rehabilitation or restoration of historic sites or structures within park areas and rehabilitation of park, recreation or historical facilities that are no longer fully serviceable and that when rehabilitated will provide expanded or additional recreation or historic opportunities.” As a result of AB 1747, this grant no longer requires local matching funds. Projects cannot be started until they are covered by contracts executed with the State no later than June 30, 2006, and the project must be completed and all final project paperwork must be closed out by June 30, 2011.

The first step in the process for these grants is to adopt resolutions approving application for the grants and naming a person (by position) to act as contact with the State. Entering into contracts and submitting applications for specific projects are steps that follow.

ANALYSIS

The Town has not yet identified park projects that qualify for grant funding under these two programs. However, the Main House Handicapped Lift project is likely to require additional funding, above the \$68,000 Per Capita grant funds from the 2000 Bond Act, when the bids are received in November 2003. The current budget estimate for the project is \$100,000. Projects to use the remaining park grant funds have not yet been determined.

FISCAL IMPACT

Adopting the recommended resolutions is the first step in applying for State Park Grant money that can be used to meet needs that would otherwise require Town funding.

CONCLUSION

The Council should adopt the two attached resolutions.

Submitted by

Approved By

Duncan L. Jones, P.E.
Public Works Director

James H. Robinson
City Manager

RESOLUTION NO. 03-__

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
APPROVING THE TOWN OF ATHERTON TO APPLY FOR GRANT FUNDS FOR
THE PER CAPITA GRANT PROGRAM UNDER THE CALIFORNIA CLEAN
WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS, AND COASTAL
PROTECTION ACT OF 2002**

The City Council of the Town of Atherton hereby resolves as follows:

WHEREAS, the people of the State of California have enacted the Per Capita Grant Program which provides funds for the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities; and

WHEREAS, the California Department of Parks and Recreation has been delegated the responsibility for the administration of the grant program, setting up necessary procedures; and

WHEREAS, said procedures established by the California Department of Parks and Recreation require the Applicant's Governing Body to certify by resolution the approval of the Applicant to apply for the Per Capita Allocation, and

WHEREAS, the Town of Atherton will enter into a Contract with the State of California;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby:

1. Approves the filing of an Application for local assistance funds from the Per Capita Grant Program under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002; and
2. Certifies that the Town of Atherton has or will have sufficient funds to operate and maintain the project(s); and
3. Certifies that the Town of Atherton has reviewed, understands and agrees to the General Provisions contained in the Contract shown in the Procedural Guide; and
4. Appoints the City Manager as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of project(s).

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and

adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 17th day of September 2003, by the following vote:

<i>AYES:</i>	<i>Councilmembers:</i>
<i>NOES:</i>	<i>Councilmembers:</i>
<i>ABSENT:</i>	<i>Councilmembers:</i>
<i>ABSTAIN:</i>	<i>Councilmembers:</i>

James R. Janz, Mayor
Town of Atherton

ATTEST:

Sharon Baker, City Clerk

APPROVED TO FORM:

Marc G. Hynes, City Attorney

RESOLUTION NO. 03-__

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
APPROVING THE TOWN OF ATHERTON TO APPLY FOR GRANT FUNDS FOR
THE ROBERTI-Z'BERG-HARRIS BLOCK GRANT PROGRAM UNDER THE
CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS AND
COSTAL PROTECTION BOND ACT OF 2002**

The City Council of the Town of Atherton hereby resolves as follows:

WHEREAS, the people of the State of California have enacted the CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS AND COASTAL PROTECTION BOND ACT OF 2002 which provides funds for the Roberti-Z' Berg-Harris Block Grant Program for grants to eligible applicants; and

WHEREAS, the California Department of Parks and Recreation has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures; and

WHEREAS, said procedures established by the California Department of Parks and Recreation require the Applicant's Governing Body to certify by resolution the approval of the Applicant to apply for the Roberti-Z' Berg-Harris allocation, and

WHEREAS, the Town of Atherton will enter into a Contract with the State of California;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby:

1. Approves the filing of an Application for local assistance funds from the Roberti-Z' Berg-Harris Block Grant Program under the Clean Water, Clean Air, Safe Neighborhood Parks, and Costal Protection Bond Act of 2002; and
2. Certifies that the Town of Atherton has or will have sufficient funds to operate and maintain the project(s); and
3. Certifies that the Town of Atherton has reviewed, understands and agrees to the General Provisions contained in the Contract shown in the Procedural Guide; and
4. Certifies that the project(s) conforms to the recreation element of the Town of Atherton general plan; and
5. Appoints the City Manager as agent to conduct all negotiations, execute and submit all documents including, but not limited to, Applications, agreements, payment requests and so on, which may be necessary for completion of the project(s).

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 17th day of September 2003, by the following vote:

<i>AYES:</i>	<i>Councilmembers:</i>
<i>NOES:</i>	<i>Councilmembers:</i>
<i>ABSENT:</i>	<i>Councilmembers:</i>
<i>ABSTAIN:</i>	<i>Councilmembers:</i>

James R. Janz, Mayor
Town of Atherton

ATTEST:

Sharon Baker, City Clerk

APPROVED TO FORM:

Marc G. Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

SUBJECT: APPROVAL OF PURCHASE OF UTILITY VEHICLE FOR HOLBROOK PALMER PARK FOR A TOTAL PRICE NOT TO EXCEED \$16,500

RECOMMENDATION

Approve the purchase of a Toro Workman 3100 utility vehicle for the Holbrook-Palmer Park for a total price not to exceed \$16,500.

INTRODUCTION

The current Daihatsu utility vehicle in the park is 13 years old, is in poor condition, and the dealer is having difficulty obtaining parts to keep it running. The last repair took four (4) months. A park utility vehicle is needed on a daily basis, and a dependable vehicle is essential to efficient functioning of park operations and park programs. A new utility vehicle is needed. The old utility vehicle will be retained as a backup vehicle because it has recently been repaired and it has no salvage value.

ANALYSIS

The Toro utility vehicle has been the standard in the park industry for decades. It is American made. Pricing for the vehicle is available from the California Department of General Services Multiple Award Schedule (MAS). The vendor on the MAS is Turf Star, Inc. of Vista, CA. Vendors on the MAS competitively bid to be the selected vendor listed on the MAS.

The base price for the vehicle is \$10,616.23. Options needed for park use include a flat bed with fold down sides to allow for loading and unloading of tables for park programs and other bulky items, and a full cab with doors for rainy season operation. These options bring the price to \$16,393.93.

FINANCIAL IMPACT

The City Council approved \$10,000 in the FY 2003-04 Budget for replacing the park utility vehicle. There are adequate funds in the vehicle and equipment replacement fund for the additional cost.

CONCLUSION

The price for the utility vehicle is available from the State Multiple Award Schedule, and the utility vehicle is recommended for purchase.

Prepared By:

Approved:

Duncan L. Jones, PE
Public Works Director

James Robinson
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JAMES ROBINSON, CITY MANAGER**

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

**SUBJECT: PUBLIC HEARING – ADOPTION OF A RESOLUTION MODIFYING
FEES FOR SERVICES RELATED TO PLANNING AND BUILDING AND
CONFIRMING EXISTING PRACTICE REGARDING BUILDING
PERMIT VALUATIONS**

RECOMMENDATION:

Conduct public hearing. Adopt the attached resolution modifying fees for services related to planning and building and confirming existing practice regarding building permit valuations.

INTRODUCTION:

During its regularly scheduled meeting of May 17th, 2000 the City Council approved an update to the schedule of fees pertaining to various applications for planning and building services, including:

- Building permits;
- Conditional use permits;
- Variances; and,
- Environmental assessments.

The purpose of this staff report is to recommend adjustments in the Town’s schedule of fees based upon changes that have occurred since 2003 in:

- The Town’s cost structure;
- Permit application volumes; and,
- An examination of the factors that drive the costs of servicing planning and building applications.

This report consists of two parts: recommended adjustments to existing fees and new fees.

RECOMMENDATIONS FOR CHANGES TO EXISTING BUILDING AND PLANNING FEES

During the FY 2003-04 budget deliberations, staff testified that building activity was expected to decline by approximately 15 percent in FY 2003-04. Additionally, the City Council approved an increase in the Building Department’s appropriations for FY 2003-04 that represented a 7 percent increase over projected expenditures for FY 2002-03. The City Council also directed staff to increase the level of reserves for future building inspection by \$50,000 in FY 2003-04.

As a result of the three factors identified above, the Building Department’s revenue requirement will increase by approximately 12 percent in FY 2003-04 while the base upon which those revenues must be distributed will decrease by approximately 15 percent.

To assess the extent to which Building Department fees should be adjusted, we performed a comparative analysis of the costs of providing building permitting and planning services with the revenues generated there from. This comparative analysis is based upon fees approved at current levels and at the levels of planning and permitting activity that were estimated for FY 2003-04 as part of the budget process.

Table 1
**Comparative Analysis of Building Department Costs and Revenues by Program
 Estimated FY 2003-04**

Revenues (Expenses)	Building	Planning	Total
FY 2003-04 Estimated Fee Revenue (At currently approved levels)	\$850,000	\$41,000	\$891,000
Less FY 2003-04 Appropriations and Allocated indirect costs and reserve requirements	(937,610)	(150,694)	\$1,088,304
Equals Revenues in Excess of (Less than) Expenses	(\$87,610)	(109,694)	\$197,304

As indicated in the preceding table, revenues for the building and planning functions will have to be increased by \$197,304 over current authorized fee levels to enable the Building Department to fully recover its direct operating and allocated indirect costs and in order for the

Department to attain the \$50,000 residual reserve requirement that Council adopted as part of the FY 2003-04 budget.

In order for the Building Department to meet this revenue requirement, we propose the following:

- That the City Council direct staff to calculate fees at 100 percent of the levels established in accordance with Table 1-A of the 1997 uniform building code, and
- Fees for planning related activities be established at actual costs with an initial non-refundable deposit in the amount of \$750 per application.

While the City Council has already provided staff with the authority to levy building permit fees to levels that are consistent with the amounts established in the 1997 Uniform Building Code, it has been the practice of the Finance Department and of the Building Department to establish building fees at approximately 85 percent of the levels called for in the 1997 code. The effect of this practice has been to set building fees at one percent of the permitted value of construction. In determining the permitted value of construction, the Building Department, has used either a standard factor of \$250 per square foot or the actual cost of the new construction based upon contract documents provided by a homeowner. The latter approach is justified in circumstances such as a gazebo, garage or similar type of structure that is not of the same complexity as a main building.

Establishing building permit fees at one percent of the permitted value of construction (or 85 percent of the amounts called for in Table 1-A of the 1997 Uniform Building Code) has been necessary to ensure that the revenues derived from building permit fees do not exceed those costs that are reasonably borne.

The following table provides a comparison of building permit fees that would be applicable to new construction under the current and proposed fee structures:

Table 2
Building Permit Fees Current and Proposed

Square Feet of Residential Construction	Permitted Value	Current Fees	Proposed Fees	Proposed Change in Fees
2000	\$500,000	\$5,000	\$5,750	\$ 750
4000	1,000,000	1,0000	11,500	1,500
6000	1,500,000	1,5000	17,250	2,250

The City Council’s May 17, 2000 fee resolution also provided staff with the authority to charge for producing environmental impact reports and for performing environmental assessments at the actual cost of providing such services. Fixed fees were established for the balance of

planning services, such as the issuance of conditional use permits, variances and the processing of appeals.

Based upon a review of the invoices of the Town’s contract planner Neal Martin & Associates, planning fees appear to be reasonable in light of the costs of services being provided. For example, in FY 2002-03 the cost recovery rate for various land use applications was on average 93 percent of the direct cost of providing such services. (The balance of expenses in excess of fees collected, as indicated in Table 1 of this staff report were for activities that do not lend themselves to cost recovery, such as development of the Town’s general plan and housing element). However, the Town’s high cost recovery rate for planning related services was due in large part to its ability to negotiate voluntary contributions from Menlo School/Menlo College and from Sacred Heart Schools that were in excess of the fees codified in the Town’s fee ordinance. In fact, had the Town not received such voluntary contributions the actual cost recovery rate would have been only 38 percent.

The following chart illustrates this point.

Table 3
Analysis of Planning Related Fees and
Expenses for 17 Land Use Applications in FY 2002-03

Direct Cost of Applications Processed	Fees authorized Current Fee Resolution	Fees Authorized as a percent of direct cost	Total fees collected including voluntary contributions from developers.	Total fees collected as a percent of direct cost
\$35,346	\$12,000	38%	\$29,500	92%

To ensure that fees collected continue to remain in balance with the costs of providing planning services, we recommend that the Council grant staff the authority to charge applicants on a time and materials basis should the costs associated with servicing exceed the amounts that the Town is currently authorized to collect for such services. Under this approach all applicants will continue to pay the fees that are currently authorized. However, the amount collected would serve as a non-refundable retainer for the purpose of initiating the application. Additionally, as is the current practice, planning staff would track the hours expended in processing constituent applications and submit periodic invoices in the event the cost of processing a particular application processing fees exceed the amount collected.

Staff has also conducted a survey of building fees of selected municipalities on the Peninsula and to the south. Although this comparative analysis of fees was not used as a means of establishing the Town of Atherton's building fees, it does provide the Council with an indication of the overall reasonableness of the Town's fee structure. Accordingly, this comparative analysis is presented as an attachment to this staff report.

New Fees Recommended

Staff recommends two new fees related to building and planning. These include after hours construction permits and the review of school master plans.

After Hours Construction Permits

In accordance with the Municipal Code, the Chief of Police has the authority to issue permits for after hours construction projects. According to the Chief of Police, issuing an after hours construction permit is a process that requires from four to six hours to perform, depending upon the nature of the request.

The following steps are involved in processing after hours construction permits:

- Consulting with the homeowner or contractor to ascertain that the request to perform after hours construction is legitimate and necessary;
- Inquiring of the Public Works, Building Department and City Manager as to whether any regulatory or operational conditions exist that would preclude the issuance of an after hours construction permit;
- Notifying property owners in close proximity to location of after hours construction of the activity subject to permitting; and
- Various record-keeping activities.

Based upon an average hourly cost of \$70 including salaries, benefits and allocated indirect costs, and assuming an average of five direct labors are required to process each permit, the cost of processing after hours construction permits is estimated to be \$350. We therefore recommend that a new fee in the amount of \$350 be established for after hours construction permit requests.

School Master Plan Reviews

In FY 2002-03, the Town expended \$3,340 to review the master plans that had been submitted by three schools located within the Town of Atherton. Staff is recommending that the Town begin charging for the review of master plan submittals for the following reasons:

- The review of a master plan is a valuable public service that benefits a discrete and readily identifiable entity, (rather than providing a benefit that is general in nature); and,
- Charging for master plan review services would provide assurance that such services are not being subsidized by other fee generating activities.

As is consistent with the recommended practice for conditional use permits, variance and other land use applications, we recommend that staff be given the authority to charge:

- An initial non-refundable deposit of \$750; and,
- Actual costs on a time and materials basis should the cost of reviewing master plans exceed the \$750 initial deposit.

FISCAL IMPACT:

Adopting the recommended changes in the Town's fee structure will provide greater assurance that the Building Department will continue to attain the level of revenues that are necessary to provide for full cost recovery and to establish the level of reserves that were appropriated as part of the FY 2003-04 Budget process.

Prepared by:

Approved:

John P. Johns
Finance Director

James Robinson
City Manager

Attachment – Fee Resolution

RESOLUTION NO. 03-__

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
AMENDING RESOLUTION NO. 00-13 BY MODIFYING FEES FOR SERVICES
RELATED TO BUILDING AND PLANNING AND CONFIRMING EXISTING
PRACTICE REGARDING BUILDING PERMIT VALUATIONS**

WHEREAS, the City Council of the Town of Atherton finds it necessary to amend the current fee schedule for fees for certain planning and building related services last adjusted May 17, 2000; and

WHEREAS, the Town has analyzed the costs associated with providing fee-based activities related to certain building and planning activities;

WHEREAS, adjustments are warranted in the level and structure of certain fees to ensure that activities relating to building and planning continue to be self-supporting;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ATHERTON, CALIFORNIA, that fees relating to building and planning be established, adjusted, and confirmed as set forth below:

EXISTING FEES

<i>Activity</i>	<i>Current Fee</i>	<i>Fee Adjusted to:</i>
Conditional use permits	\$750	Actual Cost, \$750 initial non- refundable deposit
Variances	750	Actual Cost, \$750 initial non- refundable deposit
Front-Rear Yard Re-designation	750	Actual Cost, \$750 initial non- refundable deposit
Zoning Exception Reviews	750	Actual Cost, \$750 initial non- refundable deposit
Appeals	500	Actual Cost, \$750 initial non- refundable deposit
Zoning Ordinance Amendment	900	Actual Cost, \$750 initial non- refundable deposit
Environmental Assessment	400	Actual Cost, \$750 initial non- refundable deposit
School Master Plan	400	Actual Cost, \$750 initial non- refundable deposit

BUILDING PERMIT FEES

In determining the permitted value of construction, the Building Department, uses either a standard factor of \$250 per square foot or the actual cost of the new construction based upon contract documents provided by a homeowner. The latter approach is justified in circumstances such as a gazebo, garage or similar type of structure that is not of the same complexity as a main building.

NEW FEES

<i>Activity</i> School Master Plan Reviews After-hours construction permits	<i>Fee Established at:</i> Actual Cost, \$750 initial non- refundable deposit \$350
-----------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------

AND BE IT FURTHER RESOLVED that if any section, subsection, sentence, clause, phrase, or portion of this resolution or the application thereof to any person or circumstances is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof nor other applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

AND BE IT FURTHER RESOLVED that except as amended here, Resolution 00-13 continues to remain in full force and effect.

* * * * *

I HEREBY CERTIFY that the foregoing Resolution was regularly introduced and adopted at a Regular Meeting of the City Council of the Town of Atherton held on _____, 2003 by the following roll call vote:

<i>Ayes:</i>	<i>Councilmembers:</i>
<i>Noes:</i>	<i>Councilmembers:</i>
<i>Absent:</i>	<i>Councilmembers:</i>
<i>Abstain:</i>	<i>Councilmembers:</i>

 James R. Janz, Mayor
 Town of Atherton

ATTEST:

 Sharon Barker, City Clerk

APPROVED AS TO FORM:

 Marc G. Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER JAMES H. ROBINSON**

FROM: MICHAEL A. HOOD, BUILDING OFFICIAL

DATE: SEPTEMBER 17, 2003

**SUBJECT: DISCUSSION AND POSSIBLE ACTION - REPORT ON
CONSTRUCTION AND LANDSCAPE SCREENING PLAN FOR
RETAINING WALL AT 85 ORCHARD HILLS AND RELATED SITE
IMPROVEMENTS AND DEVELOPMENT**

ANALYSIS:

On June 24, 2002 a building permit was issued for the construction of a retaining wall at 85 Orchard Hills Drive. The retaining wall was to be 11 feet high with a 3 foot guard rail at the top. The wall was to be approximately 200 feet long and was located in excess of 10 feet, the minimum requirement for an accessory structure, from the rear property line.

The adjoining property owner at 291 Stockbridge Avenue filed an appeal challenging the propriety of regulating the retaining wall as an accessory structure. The appeal was heard on July 17, 2002. The ruling of the appeal panel, the City Council, was that the permit was properly issued. The appeal panel did refer the issue of retaining wall regulations to the General Plan Committee for review. Retaining wall regulations were eventually changed so that the maximum height of a single retaining wall was limited to 6 feet.

The 11 foot high retaining wall at 85 Orchard Hills is required to be landscape screened. Plans for landscape screening were submitted on March 28, 2003 and approved on May 21, 2003. Those plans show 16 trees of between 36 inch and 60 inch box size planted on the adjoining property at 291 Stockbridge Avenue. The planting plan was the result of negotiations between

the two property owners, the Town arborist and the Building Official. The installation of these trees was postponed due to construction on both properties. The Orchard Hills construction consists of the retaining wall, a pool house and new pool. The Stockbridge construction consists of two new homes.

The Stockbridge property owner now objects to trees being planted on the Stockbridge property for the benefit of screening the retaining wall on the Orchard Hills property.

Since landscape screening cannot be installed on adjoining property without the adjoining property owner's permission, the Orchard Hills property owner has filed a new landscape screening plan with all trees shown on the Orchard Hills property. The Town's minimum standard for landscape screening requires trees of 15 gallon or 24 inch box size. Further, landscape screening must be sized to adequately screen a structure within 5 years from the start of construction. Since the construction of the retaining wall began approximately one year ago, the landscaping must be effective in approximately four years. The new landscape screening plan show 19 trees of 36 inch box size and 4 trees of 48 inch box size. The plan has been reviewed by the Town Arborist and Building Official and, in their opinion, should meet Town requirements. The owner of the Orchard Hills property is prepared to plant the trees immediately.

Additional issues have been recently raised regarding the project at 85 Orchard Hills. The first issue questions the height and size of the pool house that is located behind the above mentioned retaining wall. The pool house meets all height and size regulations. The height is less than 15 feet above the original average natural grade; sidewalls are less than 11 feet above original average natural grade. The allowable size of the pool house is 1368 square feet plus 500 square feet for a patio cover. The actual size is 573 square feet plus 435 square foot patio cover. Additionally, the total square footage of all structures on the site is less than or equal to the maximum allowed square footage for the site.

The second issue questions the processing time of the building permit for the pool house; a building permit was issued in only 5 days after the submittal of the final plans. Actually, the permit process took more than one year. Multiple meetings were held with a series of architects, designers and the contractor to resolve issues relating to the height above average natural grade, the total square footage, the exiting, and the structural requirements. After all modifications were made, and after reviewing multiple plans, the final set of drawings were submitted and, in fact, a permit was issued within 5 days.

Respectfully submitted:

Michael A. Hood
Building Official

Reviewed/Approved:

James H. Robinson
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER JIM ROBINSON**

FROM: CHIEF ROBERT BRENNAN

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

**SUBJECT: UPDATED PROGRESS REPORT REGARDING THE TEMPORARY NO
PARKING ON OAK GROVE**

RECOMMENDATION:

Continue the temporary placement of the no parking signs on Oak Grove Avenue until the completion of the current construction and repaving of the T-lot at Menlo-Atherton High School.

INTRODUCTION:

Residents along Oak Grove Avenue submitted a petition at the April 8, 2003 Transportation Subcommittee meeting requesting a permanent "No Parking" zone along Oak Grove Avenue to approximately Edge Road. This restriction would discourage Menlo-Atherton High School students from parking, and subsequently walking to school. The neighbors cited problems with trash, traffic, and near accidents, among other concerns. During the May 21st meeting of the Atherton City Council, six alternatives were presented by Staff. With Staff's recommendation, the Council agreed to initiate a "No Parking" zone for a trial period to determine if parking diverts to a better location that does not impact Oak Grove Avenue.

During the week of May 21st, temporary signs were placed on A-frames and placed on both the north and south sides of Oak Grove Avenue from the Oak Grove cul-de-sac to Edge Road. Before the conclusion of the school year, a meeting was held with the school's administration

and representatives of the Town of Atherton. Solutions to mitigate the problem for the 2003-2004 year were discussed. They are listed below, along with a current progress report:

- **Attempt to lease space at the SRI lot and the Church located on the west side of Middlefield Road.** SRI is not allowing students to park on their lot during the current school year. They will be placing key card controlled access gates on the entrances to the lot. They will be allowing school volunteers to continue to park on their site. This is significant because volunteers were using assigned spaces in the faculty lot, even though they may not be at school everyday or all day long.
- **Attempt to locate additional space on campus; improve the area for parking at least temporarily until construction is completed, and additional permanent spaces are added.** The front portion of the school driveway that runs north/south from Ringwood has been rededicated for student use and signed appropriately. This has created approximately 30 to 50 more spaces for student parking. All construction vehicles are currently being parked on campus in the construction zones.
- **The Staff lot will not continue to have spaces assigned. Extra spaces will be provided to students who carpool or use other incentives.** Unfortunately the staff parking lot has stayed as it was during the last school year. Spaces are still assigned to staff and teachers, although teachers have given up many of the spaces on Faculty Row to the student population.
- **School administration will request a parking plan from any contractor who will be doing any new construction on campus.** All of the construction currently underway is a continuation of last year's plan.
- **Atherton Staff will contact San Mateo County and address the "No Parking" signs on Ringwood. There may be a possibility to temporarily remove the signs on the north side in order to accommodate student parking until construction is completed.** Permission was given by San Mateo County to bag all signs on Ringwood. To give consideration to Menlo Park residents, all of the "No Parking" signs on the north side of Ringwood, from Toyon west to Middlefield Road, have been bagged. Students are currently parking along the now legal area. The south side of Ringwood remains a "No Parking" zone.

ANALYSIS:

The proposed solutions listed above have relieved the pressure to park on Oak Grove Avenue. The school fulfilled all but one of the commitments. On Monday September 8th, I drove the property surrounding the school. There was one vehicle parked on Oak Grove beyond the control of the "No Parking" signs. Vehicles were parked on the north side of Ringwood although several spaces were still available on the street as well as in the student and faculty lots. The full effect will not be felt until all eligible students complete the

requirements and pay the fees for a parking permit. Work continues on the new gymnasium and the T-Lot is still unavailable for parking until November or possibly January of 2004. With the addition of the T-Lot mid year, sufficient parking will be available on campus for permitted students and staff. The changes have rendered the desired affect of removing vehicles from the residential area of Oak Grove Avenue. The changes have opened parking closer to the school, making it less desirable to park and walk the greater distance from Oak Grove Avenue.

FISCAL IMPACT:

Signs continue to be available from our inventory. Existing personnel can install the signs without any cost outside the existing budgetary constraints.

Prepared by:

Approved by:

Robert Brennan, Police Chief

James H. Robinson, City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JAMES H. ROBINSON, CITY MANAGER

DATE: FOR THE CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

SUBJECT: CONSIDERATION OF FELTON GABLES HOMEOWNERS' ASSOCIATION REQUEST TO CONSTRUCT A GATE FOR PEDESTRIAN ACCESS FROM FELTON GABLES TO HOLBROOK-PALMER PARK

RECOMMENDATION:

That the City Council consider the request from Felton Gables Home Owners Association to construct a gate and provide access from Felton Gables to Holbrook-Palmer Park.

BACKGROUND:

The Felton Gables Homeowners Association attended the August Park and Recreation Commission meeting and submitted a formal request to allow an access gate from the southwest corner of their subdivision into Holbrook Palmer Park. Attached is a letter describing their request and a schematic identifying the location of the proposed gate and point of access. A locked gate is proposed with access with keys provided to members of the Association.

The Park and Recreation Commission expressed their support of the Felton Gables request. The Park and Recreation Committee recommended that the City Council allow access to the Park contingent upon no cost to the Town associated with this project and approval of the Homeowners Association and the Town of Atherton.

ATKINSON • FARASYN, LLP

ATTORNEYS AT LAW

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J.M. ATKINSON (1892-1982)

L.M. FARASYN (1915-1979)

LEONARD J. SIEGAL
HAROLD S. TOPPEL
STEVEN G. BAIRD
MARC G. HYNES

MEMORANDUM

TO: Honorable Mayor and City Councilmembers, Town of Atherton
FROM: City Attorney
RE: Local Documentary Transfer Tax
DATE: 9/12/2003

This memorandum responds to the issue as to whether the Town of Atherton, a general law city, may adopt a documentary transfer tax. Presently, the Town has adopted an ordinance now appearing as Chapter 3.12 of the Atherton Municipal Code (attached). It is my opinion that the Town could adopt its own documentary transfer tax in addition to the existing provisions of Chapter 3.12 and their continued effect. Such an ordinance would require approval of the majority of the electorate.

Revenue and Taxation Code section 11911 provides that the Board of Supervisors may enact a documentary transfer tax in the amount of fifty-five cents per \$500.00 of valuation of covered documentary transfers. Principally, these are real property sales. The section goes on to authorize cities to adopt an ordinance for documentary transfers occurring within the Town of up to one-half the amount levied by the county. If levied, the county reduces its amount by the amount levied by the Town. It is my understanding that presently, as is common in this situation, the Town and county each collect 27.5 cents per \$500.00 of valuation.

While it might be argued that the sole authority for the Town to adopt a documentary transfer tax is dependent upon the county adopting one and the amount is controlled by the county, I believe a court would rule that the Town may adopt a documentary transfer tax outside the parameters of the tax covered by Revenue and Taxation Code section 11911. This is because of the provisions of Government Code section 37100.5 which states:

"...(a)ny city may levy any tax which may be levied by any charter city, subject to the voters' approval pursuant to Article XIII A of the Constitution of California. "

Prior to enactment of this section, it was commonly argued that the only taxes that could be levied by a general law city were those specifically authorized by the Legislature.

Honorable Mayor and City Councilmembers
September 11, 2003
Page Two

Following enactment of Section 37100.5, which was intended by the Legislature to give a modicum of local option relief to cities hard hit by Proposition 13, it has been used to enact a variety of taxes, including utility users taxes, transient occupancy taxes, and other taxes not otherwise directly authorized by the Legislature. It is my opinion that this section is an independent authority for the Town to enact a documentary transfer tax separate and apart from the tax authorized by Revenue and Taxation Code 11911 in an amount set by the City Council and approved by the electorate. As a general tax for general revenue purposes, only majority approval of the electorate would be required.

Two classes of cities are recognized in the State of California: charter or general law cities. (Gov't. Code §§ 34100-34102.) General law cities derive their authority from Article XII, Section 2 of the California Constitution. Charter cities are created pursuant to and derive their power or authority from Article XII, Section 5. Charter cities are deemed to have broader powers than general law cities. General law cities have only those powers expressly conferred upon them by the State Legislature, "together with such powers as are necessarily incident to those expressly granted or essential to the declared object and purposes of the municipality." (Coffineau v. Eu (1977) 68 Cal.App.3d 138). A city charter has been characterized as representing "the supreme law of the city, subject only to conflicting provisions in the State or Federal Constitutions and pre-emptive state law on matters of state-wide concern." (Harman v. City and County of San Francisco (1972) 7 Cal.3d 150, 161.) Over the years, the State Legislature has repeatedly passed statutes enabling general law cities to do those things which charter law cities have also done. Such is the case with Government Code section 37100.5.

I am not aware that any general law city which has enacted its own independent documentary transfer tax also continues to receive one-half of the county's documentary transfer tax under the Revenue and Taxation Code. There is no direct prohibition against two separate taxes on the same item. For example, several different taxes are levied on the sale of gasoline, tobacco, alcohol and other commodities. Some telephone calls are subject to an excise tax and also local utility users' taxes. The California Uniform Sales Tax no longer is uniform, because many counties have enacted additional amounts of taxes for local purposes. In Santa Clara County, for example, roads and transit have been the beneficiaries of such levies.

Revenue and Taxation Code section 11911(c) provides in part:

"No credit shall be allowed against any county tax or city tax which is not in conformity with this part. "

I do not believe that this subsection would be affected by an independently enacted documentary transfer tax, nor is it authority for the county to refuse to collect the present tax and remit one-half of it to the Town. It is important to note that if the county should

Honorable Mayor and City Councilmembers
September 11, 2003
Page Three

take this position, however, the Town would have to increase the independently enacted tax to offset the loss of the county share, or litigate the matter.

I take no position on how a separate set of documentary transfer taxes would be viewed by the buyers and sellers of property and the real estate industry, nor have I made any inquiry as to whether the county would be willing to collect this tax and, if so, whether there would be a charge for doing so. The Revenue and Taxation charge is due prior to recording of the document and is payable at the County Recorder's Office. I also have not made any analysis of what revenues would be produced by varying levels of the tax. Tax measures are required under Proposition 218 to be placed upon the ballot at which city council members' seats are filled. Unless a special election is called to fill a vacancy, the next such scheduled election would be in November, 2004. That would ordinarily be the earliest possible date at which such a measure could be submitted to the voters. The call of the election and related matters must be completed a number of months prior to the election date.

Respectfully,

MARC G. HYNES
City Attorney

MGH:cwb

cc: City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JAMES H. ROBINSON, CITY MANAGER

DATE: FOR THE CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

SUBJECT: ACCEPTANCE OF STATUS REPORT BY CITY MANAGER OF ANNUAL REVIEW OF LITTLE LEAGUE COMPLIANCE WITH PARK LICENSE AGREEMENT

RECOMMENDATION:

1.) Accept status report from the City Manager regarding compliance by the Little League to the terms of the "License Agreement" between the Town of Atherton and the Menlo-Atherton Little League. 2.) Receive input from City Council regarding the Little League's compliance with the agreement and mitigation measures. 3.) Direct the City Manager to meet with the President of the Little League to ensure compliance with the attached agreement and conduct an annual review.

BACKGROUND:

In August of 2000 the Town of Atherton entered into a license agreement with the Menlo-Atherton Little League Inc. The intent of the agreement was to grant a license to the Little League to permit the construction and operation of a Little League ball field on a portion of the Holbrook-Palmer Park during a period of late February through June. The agreement also provided for reimbursement of certain maintenance costs, restrictions for hours and days of use, contributions for restroom facilities, and restrictions on outfield fencing and the removal of the backstop fencing and players seating area at the end of the Season.

The agreement also provided that the City Manager and Little League would conduct an annual review of use and operation of the Park improvements to ensure that the Little League was in compliance. It also provided that, prior to this meeting, the City Manager would seek input from both the City Council and Park and Recreation Commission on compliance with the agreement.

The City Manager met with the Park and Recreation Commission July 2, 2003 to solicit comments on compliance with the agreement and mitigation measures adopted for the project. No comments were received, however, the Commission complimented the Little League for removal of the backstop in a timely manner.

The City Manager also contacted all City departments regarding issues of noise, parking, conflicts with other park activities, compliance with the License agreement and mitigation measures, etc. to determine if any complaints were filed in relation to the use of the field by the Little League. I did not receive any confirmation of complaints from staff. It was also noted that the Town did not receive any complaints about the use of the field area following the prescribed Little League season.

CONCLUSION:

As noted above, it would appear that the Menlo-Atherton Little League has complied with all of the terms of the license agreement for the Holbrook-Palmer Park Little League Baseball Field, with the Town of Atherton, subject to review and comment by the City Council. In addition, the Little League has been invoiced by the Town for additional costs related to mowing, fertilizing, watering and sprinkler repair in the amount of \$3,024.45.



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF SEPTEMBER 17, 2003

**SUBJECT: LIBRARY FUND SPECIAL REVENUE FUND APPROPRIATION
REQUEST OF \$40,000**

RECOMMENDATION:

Approve an increase in Library Special Revenue Fund appropriations by \$40,000 to enable the Library to purchase certain equipment and services in FY 2003-04

DISCUSSION:

Subsequent to the adoption of Atherton's FY 2003-04 Budget, the Library Joint Powers Agency (the JPA) has expressed a desire to acquire certain equipment and services that would enhance the appearance and utility of the Atherton Library. The items requested by the library are itemized in Attachment 1 to this staff report and include:

- A machine that can accommodate the self-service check-out of library materials by patrons;
- Tables and chairs;
- Additions, replacements or maintenance of certain fixtures; and,
- Two printers.

Since the JPA's budget for ongoing operations of the Atherton Library are not sufficient to cover these expenditures, and since the appropriations requested by the JPA are to acquire or service capital assets, the Joint Powers Agency has suggested that it would be appropriate to use

donor city funds for this request. We concur with the JPA's assessment and therefore recommend an increase in the Library Special Revenue Fund appropriations.

Although the Library is unable to give a precise indication of the expected cost of each item requested, we believe that \$40,000 will suffice. As of June 30th, 2003 the Library Special Revenue Fund had a fund balance \$723,832. Hence existing financial reserves are more than sufficient to accommodate this request.

FISCAL IMPACT:

Approving this appropriation request will require an increase in Library Special Revenue funds budgetary adjustments in the amount of \$40,000.

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

Attachment 1

Atherton Library Donor City Monies: Suggested Projects/Uses FY 2003-04 *costs including tax

1. **Express check machine** – current machine is erratic in performance and is no longer covered by any maintenance agreements nor has access to technical support. Suggest upgrading to new machine that will be compatible with expected RFID circulation software. Will provide enhancement to service as well as work toward streamlining goals of increasing patron self-reliant service opportunities. Cost: Approximately \$25,000
2. **2 auto-cut receipt printers** - 1 for circulation desk, one for back workroom. These new receipt printers are ergonomically appropriate lower workman's comp vulnerability and increase efficiencies. Cost: Approx. \$1950*
3. **40 stackable chairs** – the Library is continuing an emphasis on programming for children and adults and needs comfortable chairs for program attendees (we do not have any chairs other than those used at work tables and Internet stations at this time). Cost: Approx. \$2165*
4. **2 lightweight long tables for programs** – we currently borrow heavy, awkward tables for craft programs, our popular chess program and other uses throughout the year, requiring us to coordinate with the Town to gain access to Town Council Chambers. Cost: Approx. \$260*
5. **4 new ergonomic chairs, 1 high ergonomic chair for circulation** – need replacements for old, non-ergonomically designed staff chairs still in use and to replace the high chair used at the circulation desk for staff on long shifts. Current high chair is uncomfortable and falling apart. Cost: Approx. \$490* each
6. **Paint front door and downstairs bathroom** Cost: currently seeking bid
7. **Replace hot water heater** – not enough capacity for this building and slow to respond to usage even downstairs bathroom which is adjacent to water heater – kitchen even slower, wastes water. Cost: Approx. \$320
8. **Diaper changing table in men's room** – fathers who bring children into library with increasing frequency now have to go out to their cars to perform this vital function; no other available area in library except out on main floor. Cost: Approx. \$216*-271*



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JAMES H. ROBINSON, CITY MANAGER

DATE: FOR THE CITY COUNCIL MEETING OF SEPTEMBER 17, 2003

SUBJECT: CONSIDERATION OF REQUEST FROM CITY OF MOUNTAIN VIEW REGARDING RELOCATION OF THE CALIFORNIA AIR NATIONAL GUARD 129TH RESCUE WING

RECOMMENDATION:

Consider request from the City of Mountain View regarding the relocation of the California Air National Guard 129th Rescue Wing, and give direction to staff if appropriate.

BACKGROUND:

The Mountain View City Council is requesting support from the Town of Atherton to oppose the relocation of the 129th RQW from Moffett Field to Castle Airport in Atwater, California. Mountain View's objection is related to the strategic importance of retaining the 129th RQW at Moffett and that other potential uses of the site may not be compatible with neighboring communities. In their appeal to the Town of Atherton for support Mountain View also has indicated that Congresswoman Anna Eshoo and other California House members have also opposed the proposed relocation of the 129th RQW.