



**Amended AGENDA**  
**Town of Atherton**  
**CITY COUNCIL/ATHERTON CHANNEL DRAINAGE**  
**DISTRICT**  
**December 15, 2010**  
**6:00 P.M.**  
**Meeting Room**  
**Town Administrative Offices**  
91 Ashfield Road  
Atherton, California  
**Special Meeting**

**6:00 P.M.     ROLL CALL             Lewis, Dobbie, Widmer, McKeithen, Carlson**

**6:02 P.M.     PUBLIC COMMENTS**

**6:10 P.M.     PUBLIC ANNOUNCEMENT OF CLOSED SESSION ITEMS**

**6:15 P.M.     CLOSED SESSION**

**A.     CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (Subsection (c) of Government Code Section 54956.9)**

*Two potential cases*

**B.     CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (Subsection (b) of Government Code Section 54956.9):**

*1.     Jonathan B. Buckheit v. Tony Dennis, Dean DeVlugt, Anthony Kockler, The Town of Atherton, The County of San Mateo, and Jerry Carlson U.S. District Court for the Northern District of California, San Francisco Division, Case No. CV 09-5000*

**C.     PUBLIC EMPLOYEE APPOINTMENT: INTERIM CITY MANAGER (Subsection (b)(1) of Government Code Section 54957)**

**RECONVENE TO OPEN SESSION**

**Report of action taken.**

**6:59 P.M.     ADJOURN**

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



**AGENDA**  
**Town of Atherton**  
**CITY COUNCIL**  
**ATHERTON CHANNEL DRAINAGE DISTRICT**  
**December 15, 2010**  
**7:00 p.m.**  
**TOWN COUNCIL CHAMBERS**  
94 Ashfield Road  
Atherton, California  
**REGULAR MEETING**

**PLEASE NOTE:**

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

- 7:00 P.M.    1.    **PLEDGE OF ALLEGIANCE**
- 7:02 P.M.    2.    **ROLL CALL**      Lewis, Dobbie, Widmer, McKeithen, J. Carlson
- 7:03 P.M.    3    **PRESENTATIONS**
- PROCLAMATION PRESENTED TO BILL AWBREY**
- PG&E – GAS TRANSMISSION AND DISTRIBUTION LINES**
- 7:30 P.M.    4.    **PUBLIC COMMENTS** *(This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the Agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the Council from acting on items not listed on the Agenda except by special action of the City Council under specified circumstances. Speakers' time is limited to three minutes.)*
- 7:40 P.M.    5.    **REPORT OUT OF CLOSED SESSION**
- December 15, 2010**
- 7:45 P.M.    6.    **CITY MANAGER'S REPORT**
- 7:50 P.M.    7.    **COMMUNITY ORGANIZATION ROUNDTABLE REPORT** (Directed by Resolution No. 99-6)
- 7:50 P.M.    **CONSENT CALENDAR** (Items 8-26)
- (Consent Calendar items are routine in nature and are generally considered in one motion and adopted by a single vote of the City Council. If discussion regarding a Consent Calendar item is desired, the member(s) of the City Council, public, and/or staff wishing to pull the item should so indicate at the time the Mayor calls for consideration of the Consent Calendar.)*

8. **APPROVAL OF AMENDMENT TO OCTOBER 20 REGULAR MEETING MINUTES, NOVEMBER 6 SPECIAL MEETING, NOVEMBER 15 SPECIAL MEETING AND NOVEMBER 17, 2010 REGULAR MEETING**  
**Recommendation:** Approve Amendment to October 20 Regular meeting, November 6 Special meeting, November 15 Special meeting and November 17, 2010 regular meeting minutes
  
9. **APPROVAL OF BILLS AND CLAIMS FOR NOVEMBER 2010 IN THE AMOUNT OF \$1,091,015**  
**Recommendation:** Approve Bills and Claims in the amount of \$1,091,015
  
10. **ACCEPTANCE OF MONTHLY FINANCIAL REPORT FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2010**  
**Recommendation:** Accept Monthly Financial Report
  
11. **ACCEPTANCE OF TREASURER'S REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010**  
**Report:** Finance Director Louise Ho  
**Recommendation:** Accept the Treasurer's Report for the First Quarter Ended September 30, 2010
  
12. **ACCEPTANCE OF FISCAL YEAR 2009-10 BASIC FINANCIAL STATEMENTS, REPORT ON COMPLIANCE WITH THE AGREEMENT FOR DISTRIBUTION OF SAN MATEO COUNTY MEASURE A FUNDS FOR LOCAL TRANSPORTATION PURPOSE, AGREED UPON PROCEDURES REPORT ON COMPLIANCE WITH THE PROPOSITION 111 APPROPRIATIONS LIMIT, AND MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS**  
**Report:** Finance Director Louise Ho  
**Report:** Accept FY 2009-10 Basic Financial Statements, Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds, Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit, and the Memorandum on Internal Control and Required Communications
  
13. **ACCEPT REPORT FROM THE AUDIT COMMITTEE IN RESPONSE TO THE FY 2009-10 AUDIT REPORT**  
**Report:** Finance Director Louise Ho  
**Recommendation:** Accept the Audit Committee recommendations in response to the FY 2009-10 audit report
  
14. **STAFF RESPONSE TO AUDIT COMMITTEE RECOMMENDATIONS**  
**Report:** Interim City Manager Nadine Levin  
**Recommendation:** Accept staff's response to the Audit Committee's recommendations

- 15. ROAD IMPACT FEE REPORT FOR FY 2009-2010 (AB 1600 STATE REPORTING REQUIREMENT)**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Approve the Road Impact Fee Report for FY 2009-2010
- 16. AMEND THE TOWN LANDSCAPE CONTRACT**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Approve Amendment to the current landscape contract in the amount of \$912.00 per month be added to the current contract price of \$2,083 per month for a total of \$2,995 per month for the remainder of the 2010/11 fiscal year
- 17. AWARD A PURCHASE ORDER TO SERRAMONTE FORD IN THE AMOUNT OF \$25,726.75 FOR THE PURCHASE OF ONE FORD F-250 PICK-UP TRUCK**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Authorize the purchase of one Ford F-250 pick-up truck from Serramonte Ford for a cost of \$25,726.75 including tax and fees
- 18. AWARD OF CONTRACT FOR THE TREE MAINTENANCE SERVICE AGREEMENT, PROJECT NUMBER 11-53099, IN AN AMOUNT NOT TO EXCEED \$47,000**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Award the contract for the Tree Maintenance Service Agreement, Project Number 11-53009, in an amount not to exceed \$47,000 to the low bidder on the December 15, 2010 bids and to authorize the Mayor to sign the contract on behalf of the Town.
- 19. AWARD OF CONTRACT FOR THE POLICE/ADMINISTRATION ROOF REPLACEMENT PROJECT, PROJECT NUMBER 56043**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Award the contract for the Police/Administration roof replacement Project, Project Number 56043 to the low bidder on the December 15, 2010 bids, and to authorize the Mayor to sign the contract on behalf of the Town
- 20. APPROVE AN AGREEMENT WITH THE WEST BAY SANITARY DISTRICT**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Approve an agreement with the West Bay Sanitary District (WBSD)
- 21. APPROVE A REQUEST FOR PROPOSALS FOR AN ARCHITECT TO PERFORM SITE PLANNING AND CONCEPTUAL DESIGN FOR A NEW ATHERTON LIBRARY**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Approve a Request for Proposals (RFP) for an architect to perform site planning and conceptual design for a new Atherton Library

22. **SURPLUS AND AUCTION OF POLICE VEHICLES**  
**Report:** Police Chief Mike Guerra  
**Recommendation:** Authorize PD to surplus one marked police vehicle and two police motorcycles because they are no longer serviceable. Staff also recommends that the surplus vehicles be auctioned through a Town approved contractor
23. **ADOPTION OF RESOLUTION SETTING FORTH THE SALARY AND BENEFITS FOR CONFIDENTIAL EMPLOYEES FOR FISCAL YEAR 2009-10 AND 2010-11**  
**Report:** Interim City Manager Nadine Levin  
**Recommendation:** Adopt Resolution 10-69 setting the salary and benefits of the Town's Confidential Employees
24. **SACRED HEART SCHOOL COMMERCIAL BUILDING PLAN REVIEW AUTHORIZATION TO PAY CSG CONSULTANTS FOR WORK PERFORMED**  
**Report:** Interim City Manager Nadine Levin  
**Recommendation:** Authorize the payment of \$44,686.98 to CSG Consultants from the collected plan review fees of \$59,582.64 received from the processing of building permits for 150 Valparaiso Ave. Building A, B, C and D
25. **REQUEST TO REIMBURSE EXPENSES FOR EXPERT PRESENTER AT THE RAIL COMMITTEE MEETING**  
**Report:** Interim City Manager Nadine Levin  
**Recommendation:** Consider a request to reimburse a portion of Mr. Jean-Claude Guez's travel expenses
26. **AUCTION AGREEMENT WITH FIRST CAPITOL AUCTION, INC. AND REQUEST TO AUCTION OFF SURPLUS TOWN EQUIPMENT**  
**Report:** Public Works Director Duncan Jones  
**Recommendation:** Approve permitting First Capitol Auction of Vallejo to pick up and auction off 15 pieces of surplus town equipment and sell at auction, per agreement

**PUBLIC HEARINGS** (27-29)

- 8:30 P.M. 27. **ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON ADDING CHAPTERS 15.02 AND 15.19 AND AMENDING CHAPTERS 15.04, 15.08, 15.12, 15.16, 15.18, 15.20, 15.22 AND 15.44 IN ORDER TO ADOPT BY REFERENCE THE 2010 CALIFORNIA BUILDING STANDARDS CODE, INCLUDING THE RESIDENTIAL, FIRE (BY RATIFICATION), ELECTRICAL, PLUMBING, MECHANICAL, ENERGY, HISTORICAL BUILDING, GREEN AND EXISTING BUILDING CODES AND CHAPTER 1 DIVISION II OF THE 2010 EDITION OF THE CALIFORNIA**

**BUILDING CODE AS THE ATHERTON ADMINISTRATIVE CODE**

**Report:** Interim Building Official Dennis Lockard

**Recommendation:** Adopt Ordinance 560 adding chapters 15.04, 15.08, 15.12, 15.16, 15.18, 15.20, 15.22, and 15.44 in order to adopt by reference the 2010 California Building Standards Code, including the residential, fire (by ratification), electrical, plumbing, mechanical, energy, historical building, green and existing building codes and Chapter 1 Division II of the 2010 edition of the California Building Code as the Atherton Administrative Code

- 8:40 P.M. 28. ADOPTION OF AN ORDINANCE ADDING CHAPTER 17.37 TO THE ATHERTON MUNICIPAL CODE TO CREATE THE PARKER AVENUE OVERLAY DISTRICT (P) AND ADOPTION OF AN ORDINANCE AMENDING THE ZONING MAP TO TITLE 17 OF THE ATHERTON MUNICIPAL CODE TO REZONE TWENTY-TWO LEGAL LOTS ON PARKER AVENUE FROM R1-A TO R1-A (P)**

**Report:** Deputy Town Planner Lisa Costa Sanders

**Recommendation:** Adopt Ordinance 587 adding Chapter 17.37 to the Atherton Municipal Code to create the Parker Avenue Overlay District (P) and adopt Ordinance 588 amending the Zoning Map to Title 17 of the Atherton Municipal Code to rezone twenty-two legal lots on Parker Avenue in Town of Atherton from R1-A to R1-A(P) and waive further reading.

- 9:00 P.M. 29. ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING SECTIONS 17.52.030, 17.36.030, 17.32.030, 17.33.030 AND ADDING SECTIONS 17.32.040 D.4, 17.32.040 E.2, 17.33.040 D.3, 17.33.040 E.1, 17.33.040 G.2, AND 17.36.060 TO THE ATHERTON MUNICIPAL CODE IMPLEMENTING THE ATHERTON 2007-2014 HOUSING ELEMENT**

**Report:** Deputy Town Planner Lisa Costa Sanders

**Recommendation:** Adopt Ordinance 561 amending the Town of Atherton Municipal Code Title 17. The proposed amendments would implement the recently adopted 2007-2014 Housing Element Update

**REGULAR AGENDA (Items 30-33)**

- 9:10 P.M. 30. CONSIDER REFUSE AND RECYCLING COLLECTION RATES AND PROVIDE DIRECTION FOR PUBLIC REVIEW PROCESS**

**Report:** Deputy Town Planner Lisa Costa Sanders

**Recommendation:** Staff and the Environmental Programs Committee recommend the City Council review the attached collection rate options and provide direction to Staff to advertise a rate increase hearing

- 9:30 P.M. 31. UPDATE FROM AD-HOC COMMITTEE FOR LEGAL COUNSEL SELECTION AND DISCUSS RFP PROCESS FOR COMMITTEE**

**Report:** Interim City Manager Nadine Levin

**Recommendation:** Determination of date to interview resident candidates, confirm the number of resident committee members will be three or some

other number; define role and expectations for the committee and its interaction with the Council

- 9:45 P.M. 32. **COUNCIL OF CITIES DECEMBER MEETING – COUNCIL GUIDANCE ON VOTING MATTERS**  
**Report:** Deputy City Clerk Theresa DellaSanta  
**Recommendation:** Council to give guidance direction to San Mateo County Council of Cities representative (Mayor) and alternate representative (Council Member) on voting matters at the December 17, 2010 meeting
- 9:55 P.M. 33. **APPOINTMENT OF INTERIM CITY MANAGER**  
**Report:** Verbal  
**Recommendation:** To Be Determined
- 10:05 P.M. 34. **COUNCIL REPORTS**
- 10:10 P.M. 35. **FUTURE AGENDA ITEMS**
- 10:20 P.M. 36. **PUBLIC COMMENTS**
- 10:30 P.M. 37. **ADJOURN**

***PLEASE NOTE THE FOLLOWING INFORMATION:***

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

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

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

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## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: NADINE P. LEVIN, INTERIM CITY MANAGER**

**DATE: FOR THE REGULAR MEETING OF DECEMBER 15, 2010**

**SUBJECT: CITY MANAGER WRITTEN REPORT**

#### **ADMINISTRATION:**

#### **POTENTIAL TOPICS FOR COUNCIL MEETINGS (REGULAR AND SPECIAL) IN JANUARY AND FEBRUARY, 2011**

**Council may want to consider beginning to set a schedule of meetings to discuss a variety of topics that will need attention early in 2011. These topics include:**

- Strategic Meeting  
In the recent past Council has used this meeting held in January to identify and discuss important projects and efforts and to establish City Council priorities for the year.
- Mid-year budget status  
Typically Council will look at the status of the fiscal year based on the midyear point (end of December, 2010) and determine if any corrective actions are necessary. Staff will be prepared for this discussion by the end of January and it could be presented at the February, 2011 meeting or at a special meeting in late January.
- Joint meeting with the Finance Committee

The Council currently has a joint meeting set with the Finance Committee on January 13, 2011. Additionally, the Council and Finance Committee expressed at their last meeting they would like to hear from the City's portfolio investment advisor (Cutwater) and asked for that meeting to be held on a Saturday. Staff has learned from Cutwater that a Saturday meeting is not possible for them. Staff would like to know if Council would like to have a representative of Cutwater at the joint Finance and Council meeting on January 13, 2011 or Council's regular meeting of January 19, 2011.

Additionally, staff will need time with Council in the February to early March time frame to discuss the FY 2011-12 budget development and preparations for labor negotiations with the employee groups with MOU and resolutions expiring on June 30, 2011.

### **Play School in Atherton Lease**

The Play School in Atherton is located in HP Park and is operated by Knox Playschools Inc. Ms. Susan Knox contacted the City Manager's Office to begin discussions about the renewal of the lease with the Town since the current lease expires June 30, 2011. Ms. Knox has indicated that she is interested in another 10 year lease and she states that her enrollment timing is such that she needs to complete her registration by late winter, for September, 2011. In order to undertake the registration/enrollment she needs to have assurance of a lease. In preliminary discussions between the Interim City Manager and Ms. Knox the potential for changes in HP Park were referenced that may or may impact the PlaySchool. To address both Ms. Knox's needs and the need to maintain some flexibility for the Town it may make sense to negotiate either an one year agreement (July 1, 2011- June 30, 2012) or a longer lease agreement with specific triggers that the Town can exercise with a sufficient notice period. Staff will begin negotiations with Ms. Knox on an agreement and bring a recommended lease to Council at the February, 2011 meeting.

### **Regulation to Limit Curbside Set-out Times and Removal after Collection Pick-up**

Staff receives requests from residents to provide enforcement for households that habitually place waste and recycling containers on the curbside or in the public right of way in advance of collection day and/or leave the containers at these locations long after the containers have been emptied. Atherton does not have any regulations regarding this matter. Many surrounding cities control the time of placement prior to collection and removal of containers after they are emptied.

If desired by City Council staff will begin a review to determine if early placement and or late removal of waste containers constitutes a public nuisance and return to Council by February, 2011 with a proposed resolution establishing an ordinance and guidelines for the timely and proper placement and removal of waste containers.

## **BUILDING DEPARTMENT:**

### **NOVEMBER 2009/2010 SUMMARY**

#### **NOVEMBER PERMIT ACTIVITY**

##### **November 2009**

- Permit applications received: 67
- Number of permits issued: 63
- Number of inspections: 490

##### **November 2010**

- Permit applications received: 58
- Number of permits issued: 64
- Number of inspections: 651

#### **FISCAL YEAR PERMIT ACTIVITY**

##### **July 2009 – November 2009**

- Permit applications received: 392
- Number of permits issued: 401
- Number of inspections: 2,021

##### **July 2010 – November 2010**

- Permit applications received: 414
- Number of permits issued: 407
- Number of inspections: 2,884

#### **FY10 REVENUE**

##### **July 2009 – November 2009**

- Permit Fees: \$231,260.65
- Plan Check Fees: \$123,192.44
- Total Revenue: \$354,453.09

#### **FY11 REVENUE**

##### **July 2010 – November 2010**

- Permit Fees: \$330,989.90
- Plan Check Fees: \$218,465.75
- Total Revenue: \$549,455.65

## **FINANCE DEPARTMENT:**

Finance is continuing to work with the Finance Committee on preparing a viable Five-Year Financial Forecast for the Town. Staff contacted CalPERS Actuary to obtain

various formula valuations and is in the process of obtaining a new five-year retirement rate projection to be based on the new CalPERS assumption.

Progress has been made on the financial forecast model MuniCast. 10-Year of historical data (FY 2001 to FY 2010) has been loaded into the model. The next phase is to continue work with MuniCast to fine-tune the model, obtain training, and present the model to Finance Committee for review and comment.

Staff implemented the new labor agreements/MOU and is in contact with CalPERS Health Division on changes to medical coverage including resolutions to be approved by City Council in January 2011.

Finance in conjunction with the Police Department submitted to The City of San Bruno \$32,750 cost in the amount of San Bruno Fire for emergency assistance for possible State reimbursement.

Finance Department completed the Management's Discussion and Analysis (MD&A) for the FY 2009-10 audit report. Staff completed the audit timely and the Town received an "unqualified" opinion from external auditor Maze & Associates. Maze and Associates will return in January 2011 to complete the FY 2009-10 Single Audit for the federal stimulus fund received.

#### **POLICE DEPARTMENT:**

In collaboration; the Atherton Police, CHP and SMC Sheriff's Office have increased traffic enforcement and prevention on El Camino between Valparaiso Avenue and Dumbarton. This collaborative effort was in response to two fatal traffic accidents that occurred on El Camino real or State Route 82 a few months ago.

The holiday AVOID THE 23 DUI enforcement campaign is scheduled to start on Friday, December 17, 2010 with a kick-off event at the Colma Police Department.

While there were no reported burglaries during the month of November, there were a significant number of petty and grand thefts throughout the Town and at the schools so residents should remember to lock their vehicles and homes.

#### **PUBLIC WORKS PROJECT UPDATES:**

- Encinal Traffic Signal – The signal has been optimally timed and the timing was reviewed by staff in the AM peak, after school peak and PM peak. Some adjustments were made and the signal is operating as designed. It is necessary to queue the northbound left turn to avoid backing up southbound Middlefield Road to Marsh Road, which is why a long left turn lane was designed into the project. For only a few cycles in the AM, at about 7:55 AM, traffic exceeds the storage lane capacity and it can take 3 cycles of the signal (6-7 minutes) to make the left turn. By 8:00 AM, it

normally takes two cycles (4-5 minutes), and by 8:10 AM there are only one or two cars waiting to turn left that clear on each cycle. Encinal students and parents walking and biking are provided priority to cross both Middlefield Road, with Encinal Avenue traffic held on red for seven seconds to allow them to proceed first, then countdown for the walk signal starts.

- El Camino Real Crosswalks – Caltrans has prepared plans for upgrades to the crosswalks and signing for the five crosswalks in Atherton, and staff has reviewed the plan and made comments. Caltrans plan updates all five crosswalks to current MUTCD standards, including new warning signs at the crosswalks along with new crosswalk striping, including supergraphics for enhanced visibility and a yield line. Each sign installation will include either signs or paddles in the median and at the roadside, as well as new reflectors at the median ends. Town crews have trimmed vegetation and will trim more where needed for the new signs.
- Fletcher/Ridgeview Drainage and Reconstruction – the drainage phase of the project is now complete and operational and the street has been winterized for the rainy season. The sewer and water districts replaced some of their facilities that were found to need replacement, and the sewer district is replacing another, taking advantage of the opportunity. The street replacement phase will begin in the spring.
- Street Reconstruction 7 – includes Park Lane and the right turn lane from Alejandra to El Camino Real. Park Lane paving is completed and final dressing of the swales and project clean-up is underway. The valley gutter at Somerset Lane is now being installed, and the Alejandra turn lane construction will begin shortly. The project was scheduled to be completed in October, but delays in achieving compaction delayed final paving.
- Hoover/Valparaiso Crosswalk – Caltrans approved the updated DBE plan and submitted the authorization request to headquarters. The project has been submitted to MTC Fund Management System, the final step for MTC approval of the FTIP. MTC has not yet approved the federal program for the coming year, so no approvals can be issued until this is done. This may occur in December. Design cannot commence until the approvals are received.
- High Speed Rail – staff attended a settlement conference for the current lawsuit on November 17<sup>th</sup>. The settlement team was led by the lead attorney, Stuart Flashman. Settlement discussion are to be kept confidential, but the attorney released that a proposal was presented that would preserve the ability to get the Authority to consider changes that would alleviate the project's impacts on the Peninsula and address Atherton's other project concerns. The Authority has not yet responded. There is a tentative hearing date of March 11, 2011, but that will probably change. Interim hearings on procedural issues are scheduled in December. Staff attended the Technical Working Group (TWG) meeting on November 18<sup>th</sup> and attended joint office visits on November 16<sup>th</sup> with Menlo Park and Palo Alto and on November 26<sup>th</sup>

with Redwood City and San Mateo County (Fair Oaks) to discuss their joint concerns with design staff. The meetings were beneficial and will be repeated next year.

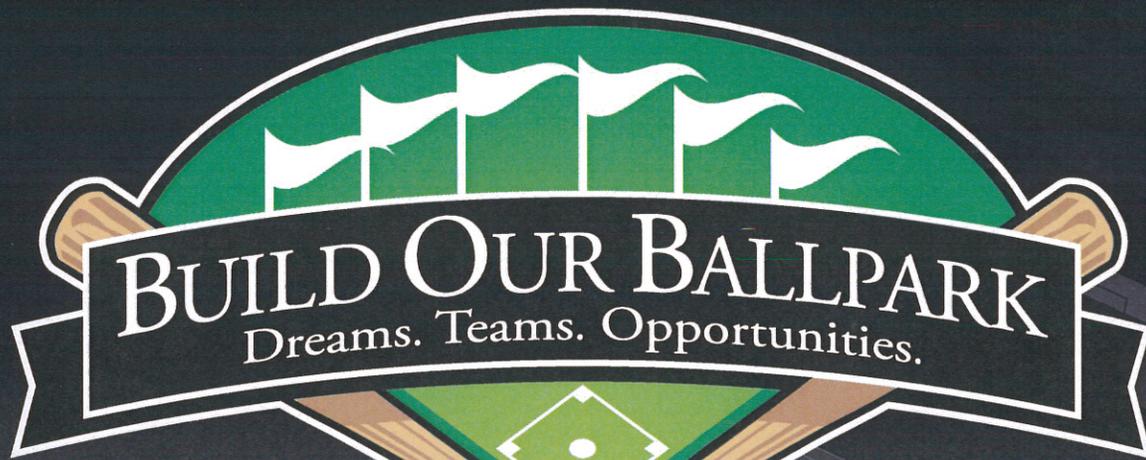
- Little League in the Park – In October Little League presented a concept for enhancement of the Little League field in Holbrook-Palmer Park. See attached plan. The plan includes covered bleacher seating (a miniature Victorian style grandstand), a concession stand, an outfield fence, fenced bullpens and foul poles. In November, Planning staff presented to the Commission the process that would be required for such a project. To start, the Commission would need to see a more detailed site plan with the height of all structures and the usage planned for the facility. Notices of a public meeting to review and comment on the plan would need to go to residents within 500 feet of the park.
- Drainage into Redwood City – On November 22, 2010 the Redwood City Council heard a presentation from their staff about drainage in the Bayshore Canal, which intersects the Atherton Channel just before the combined flows enter a slough through a tide gate. I was invited to hear the presentation. During the presentation, the Atherton Channel was shown as 69% responsible for the flooding in the low areas of Redwood City. During public comment I advised the Council of the reductions in flow the Town has accomplished by the detention required by the Town's drainage criteria for more than 10 years (estimated at more than 400 properties), as well as the Town detention projects such as the Ridgeview project recently completed. I also noted that it was no accident that James Flood built his estate west of what is now Bay Road, because the lands east of Bay Road flooded all the time even then. There was discussion about forming an ad-hoc committee of involved jurisdictions to discuss solutions to the flooding problem. The presentation ( I also have the PowerPoint slides), my comments, and the Council's discussion can be viewed at: [http://redwoodcity-ca.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=1046](http://redwoodcity-ca.granicus.com/MediaPlayer.php?view_id=2&clip_id=1046)

### **PLANNING DEPARTMENT:**

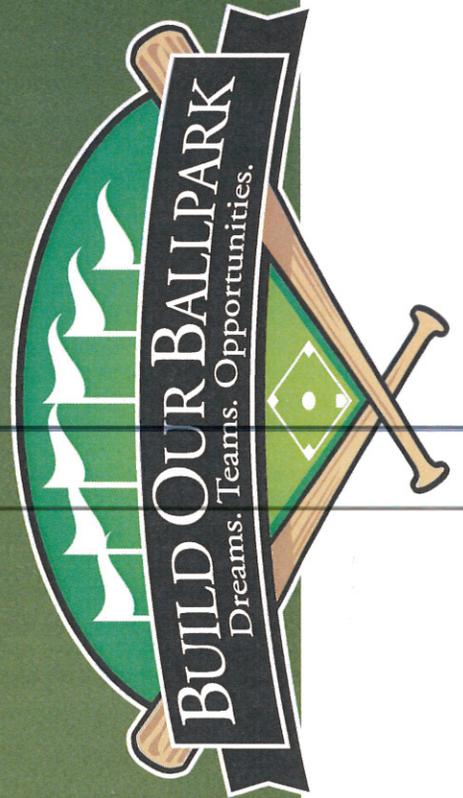
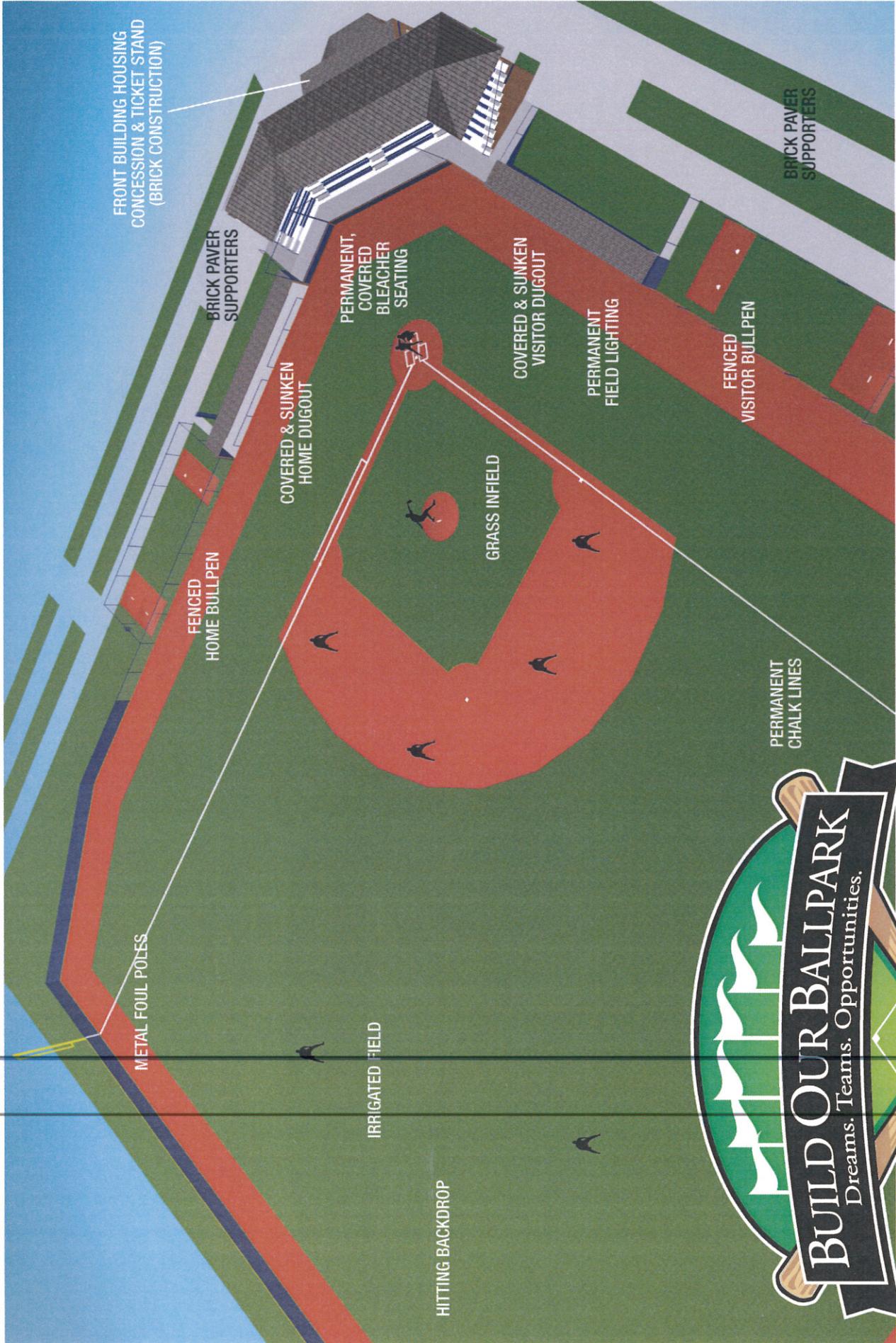
Rethink Waste and Recology hosted an Informational Meeting at the Park Pavilion on Monday, December 6, 2010 to discuss the new collection services. The meeting was very well attended with over 80 residents. Staff is compiling a list of questions and answers from the meeting that will be posted on the Town's website. It was noted at this meeting that the Council will be reviewing the collection rates at its December 15, 2010 meeting.

- The Planning Commission, at its December 1, 2010 meeting took the following action;
- Accepted the Annual Master Plan Update from Menlo College
  - Approved a Conditional Use Permit at Sacred Heart Schools, 150 Valparaiso, for reconstruction of the gatehouse building

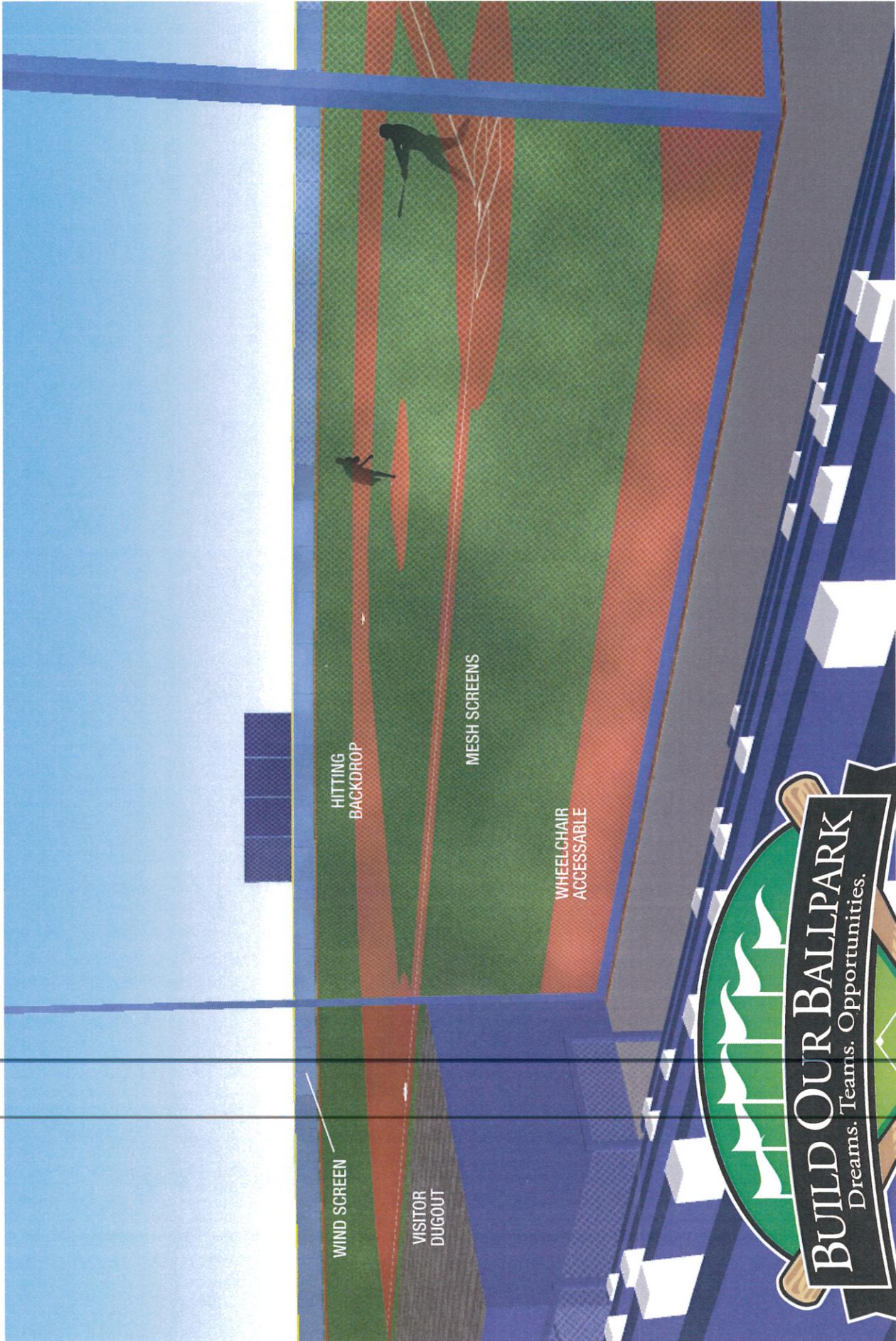
- Approved a Lot Line Redesignation to designate Catalpa Drive as the front property line and approved a Heritage Tree Removal Permit to allow the removal of two heritage trees at 97 Juniper Drive.



BUILD OUR BALLPARK – ATHERTON, CALIFORNIA



ARTIST RENDERING -- ATHERTON, CALIFORNIA



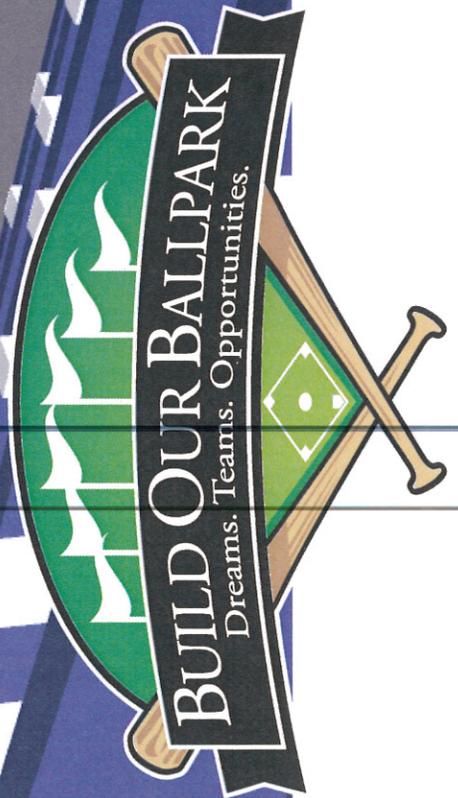
WIND SCREEN

VISITOR  
DUGOUT

HITTING  
BACKDROP

MESH SCREENS

WHEELCHAIR  
ACCESSIBLE



ARTIST RENDERING BUILD OUR BALLPARK – BLEACHER VIEW – ATHERTON, CALIFORNIA



**Amended Minutes**  
**Town of Atherton**  
**CITY COUNCIL**  
**ATHERTON CHANNEL DRAINAGE DISTRICT**  
**October 20, 2010**  
**7:00 p.m.**  
**TOWN COUNCIL CHAMBERS**  
94 Ashfield Road  
Atherton, California  
**REGULAR MEETING**

1. **PLEDGE OF ALLEGIANCE**

2. **ROLL CALL** Lewis, Dobbie, Marsala, McKeithen, J. Carlson

3. **PRESENTATIONS**

**Oath of Office – Level I Reserves**

Deputy City Clerk Della Santa administered the oath of office to David Gomez and Bill Lane.

**Tree Awards – Kathy Hughes Anderson**

Town Arborist Kathy Hughes Anderson presented the following residents with the 2010 Tree Awards:

Zan Jones for a Chinese Elm and Palm Tree

Virginia and John Rugeiro for Persimmon, *Diospyros kaki* ‘Hachiya’

Pat and Ralph Haines for a Live Oak

Evelyn Arata for a Monkey Puzzle, *Araucaria araucana*

Julia & Mike Samachisa for a Cork Oak, *Quercus suber*

Adelman Family (Derek & Etsuko) for a Valley Oak, *Quercus lobata* and a grove of mature Redwoods

4. **PUBLIC COMMENTS**

Public Comment received from Atherton residents:

Loren Gruner regarding recent fatalities in Atherton.

Denise Kupperman regarding Grand Boulevard project.

Jon Buckheit regarding false arrest charges and encouragement of a citizen police review board.

Don Way regarding admiration for City Manager Gruber.

**Melinda Tevis read several words and their meaning from the dictionary. These words included civics, civilized, civilization, civility, and citizen. Tevis discussed a recent news article and thanked the Mayor for her comments.**

## 5. REPORT OUT OF CLOSED SESSION

The Mayor called the October 20, 2010 special meeting to order at 5:00 p.m.

Furth reported that Council Member Marsala was absent.

### A. **CONFERENCE WITH LABOR NEGOTIATOR – Labor negotiations pursuant to Government Code Section 54957.6**

Agency Negotiators: Jerry Gruber, City Manager; Glenn Berkheimer, I.E.D.A.

Employee Organization: Miscellaneous - Teamsters Local Union 856

Agency Negotiators: Jerry Gruber, City Manager; Glenn Berkheimer, I.E.D.A.

Employee Organization: Management Employees

Agency Negotiators: Jerry Gruber, City Manager; Assistant City Manager Eileen Wilkerson

Employee Organization: Confidential Employees

Agency Negotiators: Jerry Gruber, City Manager; Glenn Berkheimer, I.E.D.A.

Employee Organization: APOA

Furth reported that Item A was tabled to a future Agenda.

### B. **CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (Subsection (b) of Government Code Section 54956.9):**

1. *Pacific Peninsula Group v. Town of Atherton, and Does 1 through 50*, San Mateo Superior Court, Case No. CIV 497841

2. *Jonathan B. Buckheit v. Tony Dennis, Dean DeVlugt, Anthony Kockler, The Town of Atherton, The County of San Mateo, and Jerry Carlson* U.S. District Court for the Northern District of California, San Francisco Division, Case No. CV 09-5000

Furth reported that there is no reportable action from Item B.

### C. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (Subsection (c) of Government Code Section 54956.9)** *One potential case*

Furth reported that there is no reportable action from Item C.

### D. **PUBLIC EMPLOYEE APPOINTMENT: INTERIM CITY MANAGER (Subsection (b)(1) of Government Code Section 54957)**

Furth reported that Item D was reported during the previous special meeting and action was taken to appoint Nadine Levin as the Interim City Manager for the Town of Atherton.

## 6. CITY MANAGER'S REPORT

Council Member Carlson asked if Gruber was successful in getting a meeting set up with Caltrans. Gruber said he has directed Public Works Director Jones and Police Chief Guerra to meet with Caltrans representatives to address the issue of the recent fatalities on El Camino Real.

Jones added that he is attending a meeting at Senator Simitian's office with Caltrans to address the issue.

**7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT**

**Disaster Plan Presentation by Ryan Zollicoffer – Emergency Services Coordinator, Menlo Park Fire Protection District**

Ryan Zollicoffer presented the Council with a PowerPoint presentation on the proposed Disaster Plan. Zollicoffer discussed the timeline and flowchart of the process from start to finish in developing the Disaster Plan.

Zollicoffer explained that the purpose of a Disaster Plan is to put processes in place to protect citizens, property, environment and local businesses. It provides responders with documentation and checklist to effectively manage local emergencies and it conforms to NIMS and SEMS standards in order to receive Federal Disaster Assistance.

Zollicoffer discussed emergency response with recent disasters which included a plane crash in Palo Alto this past February and the pipeline explosion in San Bruno this past September.

Zollicoffer concluded that the Town may be exposed to increased liability claims, could risk state disaster funding/recovery and could be exposed to limited grant funding if there is no disaster plan in place.

Council discussed the fact that they were all given a NIMS test last year which they all took for certification. Zollicoffer explained that it is one step in the process and will soon be an annual requirement.

Chief Schapelhouman discussed the location of the Emergency Operations Center and options the Town has. Schapelhouman stressed how important it is for the Town and the Fire District along with all other agencies to have a professional and trusting relationship at all times. Schapelhouman said if you don't have a professional working relationship and constant interaction between all agencies including Police, Fire and Public Works then we will not succeed in an emergency.

Chief Guerra discussed the implementation of the command vehicle the Police Department currently has.

City Manager Gruber said it is a minimal cost to utilize the regional facility in Menlo Park and it should be looked into. Gruber added that it is important for the Town to continue to have quarterly exercises with emergency plans and allocate funds to restock the emergency supplies which are very old and outdated. Gruber concluded that it is very important to put together a joint meeting of the City Council and the Menlo Park Fire District officials during implementation of the plan.

Action was taken on the consent calendar under Item 20.

**CONSENT CALENDAR (Items 8-20)**

Vice Mayor Dobbie had questions for items 11 and 16.

Council Member Lewis had edits for item 8, questions on items 10 and 11, and pulled item 14.

Council Member Carlson had a comment on item 19.

Mayor McKeithen had a statement to make on item 10, and typographical revisions to items 12, 17, 19 and 20.

Atherton resident Loren Gruner had a question on item 13.

**8. APPROVAL OF SEPTEMBER 8, 2010 SPECIAL MEETING, SEPTEMBER 15, 2010 REGULAR MEETING, SEPTEMBER 20, 2010 SPECIAL MEETING, AND SEPTEMBER 30, 2010 MEETING MINUTES (2)**

**Recommendation:** Approve September 8, 2010 Special meeting, September 15, 2010 regular meeting, September 20, 2010 special meeting and two September 30 special meeting minutes.

Council Member Lewis gave non-substantive edits to the September 15<sup>th</sup> and September 30<sup>th</sup> minutes. The changes will be implemented.

**9. APPROVAL OF BILLS AND CLAIMS FOR FEBRUARY 2010 IN THE AMOUNT OF \$1,218,191**

**Recommendation:** Approve Bills and Claims in the amount of \$1,218,191

**10. ACCEPTANCE OF MONTHLY FINANCIAL REPORT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010**

**Report:** Finance Director Louise Ho

**Recommendation:** Receive the General Fund Financial Report for the three months ended September 30, 2010

Council Member Lewis asked what upward trend the Building Department is seeing. Finance Director Ho said it is approximately up by 18%.

Mayor McKeithen requested comparisons of expenditures and revenues from prior years in the future monthly financial reports. Ho will implement the changes.

**11. PURCHASE OF A 15TB HARD DRIVE TO RECORD POLICE DEPARTMENT BUILDING SECURITY VIDEO & ALLOW THE DESTRUCTION OF “ROUTINE VIDEO MONITORING” RECORDS AFTER ONE YEAR AS DEFINED BY GOVERNMENT CODE SECTION 34090.6(A) AND TOWN OF ATHERTON POLICY 1.1**

**Report:** Police Chief Mike Guerra

**Recommendation:** Authorize the purchase of a 15TB hard drive that will be used to record video from the PD’s security camera system, which will have the capacity to record one year of data in compliance with Government Code Section 34090.6(a). Staff also recommends that Council authorize the destruction of “routine video monitoring” records as defined by 34090.6(a), and in a manner that is already defined in Atherton Records Policy 1.1

Vice Mayor Dobbie questioned why the Town has video monitoring on the premises in areas that include the Post Office and parking lots. Police Chief Guerra said the video monitoring does not

include any audio recording and the server capacity only records up to 15 days and depends on motion which activates the system. Guerra added that it is not uncommon to have video recording devices at a Post Office.

Council Member Lewis said upgrading of video monitoring systems was approved by Council in 2008 and it seems reasonable to have the video surveillance in place.

Mayor McKeithen said she was not aware that surveillance would be installed in the Administrative offices at Town Hall. McKeithen asked representatives from the Menlo Park Fire District if it was common to have surveillance at a Post Office.

Ryan Zollicoffer said that in the past he worked with the United States Postal Service during their terror scare on Capitol Hill and surveillance cameras were installed at a lot of postal offices for anti-terror measures in light of suspicious packages.

City Manager Gruber said the Town has posted signs letting individuals know that surveillance is on the premises.

**12. RESOLUTION 10-55 AUTHORIZING INDIVIDUALS TO ACT ON BEHALF OF THE TOWN OF ATHERTON STARS DEFERRED COMPENSATION PLAN**

**Report:** Assistant City Manager Eileen Wilkerson

**Recommendation:** Approve Resolution 10-55 adopting a Resolution authorizing specified individuals to act on behalf of the Plan while serving as Town employees

Mayor McKeithen questioned why the resolution refers to Eileen Wilkerson whose last day is tomorrow. City Attorney Furth informed Council that Wilkerson intends to sign the resolution and have the paperwork done by tomorrow to close out a program she has been working on. Furth said Wilkerson only has the power to administer this while employed by the Town.

**13. ADOPT A RESOLUTION APPROVING A “NO PARKING FROM 7-9 AM AND 2-4 PM” ZONE ON ALTREE COURT**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Adopt resolution 10-56 approving a “No Parking from 7-9 AM and 2-4 PM” zone on Altree Court.

Loren Gruner, Atherton resident, questioned the reason for this particular item.

Public Works Director Jones said this is the same issue the Town had with Surrey Lane where residents are parking in areas that block emergency access and resident access to their properties. Jones added that the Transportation Committee made the recommendation.

Gruner said Altree Court is the only place to park if you do not want to be on a busy street waiting to pick up your children. Gruner said the parking for parents is slowly being eroded in many areas and it causes very serious safety issues.

Council Member Lewis said if this is a true issue of blocking emergency access shouldn't the resolution state that there shall be no parking at all.

Jones said the Committee and staff only addressed when the issue actually occurs.

Council member Carlson asked if there is anything that can be done to allow for more parking on Ringwood Avenue.

City Manager Gruber said he plans to incorporate considerations from the Menlo Park Fire District, the School District, the residents and Town officials to come up with viable solutions.

Council Member Carlson recommended that the Transportation Committee set up an ad-hoc committee to work with the parents of the schools.

**14. ADOPT A RESOLUTION REVISING THE “NO RIGHT TURN ON RED 7 AM TO 7 PM” AT OAK GROVE AVENUE AND MIDDLEFIELD ROAD TO “NO RIGHT TURN ON RED MON-FRI 7:30-9:30 AM AND 1:30-3:30 PM”**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Adopt Resolution 10-57 revising the “No Right Turn on Red 7 AM to 7 PM” at Oak Grove Avenue and Middlefield Road to “No Right Turn on Red Mon-Fri 7:30-9:30 AM and 1:30-3:30 PM”

Council Member Lewis felt that the proposed new time blocks were not well considered. Lewis said children pour into school after 9:30 a.m. and 3:30 p.m. Lewis said it would be better to keep the time block as is right now.

Denise Kupperman agreed with Council Member Lewis and felt the hours should remain at 7:00 a.m. to 7:00 p.m.

Mayor McKeithen said there was an overwhelming argument brought to the Transportation Committee that people do not pay attention to the sign because the hours are so inclusive and a lot of times there is no traffic whatsoever so it is largely ignored.

Vice Mayor Dobbie said residents came to the Transportation Committee and requested that the hours be removed mainly for Saturday and Sundays. Dobbie added that the 7:00 a.m. to 7:00 p.m. is largely ignored.

Council Member Lewis said the Police Department should begin enforcing it more and making drivers obey the law.

Jones said he spoke with Menlo-Atherton High School representatives and these times do fit in with the school’s bell schedule. Jones said there are some odd days with scheduling and there will always be some times when right turns will be allowed outside the hours while people are in the crosswalks but drivers should not they are to yield to pedestrians by law.

**15. ADOPT A RESOLUTION SETTING A 10 MPH SPEED LIMIT IN ALL PUBLIC WORKS CONSTRUCTION ZONES**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Adopt Resolution 10-58 setting a 10 mph speed limit in all public works construction zones

**16. AWARD OF CONTRACT FOR THE TOWN LANDSCAPE MAINTENANCE SERVICES**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Award the contract for Town Landscape Maintenance Services, to Frank & Grossman, the low bidder on the October 14, 2010 bids, for \$2,083 per month, for a total of \$16,664 for the next 8 months and to authorize the City Manager to sign the contract on behalf of the Town. Approve staff recommendation to include the add-alternate price of \$480 per month for maintenance of the City Manager's house at 160 Watkins to the low base bid of \$1,603 for a total of \$2,083 per month

Vice Mayor Dobbie questioned why there is an addition of \$480 per month for maintenance of the City Manager's house and what it is paying for. Jones said it is for the landscape maintenance of the yards and bushes and it is on a twice a week basis. City Manager Gruber said the grounds at the house have significantly deteriorated.

Vice Mayor Dobbie said he felt \$480 is too expensive.

**17. PROCLAMATION DECLARING RED RIBBON WEEK FROM OCTOBER 25 THROUGH OCTOBER 31, 2010**

**Report:** Police Chief Mike Guerra

**Recommendation:** Approve Proclamation Declaring Red Ribbon Week from October 25 through October 31, 2010

**18. APPROVE AMENDMENT TO AGREEMENT WITH MENLO ATHERTON LITTLE LEAGUE ASSOCIATION**

**Report:** City Manager Jerry Gruber

**Recommendation:** Approve the amendment for little league baseball between the Menlo Atherton Little League Association and the Town of Atherton; authorize the City Manager to execute the agreement

**19. AGREEMENT FOR LEGAL SERVICES WITH OFFICES OF STUART FLASHMANN (CALIFORNIA HIGH SPEED RAIL AUTHORITY)**

**Report:** City Manager Jerry Gruber

**Recommendation:** Approve agreement for Legal Services with Office of Stuart Flashmann (California High-Speed Rail Authority); authorize City Manager to execute

Council Member Carlson requested that the contract include that there will be cost-sharing with the City of Palo Alto. City Attorney Furth said she will add a note to the contract.

**20. ADOPT RESOLUTION 10-59 APPROVING THE EMERGENCY OPERATION PLAN 2010 AND ADOPT RESOLUTION NO 10-60 APPROVING THE NATIONAL INCIDENT MANAGEMENT SYSTEM AS THE CRITERIA FOR MEASURING THE PERFORMANCE**

**Report:** City Manager Jerry Gruber

**Recommendation:** Adopt Resolution 10-59 approving the Emergency Operation Plan and adopt Resolution 10-60 approving the National Incident Management System (NIMS) as the criteria for measuring the performance

**MOTION by Dobbie, second by Carlson to approve the consent agenda with the exception of Item 14 which will be voted upon separately. The motion passed.**

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

**MOTION by McKeithen, second by Dobbie to approve Item 14. The motion passed.**

Ayes: 3      Nays: 1 (Lewis)      Abstain: 0      Absent: 1 (Marsala)

**PUBLIC HEARINGS (21)**

**21. AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON REPEALING AND REPLACING CHAPTER 15.48 OF THE ATHERTON MUNICIPAL CODE ESTABLISHING WATER-EFFICIENT LANDSCAPING STANDARDS**

**Report:** City Manager Jerry Gruber

**Recommendation:** Introduce Ordinance repealing and replacing Chapter 15.48, Establishing Water Efficient Landscaping Guidelines, to the Atherton Municipal Code. Three votes are required to introduce the ordinance. A second vote, scheduled at least ten days from the date of this meeting, is required to adopt the ordinance. Staff is recommending rescinding Chapter 15.48, Establishing Water Efficient Guidelines, of the Atherton Municipal Code, in its entirety, and replacing it with a new Chapter 15.48, Water Efficient Landscaping Ordinance

City Manager Gruber said the water ordinance has been a long time coming for the Town and is a very important issues.

Town Arborist Kathy Hughes-Anderson gave a brief presentation of the ordinance. Anderson said the State's model ordinance, Model Water Efficient Landscape Ordinance (MWELo), became effective for all cities and counties in California as of January 1, 2010. The Bay Area Water Supply and Conservation Agency (BAWSCA) developed a model ordinance that they are asking local jurisdictions to adopt instead of adopting the State ordinance. BAWSCA's ordinance is as effective as the state's. The Town can adopt the State's ordinance, adopt the BAWSCA ordinance, or create our own ordinance. The proposed water efficient landscaping ordinance is as effective and stringent as the State's Model Ordinance, but simpler and easier to implement. Staff is recommending that all projects subject to the Landscape Water Conservation Ordinance may be designed and certified by a licensed landscape architect, a licensed landscape contractor, or that of a certified landscape irrigation auditor. The proposed ordinance allows an option of exceeding the 25% turf limit by calculating a water budget. Staff is recommending that the Ordinance should read "separate meters for landscaped areas greater than 5,000 square feet is highly recommended."

Vice Mayor Dobbie asked if this applies to all water, including well water. Anderson said it includes all water, including well water.

Mayor McKeithen asked how well usage is monitored. Anderson said it is calculated by maximum water allowance and you have to stay within that when you calculate your usage.

Council member Carlson asked if there were landscape experts or residents involved. Anderson said not as many as she would have anticipate, but the landscape architects are aware of the ordinance and know they have to comply with it. Anderson concluded that staff plans to create education materials and outreach with residents.

**MOTION by Dobbie, second by Lewis to Introduce Ordinance repealing and replacing Chapter 15.48, Establishing Water Efficient Landscaping Guidelines, to the Atherton Municipal Code with the intent of rescinding Chapter 15.48, Establishing Water Efficient Guidelines, of the Atherton Municipal Code, in its entirety, and replacing it with a new Chapter 15.48, Water Efficient Landscaping Ordinance. The motion passed.**

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

**REGULAR AGENDA (Items 22-25)**

**22. RECRUITMENT OF INTERIM CITY MANAGER; RETIREMENT OF ASSISTANT CITY MANAGER; CONSIDERATION OF APPOINTING A TRANSITIONAL INTERIM CITY MANAGER**

**Report:** Oral

**Recommendation:** Consideration of Adoption of Resolution Appointing a Transitional Interim City Manager

Council Member Lewis felt that the Town is lucky with the “bridge” Interim City Manager appointment of Nadine Levin from Management Partners. Lewis said she is sad that the Town was unsuccessful in retaining City Manager Jerry Gruber and Assistant City Manager Eileen Wilkerson. Lewis said Wilkerson wore many hats and put many procedures into place that will protect the Town. Lewis said Gruber quickly assembled a qualified team of Town Administrative employees during very difficult times. Lewis said both employees deserve very high accolades.

Council Member Lewis read into the record a letter from Atherton resident and former Mayor Malcolm Dudley.

Council Member Carlson said he was very sorry to hear of Wilkerson’s departure and thanked her very much for her contributions to the Town. Carlson concluded that it is tough to be a City Manager because you are tugged and pulled in all different directions and he will miss Gruber’s constant smile during difficult times within the Town.

Vice Mayor Dobbie clarified that there was no pressure put on either the City Manager or the Assistant City Manager in their decision to depart the Town.

**No Action was taken.**

**23. DISCUSS ESTABLISHING A DATE FOR SOLICITING COMMUNITY INPUT FOR QUALIFICATIONS FOR THE PERMANENT CITY MANAGER AS WELL AS ESTABLISHING A CITIZENS REVIEW COMMITTEE FOR THE PERMANENT CITY MANAGER**

**Report:** Oral

Mayor McKeithen said she requested this item to be on the agenda for citizen input into the process. McKeithen said there are not enough citizens in the audience at this particular meeting to come to a conclusion and she hopes the current audience can spread the word that Council wants citizen input. McKeithen said she would like to hold a special community meeting specifically to listen to the residents’ views before an RFP is developed for the permanent City Manager position.

Loren Gruner, Atherton resident, questioned whether the residents will know more about candidates ahead of time. Gruner said this would allow for resident input in a more constructive way.

Council Member Lewis said she sent an email to the Mayor outlining several different items to what the process might entail.

Gruner suggested putting something on the Town website to allow for residents to give ideas and thoughts throughout the process.

Don Way, Atherton resident, said this is the most difficult decision Council will have to make. Way encouraged Council to form a citizens committee to articulate what is most important to residents in terms of characteristics of a City Manager.

No Action was taken.

**24. RECLASSIFICATION OF THE “TEMPORARY” ADMINISTRATIVE ASSISTANT TO THE POLICE CHIEF TO “REGULAR” EXECUTIVE ASSISTANT/POLICE DEPARTMENT**

**Report:** City Manager Jerry Gruber

**Recommendation:** Reclassify the employment status of the temporary Administrative Assistant to the Police Chief to regular employment status, approve designation to the job classification Executive Assistant, set full time equivalent to 1.0 FTE and Set the Bargaining Unit as Confidential

Police Chief Guerra discussed the roles of the current temporary Administrative Assistant. Guerra reiterated that this position is not secretarial to the Chief. Guerra concluded that the Police Department has no secretarial staff support, but it would be nice to have someone who can fill that void.

Council Member Lewis asked how many more hours per week would the position fill. Guerra said a total of 8 more hours.

**MOTION by Dobbie, second by Carlson to reclassify the employment status of the temporary Administrative Assistant to the Police Chief to Executive Assistant at a regular part-time employment status of 0.75FTE. The motion passed.**

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

**25. REQUEST FROM AUDIT COMMITTEE TO ALLOW REVIEW AND DRAFTING OF POLICIES RELATED TO TOWN CREDIT CARD, INVENTORY, ACCOUNTS PAYABLE, AND USE OF INTERNS**

**Report:** Finance Director Louise Ho

**Recommendation:** To be Determined

Mayor McKeithen made revisions to the minutes provided by the Finance Director.

**MOTION by Dobbie, second by Carlson to approve allowing the Audit Committee to review and drafting of policies related to Town credit card, inventory, accounts payables and allow utilization of interns without Council approval. The motion passed.**

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

Furth clarified that interns would need to be obtained through staff.

**26.    COUNCIL REPORTS**

Vice Mayor Dobbie thanked City Manager Gruber for his contributions to the Town and wished him well in his future.

City Manager Gruber thanked Council for allowing the opportunity to serve as the Town City Manager and said that it “has been fun.”

**27.    FUTURE AGENDA ITEMS**

None.

**28.    PUBLIC COMMENTS**

None.

**29.    ADJOURN**

**MOTION by Lewis, second by Dobbie to adjourn the meeting. The motion passed unanimously.**

Mayor McKeithen adjourned the meeting at 9:42 p.m.

**Respectfully submitted,**

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**Theresa DellaSanta**  
**Deputy City Clerk**



**DRAFT MINUTES**  
**Town of Atherton**  
**CITY COUNCIL/ATHERTON CHANNEL DRAINAGE**  
**DISTRICT**  
**November 6, 2010**  
**10:00 A.M.**  
**Meeting Room**  
**Council Chambers**  
94 Ashfield Road  
Atherton, California

Mayor McKeithen called the meeting to order at 10:00 a.m.

**ROLL CALL**      **Lewis, Dobbie, Marsala, McKeithen, Carlson**

**PUBLIC COMMENT** – limited to particular items on the special agenda

Peter Carpenter, Atherton resident, requested that a list of candidates be made available to the public so community input can be given.

Melinda Tevis, Atherton resident, said she preferred for Council Member-elect Bill Widmer to be able to weigh in on the Interim City Manager process and candidates.

**REGULAR AGENDA**

**1.      RECRUITMENT OF INTERIM CITY MANAGER**  
**Report: Oral**

Council Member Lewis questioned why the City Attorney was not present for the meeting.

Mayor McKeithen said she did not feel it was necessary for the Attorney to be present and felt the Town would benefit in cost savings if the attorney stayed on call, which she was planning to do.

**PUBLIC COMMENT** – None.

**PUBLIC ANNOUNCEMENT OF CLOSED SESSION ITEMS** – Mayor McKeithen announced the closed session items.

Council adjourned to closed session at 10:12 a.m.

**CLOSED SESSION**

**2.      PUBLIC EMPLOYEE APPOINTMENT: INTERIM CITY MANAGER**  
**(Subsection (b)(1) of Government Code Section 54957)**

**RECONVENE TO OPEN SESSION**

Mayor McKeithen said that Council reviewed all applications and came to consensus to speak with the City Attorney and ask her to set up interviews and conduct background checks with identified candidates. Council wants to hold interviews in the next week.

**ADJOURN**

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

Mayor McKeithen adjourned the meeting at 11:05 a.m.

**Respectfully submitted,**

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**Theresa DellaSanta  
Deputy City Clerk**



**DRAFT MINUTES**  
**Town of Atherton**  
**CITY COUNCIL/ATHERTON CHANNEL DRAINAGE**  
**DISTRICT**  
**November 15, 2010**  
**9:00 A.M.**  
**Meeting Room**  
**Council Chambers**  
94 Ashfield Road  
Atherton, California

Mayor McKeithen called the meeting to order at 9:00 a.m.

**ROLL CALL**      **Lewis, Dobbie, Marsala, McKeithen, Carlson - All Present**

**PUBLIC COMMENT** –

(Buckheit arrived after Council adjourned to closed session; Council reopened for public comment)

Jon Buckheit, Atherton resident, questioned Furth's involvement in the Interim City Manager recruitment process. Buckheit said he believes it is an immense conflict of interest since he believes Furth is defending the Town in other legal malpractice lawsuits and protecting Town employees from lawsuits.

Council Member Carlson called for a point of order. Mayor McKeithen reminded Buckheit that public comment at a special meeting is limited to items on the agenda and asked Buckheit to stay on topic.

Buckheit discussed the Kimberley Sweidy lawsuit and the negligence from the Building Department to her home.

Council Member Carlson called for a point of order. City Attorney Furth said that even if citizens do not abide by Council rules it is more effective to allow public comment in order not to restrict anyone's right to speak.

**REGULAR AGENDA**

**1. RECRUITMENT OF INTERIM CITY MANAGER**

**Report: Oral**

**PUBLIC COMMENT** – None

**PUBLIC ANNOUNCEMENT OF CLOSED SESSION ITEMS**

Mayor McKeithen made a public announcement of the closed session item.

Council adjourned to Closed Session at 9:09 a.m.

**CLOSED SESSION**

**2. PUBLIC EMPLOYEE APPOINTMENT: INTERIM CITY MANAGER  
(Subsection (b)(1) of Government Code Section 54957)**

**RECONVENE TO OPEN SESSION**

Mayor McKeithen reported that City Council is in the middle of on-going process of selecting an Interim City Manager. Council tentatively identified a potential Interim City Manager conditioned upon recruitment of a Private Investigator to conduct an extensive background check on the potential candidate. Council will report out as necessary during the process. All finalists who were selected for the interview process attended the meeting with the exception of Mr. Gene Rogers who opted out of the interview process. All five Council Members were present during the interviews with the exception of Council Member Marsala who left the meeting (due to a personal scheduling conflict) when Nadine Levin was interviewed. Ms. Levin was scheduled as the last interview. No one else was present for the interviews.

**ADJOURN**

**MOTION by Dobbie, second by Lewis to adjourn the meeting. The motion passed unanimously.**

Mayor McKeithen adjourned the meeting at 2:31 p.m.

**Respectfully submitted,**

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**Theresa DellaSanta  
Deputy City Clerk**



**Draft Minutes**  
**Town of Atherton**  
**CITY COUNCIL**  
**ATHERTON CHANNEL DRAINAGE DISTRICT**  
**November 17, 2010**  
**7:00 p.m.**  
**JENNINGS PAVILION**  
150 Watkins Avenue  
Atherton, California  
**REGULAR MEETING**

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

**1. PLEDGE OF ALLEGIANCE**

**2. ROLL CALL      Lewis, Dobbie, Marsala, McKeithen, J. Carlson**

All present.

**3 PRESENTATIONS**

**Red Ribbon Awards – Bruce Potts**

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

**ST. JOSEPHS WINNERS:**

**1<sup>st</sup> Grade:**

1<sup>st</sup> place      Isabella Summe  
2<sup>nd</sup> place      Claire Duchesne

**2<sup>nd</sup> grade:**

1<sup>st</sup> place      Jacqueline Colby  
2<sup>nd</sup> place      Andrew Plaschke

**3<sup>rd</sup> grade:**

1<sup>st</sup> place      Anna Suarez  
2<sup>nd</sup> place      Annika Wanger

**4<sup>th</sup> grade:**

1<sup>st</sup> place      Toby Mustarde  
2<sup>nd</sup> place      Max Cluss

**5<sup>th</sup> grade:**

1<sup>st</sup> place      Jensen Puckett  
2<sup>nd</sup> place      Claire Kerrigan

**ENCINAL WINNERS:**

**2<sup>nd</sup> grade:**

1<sup>st</sup> place      Jackson Gosler  
2<sup>nd</sup> place      Melanie Voss

**3<sup>rd</sup> grade:**

1<sup>st</sup> place      Katrina Drury  
2<sup>nd</sup> place      Hailey Allen

**4<sup>th</sup> grade:**

1<sup>st</sup> place      Lucas Olson  
2<sup>nd</sup> place      Aliza Shiah

**5<sup>th</sup> grade:**

1<sup>st</sup> place      Nikito Manin  
2<sup>nd</sup> place      Isabelle Sapountzi

Vice Mayor Dobbie thanked Bruce Potts and his wife for doing such a great job every year with the D.A.R.E awards.

**Proclamations presented to:**

**Bill Awbrey, Parks & Recreation Commission Service**

**Maeve Visser-Knoth**, Atherton Library Youth Services Librarian who was selected to the Newberry Selection Committee

Mayor McKeithen read the proclamation for Bill Awbrey and for Maeve Visser-Knoth for the record.

#### **4. PUBLIC COMMENTS**

William Grindley, Atherton resident, said the Feds suggested that the first segment of the High Speed Rail be opened in the Central Valley, but the State is still spending funds on studies which include the Peninsula. If the study is certified homes will get notification that they could be impacted.

Melinda Tevis, Atherton resident, said she spent this same day last year helping fellow resident Jon Buckheit in court. Tevis said she believes it is hard to get help in the Town. Tevis suggested that Furth spend her last few months protecting residents from dysfunction.

Michael Stogner, San Mateo County, thanked Kathy McKeithen for stepping forward and taking action as a concerned citizen during an elder abuse case in Atherton.

Helene Wickett, Atherton resident, extended her gratitude and respect to Kathy McKeithen who helped rescue her mother from a heinous elder abuse scandal.

Jon Buckheit, Atherton resident, said the definition of a hero is someone who helps others at personal costs and risks. Buckheit said Kathy McKeithen is a hero and was the only person who intervened in the elder abuse scandal that does not get paid. Buckheit concluded that McKeithen is the best Mayor the Town has had.

Colleen Anderson, Atherton resident thanked all that were involved in the elder abuse case.

John Rugeiro, Atherton resident, questioned why Atherton sent officers to Oakland during the riots after the Mehserle verdict.

Vice Mayor Dobbie said it is part of a mutual aid agreement and every city has a quota that they must meet.

#### **5. REPORT OUT OF CLOSED SESSION**

Mayor McKeithen called the meeting to order at 5:34 p.m.

All Council Members were present. No public comment was received.

##### **A. CONFERENCE WITH LABOR NEGOTIATOR – Labor negotiations pursuant to Government Code Section 54957.6**

Agency Negotiators: Nadine Levin, Interim City Manager; Glenn Berkheimer, I.E.D.A.  
Employee Organization: Miscellaneous - Teamsters Local Union 856

Agency Negotiators: Nadine Levin, Interim City Manager; Glenn Berkheimer, I.E.D.A.  
Employee Organization: Management Employees

Agency Negotiators: Nadine Levin, Interim City Manager; Glenn Berkheimer, I.E.D.A.  
Employee Organization: APOA

**B. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION  
(Subsection (b) of Government Code Section 54956.9):**

1. *Pacific Peninsula Group v. Town of Atherton, and Does 1 through 50*,  
San Mateo Superior Court, Case No. CIV 497841

2. *Kimberly Sweidy & Raimie Stata v. The Town of Atherton, Michael C. Wasmann, Michael A. Hood, Michael J. Cully, CSG Consultants, Inc.*,  
Superior Court of California, County of San Mateo, Case No. CIV 499893

**C. PUBLIC EMPLOYEE APPOINTMENT: INTERIM CITY MANAGER  
(Subsection (b)(1) of Government Code Section 54957)**

City Attorney Furth reported that under section B(2) Council unanimously approved directing that the lawsuit be defended by the Association of Bay Area Government (ABAG), the Town Insurance carrier.

Furth said there was no further reportable action for Items A, B or C.

**6. CITY MANAGER’S REPORT**

Mayor McKeithen introduced Nadine Levin who currently holds the “bridge” interim city manager position.

Interim City Manager Levin said she spoke with San Mateo County Library Director Anne-Marie Despain about the San Mateo County Library’s policies in regard to the individual who was using the computers at the Atherton library to view pornographic materials. Levin said San Mateo County Library has a policy not to use filters on their system nor do they monitor use however staff can ask someone to leave if they believe an individual is using the system inappropriately.

Council Member Lewis questioned the public works update of the report. Lewis asked if the El Camino and Alejandra Ave crosswalk will be looked at as part of the review process with Caltrans. Jones said all five crosswalks on El Camino within Atherton are in review and the maintenance crews for Caltrans consider this a top priority. Lewis suggested the idea of removing the crosswalk at Alejandra making people walk to the lighted crosswalk at Encinal Avenue.

**7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT**

None.

**CONSENT CALENDAR (Items 8-19)**

Vice Mayor Dobbie said he went through the bills and claims under item 9 and is concerned that Council needs to pay attention to the large ticket items in payables.

Council Member Lewis had questions on item 10.

Mayor McKeithen had a question on item 11 and typographical changes to item 17.

**8. APPROVAL OF OCTOBER 16, SPECIAL MEETING, OCTOBER 18, SPECIAL MEETING & OCTOBER 20, 2010 REGULAR MEETING**

**Recommendation:** Approve October 16 special meeting, October 18 special meeting and October 20, 2010 regular meeting minutes

**9. APPROVAL OF BILLS AND CLAIMS FOR NOVEMBER 2010 IN THE AMOUNT OF \$1,268,699**

**Recommendation:** Approve Bills and Claims in the amount of \$1,268,699

**10. AMEND THE FY 2010-11 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Amend the FY 2010-2011 Capital Improvement Program budget

Council Member Lewis questioned whether it is absolutely necessary for some of the projects listed in the report which included street signing and striping and park topographic study.

Jones said the signing and striping is for several projects that have already been approved. Jones added that the park topographic survey may need to be done depending on what occurs with the library in the park and the potential little league improvements.

**11. AWARD OF CONTRACT FOR THE SOUTH MEADOW IRRIGATION AND TURF REHABILITATION PROJECT NUMBER 56019**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Award the contract for the South Meadow Irrigation and Rehabilitation Project, project number 56019 to Jensen Landscape, the low bidder on the November 10, 2010 bids, for \$64,222.00, with a 10% construction contingency of \$6,422.00, for a total authorization of \$70,644.00; and to authorize the City Manager to sign the contract on behalf of the Town

Vice Mayor Dobbie said that in light of how long the well project in the park took he suggested that staff make sure there is a schedule that the contractor must abide by for the irrigation and turf project.

Mayor McKeithen asked if this project could potentially be impacted in any way by a library in the park. Jones said he does not believe it would affect the project.

**12. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE**

**AMOUNT OF \$3,440 FOR THE 2010 STREET PATCHING PROJECT, PROJECT NUMBER 56047**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Approve acceptance of work, authorizing recording of a notice of completion and approving contract change orders in the amount of \$3,440 for the 2010 Street Patching Project, Project Number 56047

**13. ACCEPTANCE OF WORK, AUTHORIZATION TO RECORD NOTICE OF COMPLETION AND APPROVAL OF CONTRACT CHANGE ORDERS IN THE AMOUNT OF \$360.04 FOR THE PROJECT NUMBER 56046**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Approve acceptance of work, authorizing recording of a notice of completion and approving contract change orders in the amount of \$360.04 for the Holbrook-Palmer Park Bridge Landscaping Project Number 56046

**14. TOWN CENTER TASK FORCE STATUS UPDATE**

**Report:** Interim City Manager Nadine Levin

**Recommendation:** Receive Town Center Task Force Update Report

**15. AMEND THE LIBRARY FUND BUDGET TO INCLUDE \$50,000 FOR INITIAL COSTS FOR THE FUTURE BUILDING PROJECT**

**Report:** Public Works Director Duncan Jones

**Recommendation:** Amend the Library Fund budget to include \$50,000 for initial costs for the future building project

Vice Mayor Dobbie said hiring an outside counsel to analyze the Holbrook-Palmer Park Will opinion for \$15,000 is too much money. Mayor McKeithen said those funds come from the Library Fund.

Council Member Carlson noted that the Town of Woodside is getting about \$100,000 more than Atherton per year for maintenance and suggested that staff look into this. Mayor McKeithen said she will check with the JPA.

**16. ADOPTION OF RESOLUTION ACCEPTING THE 2010/11 SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) CITIZEN'S OPTION FOR PUBLIC SAFETY (COPS) GRANT**

**Report:** Police Chief Mike Guerra

**Recommendation:** Adopt Resolution 10-65 accepting the recommended expenditures of the remaining balance of FY 2010-11 Supplemental Law Enforcement Services Fund (SLESF), Citizen's Option for Public Safety (COPS) Grant in the amount of \$100,000.00 in accordance with state requirements. The funds must be expended by June 30, 2011.

**17. RESOLUTION AUTHORIZING AN ADJUSTMENT IN PARKING FINES DUE TO SENATE BILL 857**

**Report:** Police Chief Mike Guerra

**Recommendation:** Approve Resolution 10-66 authorizing an adjustment in parking fines due to Senate Bill 857

**18. REQUEST FROM ATHERTON LIBRARY STEERING COMMITTEE TO APPROVE THE ADDITION OF TWO ALTERNATE VOTING MEMBERS TO THE ALBSC TO VOTE IN THE ABSENCE OF REGULAR MEMBERS IN ORDER TO PROVIDE A QUORUM**

**Report:** Deputy City Clerk Theresa DellaSanta

**Recommendation:** Amend Resolution No. 10-13 to approve the addition of two alternate voting members to the Atherton Library Building Steering committee with the first alternate being Ginny Nile and the second alternate being Earl Douglass

**19. AWARD A CONTRACT TO CSG CONSULTANTS TO EXTEND CODE ENFORCEMENT SERVICES UNTIL THE TOWN FINISHES THE RFP PROCESS FOR CODE ENFORCEMENT SELECTION**

**Report:** Interim City Manager Nadine Levin

**Recommendation:** Approve Consultant Services Agreement with CSG Consultants, Inc. to provide Code Enforcement Services to the Town of Atherton in and amount not to exceed \$17,000.00 retroactive to the date the Town exceeded the City Managers spending authority and not to extend past January 15, 2011

**MOTION by Lewis, second by Dobbie to approve all items on the consent agenda. The motion passed.**

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

**PUBLIC HEARINGS (20-23)**

**20. SECOND READING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON REPEALING AND REPLACING CHAPTER 15.48 OF THE ATHERTON MUNICIPAL CODE ESTABLISHING WATER-EFFICIENT LANDSCAPING STANDARDS**

**Report:** Town Arborist Kathy Hughes-Anderson

**Recommendation:** Waive further reading and Adopt Ordinance No. repealing and replacing Chapter 15.48, Establishing Water Efficient Landscaping Guidelines, to the Atherton Municipal Code.

**MOTION by Lewis, second by Dobbie to Waive further reading and Adopt Ordinance No. repealing and replacing Chapter 15.48, Establishing Water Efficient Landscaping Guidelines, to the Atherton Municipal Code. The motion passed.**

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

**21. INTRODUCTION OF AN ORDINANCE AMENDING TITLE 15 OF THE ATHERTON MUNICIPAL CODE, REPEALING ORDINANCE 574, AND ALL OTHER ORDINANCES IN CONFLICT WITH THIS ORDINANCE, AND ADOPTING CURRENT BUILDING, FIRE, ELECTRICAL, PLUMBING, MECHANICAL, ENERGY, HISTORICAL BUILDING CODE, SEISMIC HAZARDS CODES, GREEN BUILDING, RESIDENTIAL CODE AND RETAINING EXISTING ABATEMENT OF DANGEROUS BUILDINGS CODE**

**Report:** Interim Building Official Dennis Lockard

**Recommendation:** Introduce an ordinance amending Title 15 of the Atherton Municipal Code to adopt by reference the 2010 California Building Standard Codes, and ratify the Uniform Fire as adopted by the Menlo Park Fire Protection District. Three votes are required to introduce the ordinance. A second vote, scheduled at least ten days from the date of this meeting, is required to adopt the ordinance.

Interim Building Official Dennis Lockard gave a brief a background on the new ordinance. Lockard said the local adoption of Building Codes, specified in California Code of Regulations Title 24, is mandated by the State of California. Local agencies may modify the uniform codes when they determine that local climatic, geological, or topographical conditions make this necessary. A new chapter has been added to Title 15 of the Atherton Municipal Code titled “Administrative Code” which adopts and amends Chapter 1, Division II of the California Building Code. Lockard said the other codes that make up the Building Standards Code include the Building, Fire, Electrical, Plumbing, Mechanical, Energy, Historical Building, Seismic Hazards, and Residential Codes. Lockard concluded that there are no changes to the Housing and Dangerous Buildings Codes.

Council Member Lewis asked if the Town is adding a new energy, green building and historical code to the municipal code. Lockard said the Town is adopting all codes that the State has adopted including the green building code which is brand new and a historical code.

**MOTION by Lewis, second by Carlson to introduce an ordinance amending Title 15 of the Atherton Municipal Code to adopt by reference the 2010 California Building Standard Codes, and ratify the Uniform Fire as adopted by the Menlo Park Fire Protection District. Three votes are required to introduce the ordinance. The motion passed.**

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

**Furth said the Agenda title for the Ordinance is incorrect. Mayor McKeithen read the correct version from the Ordinance draft as follows:**

**AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON ADDING CHAPTERS 15.02 AND 15.19 AND AMENDING CHAPTERS 15.04, 15.08, 15.12, 15.16, 15.18, 15.20, 15.22 AND 15.44 IN ORDER TO ADOPT BY REFERENCE THE 2010 CALIFORNIA BUILDING STANDARDS CODE, INCLUDING THE RESIDENTIAL, FIRE (BY RATIFICATION), ELECTRICAL, PLUMBING, MECHANICAL, ENERGY, HISTORICAL BUILDING, GREEN AND EXISTING BUILDING CODES AND CHAPTER 1 DIVISION II OF THE 2010 EDITION OF THE CALIFORNIA BUILDING CODE AS THE ATHERTON ADMINISTRATIVE CODE.**

**22. ORDINANCE ADDING CHAPTER 17.37 TO THE ATHERTON MUNICIPAL CODE TO CREATE THE PARKER AVENUE OVERLAY DISTRICT (P) AND ORDINANCE AMENDING THE ZONING MAP TO TITLE 17 OF THE ATHERTON MUNICIPAL CODE TO REZONE TWENTY-TWO LEGAL LOTS ON PARKER AVENUE FROM R1-A TO R1-A (P)**

**Report:** Deputy Town Planner Lisa Costa Sanders

**Recommendation:** Introduce the Ordinance adding chapter 17.37 to the Atherton Municipal code to create the Parker Avenue overlay district and introduce the Ordinance amending the

zoning map to Title 17 of the Atherton Municipal Code to rezone Parker Avenue from R1-A to R1-A (P) based on the findings. Three votes are required to introduce the ordinance. A second vote, scheduled at least ten days from the date of this meeting, is required to adopt the ordinance

Deputy Town Planner Lisa Costa Sanders gave Council a brief background on the item. Sanders said the Planning Commission reviewed all options given to them by City Council. The Planning Commission, unanimously voted to recommend the City Council create the Parker Avenue overlay zone and have it apply to properties along Parker Avenue.

Council Member Marsala asked what the deviation from the original Council compromise made in September and if the 22' for sidewalls allows for a basement. Sanders said the Planning Commission received a compromise petition from residents which they believe helps retain the setback that are on the street now which is a characteristic of Parker Avenue. Sanders said you are able to fit a larger floor area while maintain the existing setbacks. Sanders concluded that it is difficult to have 18' sidewall when you are doing a modern home design.

Council Member Lewis asked if the 22' sidewalls include the second story. Sanders confirmed yes and said it was somewhat limiting but it is consistent with what is in R1-B.

Council Member Lewis said in the past City Council has voted not to touch the rear setbacks but felt the front setbacks needed an adjustment because the right-of-way is so broad and it gives room for a smaller front setback. The idea was to put your garage in the front and keep your rear setback larger and away from your neighbors which would mitigate neighbor concerns about encroaching into their property line.

Sanders said some Commissioners were concerned about having large two-story garages in front but it was noted that it wouldn't be limited to just a garage and you could do a full two-story all the way out to the new setback which would be 23'3" if it were reduced. Sanders said an idea was proposed that you have the reduced setback of 23'3" for the first floor and keep the current setback of 39' for the second story.

Council Member Marsala asked what would be needed for a roof height if you did a garage setback of 23'3". Sanders said it would be consistent with the accessory structure which has a maximum of 15 feet.

Council Member Carlson said the Planning Commission digressed from the height and the setback that were given to them for review by Council. He requested rationale for the deviation. Sanders said the increased floor area would give the ability to build a larger second story and the Commission had concerns about how that would impact neighbors so they opted to stay consistent with the R1B standards and keep the 18' sidewall height limit.

Council Member Carlson asked why the front setback was not considered.

Herm Christensen, Planning Commissioner, said they were concerned about making any changes at all. Christensen said they spent a lot of time going to the neighborhood and looking at plans. Christensen concluded that they went with what a majority of the neighborhood wanted.

William Grindley, Planning Commissioner, said the compromise was the best of all possible worlds for such a complicated issue.

Jon Buckheit, Atherton resident, said fairness should be measured by how the entire Atherton community is treated and not by one single street.

Linda Grossman, Parker Avenue, said she surveyed the street and of the 17 responses at least 10 are in favor of the Planning Commission overlay.

Andrew Carlson, Parker Avenue, urged Council to accept the Planning Commission recommendation.

Art Martin, Designer, requested that Council approve their September compromise sent to the Planning Commission for review.

Ann Anderson, Parker Avenue, supported the Planning Commission recommendation.

Margaret Johnston said she has no intention of making changes to her home. Johnston supported the Planning Commission recommendation.

Debbie Miritz, Parker Avenue, said she see's no need for zoning changes but for fairness she would support the Planning Commission compromise.

Colleen Anderson, Parker Avenue, supported Councils original compromise plan from September. Anderson said this compromise is a unified system for the Town as a whole.

Michael Bennett, Parker Avenue, thanked Council for their time and requested the setback be smaller then what is currently in the R1-B zoning.

John Tang, Parker Avenue, supported the original compromise proposal from Council in September because it allows the residents to optimize the utility of their property by allowing expansion.

George Eshoo, representing 72 Parker Avenue, said 23'3' is a reasonable compromise compared to the 70' right-of-way. Eshoo supported the September Council proposal.

Mayor McKeithen said she believes this is not a majority versus minority issue and felt it was a zoning and land use issue which is how it should have been looked at. McKeithen said she has always voted based upon what she believes is best for the Town. McKeithen reiterated that this is a land use issue that will affect posterity. She said every street changes with every new building and she believes that if the change in the front setback is made not everyone will make the change all at once. McKeithen concluded that the compromise suggested at the September 2010 Council meeting is fair and she will support the front setbacks at 23'3", rear setbacks at 39 feet, side setbacks at 14 feet, the total floor area at 2787 square feet, the second floor area to have an additional 547 square feet for a total of 1132, the main building height reduced from 30 to 28 feet, the main building sidewall to 20 feet (rather then the 22-foot proposed by Council) and the accessory structure to remain the same.

Vice Mayor Dobbie said the Planning Commission is made up of highly qualified people who devote their time to the Town and know the issue. Dobbie said he supports the Planning Commission compromise because a majority of the Parker Avenue residents support it.

Council Member Marsala said he is in favor of the Council compromise from September. Marsala said he has a lot of respect for the Planning Commission and their compromise but he favors the Council compromise. He added that if the Town does do 23'3" front setbacks then the roof height should be limited to 15 feet. Marsala concluded that he is open to support 18 or 20-foot sidewalls.

Council Member Lewis said 18-foot sidewalls coincide with the rear setbacks of 23 feet because it is a part of the R1-B restrictions and it is one of the reasons that if you build close to the rear of the property you need shorter sidewalls. Lewis said these properties are dealing with very restrictive zoning regulations and it doesn't seem fair. Lewis said at a previous meeting she explained through diagrams which showed that if you kept the rear setbacks at 39 feet with the ability to do an accessory structure with a short side-wall and maximum height of 15 feet then the rear neighbors would not be impacted at all. Lewis said she supports the compromise brought forth by City Council in September because it is reasonable and fair for both sides. Lewis concluded that she is in support of 22-foot sidewalls.

Council Member Carlson said he believes the Planning Commission is made up of highly qualified individuals and he had expected them to consider more of what Council had proposed and recommend modifications if needed. Carlson said he is in favor of the Council proposal from September 2010 with 20-foot sidewalls.

MOTION by McKeithen, second by Lewis to direct staff to draft an ordinance a front setback of 23'3" and a 15-foot roof height on the first story and a 39' setback on the second story, side setbacks of 14', total floor area of 2,787 square feet, with an additional 547 square feet on the second floor, main building height reduced to 28 feet, main building sidewalls reduced to 20 feet and accessory structures to remain the same. The motion passed 4 to 1 with Dobbie opposed.

City Attorney Furth said she will draft the new ordinance with Lisa Costa Sanders and bring it back before adjournment for a first reading.

### **23. INTRODUCE ZONING ORDINANCE AMENDMENT FOR HOUSING ELEMENT IMPLEMENTATION**

**Report:** Deputy Town Planner Lisa Costa Sanders

**Recommendation:** Introduce Ordinance amending the Town of Atherton Municipal Code Title 17 and waive further reading. The proposed amendments would implement the recently adopted 2007-2014 Housing Element Update. Three votes are required to introduce the ordinance. A second vote, scheduled at least ten days from the date of this meeting, is required to adopt the ordinance

Deputy Town Planner Lisa Costa Sanders said on July 21, 2010 the City Council adopted the 2007-2014 Housing Element Update. The update included several programs that require additions or amendments to the Atherton Zoning Ordinance which include:

- For Second Dwelling Units:
  - Changes in side and rear yard setbacks to allow limited encroachment into required setbacks.

- Elimination of minimum lot size restrictions
- Exemption from certain floor area limitations
- To allow multiple family residential uses that could accommodate housing for very low- and low-income households as permitted uses on private school sites
- To allow emergency shelters in at least one location in the PFS Zoning District
- To establish objective and predictable standards for the operation of emergency shelters
- To allow residential care facilities, defined as a facility serving six or fewer persons, as permitted uses in the R-1A and R-1B Zoning Districts

**MOTION by Carlson, second by Dobbie to introduce the Ordinance amending the Town of Atherton Municipal Code Title 17 and waive further reading. The motion passed.**

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

**REGULAR AGENDA (Items 24-27)**

**24. ADOPTION OF RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING BETWEEN TEAMSTERS LOCAL NO 856 (REPRESENTING MISCELLANEOUS TOWN EMPLOYEES) AND THE TOWN OF ATHERTON FOR THE PERIOD OF JULY 1, 2009 THROUGH JUNE 30, 2011**

**Report:** Interim City Manager Nadine Levin

**Recommendation:** Adopt Resolution No. 10-67 approving the attached Memorandum of Understanding between the Town of Atherton and the Teamsters Local No. 856, for the period of July 1, 2009 through June 30, 2011, and authorize the Mayor to execute the agreement on behalf of the Town

Jon Buckheit asked for a summary of the item.

Interim City Manager Nadine Levin said the terms of the MOU are for the period of July 1, 2009 through June 30, 2010 with no salary increase and for the period of July 1, 2010 through June 30, 2011 the average salary increase is 2.4%. Levin said progress was made to reduce costs with the health care coverage and retiree health costs. Levin added that the fiscal impact if all positions were filled is \$52,000 however all positions are not filled and beginning on July 1, 2011 new hires will pay a greater share of their retiree health and the vesting will take longer than a current employee.

**MOTION by Dobbie, second by Lewis to adopt Resolution No. 10-67 approving the attached Memorandum of Understanding between the Town of Atherton and the Teamsters Local No. 856, for the period of July 1, 2009 through June 30, 2011, and authorize the Mayor to execute the agreement on behalf of the Town. The motion passed.**

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

**25. ADOPTION OF RESOLUTION SETTING FORTH THE SALARY AND BENEFITS FOR MANAGEMENT EMPLOYEES FOR FISCAL YEAR 2009-10 AND 2010-11**

**Report:** Interim City Manager Nadine Levin

**Recommendation:** Adopt Resolution 10-68 setting the salary and benefits for the Town's Management Employees

Jon Buckheit asked for a summary of the item.

Interim City Manager Nadine Levin said this resolution covers the period from July 1, 2009 through June 30, 2010 with no salary increase and for the period of July 1, 2010 the average salary increase is 5.4%. Levin added that the fiscal impact represents a total dollar cost of \$72,000 annually assuming all the positions are filled for the full fiscal year. Levin concluded that there will be undetermined long term cost savings to the Town for the change in retiree medical benefits for employees hired after the adoption of the resolution.

Jon Buckheit noted that he looked up the current salary of former City Manager Jerry Gruber and it is significantly less than what he was making when he was employed by the Town. Buckheit suggested the Town stop compensating at the 70<sup>th</sup> percentile because it is unsustainable.

**MOTION by Dobbie, second by Lewis to adopt Resolution 10-68 setting the salary and benefits for the Town's Management Employees. The motion passed.**

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

**26. APPROVAL TO PUBLISH REQUEST FOR PROPOSAL FOR CITY ATTORNEY SERVICES FOR THE TOWN OF ATHERTON AND ESTABLISH A DEADLINE DATE FOR PROPOSALS**

**Report:** Interim City Manager Nadine Levin

**Recommendation:** Approve publishing a request for proposal for City Attorney services for the Town of Atherton and establish a date for proposal deadline

City Attorney Wynne Furth recused herself since she is the current Attorney for the Town.

Vice Mayor Dobbie suggested, under section I, to remove the restriction that requests three references. Dobbie believed each firm should provide however many references they have.

Council agreed to remove the word "three."

Council Member Lewis said that staff will be contacting the committee applicants to let them know that interviews will be held sometime in the following month.

A discussion ensued that the entire Council will interview the six applicants. Council directed staff to survey applicants for a date.

Council Member Marsala suggested that Council wait until after Bill Widmer is installed to hold a meeting for interviews.

Mayor McKeithen said she believes the ad-hoc committee was only established to develop the RFP and that the entire Council is supposed to review the attorney proposals. McKeithen said it is fair for Council to see the proposals before the resident members of the committee.

Council Member Lewis said she believes that the experienced and qualified residents would help assess and make recommendations to Council in regard to the proposals.

Council Member Carlson stated that the process should be discussed at the next Council meeting.

Council agreed to publish the RFP with a deadline date of Tuesday, January 18<sup>th</sup>.

**MOTION by Lewis, second by Dobbie to approve publishing a request for proposal for City Attorney services for the Town of Atherton with a deadline date of January 18, 2011.**

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

**22. ORDINANCE ADDING CHAPTER 17.37 TO THE ATHERTON MUNICIPAL CODE TO CREATE THE PARKER AVENUE OVERLAY DISTRICT (P) AND ORDINANCE AMENDING THE ZONING MAP TO TITLE 17 OF THE ATHERTON MUNICIPAL CODE TO REZONE TWENTY-TWO LEGAL LOTS ON PARKER AVENUE FROM R1-A TO R1-A (P)**

Council introduced Chapter 17.37 of the Atherton Municipal Code to create the Parker Avenue Overlay district with the following provisions;

- o Height: Maximum building height shall be 28' and sidewalls and columns may not exceed 20'. End walls shall be perpendicular to lot depth.
- o Floor Area: shall equal lot size times .165 plus 1,500 square feet (which results in 2,787 square feet for Parker Avenue properties). Second floor area limited to 1,132 square feet.
- o Setback: For single story portion of the main building that does not exceed 15' in height, the front yard setback shall be 23'-3".

All other R1-A zoning provisions will apply to the Parker Avenue properties. Specifically, the rear yard setback requirement of 39' will remain as currently required.

**MOTION by Lewis, second by Carlson to introduce the Ordinance adding chapter 17.37 to the Atherton Municipal code to create the Parker Avenue overlay district and introduce the Ordinance amending the zoning map to Title 17 of the Atherton Municipal Code to rezone Parker Avenue from R1-A to R1-A (P) based on the findings. The motion passed.**

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

**27. APPOINTMENT OF INTERIM CITY MANAGER (This item is on the Agenda as a tentative item in case action needs to be taken based on the November 15, 2010 meeting)**

**Report:** Oral

**Recommendation:** Consideration of Adoption of Resolution 10-69 appointing transitional Interim City Manager and approve agreement

This item was not discussed.

**28. COUNCIL REPORTS**

Nothing further to add to written reports.

**29. FUTURE AGENDA ITEMS**

None.

**30. PUBLIC COMMENTS**

Jon Buckheit suggested allowing all six applicants to sit on the legal counsel selection committee. Buckheit added that Council Member Marsala deserves plenty of accolades for his service to the Town.

**31. ADJOURN**

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

Mayor McKeithen adjourned the meeting at 9:44 p.m.

**Respectfully submitted,**

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**Theresa DellaSanta  
Deputy City Clerk**

**TOWN OF ATHERTON**  
**CLAIMS LIST NOVEMBER 2010**

|                                     | <u>Amount</u> |
|-------------------------------------|---------------|
| A/P Checks (#11163-11324)           | \$ 504,328    |
| Payroll Checks (# 128-142)          | 10,421        |
| Direct Deposit - Payroll            | 288,683       |
| Electronic Transfer - A/P & Payroll | 287,583       |
| NOVEMBER 2010 Total                 | 1,091,015     |

I, Nadine Levin, Interim City Manager of the Town of Atherton, do hereby certify that the demands listed above, check numbers 128-142 (payroll), and 11163-11324 (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to \$1,091,015 are true and correct, based on the information provided to me and that there are sufficient funds for payment.

---

Nadine Levin  
Interim City Manager

The above claims, check numbers 128-142 (payroll), and 11163-11324 (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to \$1,091,015 are true and correct, and are authorized for payment.

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Kathy McKeithen  
Mayor, Town of Atherton

**SOURCE OF FUNDS**

|       |                           |            |
|-------|---------------------------|------------|
| 101   | General Fund              | \$ 768,886 |
| 105   | Tennis                    | 1,319      |
| 201   | Special Parcel Tax        | 97,701     |
| 202   | Measure A                 | 18,453     |
| 210   | Road Construction Impact  | 133,292    |
| 213   | Library                   | 1,748      |
| 401   | GF Projects               | 45,118     |
| 403   | Atherton Channel Drainage | 6,827      |
| 616   | Employee Benefits funds   | 17,671     |
| TOTAL |                           | 1,091,015  |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                     | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|---|---------------------|
| <b>Check No: 11163</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00657</b> | <b>IMPAC. GOVERNMENT SERVICES</b>       |                     |
| 4324/10-22-10          | Working lunch with MPFPD- J.Grub     |                      | 10/22/2010                              | 39.87               |
| 7190/10-22-10          | CSMFO Meeting parking L.Ho           |                      | 10/22/2010                              | 10.00               |
| 7190/10-22-10          | GAAFR Review Newsletter L.Ho         |                      | 10/22/2010                              | 50.00               |
| 5424/10-22-10          | USB 28/24AWG Cable - 15ft Beige      |                      | 10/22/2010                              | 4.83                |
| 4324/10-22-10          | Constant Contact City Website        |                      | 10/22/2010                              | 30.00               |
| 5432/10-22-10          | Monthly Entersect Agreement Sept 2   |                      | 10/22/2010                              | 88.95               |
| 5465/10-22-10          | Construction Alarm subscriptionSept  |                      | 10/22/2010                              | 19.95               |
| 5465/10-22-10          | Construction Alarm subscription Oct  |                      | 10/22/2010                              | 19.95               |
| 0596/10-22-10          | Camry service chief car              |                      | 10/22/2010                              | 131.63              |
| 5432/10-22-10          | Car Washes Police Dept               |                      | 10/22/2010                              | 180.00              |
| 5432/10-22-10          | Car Washes Police Dept               |                      | 10/22/2010                              | 280.00              |
| 5465/10-22-10          | Tow and diagnostic for think mobile  |                      | 10/22/2010                              | 430.00              |
| 5432/10-22-10          | Monthly Subscrip Oct 2010 Crime r    |                      | 10/22/2010                              | 99.00               |
| 0596/10-22-10          | Meals Trng-Exec Develop M.Guerra     |                      | 10/22/2010                              | 9.84                |
| 0596/10-22-10          | Meals Trng-Exec Develop M.Guerra     |                      | 10/22/2010                              | 10.29               |
| 0596/10-22-10          | Meals Trng-Exec Develop M.Guerra     |                      | 10/22/2010                              | 9.68                |
| 0596/10-22-10          | Meals Trng-Exec Develop M.Guerra     |                      | 10/22/2010                              | 9.84                |
| 0596/10-22-10          | Meals Trng-Exec Develop M.Guerra     |                      | 10/22/2010                              | 9.05                |
| 5432/10-22-10          | Training Assertive Sup - K.Nichols   |                      | 10/22/2010                              | 275.00              |
| 5432/10-22-10          | Training search warrant invest-Y.Yoa |                      | 10/22/2010                              | 165.00              |
| 0612/10-22-10          | Copy Fax Tray Police Dept            |                      | 10/22/2010                              | 63.00               |
| 5432/10-22-10          | Ink - printers                       |                      | 10/22/2010                              | 193.34              |
| 7555/10-22-10          | PDF Factory V4 for Supervisor Com    |                      | 10/22/2010                              | 270.00              |
| 9636/10-22-10          | K-9 Equip 259898 F1/F3 remote T.L    |                      | 10/22/2010                              | 234.95              |
| 5432/10-22-10          | Range Supplies                       |                      | 10/22/2010                              | 117.33              |
| 5432/10-22-10          | Water - presidential detail          |                      | 10/22/2010                              | 16.76               |
| 5465/10-22-10          | Credit from Costco                   |                      | 10/22/2010                              | -18.94              |
| 5465/10-22-10          | Lunch for PD Case 10-538             |                      | 10/22/2010                              | 90.13               |
| 5465/10-22-10          | Car cover for case 10-538 evidence   |                      | 10/22/2010                              | 53.07               |
| 5465/10-22-10          | Police Dept Supplies                 |                      | 10/22/2010                              | 115.08              |
| 5465/10-22-10          | Glowsticks for Halloween Police Dep  |                      | 10/22/2010                              | 316.83              |
| 5465/10-22-10          | Car cover for case 10-584 evidence   |                      | 10/22/2010                              | 58.54               |
| 5465/10-22-10          | Briefing for Presidential detail     |                      | 10/22/2010                              | 36.40               |
| 5465/10-22-10          | PAS device mouth pieces              |                      | 10/22/2010                              | 260.35              |
| 5465/10-22-10          | PD flashlight supplies/megaphone Lt  |                      | 10/22/2010                              | 166.60              |
| 5408/10-22-10          | HP Park Internet fees Oct 2010       |                      | 10/22/2010                              | 60.00               |
| 4954/10-22-10          | Pod Rental October 2010              |                      | 10/22/2010                              | 382.38              |
| <b>Check Total:</b>    |                                      |                      |   | <b>4,288.70</b>     |
| <b>Check No: 11164</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00003</b> | <b>1ST FIVE MINUTES LLC</b>             |                     |
| 102610APD              | Basic life support profess Trng 10/2 |                      | 12/02/2010                              | 540.00              |
| 102810APD              | Basic life support profess Trng 10/2 |                      | 12/02/2010                              | 540.00              |
| 11110APD               | 1st Five Minutes First Aid Kit       |                      | 11/09/2010                              | 100.00              |
| <b>Check Total:</b>    |                                      |                      |   | <b>1,180.00</b>     |
| <b>Check No: 11165</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00002</b> | <b>A-1 TRUCK &amp; EQUIPMENT RENTAL</b> |                     |
| RC183929               | Light Board , Solar Battery          |                      | 10/26/2010                              | 104.50              |
| <b>Check Total:</b>    |                                      |                      |   | <b>104.50</b>       |
| <b>Check No: 11166</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00009</b> | <b>A-A LOCK &amp; ALARM INC</b>         |                     |
| 869                    | City Clerk Keys                      |                      | 11/03/2010                              | 7.10                |
| <b>Check Total:</b>    |                                      |                      |   | <b>7.10</b>         |
| <b>Check No: 11167</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00017</b> | <b>ABAG POWER PURCHASING POOL</b>       |                     |
| 8003239                | 91 Ashfield - admin 9/25/10-10/25/1  |                      | 11/01/2010                              | 40.27               |
| 8003239                | Station Lane/Town Hall 9/25/10-10/2  |                      | 11/01/2010                              | 9.16                |
| 8003239                | Station Lane/Town Hall 9/25/10-10/2  |                      | 11/01/2010                              | 54.88               |
| 8003239                | 91 Ashfield - PD 9/25/10-10/25/10    |                      | 11/01/2010                              | 68.57               |
| 8003239                | Station Lane/Town Hall 9/25/10-10/2  |                      | 11/01/2010                              | 27.44               |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                   | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|---------------------------------------|---------------------|
| 8003239                | 99 Dinkenspiel Corp Off 9/25/10-10/  |                      | 11/01/2010                            | 42.43               |
| 8003239                | 150 Watkins HP Activ 9/28/10-10/26   |                      | 11/01/2010                            | 75.36               |
| 8003239                | 150 Watkins 9/28/10-10/26/10         |                      | 11/01/2010                            | 203.51              |
| 8003239                | HP Park 160 Watkins (CM)9/28/10-1    |                      | 11/01/2010                            | 243.44              |
| 8003239                | Library/Dinkenspiel In 9/25/10-10/25 |                      | 11/01/2010                            | 32.45               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>797.51</b>       |
| <b>Check No: 11168</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00025</b> | <b>ACCOUNTEMPS</b>                    |                     |
| 31972929               | Temp Dean, Hazel 10/4/10 - 10/8/10   |                      | 10/12/2010                            | 1,700.00            |
| 32020324               | Temp Dean, Hazel 10/12/10 - 10/15/   |                      | 10/20/2010                            | 1,360.00            |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>3,060.00</b>     |
| <b>Check No: 11169</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00048</b> | <b>ALFREDO GARCIA ROOFING</b>         |                     |
| BP09-00736             | Batch#1,Refund#1, 46 Greenoaks Dri   |                      | 10/06/2010                            | 63.90               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>63.90</b>        |
| <b>Check No: 11170</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00054</b> | <b>ALLIANCE CONSTRUCTION</b>          |                     |
| BP09-00769             | Batch#2,Refund#2, 69 Tuscaloosa A    |                      | 10/20/2010                            | 99.40               |
| BP09-00771             | Batch#2,Refund#2, 69 Tuscaloosa A    |                      | 10/20/2010                            | 42.60               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>142.00</b>       |
| <b>Check No: 11171</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00056</b> | <b>AMERICAN EAGLE ROOFING</b>         |                     |
| BP09-00662             | Batch#3,Refund#3, 170 Encinal Ave    |                      | 10/20/2010                            | 248.50              |
| BP09-00663             | Batch#3,Refund#3, 170 Encinal Ave    |                      | 10/20/2010                            | 71.00               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>319.50</b>       |
| <b>Check No: 11172</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00058</b> | <b>AMERICAN ROOF SYSTEMS</b>          |                     |
| BP09-00719             | Refund#4,Batch#4, 54 Magnolia Dri    |                      | 10/20/2010                            | 63.90               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>63.90</b>        |
| <b>Check No: 11173</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00063</b> | <b>ANDREW SKURMAN ARCHITECTS</b>      |                     |
| BP09-00650             | Batch#5, Refund#5, 207 Atherton Av   |                      | 10/20/2010                            | 2,151.30            |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>2,151.30</b>     |
| <b>Check No: 11174</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00066</b> | <b>ARCANUM ARCHITECTURE</b>           |                     |
| BP09-00704             | Batch#6,Refund#6, 1 Acacia Drive     |                      | 10/20/2010                            | 177.50              |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>177.50</b>       |
| <b>Check No: 11175</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00077</b> | <b>AT&amp;T CALNET 2</b>              |                     |
| 000001734024           | 327-4866 10/01/10 - 10/31/10         |                      | 11/01/2010                            | 15.52               |
| 000001734023           | 327-4859 10/01/10 - 10/31/10         |                      | 11/01/2010                            | 55.12               |
| 000001722242           | 752-0600 9/27/10 - 10/26/10          |                      | 10/27/2010                            | 111.24              |
| 000001722243           | 752-8099 09/27/10 - 10/26/10         |                      | 10/27/2010                            | 489.57              |
| 000001734021           | 324-5396 10/01/2010 - 10/31/2010     |                      | 11/01/2010                            | 55.42               |
| 000001722241           | 566-0280 09/27/10 - 10/26/10         |                      | 10/27/2010                            | 210.52              |
| 000001722240           | 330-0686 09/27/10 - 10/26/10         |                      | 10/27/2010                            | 15.57               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>952.96</b>       |
| <b>Check No: 11176</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00091</b> | <b>JAMES S AUFDEMBERGE</b>            |                     |
| BP09-00614             | Batch#39,Refund#39, 169 Burns Ave    |                      | 10/29/2010                            | 21.30               |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>21.30</b>        |
| <b>Check No: 11177</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00098</b> | <b>BAY AREA EMPLOYEE RELATIONS SE</b> |                     |
| PROJECT#143            | SCERS MOU's 70 percentile calculat   |                      | 10/27/2010                            | 2,433.88            |
| <b>Check Total:</b>    |                                      |                      |                                       | <b>2,433.88</b>     |
| <b>Check No: 11178</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00101</b> | <b>BAY AREA RE-ROOFING INC</b>        |                     |
| BP09-00785             | Batch#7, Refund#7, 539 Fletcher Dri  |                      | 10/20/2010                            | 149.10              |

| <u>Invoice No</u>      | <u>Description</u>                  | <u>Reference</u>     | <u>Invoice Date</u>               | <u>Check Amount</u> |
|------------------------|-------------------------------------|----------------------|-----------------------------------|---------------------|
| <b>Check Total:</b>    |                                     |                      |                                   | 149.10              |
| <b>Check No: 11179</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00483</b> | <b>ERIC A BENHAMOU</b>            |                     |
| BP09-00631             | Batch#31, Refund#31, 41 Cebalo La   |                      | 10/26/2010                        | 4,508.50            |
| BP09-00682             | Batch#31, Refund#31, 41 Cebalo La   |                      | 10/26/2010                        | 71.00               |
| <b>Check Total:</b>    |                                     |                      |                                   | 4,579.50            |
| <b>Check No: 11180</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00125</b> | <b>BKF ENGINEERS</b>              |                     |
| 10110009               | Atherton Chann-Phase II 9/20/10-10/ |                      | 11/03/2010                        | 3,990.04            |
| <b>Check Total:</b>    |                                     |                      |                                   | 3,990.04            |
| <b>Check No: 11181</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00132</b> | <b>BLUE WATER POOLS</b>           |                     |
| BP09-00613             | Batch#9, Refund#9, 43 Flood Cir     |                      | 10/20/2010                        | 106.50              |
| <b>Check Total:</b>    |                                     |                      |                                   | 106.50              |
| <b>Check No: 11182</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00130</b> | <b>BRET BOTTARINI</b>             |                     |
| BP09-00724             | Batch#10, Refund#10, 1 Odell Pl     |                      | 10/21/2010                        | 42.60               |
| <b>Check Total:</b>    |                                     |                      |                                   | 42.60               |
| <b>Check No: 11183</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00152</b> | <b>BURKETT'S POOL PLASTERING</b>  |                     |
| BP09-00741             | Batch#11, Refund#11, 245 Oak Grov   |                      | 10/21/2010                        | 184.60              |
| <b>Check Total:</b>    |                                     |                      |                                   | 184.60              |
| <b>Check No: 11184</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00194</b> | <b>CA PEACE OFFICERS' ASSN</b>    |                     |
| 1850048                | 2011 Renewal for membership dues    |                      | 10/26/2010                        | 85.00               |
| <b>Check Total:</b>    |                                     |                      |                                   | 85.00               |
| <b>Check No: 11185</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00236</b> | <b>CAL PAC ROOFING</b>            |                     |
| BP09-00706             | Batch#12, Refund#12,149 Stockbrid   |                      | 10/21/2010                        | 291.10              |
| BP09-00707             | Batch#12, Refund#12,149 Stockbrid   |                      | 10/21/2010                        | 35.50               |
| <b>Check Total:</b>    |                                     |                      |                                   | 326.60              |
| <b>Check No: 11186</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00205</b> | <b>CAL WATER SERVICE</b>          |                     |
| 62126158/10-10         | 94 Ashfield 09/03/10 - 10/04/10     |                      | 11/01/2010                        | 56.58               |
| 91512681/10-10         | 91 Ashfield 09/03/10 - 10/04/10     |                      | 11/01/2010                        | 48.58               |
| 91512699/10-10         | Station Lane Meter 08/04/10-09/02/1 |                      | 11/01/2010                        | 3.26                |
| 91512699/10-10         | Station Lane Meter 08/04/10-09/02/1 |                      | 11/01/2010                        | 19.55               |
| 91512664/10-10         | 83 Ashfield 09/03/10 - 10/04/10     |                      | 11/01/2010                        | 48.58               |
| 91512699/10-10         | Station Lane Meter 08/04/10-09/02/1 |                      | 11/01/2010                        | 9.77                |
| 62051509/10-10         | Alameda/Atherton 09/03/10-10/04/10  |                      | 11/01/2010                        | 98.78               |
| 62061499/10-10         | El Camino Real 08/04/10 - 09/02/10  |                      | 11/01/2010                        | 178.77              |
| 97947324/10-10         | El Camino Real (2) 8/25/10-09/24/10 |                      | 11/01/2010                        | 474.80              |
| 89783897/10-10         | Maple 08/04/10 - 09/02/10           |                      | 11/01/2010                        | 320.50              |
| 62040688/10-10         | 99 Ashfield Rd 10/05/10 - 11/12/10  |                      | 10/26/2010                        | 44.15               |
| 90069321/10-10         | Station Lane 10/5/10 - 11/12/10     |                      | 10/26/2010                        | 161.54              |
| 62051537/10-10         | 150 Watkins 9/25/10 - 10/26/10      |                      | 11/01/2010                        | 198.78              |
| 6051537FirePro         | 50 Watkins (Fire Pro) 10/01/10-10/3 |                      | 11/01/2010                        | 26.37               |
| 97127159/10-10         | 2 Station Lane 09/03//10-10/04/10   |                      | 11/01/2010                        | 44.58               |
| <b>Check Total:</b>    |                                     |                      |                                   | 1,734.59            |
| <b>Check No: 11187</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00235</b> | <b>CANDERLE POOLS</b>             |                     |
| BP09-00796             | Batch#13,Refund#12, 302 Atherton    |                      | 10/21/2010                        | 106.50              |
| <b>Check Total:</b>    |                                     |                      |                                   | 106.50              |
| <b>Check No: 11188</b> | <b>Check Date: 11/15/2010</b>       | <b>Vendor: 00241</b> | <b>CANINE TACTICAL OPERATIONS</b> |                     |
| NOV 2010               | K-9 SKIDDS/CATS 01/25-01/27/20      |                      | 11/15/2010                        | 450.00              |
| <b>Check Total:</b>    |                                     |                      |                                   | 450.00              |

| <u>Invoice No</u>                                 | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                     | <u>Check Amount</u> |
|---|--------------------------------------|----------------------|---|---------------------|
| <b>Check No: 11189</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00227</b> | <b>CAPITOL ADVOCATES, INCORPORATE</b>   |                     |
| OCTOBER 2010 Consulting Services HSR 9/18/10-10   |                                      |                      | 10/18/2010                              | 5,090.00            |
| SEPTEMBER 2010 Consulting Services HSR 8/18/10-9/ |                                      |                      | 09/18/2010                              | 5,100.00            |
|   |                                      |                      | <b>Check Total:</b>                     | 10,190.00           |
| <b>Check No: 11190</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00232</b> | <b>CARROLL CUSTOM HOMES</b>             |                     |
| BP09-00730  | Batch#14,Refund#14, 57 Tuscaloosa    |                      | 10/21/2010                              | 35.50               |
|   |                                      |                      | <b>Check Total:</b>                     | 35.50               |
| <b>Check No: 11191</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00257</b> | <b>CHRISTOPHER A JOSEPH &amp; ASSOC</b> |                     |
| 601454  | St Joseph's Traffic Study 06/01-06/3 |                      | 07/21/2010                              | 3,437.50            |
| 601403  | St Joseph's Traffic Study 05/01-05/3 |                      | 06/23/2010                              | 1,639.96            |
|   |                                      |                      | <b>Check Total:</b>                     | 5,077.46            |
| <b>Check No: 11192</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00281</b> | <b>CITY OF REDWOOD CITY</b>             |                     |
| BR25127   | IT Support October 2010              |                      | 10/31/2010                              | 2,307.00            |
|   |                                      |                      | <b>Check Total:</b>                     | 2,307.00            |
| <b>Check No: 11193</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00289</b> | <b>CLARK PEST CONTROL</b>               |                     |
| 0347349   | Weed control HP Park Maint svc Oct   |                      | 10/01/2010                              | 855.00              |
| 0347038   | Weed control HP Bldg Maint svc Sep   |                      | 09/30/2010                              | 200.00              |
| 0394991   | Pest control Library Oct 2010        |                      | 09/30/2010                              | 95.00               |
|   |                                      |                      | <b>Check Total:</b>                     | 1,150.00            |
| <b>Check No: 11194</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00293</b> | <b>CLEAN SOURCE</b>                     |                     |
| 1089726-00  | Tissue,Towel,Cover seat, Hand soap   |                      | 11/01/2010                              | 419.42              |
|   |                                      |                      | <b>Check Total:</b>                     | 419.42              |
| <b>Check No: 11195</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00348</b> | <b>COOK'S PENINSULA POOLS</b>           |                     |
| BP09-00780  | Batch#17, Refund#17, 147 Laurel Str  |                      | 10/21/2010                              | 355.00              |
|   |                                      |                      | <b>Check Total:</b>                     | 355.00              |
| <b>Check No: 11196</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00346</b> | <b>CORBY GOULD POOLS</b>                |                     |
| BP09-00637  | Batch#18,Refund#18, 337 Walsh Ro     |                      | 10/22/2010                              | 213.00              |
|   |                                      |                      | <b>Check Total:</b>                     | 213.00              |
| <b>Check No: 11197</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00347</b> | <b>HECTOR J CORNELIO</b>                |                     |
| BP09-00588  | Batch#35,Refund#35, 18 Stockbridge   |                      | 10/29/2010                              | 482.80              |
|   |                                      |                      | <b>Check Total:</b>                     | 482.80              |
| <b>Check No: 11198</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00372</b> | <b>CRAGMILE CONSTRUCTION CO</b>         |                     |
| BP09-00790  | Batch#19, Refund#19, 1 Patricia Dri  |                      | 10/22/2010                              | 1,192.80            |
|   |                                      |                      | <b>Check Total:</b>                     | 1,192.80            |
| <b>Check No: 11199</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00388</b> | <b>CUPERTINO ROOFING</b>                |                     |
| BP09-00693  | Batch#20,Refund#20, 185 Tuscaloos    |                      | 10/22/2010                              | 120.70              |
|   |                                      |                      | <b>Check Total:</b>                     | 120.70              |
| <b>Check No: 11200</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00424</b> | <b>D.L.HUNTER</b>                       |                     |
| BP09-00721  | Batch#21,Refund#21, 152 James Ave    |                      | 10/22/2010                              | 2,868.40            |
| BP09-00722  | Batch#21,Refund#21, 152 James Ave    |                      | 10/22/2010                              | 1,157.30            |
|   |                                      |                      | <b>Check Total:</b>                     | 4,025.70            |
| <b>Check No: 11201</b>                            | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00395</b> | <b>DANIEL E ALBERTI</b>                 |                     |
| BP09-00720  | Batch#22,Refund#22, 377 Fletcher D   |                      | 10/22/2010                              | 624.80              |
|   |                                      |                      | <b>Check Total:</b>                     | 624.80              |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                   | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|---------------------------------------|---------------------|
| <b>Check No: 11202</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00396</b> | <b>DAVID &amp; HEIDI WELCH</b>        |                     |
| BP09-00599             | Batch#23, Refund#23, 217 Camino      |                      | 10/22/2010                            | 60.60               |
|                        |                                      |                      | <b>Check Total:</b>                   | 60.60               |
| <b>Check No: 11203</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00399</b> | <b>DAVID G.MORKIN/CREATIVE WINDOW</b> |                     |
| BP09-00799             | Batch#24, Refund#24, 2 Wilburn Av    |                      | 10/22/2010                            | 113.60              |
| BP09-00800             | Batch#24, Refund#24, 2 Wilburn Av    |                      | 10/22/2010                            | 3.55                |
|                        |                                      |                      | <b>Check Total:</b>                   | 117.15              |
| <b>Check No: 11204</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00394</b> | <b>DEL RIO ROOFING</b>                |                     |
| BP09-00677             | Batch#25, Refund#25, 60 Queens Co    |                      | 10/22/2010                            | 134.90              |
| BP09-00801             | Batch#25, Refund#25, 98 Euclid Ave   |                      | 10/22/2010                            | 85.20               |
| BP09-00791             | Batch#25, Refund#25,134 Stockbrid    |                      | 10/22/2010                            | 85.20               |
|                        |                                      |                      | <b>Check Total:</b>                   | 305.30              |
| <b>Check No: 11205</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00404</b> | <b>DENNIS O'CONNOR ASSOCIATES</b>     |                     |
| BP09-00675             | Batch#26, Refund#26, 81 Ridgeview    |                      | 10/25/2010                            | 177.50              |
|                        |                                      |                      | <b>Check Total:</b>                   | 177.50              |
| <b>Check No: 11206</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00427</b> | <b>DMS FACILITY SERVICES, INC</b>     |                     |
| RC-D063317             | Town/Hall Police Dept Nov 2010       |                      | 11/01/2010                            | 650.24              |
| RC-D063317             | Police Modular Office Nov 2010       |                      | 11/01/2010                            | 115.70              |
| RC-D063317             | Public Works Modular Nov 2010        |                      | 11/01/2010                            | 121.41              |
| RC-D063317             | Addition Modular Nov 2010            |                      | 11/01/2010                            | 154.01              |
| RC-D063317             | 99 Station Lane Nov 2010             |                      | 11/01/2010                            | 203.70              |
| RC-D063317             | Atherton library Nov 2010            |                      | 11/01/2010                            | 470.10              |
|                        |                                      |                      | <b>Check Total:</b>                   | 1,715.16            |
| <b>Check No: 11207</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00433</b> | <b>DOUGLAS PRINTERS</b>               |                     |
| TA110510               | Business cards for Melanie Goldstein |                      | 11/05/2010                            | 76.47               |
|                        |                                      |                      | <b>Check Total:</b>                   | 76.47               |
| <b>Check No: 11208</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00454</b> | <b>DURA FOAM</b>                      |                     |
| BP09-00622             | Batch#28, Refund#28, 41 Cebalo La    |                      | 10/26/2010                            | 99.40               |
|                        |                                      |                      | <b>Check Total:</b>                   | 99.40               |
| <b>Check No: 11209</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00459</b> | <b>EDWIN B LIM</b>                    |                     |
| BP09-00581             | Batch#29, Refund#29, 73 Irving Ave   |                      | 10/26/2010                            | 319.50              |
| BP09-00580             | Batch#29, Refund#29, 73 Irving Ave   |                      | 10/26/2010                            | 269.80              |
|                        |                                      |                      | <b>Check Total:</b>                   | 589.30              |
| <b>Check No: 11210</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00466</b> | <b>EM ROOFING</b>                     |                     |
| BP09-00578             | Batch#30, Refund#30, 43 Lowery Dr    |                      | 10/26/2010                            | 42.60               |
| BP09-00626             | Batch#30, Refund#30, 93 Melanie La   |                      | 10/26/2010                            | 163.30              |
|                        |                                      |                      | <b>Check Total:</b>                   | 205.90              |
| <b>Check No: 11211</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00487</b> | <b>ETTA MAE MEHLER-BAUER</b>          |                     |
| BP09-00653             | Batch#32,Refund#32,2 Rebecca Lane    |                      | 10/26/2010                            | 28.40               |
|                        |                                      |                      | <b>Check Total:</b>                   | 28.40               |
| <b>Check No: 11212</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00498</b> | <b>FERRANDO DIVERSIFIED CAPITAL</b>   |                     |
| BP09-00644             | Batch#33,Refund#33, 66 Barry Lane    |                      | 10/29/2010                            | 12,346.90           |
|                        |                                      |                      | <b>Check Total:</b>                   | 12,346.90           |
| <b>Check No: 11213</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00501</b> | <b>FIRST CHOICE SERVICES</b>          |                     |
| 326066                 | Tea and coffee Bldg Dept             |                      | 10/19/2010                            | 82.77               |
|                        |                                      |                      | <b>Check Total:</b>                   | 82.77               |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                   | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|---------------------------------------|---------------------|
| <b>Check No: 11214</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00422</b> | <b>DIANNE G GIANCARLO</b>             |                     |
| BP09-00582             | Batch#27,Refund#27, 36 Euclid Ave    |                      | 10/26/2010                            | 17,927.50           |
|                        |                                      |                      | <b>Check Total:</b>                   | 17,927.50           |
| <b>Check No: 11215</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00562</b> | <b>GROVE CONSTRUCTION</b>             |                     |
| BP09-00765             | Batch#34,Refund#34, 88 Hawthorne     |                      | 10/29/2010                            | 25,623.90           |
| BP09-00598             | Batch#34,Refund#34, 230 Oak Grov     |                      | 10/29/2010                            | 362.10              |
| BP09-00645             | Batch#34,Refund#34, 88 Hawthorne     |                      | 10/29/2010                            | 248.50              |
|                        |                                      |                      | <b>Check Total:</b>                   | 26,234.50           |
| <b>Check No: 11216</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00585</b> | <b>N HARRIS COMPUTER CORPORATION</b>  |                     |
| MN002581               | Unidata SBD support 7/1/10-9/31/10   |                      | 05/31/2010                            | 192.50              |
| MN002581               | Unidata SBR support 7/1/10-9/31/10   |                      | 05/31/2010                            | 12.00               |
| MN002581               | Wintegrate support 7/1/10-9/31/10    |                      | 05/31/2010                            | 12.50               |
| MN002619               | Unidata SBD support 10/1/10-12/31/   |                      | 08/25/2010                            | 192.50              |
| MN002619               | Unidata SBD support 10/1/10-12/31/   |                      | 08/25/2010                            | 12.00               |
| MN002619               | Wintegrate support 10/1/10-12/31/10  |                      | 08/25/2010                            | 12.50               |
| MN002619               | Port licen fee support 10/1/10-12/31 |                      | 08/25/2010                            | 162.50              |
| MN002619               | Annual Unidata support 10/1/10-12/3  |                      | 08/25/2010                            | 23.75               |
| MN002581               | Annual Unidata support 7/1/10-9/31/  |                      | 05/31/2010                            | 23.75               |
| MN002581               | Port licen fee support 7/1/10-9/31/1 |                      | 05/31/2010                            | 162.50              |
|                        |                                      |                      | <b>Check Total:</b>                   | 806.50              |
| <b>Check No: 11217</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00607</b> | <b>HOFBRAU CATERING</b>               |                     |
| 44147                  | Breakfast personnel police in-house  |                      | 10/25/2010                            | 187.04              |
| 44148                  | Luncheon personnel police in-house t |                      | 10/25/2010                            | 235.11              |
| 44150                  | Breakfast personnel police in-house  |                      | 10/26/2010                            | 187.04              |
| 44151                  | Luncheon personnel police in-house t |                      | 10/26/2010                            | 235.11              |
| 44158                  | Breakfast personnel police in-house  |                      | 10/28/2010                            | 187.04              |
| 44159                  | Luncheon personnel police in-house t |                      | 10/28/2010                            | 235.11              |
| 44163                  | Breakfast personnel police in-house  |                      | 10/29/2010                            | 187.04              |
| 44164                  | Luncheon personnel police in-house t |                      | 10/29/2010                            | 235.11              |
|                        |                                      |                      | <b>Check Total:</b>                   | 1,688.60            |
| <b>Check No: 11218</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00617</b> | <b>HORIZON DISTRIBUTORS, INC.</b>     |                     |
| INV029719              | Irritrol, SCH80 Nipple, SCH40 PVC    |                      | 10/29/2010                            | 29.23               |
|                        |                                      |                      | <b>Check Total:</b>                   | 29.23               |
| <b>Check No: 11219</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00614</b> | <b>HOWARD T SLAYEN,SUSAN M SLAYEN</b> |                     |
| BP09-00732             | Batch#36,Refund#36,2 Altree Court    |                      | 10/29/2010                            | 319.50              |
|                        |                                      |                      | <b>Check Total:</b>                   | 319.50              |
| <b>Check No: 11220</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00637</b> | <b>DAVID HUYNH</b>                    |                     |
| NOV 2010               | Renewal notice for profess lic D.Huy |                      | 11/15/2010                            | 125.00              |
|                        |                                      |                      | <b>Check Total:</b>                   | 125.00              |
| <b>Check No: 11221</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00649</b> | <b>IEDA INC</b>                       |                     |
| 16303                  | Monthly Retainer 11/1/10 - 11/30/10  |                      | 11/01/2010                            | 1,030.00            |
|                        |                                      |                      | <b>Check Total:</b>                   | 1,030.00            |
| <b>Check No: 11222</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00679</b> | <b>INTERNATIONAL CODE COUNCIL</b>     |                     |
| 1248452-IN             | 10 CA Complete Collection            |                      | 10/28/2010                            | 1,122.50            |
|                        |                                      |                      | <b>Check Total:</b>                   | 1,122.50            |
| <b>Check No: 11223</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00689</b> | <b>IWORQ SYSTEMS, INC</b>             |                     |
| 3503                   | Iworq Internet Pavement Mgmt Nov     |                      | 10/21/2010                            | 75.00               |
|                        |                                      |                      | <b>Check Total:</b>                   | 75.00               |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                       | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|---|---------------------|
| <b>Check No: 11224</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00712</b> | <b>JAMES H ANDERSON/PELLA WINDOWS</b>     |                     |
| BP09-00749             | Batch#38,Refund#38, 89 Victoria Dr   |                      | 10/29/2010                                | 106.50              |
|                        |                                      |                      | <b>Check Total:</b>                       | 106.50              |
| <b>Check No: 11225</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00723</b> | <b>JOHN DONOVAN PINKEL</b>                |                     |
| BP09-00665             | Batch#40,Refund#40,82 Atherton Av    |                      | 10/29/2010                                | 7,078.70            |
| BP09-00744             | Batch#40,Refund#40,82 Atherton Av    |                      | 10/29/2010                                | 2,698.00            |
| BP09-00745             | Batch#40,Refund#40,82 Atherton Av    |                      | 10/29/2010                                | 951.40              |
|                        |                                      |                      | <b>Check Total:</b>                       | 10,728.10           |
| <b>Check No: 11226</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00886</b> | <b>MENLO COLLEGE</b>                      |                     |
| 070-360-100            | Refund 50% of 2 dwellings parcel tax |                      | 11/11/2010                                | 960.00              |
|                        |                                      |                      | <b>Check Total:</b>                       | 960.00              |
| <b>Check No: 11227</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00929</b> | <b>MUNI SERVICES LLC</b>                  |                     |
| 0000023202             | Consulting fee for refund claim svc( |                      | 10/22/2010                                | 15,000.00           |
|                        |                                      |                      | <b>Check Total:</b>                       | 15,000.00           |
| <b>Check No: 11228</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00947</b> | <b>NEC CORPORATION OF AMERICA</b>         |                     |
| TM0000020169           | Labor fee 10/21/10                   |                      | 10/22/2010                                | 163.00              |
| TM0000020169           | Expense Trip charge 10/21/10         |                      | 10/22/2010                                | 60.00               |
|                        |                                      |                      | <b>Check Total:</b>                       | 223.00              |
| <b>Check No: 11229</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00977</b> | <b>OFFICE DEPOT</b>                       |                     |
| 538801363001           | Paper copier, cup, paper and noteboo |                      | 10/26/2010                                | 60.23               |
|                        |                                      |                      | <b>Check Total:</b>                       | 60.23               |
| <b>Check No: 11230</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 00993</b> | <b>ORCHARD SUPPLY HARDWARE</b>            |                     |
| 1359/OCT 2010          | Chainsaw chains                      |                      | 10/25/2010                                | 38.23               |
| 1359/OCT 2010          | Lights for DPW Bldg Maint            |                      | 10/25/2010                                | 25.74               |
| 1359/OCT 2010          | Lights for DPW Bldg Maint            |                      | 10/25/2010                                | 18.86               |
| 1359/OCT 2010          | Lights for Police Dept and Public Wo |                      | 10/25/2010                                | 34.37               |
| 1359/OCT 2010          | Roof coverings and Rat Traps         |                      | 10/25/2010                                | 88.39               |
| 1359/OCT 2010          | Foil tape to weatherproof skylights  |                      | 10/25/2010                                | 10.91               |
| 1359/OCT 2010          | Building repairs                     |                      | 10/25/2010                                | 16.49               |
| 1359/OCT 2010          | Irrigation repairs at HP Park        |                      | 10/25/2010                                | 11.59               |
| 1359/OCT 2010          | Trap for Public works trailer        |                      | 10/25/2010                                | 40.41               |
| 1359/OCT 2010          | Parts lighting proj permit centr tra |                      | 10/25/2010                                | 175.61              |
|                        |                                      |                      | <b>Check Total:</b>                       | 460.60              |
| <b>Check No: 11231</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01001</b> | <b>PACIFIC PENINSULA GROUP</b>            |                     |
| 60 MONTE VIST          | Refund 60 Monte Vista P#APW05-6      |                      | 11/09/2010                                | 2,500.00            |
|                        |                                      |                      | <b>Check Total:</b>                       | 2,500.00            |
| <b>Check No: 11232</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01021</b> | <b>PAW PRINTS, INC</b>                    |                     |
| 23352                  | Aluminum Sign - video surveillance   |                      | 10/29/2010                                | 81.94               |
|                        |                                      |                      | <b>Check Total:</b>                       | 81.94               |
| <b>Check No: 11233</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01024</b> | <b>PENINSULA BUILDING MATERIALS C</b>     |                     |
| 7240                   | Straw Wattle 9" x 25" Earth Saver    |                      | 10/31/2010                                | 32.78               |
|                        |                                      |                      | <b>Check Total:</b>                       | 32.78               |
| <b>Check No: 11234</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01025</b> | <b>PENINSULA UNIFORMS &amp; EQUIPMENT</b> |                     |
| 58365                  | Police dress hat, Hat button K.Prons |                      | 10/20/2010                                | 81.88               |
| 58366                  | Hat band - Snake style R.Enberg      |                      | 10/20/2010                                | 10.87               |
| 58800                  | Duty Holster Level III K.Nichols     |                      | 11/02/2010                                | 196.60              |
|                        |                                      |                      | <b>Check Total:</b>                       | 289.35              |

| <u>Invoice No</u>                                   | <u>Description</u>            | <u>Reference</u>     | <u>Invoice Date</u>                   | <u>Check Amount</u> |
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| <b>Check No: 11235</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01037</b> | <b>PG &amp; E</b>                     |                     |
| 9291302548/9-10Corp Office Storage 9/25/10 - 10/25/ |                               |                      | 10/26/2010                            | 104.78              |
| 9531312943/9-1093 Dinkelspiel Station 9/25/10-10/25 |                               |                      | 10/26/2010                            | 205.17              |
| 3457969588/9-10Signal ElCamino Atherton 9/28/10-1   |                               |                      | 10/25/2010                            | 36.90               |
| 9166302556/9-10Atherton Library 09/25/10 - 10/25/10 |                               |                      | 10/26/2010                            | 533.49              |
|   |                               |                      | <b>Check Total:</b>                   | <b>880.34</b>       |
| <b>Check No: 11236</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01089</b> | <b>PURCHASE POWER</b>                 |                     |
| 38852315 Pro serial#1A00/SN-4309419 Meter           |                               |                      | 11/03/2010                            | 262.20              |
|   |                               |                      | <b>Check Total:</b>                   | <b>262.20</b>       |
| <b>Check No: 11237</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01113</b> | <b>RECALL SECURE DESTRUCTION SERV</b> |                     |
| 2303011101 Contract svcs for 9/17/10 - 10/15/10     |                               |                      | 10/23/2010                            | 126.72              |
|   |                               |                      | <b>Check Total:</b>                   | <b>126.72</b>       |
| <b>Check No: 11238</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 00343</b> | <b>CONNIE RICE</b>                    |                     |
| BP09-00621 Batch#16,Refund#16, 73 Maple Leaf        |                               |                      | 10/21/2010                            | 85.20               |
|   |                               |                      | <b>Check Total:</b>                   | <b>85.20</b>        |
| <b>Check No: 11239</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01212</b> | <b>SAN MATEO CNTY CONTROLLERS OFF</b> |                     |
| OCT 2010 Allocation of parking penalties Oct        |                               |                      | 11/01/2010                            | 616.10              |
|   |                               |                      | <b>Check Total:</b>                   | <b>616.10</b>       |
| <b>Check No: 11240</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01241</b> | <b>SAN MATEO CNTY FORENSIC LAB</b>    |                     |
| CL02602 Fingerprints process evidence - 1 hr        |                               |                      | 10/31/2010                            | 422.00              |
| CL02602 Toxicology urine screens - 1 hr             |                               |                      | 10/31/2010                            | 48.00               |
| CL02602 Fingerprint CAL-ID search, AFIS Pre         |                               |                      | 10/31/2010                            | 39.00               |
| CL02602 Phlebotomy services - 3 hrs                 |                               |                      | 10/31/2010                            | 390.00              |
| CL02574 Toxicology urine screens-1 hr M10-0         |                               |                      | 09/30/2010                            | 48.00               |
| CL02574 Narcotic ID-2 hrs M10-03647                 |                               |                      | 09/30/2010                            | 180.00              |
| CL02574 Toxicology urine screens-2 hr M10-0         |                               |                      | 09/30/2010                            | 96.00               |
| CL02574 Narcotic ID-1 hrs M10-04198                 |                               |                      | 09/30/2010                            | 90.00               |
| CL02574 Phlebotomy services- 3 hrs                  |                               |                      | 09/30/2010                            | 390.00              |
|   |                               |                      | <b>Check Total:</b>                   | <b>1,703.00</b>     |
| <b>Check No: 11241</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01313</b> | <b>SPRINT</b>                         |                     |
| 130538811-035 Mobile Data Comm PD 9/26/10-10/2      |                               |                      | 10/29/2010                            | 440.50              |
|   |                               |                      | <b>Check Total:</b>                   | <b>440.50</b>       |
| <b>Check No: 11242</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01330</b> | <b>BLAIR W STRATFORD</b>              |                     |
| BP09-00739 Batch#8,Refund#8, 1 Arthur Lane          |                               |                      | 10/20/2010                            | 120.70              |
|   |                               |                      | <b>Check Total:</b>                   | <b>120.70</b>       |
| <b>Check No: 11243</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01366</b> | <b>THE VEST MAN</b>                   |                     |
| 2394 TVC custom pockets and patch work              |                               |                      | 11/03/2010                            | 228.50              |
|   |                               |                      | <b>Check Total:</b>                   | <b>228.50</b>       |
| <b>Check No: 11244</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01401</b> | <b>TURBO DATA SYSTEMS INC</b>         |                     |
| 17159 Citation processing Sept and Oct 201          |                               |                      | 10/31/2010                            | 116.41              |
|   |                               |                      | <b>Check Total:</b>                   | <b>116.41</b>       |
| <b>Check No: 11245</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01442</b> | <b>HOWARD VANLANDINGHAM</b>           |                     |
| BP09-00589 Batch#37,Refund#37, 66 Encina Ave        |                               |                      | 10/29/2010                            | 149.10              |
| BP09-00590 Batch#37,Refund#37, 11 Cowell Lan        |                               |                      | 10/29/2010                            | 447.30              |
|   |                               |                      | <b>Check Total:</b>                   | <b>596.40</b>       |
| <b>Check No: 11246</b>                              | <b>Check Date: 11/15/2010</b> | <b>Vendor: 01453</b> | <b>VOYAGER FLEET SYSTEMS INC.</b>     |                     |
| 869016477010 Motorcycle fuel October 2010           |                               |                      | 10/24/2010                            | 166.94              |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>             | <u>Check Amount</u> |
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| <b>Check Total:</b>    |                                      |                      |                                 | 166.94              |
| <b>Check No: 11247</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01454</b> | <b>VPI INC</b>                  |                     |
| 2010M-3220M5           | 24X7 Software/Maint 12/15/10-12/1    |                      | 09/20/2010                      | 884.00              |
| 2010M-3220M5           | Priority Replacement 12/15/10-12/15  |                      | 09/20/2010                      | 968.00              |
| <b>Check Total:</b>    |                                      |                      |                                 | 1,852.00            |
| <b>Check No: 11248</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01273</b> | <b>WILLIAMS SCOTSMAN, INC</b>   |                     |
| 95317573               | Rent PD Modular 10/29/10 - 11/28/1   |                      | 10/29/2010                      | 721.63              |
| <b>Check Total:</b>    |                                      |                      |                                 | 721.63              |
| <b>Check No: 11249</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01477</b> | <b>WITMER-TYSON IMPORTS INC</b> |                     |
| T8264                  | K-9 training maint Lotty,Rex Oct 201 |                      | 11/02/2010                      | 895.26              |
| <b>Check Total:</b>    |                                      |                      |                                 | 895.26              |
| <b>Check No: 11250</b> | <b>Check Date: 11/15/2010</b>        | <b>Vendor: 01485</b> | <b>JASON YOAKUM</b>             |                     |
| NOV 2010               | Lunch Simulator Trng J.Yoakum 11/    |                      | 11/12/2010                      | 9.91                |
| NOV 2010               | Mileage Simulator Trng J.Yoakum 1    |                      | 11/12/2010                      | 21.05               |
| <b>Check Total:</b>    |                                      |                      |                                 | 30.96               |
| <b>Check No: 11251</b> | <b>Check Date: 11/17/2010</b>        | <b>Vendor: 00149</b> | <b>BILL BUTLER</b>              |                     |
| NOV 2010               | Fence materials repairs park corp ya |                      | 11/04/2010                      | 43.31               |
| <b>Check Total:</b>    |                                      |                      |                                 | 43.31               |
| <b>Check No: 11252</b> | <b>Check Date: 11/17/2010</b>        | <b>Vendor: 00821</b> | <b>MANAGEMENT PARTNERS INC</b>  |                     |
| 4486                   | Interim city mgmt N.Levin 10/29/10   |                      | 11/03/2010                      | 3,700.00            |
| <b>Check Total:</b>    |                                      |                      |                                 | 3,700.00            |
| <b>Check No: 11253</b> | <b>Check Date: 11/17/2010</b>        | <b>Vendor: 01045</b> | <b>PITNEY BOWES INC</b>         |                     |
| 512623                 | Red Ink Cartridge DM 500/550, Roll   |                      | 11/01/2010                      | 345.40              |
| <b>Check Total:</b>    |                                      |                      |                                 | 345.40              |
| <b>Check No: 11254</b> | <b>Check Date: 11/17/2010</b>        | <b>Vendor: 01409</b> | <b>STEVE TYLER</b>              |                     |
| NOV 15 2010            | Lodging MSA Conf S.Tyler 10/04-10    |                      | 11/15/2010                      | 516.48              |
| NOV 15 2010            | Mileage MSA Conf S.Tyler 10/04-10    |                      | 11/15/2010                      | 446.50              |
| <b>Check Total:</b>    |                                      |                      |                                 | 962.98              |
| <b>Check No: 11255</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00009</b> | <b>A-A LOCK &amp; ALARM INC</b> |                     |
| 319                    | HP Park residential key, comercial k |                      | 10/13/2010                      | 46.70               |
| <b>Check Total:</b>    |                                      |                      |                                 | 46.70               |
| <b>Check No: 11256</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00025</b> | <b>ACCOUNTEMPS</b>              |                     |
| 32101774               | Temp Dean, Hazel 10/25/10 - 10/29/   |                      | 11/03/2010                      | 1,700.00            |
| <b>Check Total:</b>    |                                      |                      |                                 | 1,700.00            |
| <b>Check No: 11257</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00037</b> | <b>AFLAC</b>                    |                     |
|                        | PR Batch 502 10 2010 AFLAC Pers      |                      | 10/20/2010                      | 22.29               |
|                        | PR Batch 502 10 2010 AFLAC Acci      |                      | 10/20/2010                      | 227.46              |
|                        | PR Batch 502 10 2010 AFLAC Canc      |                      | 10/20/2010                      | 159.75              |
|                        | PR Batch 502 10 2010 AFLAC Dent      |                      | 10/20/2010                      | 90.41               |
|                        | PR Batch 502 10 2010 AFLAC Hosp      |                      | 10/20/2010                      | 76.76               |
|                        | PR Batch 502 10 2010 AFLAC Inten     |                      | 10/20/2010                      | 24.39               |
|                        | PR Batch 502 10 2010 AFLAC Life      |                      | 10/20/2010                      | 34.14               |
|                        | PR Batch 502 10 2010 AFLAC Speci     |                      | 10/20/2010                      | 50.24               |
|                        | PR Batch 502 10 2010 AFLAC-STD       |                      | 10/20/2010                      | 41.35               |
|                        | PR Batch 501 11 2010 AFLAC Acci      |                      | 11/03/2010                      | 208.68              |
|                        | PR Batch 501 11 2010 AFLAC Canc      |                      | 11/03/2010                      | 159.75              |
|                        | PR Batch 501 11 2010 AFLAC Dent      |                      | 11/03/2010                      | 90.41               |
|                        | PR Batch 501 11 2010 AFLAC Hosp      |                      | 11/03/2010                      | 76.76               |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                   | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|---------------------------------------|---------------------|
|                        | PR Batch 501 11 2010 AFLAC Inten     |                      | 11/03/2010                            | 24.39               |
|                        | PR Batch 501 11 2010 AFLAC Life      |                      | 11/03/2010                            | 34.14               |
|                        | PR Batch 501 11 2010 AFLAC Pers      |                      | 11/03/2010                            | 22.29               |
|                        | PR Batch 501 11 2010 AFLAC Speci     |                      | 11/03/2010                            | 50.24               |
|                        | PR Batch 501 11 2010 AFLAC-STD       |                      | 11/03/2010                            | 41.35               |
| 635054                 | PR Batch 502 10 L.Colliau adj        |                      | 11/26/2010                            | 18.78               |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>1,453.58</b>     |
| <b>Check No: 11258</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00077</b> | <b>AT&amp;T CALNET 2</b>              |                     |
| 000001751006           | 325-2677 10/01/10 - 11/09/10         |                      | 11/10/2010                            | 15.30               |
| 000001734022           | 327-3232 10/01/10 - 10/31/10         |                      | 11/01/2010                            | 15.43               |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>30.73</b>        |
| <b>Check No: 11259</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00099</b> | <b>KENDALL S BARRERA</b>              |                     |
| BP09-00795             | Batch#ATH42, Rfnd#42 189 Almend      |                      | 11/16/2010                            | 553.80              |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>553.80</b>       |
| <b>Check No: 11260</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00122</b> | <b>MONICA BHARGAVA</b>                |                     |
| BP09-00754             | Batch#ATH051,Rfnd#51 90 De Bell      |                      | 11/17/2010                            | 3,102.70            |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>3,102.70</b>     |
| <b>Check No: 11261</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00127</b> | <b>BLOSSOM VALLEY CONSTRUCTION, I</b> |                     |
| 11432                  | HP Park Irrigation 8/1/10 - 9/30/10  |                      | 10/14/2010                            | 16,895.10           |
| 11432                  | HP Park Irrigation 10% 8/1/10-9/30/  |                      | 10/14/2010                            | 7,780.39            |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>24,675.49</b>    |
| <b>Check No: 11262</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00189</b> | <b>CA EMPLOYMENT DEV DEPT (UI)</b>    |                     |
| 21760898               | Park temp Valeni 7/1/10-9/30/1       |                      | 11/05/2010                            | 174.00              |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>174.00</b>       |
| <b>Check No: 11263</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00249</b> | <b>CDW GOVERNMENT INC</b>             |                     |
| VNR3258                | Ultrium 123 Cleaning cart TDK-2763   |                      | 11/12/2010                            | 67.65               |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>67.65</b>        |
| <b>Check No: 11264</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00293</b> | <b>CLEAN SOURCE</b>                   |                     |
| 1092796-00             | Tissue,towel,cover seat,kitchen towe |                      | 11/05/2010                            | 1,205.09            |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>1,205.09</b>     |
| <b>Check No: 11265</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00309</b> | <b>COMCAST</b>                        |                     |
| 8155200060122493       | Static IP 11/21/10-12/20/10          |                      | 11/16/2010                            | 19.95               |
| 8155200060122490       | mg Bus Class HSI 11/21/10-12/20      |                      | 11/16/2010                            | 189.95              |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>209.90</b>       |
| <b>Check No: 11266</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00341</b> | <b>CONTRACT SWEEPING SERVICES</b>     |                     |
| INV100001307           | Contract sweeping service October 2  |                      | 10/28/2010                            | 992.70              |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>992.70</b>       |
| <b>Check No: 11267</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00377</b> | <b>CSG CONSULTANTS INC</b>            |                     |
| 019109                 | Bldg official svc,admin 9/25/10-10/2 |                      | 11/15/2010                            | 10,762.50           |
| 019109                 | Bldg inspection,admin 9/25/10-10/29  |                      | 11/15/2010                            | 765.00              |
| 019067                 | Code enforcement 9/25/10-10/29/10    |                      | 11/15/2010                            | 6,744.80            |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>18,272.30</b>    |
| <b>Check No: 11268</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 00393</b> | <b>DELL MARKETING L.P.</b>            |                     |
| XF4JFRNJ7              | OptiPlex 780 Minitower Core2CPU2     |                      | 11/05/2010                            | 1,360.84            |
|                        | <b>Check Total:</b>                  |                      |                                       | <b>1,360.84</b>     |

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| <b>Check No: 11269</b><br>3484972A  | <b>Check Date: 11/24/2010</b><br>Auto CAD 2011 subscription renewal  | <b>Vendor: 00426</b> | <b>DLT SOLUTIONS LLC</b><br>11/08/2010   | 447.29                         |
|   |  |                      | <b>Check Total:</b>  | 447.29                         |
| <b>Check No: 11270</b><br>2794638<br>2794638                              | <b>Check Date: 11/24/2010</b><br>Armored Car Service November 201<br>Maint fee/fuel subcharge November 2   | <b>Vendor: 00449</b> | <b>DUNBAR ARMORED INC</b><br>11/01/2010<br>11/01/2010                          | 110.90<br>16.84                |
|   |  |                      | <b>Check Total:</b>  | 127.74                         |
| <b>Check No: 11271</b><br>332330  | <b>Check Date: 11/24/2010</b><br>Coffee DPW Engr 11/16/10  | <b>Vendor: 00501</b> | <b>FIRST CHOICE SERVICES</b><br>11/16/2010                                     | 8.32                           |
|   |  |                      | <b>Check Total:</b>  | 8.32                           |
| <b>Check No: 11272</b><br>68 ADAM WAY Refund P#BP08-00312 68 Adam wa      | <b>Check Date: 11/24/2010</b>  | <b>Vendor: 00502</b> | <b>JOHN FLAHERTY</b><br>11/22/2010   | 1,000.00                       |
|   |  |                      | <b>Check Total:</b>  | 1,000.00                       |
| <b>Check No: 11273</b><br>143635  | <b>Check Date: 11/24/2010</b><br>Landscape maint Atherton town Nov   | <b>Vendor: 00512</b> | <b>FRANK &amp; GROSSMAN LANDSCAPE CON</b><br>11/01/2010                        | 2,083.00                       |
|   |  |                      | <b>Check Total:</b>  | 2,083.00                       |
| <b>Check No: 11274</b><br>BP09-00676                                      | <b>Check Date: 11/24/2010</b><br>Batch#ATH048,Rfnd#48 63 Camino  | <b>Vendor: 00519</b> | <b>MARGARITA GALLO</b><br>11/17/2010   | 2,918.10                       |
|   |  |                      | <b>Check Total:</b>  | 2,918.10                       |
| <b>Check No: 11275</b><br>29050   | <b>Check Date: 11/24/2010</b><br>Year 5(2010) Monitoring 10/1/10-10/   | <b>Vendor: 00573</b> | <b>H.T. HARVEY &amp; ASSOCIATES</b><br>10/31/2010                              | 559.00                         |
|   |  |                      | <b>Check Total:</b>  | 559.00                         |
| <b>Check No: 11276</b><br>2012641   | <b>Check Date: 11/24/2010</b><br>DPW Park Maint Lumber for fence   | <b>Vendor: 00609</b> | <b>HOME DEPOT CREDIT SERVICES</b><br>11/04/2010                                | 64.89                          |
|   |  |                      | <b>Check Total:</b>  | 64.89                          |
| <b>Check No: 11277</b><br>132509  | <b>Check Date: 11/24/2010</b><br>SQ sign post  | <b>Vendor: 00681</b> | <b>INTERSTATE TRAFFIC CONTROL PRO</b><br>11/10/2010                            | 36.60                          |
|   |  |                      | <b>Check Total:</b>  | 36.60                          |
| <b>Check No: 11278</b><br>R25510<br>R25510                                | <b>Check Date: 11/24/2010</b><br>Rental - Drain cleaner/jet rod<br>Rental - Drain cleaner/jet rod sales  | <b>Vendor: 00709</b> | <b>JACK DOHENY RENTALS</b><br>11/08/2010<br>11/08/2010                         | 8,500.00<br>743.75             |
|   |  |                      | <b>Check Total:</b>  | 9,243.75                       |
| <b>Check No: 11279</b><br>10166   | <b>Check Date: 11/24/2010</b><br>Atherton street reconstruction proje  | <b>Vendor: 00724</b> | <b>JOSEPH J. ALBANESE, INC</b><br>10/31/2010                                   | 64,567.56                      |
|   |  |                      | <b>Check Total:</b>  | 64,567.56                      |
| <b>Check No: 11280</b><br>FIELD PROJECT<br>SOUTH MEADOWS<br>SOUTH MEADOWS | <b>Check Date: 11/24/2010</b><br>Landscape architectural design Sept 2<br>Landscape architectural design Oct 20<br>Landscape architectural design Oct 2010 | <b>Vendor: 00737</b> | <b>KIKUCHI &amp; ASSOCIATES, INC</b><br>10/05/2010<br>11/02/2010<br>11/02/2010 | 2,895.00<br>4,055.00<br>548.01 |
|   |  |                      | <b>Check Total:</b>  | 7,498.01                       |
| <b>Check No: 11281</b><br>4259916<br>4303455                              | <b>Check Date: 11/24/2010</b><br>Menlo Park TIS Project September 2<br>Menlo Park TIS Project October 201  | <b>Vendor: 00741</b> | <b>KIMLEY-HORN &amp; ASSOC INC</b><br>09/30/2010<br>10/31/2010                 | 1,504.00<br>4,515.00           |
|   |  |                      | <b>Check Total:</b>  | 6,019.00                       |

| <u>Invoice No</u>  | <u>Description</u>  | <u>Reference</u>     | <u>Invoice Date</u>   | <u>Check Amount</u>                                     |
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| <b>Check No: 11282</b><br>BP09-00591   | <b>Check Date: 11/24/2010</b><br>Batch#ATH43,Rfnd#43 113 Atherto  | <b>Vendor: 00744</b> | <b>KIRK WORKMAN PERMIT/G M ACCOUN</b><br>11/16/2010   | 568.00  |
|  |   |                      | <b>Check Total:</b>   | 568.00  |
| <b>Check No: 11283</b><br>2010-2011 FEES League of CA cities 2010-2011 Annu                  | <b>Check Date: 11/24/2010</b>   | <b>Vendor: 00777</b> | <b>LCC PENINSULA DIVISION</b><br>11/12/2010   | 100.00  |
|  |   |                      | <b>Check Total:</b>   | 100.00  |
| <b>Check No: 11284</b><br>97 JUNIPER DR Refund P#BP10-00811 97 Juniper Dr                    | <b>Check Date: 11/24/2010</b>   | <b>Vendor: 00785</b> | <b>LENCIONI CONSTRUCTION</b><br>11/22/2010  | 6,887.00  |
|  |   |                      | <b>Check Total:</b>   | 6,887.00  |
| <b>Check No: 11285</b><br>BP09-00742   | <b>Check Date: 11/24/2010</b><br>Batch#ATH44,Rfnd#44 178 Almend   | <b>Vendor: 00802</b> | <b>LOS GATOS ROOFING</b><br>11/16/2010  | 120.70  |
|  |   |                      | <b>Check Total:</b>   | 120.70  |
| <b>Check No: 11286</b><br>BP09-00599   | <b>Check Date: 11/24/2010</b><br>Batch#ATH045,Rfnd#45 217 Camin   | <b>Vendor: 00799</b> | <b>LRFA LLC</b><br>11/16/2010   | 102.70  |
|  |   |                      | <b>Check Total:</b>   | 102.70  |
| <b>Check No: 11287</b><br>BP09-00700<br>BP09-00699   | <b>Check Date: 11/24/2010</b><br>Batch#ATH046,Rfnd#46 198 Oak Gr<br>Batch#ATH046,Rfnd#46 198 Oak Gr   | <b>Vendor: 00796</b> | <b>LSI CONSTRUCTION INC</b><br>11/16/2010<br>11/16/2010   | 7.10<br>56.80   |
|  |   |                      | <b>Check Total:</b>   | 63.90   |
| <b>Check No: 11288</b><br>BP09-00671   | <b>Check Date: 11/24/2010</b><br>Batch#ATH047,Rfnd#47 11 Faxon F  | <b>Vendor: 00810</b> | <b>MAGRANE ASSOCIATES LANDSCAPE</b><br>11/16/2010   | 213.00  |
|  |   |                      | <b>Check Total:</b>   | 213.00  |
| <b>Check No: 11289</b><br>25492<br>25492<br>25449<br>25492<br>25449                          | <b>Check Date: 11/24/2010</b><br>FY2010 Audit & Reports<br>FY2010 Audit & GANN Limit<br>FY2010 State Controllers/Town<br>FY2010 Audit & Measure A<br>FY2010 State Controllers/District                  | <b>Vendor: 00857</b> | <b>MAZE &amp; ASSOCIATES</b><br>11/15/2010<br>11/15/2010<br>11/10/2010<br>11/15/2010<br>11/10/2010          | 1,000.00<br>134.00<br>5,565.00<br>247.00<br>2,278.00    |
|  |   |                      | <b>Check Total:</b>   | 9,224.00  |
| <b>Check No: 11290</b><br>BP09-00775<br>BP09-00775<br>BP09-00776<br>BP09-00777<br>BP09-00778 | <b>Check Date: 11/24/2010</b><br>Batch#ATH049,Rfnd#49 219 Camin<br>Batch#ATH049,Rfnd#49 219 Camin<br>Batch#ATH049,Rfnd#49 219 Camin<br>Batch#ATH049,Rfnd#49 219 Camin<br>Batch#ATH049,Rfnd#49 219 Camin | <b>Vendor: 00878</b> | <b>MEGA INTERNATIONAL CORPORATION</b><br>11/17/2010<br>11/17/2010<br>11/17/2010<br>11/17/2010<br>11/17/2010 | 10,153.00<br>26,298.40<br>1,853.10<br>1,363.20<br>63.90 |
|  |   |                      | <b>Check Total:</b>   | 39,731.60   |
| <b>Check No: 11291</b><br>BP09-00764<br>BP09-00763   | <b>Check Date: 11/24/2010</b><br>Batch#ATH050,Rfnd#50 29 Lloyden<br>Batch#ATH050,Rfnd#50 29 Lloyden   | <b>Vendor: 00910</b> | <b>MID PENINSULA ROOFING</b><br>11/17/2010<br>11/17/2010  | 21.30<br>170.40   |
|  |   |                      | <b>Check Total:</b>   | 191.70  |
| <b>Check No: 11292</b><br>85 LABURNUM REFUND P#APW10-00046, 85 Laburn                        | <b>Check Date: 11/24/2010</b>   | <b>Vendor: 00916</b> | <b>MILLENIA CONSTRUCTION &amp; SERVIC</b><br>11/09/2010   | 2,500.00  |
|  |   |                      | <b>Check Total:</b>   | 2,500.00  |
| <b>Check No: 11293</b><br>BP09-00666   | <b>Check Date: 11/24/2010</b><br>Batch#ATH052,Rfnd#52 98 Deodora  | <b>Vendor: 00931</b> | <b>NALLURI ASSOCIATES, INC</b><br>11/17/2010  | 142.00  |
|  |   |                      | <b>Check Total:</b>   | 142.00  |

| <u>Invoice No</u>                        | <u>Description</u>                       | <u>Reference</u>     | <u>Invoice Date</u>                  | <u>Check Amount</u> |
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| <b>Check No: 11294</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 00938</b> | <b>NCCCA</b>                         |                     |
| NCCCA11-19-2010                          | Effective speaking, writin T.DellaS 11   |                      | 11/17/2010                           | 40.00               |
|  |  |                      | <b>Check Total:</b>                  | 40.00               |
| <b>Check No: 11295</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 00971</b> | <b>NSM CONSTRUCTION</b>              |                     |
| BP09-00758                               | Batch#ATH053,Rfnd#53 47 Ringwo           |                      | 11/17/2010                           | 49.70               |
|  |  |                      | <b>Check Total:</b>                  | 49.70               |
| <b>Check No: 11296</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 00977</b> | <b>OFFICE DEPOT</b>                  |                     |
| 539808433001                             | Electric stapler, receipt book, clips    |                      | 11/04/2010                           | 183.17              |
| 539808433001                             | Light blue press board                   |                      | 11/04/2010                           | 35.07               |
| 539808728001                             | Shredder                                 |                      | 11/09/2010                           | 138.19              |
| 539808433001                             | Clip, folder, cartridge, pen, sanitizer, |                      | 11/04/2010                           | 175.27              |
| 539808433001                             | Dozen blue pens, register tape rolls     |                      | 11/04/2010                           | 31.39               |
| 539808433001                             | small paper clips, binder clips, shred   |                      | 11/04/2010                           | 97.32               |
|  |  |                      | <b>Check Total:</b>                  | 660.41              |
| <b>Check No: 11297</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01037</b> | <b>PG &amp; E</b>                    |                     |
| 5678831050/10                            | Ashfield/Town Hall 9/25/10-10/25/1       |                      | 11/01/2010                           | 694.76              |
| 5678831025/10                            | Signal-Middfield/Oak Gr 9/28/10-10/      |                      | 11/01/2010                           | 38.42               |
| 5678831015/10                            | Signal E/S Middfield 9/28/10-10/2        |                      | 11/01/2010                           | 48.59               |
| 5678831020/10                            | Signal-Marsh/Middfield 9/28/10-10        |                      | 11/01/2010                           | 21.73               |
| 5678831002 et al                         | Street Lights 10/2/10-10/31/10           |                      | 11/01/2010                           | 4,061.28            |
| 9531312943-9/9                           | 93 Dinkelspiel Station 8/25/10-9/25/     |                      | 10/25/2010                           | 214.45              |
| 5678831040/10                            | Pump 150 Watkins 9/28/10-10/27/10        |                      | 11/01/2010                           | 255.60              |
| 5678831030/10                            | Activity Bldg 150 Watkin 9/28/10-10      |                      | 11/01/2010                           | 319.94              |
| 5678831035/10                            | Modular Bldg 150 Watkin 9/28/10-1        |                      | 11/01/2010                           | 599.37              |
| 0896302362/10                            | HP Park 160 Watkins(CM) 9/28/10-1        |                      | 10/27/2010                           | 75.47               |
|  |  |                      | <b>Check Total:</b>                  | 6,329.61            |
| <b>Check No: 11298</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01045</b> | <b>PITNEY BOWES INC</b>              |                     |
| 455786                                   | Rental Dec 16, 2010 - March 15, 201      |                      | 11/16/2010                           | 165.00              |
|  |  |                      | <b>Check Total:</b>                  | 165.00              |
| <b>Check No: 11299</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01119</b> | <b>REDGWICK CONSTRUCTION COMPANY</b> |                     |
| MIDDLEFIELD INCINCINAL/MIDDLEFIELD/IMPRO |  |                      | 11/10/2010                           | 18,205.65           |
| MIDDLEFIELD INCINCINAL/MIDDLEFIELD/IMPRO |  |                      | 11/10/2010                           | 26,912.70           |
| MIDDLEFIELD INCINCINAL/MIDDLEFIELD/IMPRO |  |                      | 11/10/2010                           | 18,205.65           |
|  |  |                      | <b>Check Total:</b>                  | 63,324.00           |
| <b>Check No: 11300</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01145</b> | <b>REPUBLIC ITS</b>                  |                     |
| 1010533                                  | Traffic signal response October 2010     |                      | 11/12/2010                           | 497.56              |
| 1010534                                  | Traffic signal maint October 2010        |                      | 11/12/2010                           | 314.01              |
|  |  |                      | <b>Check Total:</b>                  | 811.57              |
| <b>Check No: 11301</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01157</b> | <b>ROTO ROOTER SERVICES CO</b>       |                     |
| 19315772969                              | Repaired police restroom sewer stopp     |                      | 11/04/2010                           | 219.00              |
|  |  |                      | <b>Check Total:</b>                  | 219.00              |
| <b>Check No: 11302</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01286</b> | <b>SF MSA 10 CHRISTMAS</b>           |                     |
| NOV 2010                                 | MSA Tyl, Hend, Bell, Lop, Butle, And 1   |                      | 11/15/2010                           | 180.00              |
|  |  |                      | <b>Check Total:</b>                  | 180.00              |
| <b>Check No: 11303</b>                   | <b>Check Date: 11/24/2010</b>            | <b>Vendor: 01289</b> | <b>SHARP ELECTRONICS CORPORATION</b> |                     |
| AR321448                                 | 10/16/10-11/15/10 Sharp/MXM550N          |                      | 11/12/2010                           | 78.18               |
| AR321159                                 | 11/12/10-12/11/10 ARM450N base r         |                      | 11/11/2010                           | 184.00              |
| AR321159                                 | 10/12/10-11/11/10 ARM450N overa          |                      | 11/11/2010                           | 2.67                |
| AR321159                                 | 10/12/10-12/11/10 ARM450N sales t        |                      | 11/11/2010                           | 6.21                |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>               | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|-----------------------------------|---------------------|
|                        |                                      |                      | <b>Check Total:</b>               | 271.06              |
| <b>Check No: 11304</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 01351</b> | <b>SUSTAINABLE SILICON VALLEY</b> |                     |
| 706                    | 2011 Govt,academic,non-profit fees   |                      | 11/10/2010                        | 500.00              |
|                        |                                      |                      | <b>Check Total:</b>               | 500.00              |
| <b>Check No: 11305</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 01353</b> | <b>TEAMSTERS UNION LOCAL 856</b>  |                     |
|                        | PR Batch 502 11 2010 Teamsters Du    |                      | 11/17/2010                        | 374.78              |
|                        |                                      |                      | <b>Check Total:</b>               | 374.78              |
| <b>Check No: 11306</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 01357</b> | <b>TEE'S PLUS</b>                 |                     |
| 337099                 | Sales tax payable                    |                      | 10/29/2010                        | -12.02              |
| 337099                 | 200 Dare ruler - black               |                      | 10/29/2010                        | 142.02              |
|                        |                                      |                      | <b>Check Total:</b>               | 130.00              |
| <b>Check No: 11307</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 01417</b> | <b>UNIFIRST CORPORATION</b>       |                     |
| 380 0385947            | Credit                               |                      | 09/01/2010                        | -56.48              |
| 380 0387792            | Uniform svc DPW Street Maint B.Bu    |                      | 09/15/2010                        | 14.12               |
| 380 0387792            | Uniform svc DPW Street Maint J.An    |                      | 09/15/2010                        | 14.12               |
| 380 0387792            | Uniform svc DPW Street Maint E.Lo    |                      | 09/15/2010                        | 14.12               |
| 380 0387792            | Uniform svc DPW Street Maint T.He    |                      | 09/15/2010                        | 14.12               |
| 380 0385947            | Mats DPW Street Maint 09/01/10       |                      | 09/01/2010                        | 46.60               |
| 380 0385947            | Uniform svc DPW Street Maint B.Bu    |                      | 09/01/2010                        | 14.12               |
| 380 0385947            | Uniform svc DPW Street Maint J.An    |                      | 09/01/2010                        | 14.12               |
| 380 0385947            | Uniform svc DPW Street Maint E.Lo    |                      | 09/01/2010                        | 14.12               |
| 380 0385947            | Uniform svc DPW Street Maint T.He    |                      | 09/01/2010                        | 14.12               |
| 380 0392667            | Uniform svc DPW Park Maint M.An      |                      | 10/21/2010                        | 19.23               |
| 380 0387793            | Uniform svc DPW Park Maint M.An      |                      | 09/15/2010                        | 17.39               |
| 380 0386876            | Uniform svc DPW Park Maint M.An      |                      | 09/08/2010                        | 17.39               |
| 380 0385948            | Uniform svc DPW Park Maint M.An      |                      | 09/01/2010                        | 17.39               |
| 380 0392667            | Mats DPW HP Park 10/21/10            |                      | 10/21/2010                        | 66.98               |
| 380 0392667            | Uniform svc DPW Park Prog R.Espin    |                      | 10/21/2010                        | 19.23               |
| 380 0387793            | MOPS DPW HP Park 09/15/10            |                      | 09/15/2010                        | 7.48                |
| 380 0387793            | Uniform svc DPW Park Prog R.Espin    |                      | 09/15/2010                        | 17.39               |
| 380 0386876            | MOPS DPW HP Park 09/08/10            |                      | 09/08/2010                        | 63.78               |
| 380 0386876            | Uniform svc DPW Park Prog R.Espin    |                      | 09/08/2010                        | 17.39               |
| 380 0385948            | MOPS DPW HP Park 09/01/10            |                      | 09/01/2010                        | 7.48                |
| 380 0385948            | Uniform svc DPW Park Prog R.Espin    |                      | 09/01/2010                        | 17.39               |
|                        |                                      |                      | <b>Check Total:</b>               | 391.60              |
| <b>Check No: 11308</b> | <b>Check Date: 11/24/2010</b>        | <b>Vendor: 01445</b> | <b>VERIZON WIRELESS</b>           |                     |
| 0917309685             | Building dept 09/22/10 - 10/21/10    |                      | 10/21/2010                        | 133.13              |
| 0917309685             | Police dept 09/22/10 - 10/21/10      |                      | 10/21/2010                        | 444.69              |
| 0917309685             | DPW Engr 09/22/10 - 10/21/10         |                      | 10/21/2010                        | 124.41              |
| 0917309685             | DPW Street Maint 09/22/10 - 10/21/10 |                      | 10/21/2010                        | 204.20              |
| 0917309685             | DPW Park Maint 09/22/10 - 10/21/10   |                      | 10/21/2010                        | 36.22               |
| 0917309685             | DPW Park Program 09/22/10 - 10/21/10 |                      | 10/21/2010                        | 72.44               |
|                        |                                      |                      | <b>Check Total:</b>               | 1,015.09            |
| <b>Check No: 11309</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00037</b> | <b>AFLAC</b>                      |                     |
|                        | PR Batch 504 10 2010 Flex Participa  |                      | 10/21/2010                        | 5.00                |
|                        | PR Batch 502 11 2010 Flex Participa  |                      | 11/17/2010                        | 15.00               |
|                        | PR Batch 502 11 2010 Flex Participa  |                      | 11/17/2010                        | 20.00               |
|                        | PR Batch 501 12 2010 Flex Participa  |                      | 12/01/2010                        | 5.00                |
|                        |                                      |                      | <b>Check Total:</b>               | 45.00               |
| <b>Check No: 11310</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00045</b> | <b>JOSEPH AIELLO</b>              |                     |
| NOVEMBER 2010          | ALBIG Inspection trng 11/10/12 J.    |                      | 11/22/2010                        | 20.00               |
| NOVEMBER 2010          | APMO meeting/trng 11/18/12 J.Aiel    |                      | 11/22/2010                        | 30.00               |

| <u>Invoice No</u>      | <u>Description</u>                   | <u>Reference</u>     | <u>Invoice Date</u>                    | <u>Check Amount</u> |
|------------------------|--------------------------------------|----------------------|--|---------------------|
|                        |                                      |                      | <b>Check Total:</b>                    | 50.00               |
| <b>Check No: 11311</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00077</b> | <b>AT&amp;T CALNET 2</b>               |                     |
| 000001774982           | 251-1053 10/20/10 - 11/19/10         |                      | 11/20/2010                             | 84.15               |
|                        |                                      |                      | <b>Check Total:</b>                    | 84.15               |
| <b>Check No: 11312</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00151</b> | <b>BURKE,WILLIAMS&amp;SORENSEN LLP</b> |                     |
| 141878                 | Sacred Heart Oct 2010                |                      | 11/23/2010                             | 460.20              |
| 141878                 | Monthly retainer Oct 2010            |                      | 11/23/2010                             | 11,000.00           |
| 141878                 | Planning Oct 2010                    |                      | 11/23/2010                             | 2,002.00            |
| 141878                 | Building Oct 2010                    |                      | 11/23/2010                             | 286.00              |
| 141878                 | Other legal Oct 2010                 |                      | 11/23/2010                             | 23,635.56           |
| 141878                 | Library JPA Oct 2010                 |                      | 11/23/2010                             | 572.00              |
|                        |                                      |                      | <b>Check Total:</b>                    | 37,955.76           |
| <b>Check No: 11313</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00222</b> | <b>CA PUBLIC EMPLOYEES RETIREMENT</b>  |                     |
| AVL-00000706           | Formula Valuat fees for five yr fin  |                      | 11/19/2010                             | 800.00              |
|                        |                                      |                      | <b>Check Total:</b>                    | 800.00              |
| <b>Check No: 11314</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00227</b> | <b>CAPITOL ADVOCATES, INCORPORATE</b>  |                     |
| NOVEMBER 2010          | Consulting service HSR 10/18/10-11/  |                      | 11/18/2010                             | 5,072.00            |
|                        |                                      |                      | <b>Check Total:</b>                    | 5,072.00            |
| <b>Check No: 11315</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00295</b> | <b>CLP RESOURCES INC</b>               |                     |
| NOVEMBER 2010          | State check replacement chk#030206   |                      | 11/23/2010                             | 25.00               |
|                        |                                      |                      | <b>Check Total:</b>                    | 25.00               |
| <b>Check No: 11316</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00384</b> | <b>CUTWATER INVESTOR SERVICES COR</b>  |                     |
| 13935A                 | Invest advisory service 10/1/10-10/3 |                      | 11/15/2010                             | 1,000.00            |
|                        |                                      |                      | <b>Check Total:</b>                    | 1,000.00            |
| <b>Check No: 11317</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00400</b> | <b>DAVEY TREE EXPERT CO</b>            |                     |
| NOVEMBER 2010          | State check replacement chk#030242   |                      | 11/23/2010                             | 25.00               |
|                        |                                      |                      | <b>Check Total:</b>                    | 25.00               |
| <b>Check No: 11318</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00423</b> | <b>DIABLOS TREE SERVICE INC</b>        |                     |
| NOVEMBER 2010          | State check replacement chk#030251   |                      | 11/23/2010                             | 25.00               |
|                        |                                      |                      | <b>Check Total:</b>                    | 25.00               |
| <b>Check No: 11319</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00502</b> | <b>JOHN FLAHERTY</b>                   |                     |
| 68 ADAM WAY            | Refund P#APW10-00147 68 Adam         |                      | 11/22/2010                             | 2,500.00            |
|                        |                                      |                      | <b>Check Total:</b>                    | 2,500.00            |
| <b>Check No: 11320</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 00821</b> | <b>MANAGEMENT PARTNERS INC</b>         |                     |
| 4507                   | Interim cty mgmt N.Levin 11/5-/11/1  |                      | 11/22/2010                             | 7,400.00            |
|                        |                                      |                      | <b>Check Total:</b>                    | 7,400.00            |
| <b>Check No: 11321</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 01430</b> | <b>URBAN TREE MANAGEMENT</b>           |                     |
| NOVEMBER 2010          | State check replacement chk#030669   |                      | 11/23/2010                             | 25.00               |
|                        |                                      |                      | <b>Check Total:</b>                    | 25.00               |
| <b>Check No: 11322</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 01443</b> | <b>VAN ACKER CONSTRUCTION</b>          |                     |
| 80 SOMERSET LN         | Refund P#BP09-00755 80 Somerset      |                      | 11/18/2010                             | 1,000.00            |
|                        |                                      |                      | <b>Check Total:</b>                    | 1,000.00            |
| <b>Check No: 11323</b> | <b>Check Date: 11/30/2010</b>        | <b>Vendor: 01449</b> | <b>VISION SERVICE PLAN</b>             |                     |
| Nov-2010               | PR Batch 502 11 2010 Vision Insura   |                      | 11/17/2010                             | 727.59              |
|                        | PR Batch 501 11 2010 Vision L. Coll  |                      | 12/01/2010                             | 27.20               |

Town of Atherton  
User:jpan

Accounts Payable  
Checks by Date - Detail by Check Number

Printed: 12/07/2010 11:33  
Detail

| <u>Invoice No</u>      | <u>Description</u>               | <u>Reference</u>     | <u>Invoice Date</u>   | <u>Check Amount</u> |
|------------------------|----------------------------------|----------------------|-----------------------|---------------------|
|                        |                                  |                      | <b>Check Total:</b>   | 754.79              |
| <b>Check No: 11324</b> | <b>Check Date: 11/30/2010</b>    | <b>Vendor: 01470</b> | <b>ADAM WHITESIDE</b> |                     |
| 35 RALSTON AVE         | Refund P#BP10-00621 35 Ralston R |                      | 11/18/2010            | 1,628.00            |
|                        |                                  |                      | <b>Check Total:</b>   | 1,628.00            |
|                        |                                  |                      | <b>Report Total:</b>  | <b>504,328.35</b>   |



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: LOUISE HO, FINANCE DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: FINANCIAL REPORT FOR THE FIVE MONTHS ENDED NOVEMBER  
30, 2010**

### **RECOMMENDATION**

Receive the General Fund Financial Report for the five months ended November 30, 2010.

### **DISCUSSION**

Staff revised the format on how the financial report is to be presented. The new format incorporates a column “**Accrual**” to account for revenues and expenditures that need to be included to more accurately reflect the actual result. The accrual amounts only reflect data up to December 6, 2010.

For the five months ended November 30, 2010, if revenues and expenditures are assumed to be distributed evenly, 41.7% of the annual FY 2010-11 Budget (5/12) should be earned or incurred. Due to the timing nature of many revenue receipt and expenditures, it can be over or under the 41.7%.

### **General Fund Revenues**

For the five months November 30, 2010, the General Fund reported revenues of \$1,764,679 which is 19.3% of the annual revenue budget for FY 2010-11.

Secured property tax is paid to the Town in five installments (5% in November, 45% in December, 5% in March, 35% in April, 5% in May, and 5% in June). The Town received \$241,749 (5%) of secured property tax payment from the County of San Mateo for FY 2010-11.

Monthly Financial Report

The 5% normally provides a pretty good indication if the Town's secured property tax revenue projected for FY 2010-11 will hold true. However, due to the numbers of assessment appeals and possible refunds, staff is projecting that the secured property tax revenue will come in lower than budgeted by about \$63,000 (assuming any refunds due to appeals will not exceed \$50,000).

When the FY 2010-11 General Fund budget was adopted in FY 2010-11, staff informed the City Council that the secured property tax included a 1.25% increase as directed by former City Manager but the County latest information indicated that the assessed valuation would be negative for FY 2010-11. Also, staff will be keeping a close watch on the ERAF revenue in hope that the ERAF will come in higher than budgeted to make up for the shortfall in the secured property tax projection. Staff is in contact with the County's Assessor and Controller's office.

### General Fund Expenditures

For the five months ended November 30, 2010, the General Fund reported expenditures of \$4,805,857 which is 45.4% of the annual expenditure budget for FY 2010-11.

During the five months ended, there were several vacation payouts in accordance with the Town MOU and agreement to retired or departed employees totaling \$90,841.

The City Attorney Department budget remains a concern due to several unanticipated legal matters and projects. A mid-year budget review will be submitted to City Council in February 2011 to better project expenditures for the rest of FY 2010-11.

Please see the attached variance report for further explanation.

### FISCAL IMPACT

None

Prepared by:

*/s/ Louise Ho*

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

Approved by:

*/s/ Nadine Levin*

\_\_\_\_\_  
Nadine Levin, Interim City Manager

Attachment: Financial Report  
Variance Explanation

Town of Atherton  
General Fund  
Financial Report for the Five Months Ended November 30, 2010  
(Excl. Encumbrances)

| Dept | Description                       | Adjusted Budget FY10/11 | 5/12 of Budget | Actual July 10 to Nov 10 | Accrual | Adjusted Actual July 10 to Nov 10 | Variance of 5/12 of Budget | % of 5/12 Budget | Year-To-Date Variance | % of Annual Budget | Adjusted Actual July 09 to Nov. 09 |
|------|-----------------------------------|-------------------------|----------------|--------------------------|---------|-----------------------------------|----------------------------|------------------|-----------------------|--------------------|------------------------------------|
|      |                                   | (a)                     | 41.7%<br>(b)   | (c)                      | (d)     | (e)                               | (b-e)                      | (e/b)            | (a-e)                 | (e/a)              | (e)                                |
|      | <b>Revenues</b>                   |                         |                |                          |         |                                   |                            |                  |                       |                    |                                    |
|      | Secured                           | 4,799,250               | 1,999,688      |                          | 241,749 | 241,749                           | 1,757,939                  | 12.1%            | 4,557,501             | 5.0%               | 239,804                            |
|      | Unsecured                         | 250,000                 | 104,167        | 253,779                  |         | 253,779                           | (149,612)                  | 243.6%           | (3,779)               | 101.5%             | 298,475                            |
|      | SB813 Redemption (Supplemental)   | 60,000                  | 25,000         | 4,545                    |         | 4,545                             | 20,455                     | 18.2%            | 55,455                | 7.6%               | 9,523                              |
|      | Home Owners Exemption             | 40,616                  | 16,923         |                          |         | -                                 | 16,923                     | 0.0%             | 40,616                | 0.0%               | 0                                  |
|      | Local Sales & Use Tax             | 65,000                  | 27,083         | 12,256                   | 6,700   | 18,956                            | 8,127                      | 70.0%            | 46,044                | 29.2%              | 16,356                             |
|      | Public Safety Sales Tax(Prop 172) | 50,000                  | 20,833         | 15,334                   | 4,592   | 19,926                            | 908                        | 95.6%            | 30,074                | 39.9%              | 18,630                             |
|      | In Lieu Sales Tax/Triple Flip     | 27,000                  | 11,250         |                          |         | -                                 | 11,250                     | 0.0%             | 27,000                | 0.0%               | 0                                  |
|      | Franchise Taxes-PG&E              | 220,000                 | 91,667         |                          |         | -                                 | 91,667                     | 0.0%             | 220,000               | 0.0%               | 0                                  |
|      | Franchise Tax-Cal Water           | 73,000                  | 30,417         |                          |         | -                                 | 30,417                     | 0.0%             | 73,000                | 0.0%               | 0                                  |
|      | Franchise Tax-Garbage             | 160,000                 | 66,667         | 46,462                   |         | 46,462                            | 20,205                     | 69.7%            | 113,538               | 29.0%              | 40,337                             |
|      | Franchise Taxes-Cable             | 102,000                 | 42,500         | 25,498                   |         | 25,498                            | 17,002                     | 60.0%            | 76,502                | 25.0%              | 24,407                             |
|      | Document TRSF Tax                 | 210,000                 | 87,500         | 50,243                   | 17,703  | 67,946                            | 19,554                     | 77.7%            | 142,054               | 32.4%              | 122,376                            |
|      | Property Tax In Lieu of VLF       | 600,000                 | 250,000        |                          |         | -                                 | 250,000                    | 0.0%             | 600,000               | 0.0%               | 0                                  |
|      | Motor Veh. Lic Fees (MVLV)        | 23,000                  | 9,583          | 5,700                    | 419     | 6,119                             | 3,464                      | 63.9%            | 16,881                | 26.6%              | 5,002                              |
|      | Business Licenses                 | 150,000                 | 62,500         | 122,613                  |         | 122,613                           | (60,113)                   | 196.2%           | 27,387                | 81.7%              | 68,418                             |
|      | Bus Lic Refund -FY 06/07          | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | Bus Lic Refund -FY 07/08          | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | Bus Lic Refund -FY 08/09          | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | Home Occupation                   | 500                     | 208            | 600                      |         | 600                               | (392)                      | 288.0%           | (100)                 | 120.0%             | 200                                |
|      | Building Permit                   | 516,000                 | 215,000        | 339,361                  |         | 339,361                           | (124,361)                  | 157.8%           | 176,639               | 65.8%              | 184,335                            |
|      | Encroachment Permit               | 140,000                 | 58,333         | 60,577                   | 1,420   | 61,997                            | (3,664)                    | 106.3%           | 78,003                | 44.3%              | 35,540                             |
|      | Grading & Drain Permit            | 48,000                  | 20,000         | 30,457                   |         | 30,457                            | (10,457)                   | 152.3%           | 17,543                | 63.5%              | 20,000                             |
|      | Other Licenses & Permit           | 500                     | 208            | 506                      |         | 506                               | (298)                      | 242.9%           | (6)                   | 101.2%             | 250                                |
|      | Landscape Fee                     | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | Muni/Vehicle Code Fines (Parking) | 4,000                   | 1,667          | 6,455                    | 532     | 6,987                             | (5,320)                    | 419.2%           | (2,987)               | 174.7%             | 2,629                              |
|      | Other Fines & Forfeit (County)    | 20,000                  | 8,333          | 4,293                    | 3,270   | 7,562                             | 771                        | 90.7%            | 12,438                | 37.8%              | 10,279                             |
|      | ERAF Subvention                   | 530,000                 | 220,833        |                          |         | -                                 | 220,833                    | 0.0%             | 530,000               | 0.0%               | 0                                  |
|      | POST Reimbursement                | 8,500                   | 3,542          | 291                      | 980     | 1,271                             | 2,271                      | 35.9%            | 7,229                 | 14.9%              | 2,124                              |
|      | CALNENA Reimbursement             | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | CLEARs Reimbursement              | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | DOJ Grant (vest)                  | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | DOC Grant                         | 5,000                   | 2,083          |                          | 5,112   | 5,112                             | (3,029)                    | 245.4%           | (112)                 | 102.2%             | 0                                  |
|      | ABAG Grant                        | 12,300                  | 5,125          | -                        |         | -                                 | 5,125                      | 0.0%             | 12,300                | 0.0%               | 0                                  |
|      | Other Reimbursements              | -                       | -              | 10                       |         | 10                                | (10)                       | 100.0%           | (10)                  | 100.0%             | 35,700                             |
|      | Highway Maint Reimbursement       | 35,700                  | 14,875         |                          |         | -                                 | 14,875                     | 0.0%             | 35,700                | 0.0%               |                                    |
|      | SB 90 reimbursement               | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 1,219                              |
|      | Grants                            | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 8,244                              |
|      | React Task Force Reimb            | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|      | NARCOTICS Task Force              | -                       | -              |                          |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |

| Town of Atherton   |                            |                         |                  |                          |                |                                   |                            |                  |                       |                    |                                    |
|--|----------------------------|-------------------------|------------------|--------------------------|----------------|-----------------------------------|----------------------------|------------------|-----------------------|--------------------|------------------------------------|
| General Fund   |                            |                         |                  |                          |                |                                   |                            |                  |                       |                    |                                    |
| Financial Report for the Five Months Ended November 30, 2010 |                            |                         |                  |                          |                |                                   |                            |                  |                       |                    |                                    |
| (Excl. Encumbrances)   |                            |                         |                  |                          |                |                                   |                            |                  |                       |                    |                                    |
| Dept   | Description                | Adjusted Budget FY10/11 | 5/12 of Budget   | Actual July 10 to Nov 10 | Accrual        | Adjusted Actual July 10 to Nov 10 | Variance of 5/12 of Budget | % of 5/12 Budget | Year-To-Date Variance | % of Annual Budget | Adjusted Actual July 09 to Nov. 09 |
|  |                            | (a)                     | (b)              | (c)                      | (d)            | (e)                               | (b-e)                      | (e/b)            | (a-e)                 | (e/a)              | (e)                                |
|  |                            |                         | 41.7%            |                          |                |                                   |                            |                  |                       |                    |                                    |
|  | Elections Processing Fee   | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|  | Document/Research Fee      | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|  | Photocopy Fee              | 5,000                   | 2,083            | 1,325                    |                | 1,325                             | 759                        | 63.6%            | 3,675                 | 26.5%              | 3,113                              |
|  | Alarm Sign Fees            | 600                     | 250              | 255                      |                | 255                               | (5)                        | 102.0%           | 345                   | 42.5%              | 420                                |
|  | Vehicle Release            | 1,000                   | 417              | 1,597                    |                | 1,597                             | (1,180)                    | 383.3%           | (597)                 | 159.7%             | 360                                |
|  | Fingerprinting Fee         | -                       | -                | 53                       |                | 53                                | (53)                       | 100.0%           | (53)                  | 100.0%             | 42                                 |
|  | Affidavit of Cost          | 600                     | 250              |                          |                | -                                 | 250                        | 0.0%             | 600                   | 0.0%               | 200                                |
|  | Police Report              | 2,500                   | 1,042            | 628                      |                | 628                               | 413                        | 60.3%            | 1,872                 | 25.1%              | 1,970                              |
|  | Special Service Fee        | 250                     | 104              | 974                      |                | 974                               | (870)                      | 935.0%           | (724)                 | 389.6%             | 132                                |
|  | DUI Enforcement            | 1,200                   | 500              |                          |                | -                                 | 500                        | 0.0%             | 1,200                 | 0.0%               | 0                                  |
|  | Post Office                | 25,000                  | 10,417           | 17,254                   | 3,315          | 20,569                            | (10,152)                   | 197.5%           | 4,431                 | 82.3%              | 21,568                             |
|  | Solicitor's Fee            | 400                     | 167              |                          |                | -                                 | 167                        | 0.0%             | 400                   | 0.0%               | 27                                 |
|  | Application Fee            | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 650                                |
|  | Zoning & Planning Fees     | 200,000                 | 83,333           | 64,326                   |                | 64,326                            | 19,007                     | 77.2%            | 135,674               | 32.2%              | 15,800                             |
|  | Plan Check Fee Building    | 284,000                 | 118,333          | 218,466                  |                | 218,466                           | (100,132)                  | 184.6%           | 65,534                | 76.9%              | 133,183                            |
|  | Social Fees                | 70,000                  | 29,167           | 33,962                   |                | 33,962                            | (4,795)                    | 116.4%           | 36,038                | 48.5%              | 23,475                             |
|  | Meeting Fees               | 70,000                  | 29,167           | 30,725                   |                | 30,725                            | (1,558)                    | 105.3%           | 39,275                | 43.9%              | 31,675                             |
|  | Class Fees                 | 13,000                  | 5,417            | 3,727                    |                | 3,727                             | 1,690                      | 68.8%            | 9,274                 | 28.7%              | 7,570                              |
|  | Weddings                   | 150,000                 | 62,500           | 60,600                   |                | 60,600                            | 1,900                      | 97.0%            | 89,400                | 40.4%              | 57,500                             |
|  | Misc. Use Fee              | 1,500                   | 625              | 1,125                    |                | 1,125                             | (500)                      | 180.0%           | 375                   | 75.0%              | 1,160                              |
|  | Interest Income            | 60,000                  | 25,000           | 12,160                   |                | 12,160                            | 12,840                     | 48.6%            | 47,840                | 20.3%              | 11,936                             |
|  | Cellular Antenna Lease     | 36,000                  | 15,000           | 16,262                   | 3,348          | 19,609                            | (4,609)                    | 130.7%           | 16,391                | 54.5%              | 18,676                             |
|  | Property Rental-Playschool | 77,580                  | 32,325           | 32,323                   |                | 32,323                            | 2                          | 100.0%           | 45,257                | 41.7%              | 32,323                             |
|  | Sale of Property           | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 501                                |
|  | Donations/Contributions    | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 14,361                             |
|  | Miscellaneous Income       | 10,000                  | 4,167            | 798                      |                | 798                               | 3,369                      | 19.1%            | 9,202                 | 8.0%               | 6,418                              |
|  | <b>Total Revenues</b>      | <b>9,158,996</b>        | <b>3,816,248</b> | <b>1,475,539</b>         | <b>289,140</b> | <b>1,764,679</b>                  | <b>2,051,569</b>           | <b>46.2%</b>     | <b>7,394,317</b>      | <b>19.3%</b>       | <b>1,526,907</b>                   |
|  | <b>EXPENDITURES</b>        |                         |                  |                          |                |                                   |                            |                  |                       |                    |                                    |
| City Council   | Advertising/Noticing       | 3,000                   | 1,250            | 601                      | 1,218          | 1,819                             | (569)                      | 145.5%           | 1,181                 | 60.6%              | 0                                  |
|  | Professional Services      | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|  | Office Supplies            | 1,750                   | 729              | 87                       |                | 87                                | 643                        | 11.9%            | 1,663                 | 4.9%               | 1,387                              |
|  | Membership/Dues            | 8,400                   | 3,500            | 4,447                    |                | 4,447                             | (947)                      | 127.1%           | 3,953                 | 52.9%              | 4,447                              |
|  | Utilities                  | 625                     | 260              | 276                      |                | 276                               | (16)                       | 106.1%           | 349                   | 44.2%              | 64                                 |
|  | Conferences                | 3,000                   | 1,250            | 80                       |                | 80                                | 1,170                      | 6.4%             | 2,920                 | 2.7%               | 1,208                              |
|  | Mileage Reimbursement      | 500                     | 208              |                          |                | -                                 | 208                        | 0.0%             | 500                   | 0.0%               | 57                                 |
|  | Rent - Mach & Equipment    | 3,600                   | 1,500            |                          |                | -                                 | 1,500                      | 0.0%             | 3,600                 | 0.0%               | 0                                  |
|  | Commission & Committee     | 2,000                   | 833              |                          |                | -                                 | 833                        | 0.0%             | 2,000                 | 0.0%               | 0                                  |
|  | Special Events & Awards    | -                       | -                |                          |                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |

| Town of Atherton   |                                       |                         |                |                          |         |                                   |                            |                  |                       |                    |                                    |
|--|---------------------------------------|-------------------------|----------------|--------------------------|---------|-----------------------------------|----------------------------|------------------|-----------------------|--------------------|------------------------------------|
| General Fund   |                                       |                         |                |                          |         |                                   |                            |                  |                       |                    |                                    |
| Financial Report for the Five Months Ended November 30, 2010 |                                       |                         |                |                          |         |                                   |                            |                  |                       |                    |                                    |
| (Excl. Encumbrances)   |                                       |                         |                |                          |         |                                   |                            |                  |                       |                    |                                    |
| Dept   | Description                           | Adjusted Budget FY10/11 | 5/12 of Budget | Actual July 10 to Nov 10 | Accrual | Adjusted Actual July 10 to Nov 10 | Variance of 5/12 of Budget | % of 5/12 Budget | Year-To-Date Variance | % of Annual Budget | Adjusted Actual July 09 to Nov. 09 |
|  |                                       | (a)                     | (b)            | (c)                      | (d)     | (e)                               | (b-e)                      | (e/b)            | (a-e)                 | (e/a)              | (e)                                |
|  |                                       |                         | 41.7%          |                          |         |                                   |                            |                  |                       |                    |                                    |
|  | Office Equip & Furniture              | 7,000                   | 2,917          |                          |         | -                                 | 2,917                      | 0.0%             | 7,000                 | 0.0%               | 0                                  |
|  | City Council Totals:                  | 29,875                  | 12,448         | 5,491                    | 1,218   | 6,709                             | 5,739                      | 53.9%            | 23,166                | 22.5%              | 7,163                              |
| Administration (CM,CC,HR)                                    | Salaries & Benefits                   | 731,339                 | 304,725        | 284,135                  | 10,020  | 294,156                           | 10,569                     | 96.5%            | 437,183               | 40.2%              | 307,353                            |
|  | Professional Services                 | 46,611                  | 19,421         | 24,580                   | 11,360  | 35,940                            | (16,519)                   | 185.1%           | 10,671                | 77.1%              | 12,388                             |
|  | Supplies & Materials                  | 8,072                   | 3,363          | 3,128                    |         | 3,128                             | 235                        | 93.0%            | 4,944                 | 38.8%              | 3,513                              |
|  | General Operations                    | 23,435                  | 9,765          | 7,342                    | 1,453   | 8,795                             | 970                        | 90.1%            | 14,640                | 37.5%              | 12,446                             |
|  | Capital Outlay                        | 2,000                   | 833            | 414                      |         | 414                               | 419                        | 49.7%            | 1,586                 | 20.7%              | 1,155                              |
|  | Administration Totals:                | 811,457                 | 338,107        | 319,599                  | 22,833  | 342,432                           | (4,325)                    | 101.3%           | 469,025               | 42.2%              | 336,854                            |
| City Attorney  | Professional Services                 | 300,000                 | 125,000        | 129,064                  | 39,000  | 168,064                           | (43,064)                   | 134.5%           | 131,936               | 56.0%              | 181,089                            |
|  | General Operations                    | -                       | -              | -                        |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|  | Supplies & Materials                  | -                       | -              | -                        |         | -                                 | -                          | 0.0%             | -                     | 0.0%               | 0                                  |
|  | City Attorney Totals:                 | 300,000                 | 125,000        | 129,064                  | 39,000  | 168,064                           | (43,064)                   | 134.5%           | 131,936               | 56.0%              | 181,089                            |
| Finance  | Salaries & Benefits                   | 434,027                 | 180,845        | 152,341                  | 21,897  | 174,238                           | 6,607                      | 96.3%            | 259,789               | 40.1%              | 170,518                            |
|  | Professional Services                 | 152,029                 | 63,345         | 83,618                   | 2,128   | 85,746                            | (22,401)                   | 135.4%           | 66,283                | 56.4%              | 49,173                             |
|  | Supplies & Materials                  | 3,300                   | 1,375          | 339                      |         | 339                               | 1,036                      | 24.6%            | 2,961                 | 10.3%              | 945                                |
|  | General Operations                    | 29,500                  | 12,292         | 5,773                    |         | 5,773                             | 6,519                      | 47.0%            | 23,727                | 19.6%              | 2,616                              |
|  | Capital Outlay                        | 2,000                   | 833            | 1,995                    |         | 1,995                             | (1,162)                    | 239.4%           | 5                     | 99.8%              | 4,167                              |
|  | Settlement Expense                    | -                       | -              | -                        |         | -                                 | -                          | 0.0%             | -                     | 0.0%               |                                    |
|  | Finance Totals:                       | 620,856                 | 258,690        | 244,066                  | 24,025  | 268,091                           | (9,401)                    | 103.6%           | 352,765               | 43.2%              | 227,419                            |
|  |                                       |                         |                |                          |         |                                   |                            |                  |                       |                    | 0                                  |
| Planning   | Professional Services                 | 187,050                 | 77,938         | 50,044                   | 36,536  | 86,581                            | (8,643)                    | 111.1%           | 100,469               | 46.3%              | 79,487                             |
|  | Supplies & Materials                  | 2,000                   | 833            | 164                      |         | 164                               | 670                        | 19.7%            | 1,836                 | 8.2%               | 269                                |
|  | General Operations                    | 4,930                   | 2,054          | 802                      |         | 802                               | 1,253                      | 39.0%            |                       | 16.3%              | 514                                |
|  | Planning Totals:                      | 193,980                 | 80,825         | 51,010                   | 36,536  | 87,546                            | (6,721)                    | 108.3%           | 102,305               | 45.1%              | 80,271                             |
| Building   | Salaries & Benefits                   | 1,017,652               | 424,022        | 394,683                  | 45,790  | 440,473                           | (16,452)                   | 103.9%           | 577,179               | 43.3%              | 417,553                            |
|  | Professional Services                 | 21,070                  | 8,779          | 37,101                   | 12,165  | 49,266                            | (40,487)                   | 561.2%           | (28,196)              | 233.8%             | 11,821                             |
|  | Supplies & Materials                  | 15,700                  | 6,542          | 1,185                    |         | 1,185                             | 5,357                      | 18.1%            | 14,515                | 7.5%               | 5,923                              |
|  | General Operations                    | 15,950                  | 6,646          | 5,035                    |         | 5,035                             | 1,611                      | 75.8%            | 10,915                | 31.6%              | 1,641                              |
|  | Capital Outlay                        | 3,000                   | 1,250          | 6,693                    |         | 6,693                             | (5,443)                    | 535.4%           | (3,693)               | 223.1%             | 4,167                              |
|  | Transfer to Bldg Const. Facility Fund | 153,356                 | 63,898         | 63,898                   |         | 63,898                            | (0)                        | 100.0%           | 89,458                | 41.7%              |                                    |
|  | Building Totals:                      | 1,226,728               | 511,137        | 508,595                  | 57,955  | 566,550                           | (55,413)                   | 110.8%           | 660,178               | 46.2%              | 441,104                            |
| Non Dept.  | Salaries & Benefits                   | 3,510                   | 1,463          | 1,103                    |         | 1,103                             | 360                        | 75.4%            | 2,408                 | 31.4%              | 0                                  |
|  | Professional Services                 | 217,616                 | 90,673         | 78,332                   |         | 78,332                            | 12,341                     | 86.4%            | 139,284               | 36.0%              | 49,361                             |
|  | Supplies & Materials                  | 29,903                  | 12,460         | 7,659                    | 365     | 8,024                             | 4,436                      | 64.4%            | 21,879                | 26.8%              | 11,256                             |

| Town of Atherton   |  |                         |                  |                          |                  |                                   |                            |                  |                       |                    |                                    |
|--|--|-------------------------|------------------|--------------------------|------------------|-----------------------------------|----------------------------|------------------|-----------------------|--------------------|------------------------------------|
| General Fund   |  |                         |                  |                          |                  |                                   |                            |                  |                       |                    |                                    |
| Financial Report for the Five Months Ended November 30, 2010 |  |                         |                  |                          |                  |                                   |                            |                  |                       |                    |                                    |
| (Excl. Encumbrances)   |  |                         |                  |                          |                  |                                   |                            |                  |                       |                    |                                    |
| Dept   | Description  | Adjusted Budget FY10/11 | 5/12 of Budget   | Actual July 10 to Nov 10 | Accrual          | Adjusted Actual July 10 to Nov 10 | Variance of 5/12 of Budget | % of 5/12 Budget | Year-To-Date Variance | % of Annual Budget | Adjusted Actual July 09 to Nov. 09 |
|  |  | (a)                     | (b)              | (c)                      | (d)              | (e)                               | (b-e)                      | (e/b)            | (a-e)                 | (e/a)              | (e)                                |
|  | General Operations                                       | 269,819                 | 112,425          | 287,246                  | 615              | 287,861                           | (175,436)                  | 256.0%           | (18,042)              | 106.7%             | 247,706                            |
|  | Non-Dept. Totals:  | 520,848                 | 217,020          | 374,339                  | 980              | 375,319                           | (158,299)                  | 172.9%           | 145,529               | 72.1%              | 308,324                            |
| Police   | Salaries & Benefits                                      | 4,486,853               | 1,869,522        | 1,755,092                | 196,348          | 1,951,440                         | (81,918)                   | 104.4%           | 2,535,413             | 43.5%              | 2,068,360                          |
|  | Professional Services                                    | 221,765                 | 92,402           | 97,276                   | 56,324           | 153,600                           | (61,198)                   | 166.2%           | 68,165                | 69.3%              | 156,710                            |
|  | Supplies & Materials                                     | 129,844                 | 54,102           | 27,022                   | 8,792            | 35,814                            | 18,288                     | 66.2%            | 94,030                | 27.6%              | 39,871                             |
|  | General Operations                                       | 165,662                 | 69,026           | 64,109                   | 8,025            | 72,134                            | (3,108)                    | 104.5%           | 93,528                | 43.5%              | 45,186                             |
|  | Capital Outlay   | 12,100                  | 5,042            | 9,779                    | 34               | 9,813                             | (4,771)                    | 194.6%           | 2,287                 | 81.1%              | 41,609                             |
|  | Settlement Expense                                       | -                       | -                | -                        | -                | -                                 | -                          | 0.0%             | -                     | 0.0%               | 237,500                            |
|  | Police Totals:   | 5,016,224               | 2,090,093        | 1,953,278                | 269,523          | 2,222,801                         | (132,707)                  | 106.3%           | 2,793,423             | 44.3%              | 2,589,236                          |
| Public Works & Parks   | Salaries & Benefits                                      | 1,380,034               | 575,014          | 542,957                  | 76,014           | 618,971                           | (43,957)                   | 107.6%           | 761,063               | 44.9%              | 528,021                            |
|  | Professional Services                                    | 40,833                  | 17,014           | 5,803                    | 4,519            | 10,322                            | 6,692                      | 60.7%            | 30,511                | 25.3%              | 66,468                             |
|  | Supplies & Materials                                     | 74,950                  | 31,229           | 17,844                   | 3,599            | 21,443                            | 9,787                      | 68.7%            | 53,507                | 28.6%              | 19,978                             |
|  | General Operations                                       | 366,432                 | 152,680          | 110,296                  | 4,603            | 114,899                           | 37,781                     | 75.3%            | 251,533               | 31.4%              | 75,565                             |
|  | Capital Outlay   | 12,700                  | 5,292            | 2,636                    | 75               | 2,711                             | 2,581                      | 51.2%            | 9,989                 | 21.3%              | 11,165                             |
|  | Public Works Totals:                                     | 1,874,949               | 781,229          | 679,535                  | 88,810           | 768,345                           | 12,883                     | 98.4%            | 1,106,604             | 41.0%              | 701,196                            |
|  | <b>Total Expenditures</b>                                | <b>10,594,917</b>       | <b>4,414,549</b> | <b>4,264,975</b>         | <b>540,881</b>   | <b>4,805,857</b>                  | <b>(391,308)</b>           | <b>108.9%</b>    | <b>5,784,932</b>      | <b>45.4%</b>       | <b>4,872,658</b>                   |
|  | <b>Excess (Deficiency) of Revenues over Expenditures</b> | <b>(1,435,921)</b>      | <b>(598,300)</b> | <b>(2,789,436)</b>       | <b>(251,742)</b> | <b>(3,041,178)</b>                | <b>2,442,877</b>           | <b>508.3%</b>    | <b>1,609,385</b>      | <b>211.8%</b>      | <b>(3,345,751)</b>                 |
|  | <b>Other Financing Sources/(uses)</b>                    |                         |                  |                          |                  |                                   |                            |                  |                       |                    |                                    |
|  | Transfer from Special Parcel Tax Fund                    | 888,463                 | 370,193          | 370,193                  |                  | 370,193                           | 0                          | 100.0%           | 518,270               | 41.7%              | 325,360                            |
|  | Transfer to Road Impact Fee Fund                         | (902,355)               | (375,981)        | (902,355)                | -                | (902,355)                         | 526,374                    | 240.0%           | -                     | 100.0%             | -                                  |
|  | <b>Total Transfer In(Out)</b>                            | <b>(13,892)</b>         | <b>(5,788)</b>   | <b>(532,162)</b>         | <b>-</b>         | <b>(532,162)</b>                  | <b>526,374</b>             | <b>9194%</b>     | <b>518,270</b>        | <b>3831%</b>       | <b>325,360</b>                     |
|  | <b>Net Change in Fund Balance</b>                        | <b>(1,449,813)</b>      | <b>(604,089)</b> | <b>(3,321,598)</b>       | <b>(251,742)</b> | <b>(3,573,340)</b>                | <b>2,969,251</b>           | <b>592%</b>      | <b>2,127,655</b>      | <b>246%</b>        | <b>(3,020,391)</b>                 |
|  | Beg. Fund Balance - general fund                         | 5,595,401               |                  |                          |                  | 5,595,401                         |                            |                  |                       |                    |                                    |
|  | Beg. Fund Balance - Bldg Dept. OP Reserve                | 1,030,636               |                  |                          |                  | 1,030,636                         |                            |                  |                       |                    |                                    |
|  | Proj. Ending Fund Balance                                | 5,176,224               |                  |                          |                  | 3,052,697                         |                            |                  |                       |                    |                                    |

Town of Atherton  
Financial Report for the Five Months Ended November 30, 2010  
Variance Explanation

Revenues

A. **SB 813 Redemption (Supplemental)**

Revenue is trending below estimate. Staff is contacting the County's Controller's office to obtain more information.

B. **Business License**

The Town renews all business licenses in July of each fiscal year.

Expenditures

C. **Finance Department**

Temporary help was used to assist the department due to personnel matter.

D. **Building Department**

There was a vacation payout to a retired employee in addition to hiring a consultant while a retired employee took vacation time off.

E. **Non-Department**

As explained in the previous report, the higher percent is due to paying for insurance policies renewal in July.

F. **Police Department**

There was vacation cash out to an employee. In addition, the salary cost has not been reduced to reflect the COPS Grant.



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: LOUISE HO, FINANCE DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: ACCEPTANCE OF TREASURER'S REPORT FOR THE FIRST  
QUARTER ENDED SEPTEMBER 30, 2010**

### **RECOMMENDATION**

Accept the Treasurer's Report for the First Quarter Ended September 30, 2010.

### **DISCUSSION**

Based on the Town's Statement of Investment Policy, the City Manager or designee is required to submit quarterly and annual Treasurer's Report to the City Council. The Treasurer's Report provides an update on the cash and investment position of the Town of Atherton.

The Town engaged Cutwater (formerly MBIA) in January 2009 to provide non-discretionary investment advisory services. Due to the current economic climate, Cutwater is continuing to take a conservative approach to meet the Town's investment goals in the order of safety, liquidity, and yield.

To facilitate the trading and safekeeping of securities, Wells Fargo Bank serves as the safekeeping agent for the Town.

As part of the Treasurer's Report, a detail cash and investment balance by Fund is also attached. It is important to note that even though \$7,161,864 is listed as "non-restricted" fund, this amount is not all available for spending. "Non-restricted" is to mean not legally restricted but the Town does have obligations and unfunded liabilities that must be met with the non-restricted fund.

**FISCAL IMPACT**

None

Prepared by:

*/s/ Louise Ho*

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Louise Ho, Finance Director

Approved by:

*/s/ Nadine Levin*

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Nadine Levin, Interim City Manager

Attachment: Treasurer's Report for First Quarter Ended September 30, 2010

Town of Atherton  
 Quarterly Treasurer's Report  
 Portfolio Summary  
 September 30, 2010

|                                   | Par Value         | Market Value      | Book Value        | % of Portfolio |
|-----------------------------------|-------------------|-------------------|-------------------|----------------|
| Cash In Bank (Schedule A)         | 512,675           | 512,675           | 512,675           | 2.9%           |
| Investments (Schedule B)          | 17,136,249        | 17,180,507        | 17,158,888        | 97.1%          |
| <b>Total Cash and Investments</b> | <b>17,648,924</b> | <b>17,693,182</b> | <b>17,671,563</b> | <b>100%</b>    |

The above investments are consistent with the Town's Statement of Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The Town has sufficient cash flow to cover anticipated expenditures through the next six months.

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

Date 12/6/10

**Town of Atherton**  
**Quarterly Treasurer's Report**  
**Portfolio Details - Cash In Bank**  
**September 30, 2010**

Schedule A

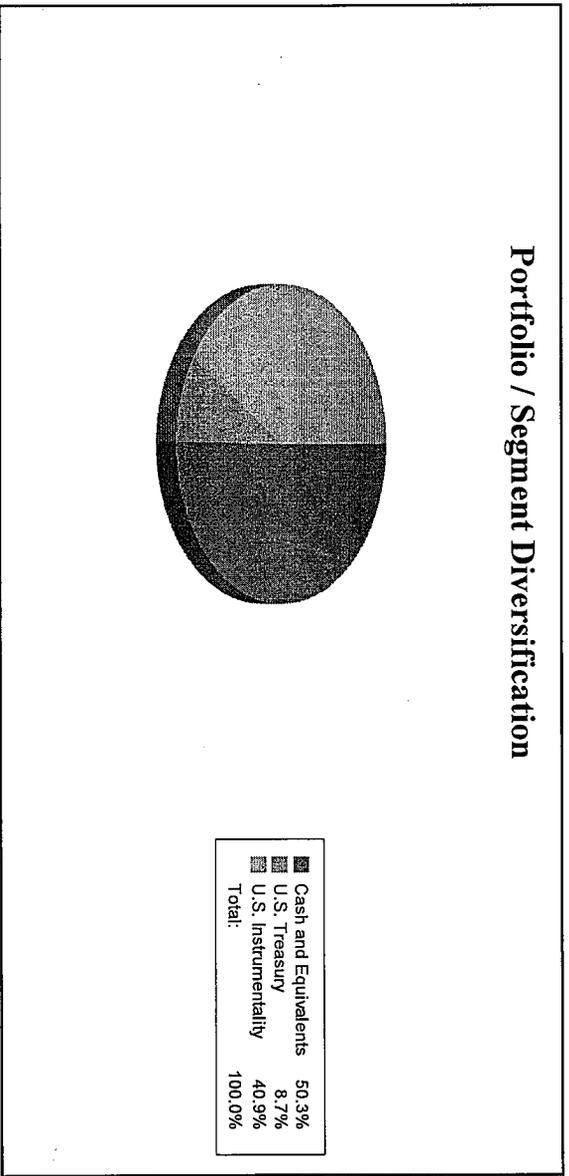
| Name of Depository | Investment Type                   | Reconciled<br>Bank Balance |
|--------------------|-----------------------------------|----------------------------|
| Comerica Bank      | Checking - Operating              | (8,987)                    |
| Wells Fargo        | General Account                   | 440,169                    |
| Wells Fargo        | Wells Fargo Adv Treasury Plus MMF | 81,492                     |
| <b>Total</b>       |                                   | <b>512,675</b>             |

**Town of Atherton**  
**Recap of Securities Held**  
**September 30, 2010**

*Schedule B*

|                      | Historical Cost      | Amortized Cost       | Fair Value           | Unrealized Gain (Loss) | Weighted Average Final Maturity (Days) | Weighted Average Effective Maturity (Days) | % Portfolio/Segment | Weighted Average Yield * | Weighted Average Market Duration (Years) |
|----------------------|----------------------|----------------------|----------------------|------------------------|--|--|---------------------|--------------------------|--|
| Cash and Equivalents | 8,636,249.38         | 8,636,249.38         | 8,636,249.38         | 0.00                   | 1                                      | 1  | 50.33               | 0.51                     | 0.00                                     |
| U.S. Treasury        | 1,500,781.25         | 1,499,943.03         | 1,508,224.00         | 8,280.97               | 385                                    | 385  | 8.75                | 0.78                     | 1.05                                     |
| U.S. Instrumentality | 7,021,857.20         | 7,012,139.48         | 7,036,034.00         | 23,894.52              | 770                                    | 216  | 40.92               | 1.38                     | 0.59                                     |
| <b>TOTAL</b>         | <b>17,158,887.83</b> | <b>17,148,331.89</b> | <b>17,180,507.38</b> | <b>32,175.49</b>       | <b>349</b>                             | <b>122</b>                                 | <b>100.00</b>       | <b>0.89</b>              | <b>0.33</b>                              |

\* Weighted Average Yield is calculated on a "yield to worst" basis.



**Town of Atherton  
Activity and Performance Summary  
for the period September 1, 2010 - September 30, 2010**

| <u>Amortized Cost Basis Activity Summary</u> |                     |
|--|---------------------|
| Beginning Amortized Cost Value               | 17,800,002.52       |
| Additions                                    |                     |
| Contributions                                | 0.00                |
| Interest Received                            | 4,375.00            |
| Accrued Interest Sold                        | 1,362.50            |
| Gain on Sales                                | 109.72              |
| <b>Total Additions</b>                       | <b>5,847.22</b>     |
| Deductions                                   |                     |
| Withdrawals                                  | 654,862.50          |
| Fees Paid                                    | 1,000.00            |
| Accrued Interest Purchased                   | 0.00                |
| Loss on Sales                                | 0.00                |
| <b>Total Deductions</b>                      | <b>(655,862.50)</b> |
| Accretion (Amortization) for the Period      | (1,655.35)          |
| Ending Amortized Cost Value                  | 17,148,331.89       |
| Ending Fair Value                            | 17,180,507.38       |
| Unrealized Gain (Loss)                       | 32,175.49           |

| <u>Detail of Amortized Cost Basis Return</u> |                  |                          |                      |                  |
|--|------------------|--------------------------|----------------------|------------------|
|  | Interest Earned  | Accretion (Amortization) | Realized Gain (Loss) | Total Income     |
| <b>Current Holdings</b>                      |                  |                          |                      |                  |
| Cash and Equivalents                         | 3,793.18         | 0.00                     | 0.00                 | 3,793.18         |
| U.S. Treasury                                | 1,026.60         | (65.34)                  | 0.00                 | 961.26           |
| U.S. Instrumentality                         | 8,017.35         | (1,592.41)               | 0.00                 | 6,424.94         |
| <b>Sales and Maturities</b>                  |                  |                          |                      |                  |
| U.S. Instrumentality                         | 211.94           | 2.40                     | 109.72               | 324.06           |
| <b>Total</b>                                 | <b>13,049.07</b> | <b>(1,655.35)</b>        | <b>109.72</b>        | <b>11,503.44</b> |

|                | <u>Annualized Comparative Rates of Return</u> |                    |               |
|----------------|---|--------------------|---------------|
|                | Twelve Month Trailing                         | Six Month Trailing | For the Month |
| Fed Funds      | 0.16%   | 0.19%              | 0.19%         |
| Overnight Repo | 0.09%   | 0.14%              | 0.16%         |
| 3 Month T-Bill | 0.12%   | 0.15%              | 0.15%         |
| 6 Month T-Bill | 0.19%   | 0.21%              | 0.19%         |
| 1 Year T-Note  | 0.34%   | 0.32%              | 0.26%         |
| 2 Year T-Note  | 0.80%   | 0.71%              | 0.49%         |
| 5 Year T-Note  | 2.13%   | 1.90%              | 1.41%         |

| <u>Summary of Amortized Cost Basis Return for the Period</u> |                 |                |  |
|--|-----------------|----------------|--|
|  | Total Portfolio | Excl. Cash Eq. |  |
| Interest Earned  | 13,049.07       | 9,255.89       |  |
| Accretion (Amortization)                                     | (1,655.35)      | (1,655.35)     |  |
| Realized Gain (Loss) on Sales                                | 109.72          | 109.72         |  |
| Total Income on Portfolio                                    | 11,503.44       | 7,710.26       |  |
| Average Daily Historical Cost                                | 17,371,059.03   | 8,373,142.99   |  |
| Annualized Return  | 0.81%           | 1.12%          |  |
| Annualized Return Net of Fees                                | 0.74%           | 0.98%          |  |
| Annualized Return Year to Date Net of Fees                   | 0.81%           | 0.91%          |  |
| Weighted Average Effective Maturity in Days                  | 122             | 246            |  |

**Town of Atherton  
Activity and Performance Summary  
for the period September 1, 2010 - September 30, 2010**

| <u>Fair Value Basis Activity Summary</u> |                     |
|--|---------------------|
| Beginning Fair Value                     | 17,830,490.88       |
| <b>Additions</b>                         |                     |
| Contributions                            | 0.00                |
| Interest Received                        | 4,375.00            |
| Accrued Interest Sold                    | 1,362.50            |
| <b>Total Additions</b>                   | <b>5,737.50</b>     |
| <b>Deductions</b>                        |                     |
| Withdrawals                              | 654,862.50          |
| Fees Paid                                | 1,000.00            |
| Accrued Interest Purchased               | 0.00                |
| <b>Total Deductions</b>                  | <b>(655,862.50)</b> |
| Change in Fair Value for the Period      | 141.50              |
| Ending Fair Value                        | 17,180,507.38       |

| <u>Detail of Fair Value Basis Return</u> |                  |                      |                  |
|--|------------------|----------------------|------------------|
|  | Interest Earned  | Change in Fair Value | Total Income     |
| <b>Current Holdings</b>                  |                  |                      |                  |
| Cash and Equivalents                     | 3,793.18         | 0.00                 | 3,793.18         |
| U.S. Treasury                            | 1,026.60         | 176.00               | 1,202.60         |
| U.S. Instrumentality                     | 8,017.35         | 94.00                | 8,111.35         |
| <b>Sales and Maturities</b>              |                  |                      |                  |
| U.S. Instrumentality                     | 211.94           | (128.50)             | 83.44            |
| <b>Total</b>                             | <b>13,049.07</b> | <b>141.50</b>        | <b>13,190.57</b> |

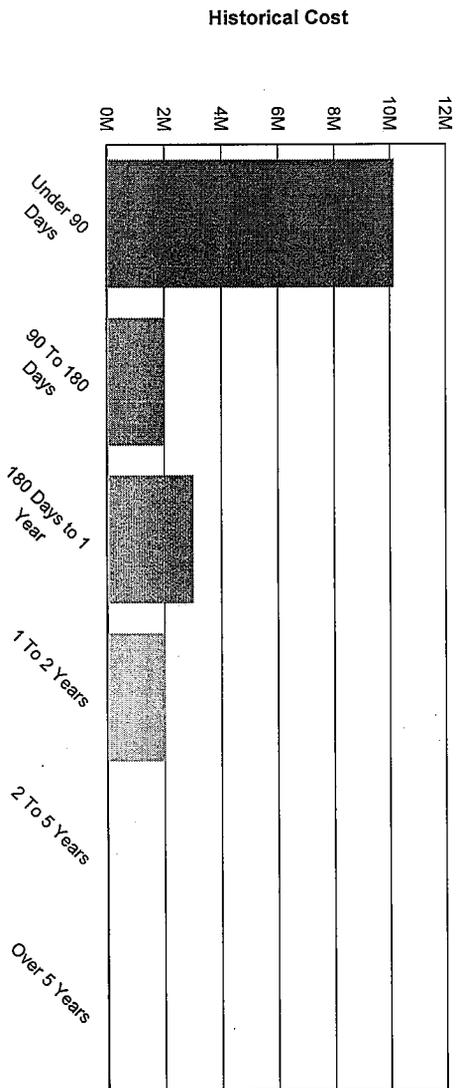
| <u>Annualized Comparative Rates of Return</u> |                          |                       |               |
|---|--------------------------|-----------------------|---------------|
|   | Twelve<br>Month Trailing | Six<br>Month Trailing | For the Month |
| Fed Funds                                     | 0.16%                    | 0.19%                 | 0.19%         |
| Overnight Repo                                | 0.09%                    | 0.14%                 | 0.16%         |
| 3 Month T-Bill                                | 0.13%                    | 0.16%                 | 0.12%         |
| 6 Month T-Bill                                | 0.36%                    | 0.42%                 | 0.36%         |
| 1 Year T-Note                                 | 0.68%                    | 0.78%                 | 0.36%         |
| 2 Year T-Note                                 | 2.62%                    | 3.55%                 | 2.07%         |
| 5 Year T-Note                                 | 9.03%                    | 15.80%                | 6.45%         |

| <u>Summary of Fair Value Basis Return for the Period</u> |                 |                |  |
|--|-----------------|----------------|--|
|  | Total Portfolio | Excl. Cash Eq. |  |
| Interest Earned  | 13,049.07       | 9,255.89       |  |
| Change in Fair Value                                     | 141.50          | 141.50         |  |
| Total Income on Portfolio                                | 13,190.57       | 9,397.39       |  |
| Average Daily Historical Cost                            | 17,371,059.03   | 8,373,142.99   |  |
| Annualized Return  | 0.92%           | 1.37%          |  |
| Annualized Return Net of Fees                            | 0.85%           | 1.22%          |  |
| Annualized Return Year to Date Net of Fees               | 1.02%           | 1.38%          |  |
| Weighted Average Effective Maturity in Days              | 122             | 246            |  |

**Town of Atherton  
Maturity Distribution of Securities Held  
September 30, 2010**

| Maturity           | Historical Cost | Percent |
|--------------------|-----------------|---------|
| Under 90 Days      | 10,135,064.38   | 59.07%  |
| 90 To 180 Days     | 2,012,375.00    | 11.73%  |
| 180 Days to 1 Year | 3,010,027.51    | 17.54%  |
| 1 To 2 Years       | 2,001,420.94    | 11.66%  |
| 2 To 5 Years       | 0.00            | 0.00%   |
| Over 5 Years       | 0.00            | 0.00%   |
|                    | 17,158,887.83   | 100.00% |

**Maturity Distribution**



**Town of Atherton  
Securities Held  
September 30, 2010**

| CUSIP/<br>Description       | Purchase<br>Date | Rate/<br>Coupon | Maturity/<br>Call Date | Par Value/<br>Shares | Historical Cost/<br>Accrued Interest<br>Purchased | Amortized<br>Cost/Accrion<br>(Amortization) | Fair Value/<br>Change<br>In Fair Value | Unrealized<br>Gain<br>(Loss) | Interest<br>Received | Interest<br>Earned | Total<br>Accrued<br>Interest | %<br>Port<br>Cost | Yield |
|-----------------------------|------------------|-----------------|------------------------|----------------------|---|---|--|------------------------------|----------------------|--------------------|------------------------------|-------------------|-------|
| <b>Cash and Equivalents</b> |                  |                 |                        |                      |   |   |  |                              |                      |                    |                              |                   |       |
| LAIF                        | 09/30/10         | 0.513V          |                        | 8,003,578.84         | 8,003,578.84                                      | 8,003,578.84                                | 8,003,578.84                           | 0.00                         | 0.00                 | 3,505.73           | 11,834.12                    | 46.64             | 0.51  |
| San Mateo County Pool       | 09/30/10         | 0.513V          |                        | 632,670.54           | 632,670.54  | 632,670.54                                  | 632,670.54                             | 0.00                         | 0.00                 | 287.45             | 1,143.63                     | 3.69              | 0.51  |
| <b>TOTAL</b>                |                  |                 |                        | <b>8,636,249.38</b>  | <b>8,636,249.38</b>                               | <b>8,636,249.38</b>                         | <b>8,636,249.38</b>                    | <b>0.00</b>                  | <b>0.00</b>          | <b>3,793.18</b>    | <b>12,977.75</b>             | <b>50.33</b>      |       |
| <b>U.S. Treasury</b>        |                  |                 |                        |                      |   |   |  |                              |                      |                    |                              |                   |       |
| 912828K13<br>T-Note         | 12/17/09         | 0.875           | 04/30/11               | 500,000.00           | 502,070.31  | 500,875.42                                  | 501,894.50                             | 1,019.08                     | 0.00                 | 356.66             | 1,830.84                     | 2.93              | 0.57  |
| 912828M09<br>T-Note         | 04/21/10         | 0.750           | 11/30/11               | 500,000.00           | 499,453.13  | 499,604.73                                  | 502,519.50                             | 2,914.77                     | 0.00                 | 307.38             | 1,260.25                     | 2.91              | 0.82  |
| 912828M00<br>T-Note         | 03/18/10         | 0.875           | 02/29/12               | 500,000.00           | 499,257.81  | 499,462.88                                  | 503,810.00                             | 4,347.12                     | 0.00                 | 362.56             | 374.65                       | 2.91              | 0.95  |
| <b>TOTAL</b>                |                  |                 |                        | <b>1,500,000.00</b>  | <b>1,500,781.25</b>                               | <b>1,499,943.03</b>                         | <b>1,508,224.00</b>                    | <b>8,280.97</b>              | <b>0.00</b>          | <b>1,026.60</b>    | <b>3,465.74</b>              | <b>8.75</b>       |       |
| <b>U.S. Instrumentality</b> |                  |                 |                        |                      |   |   |  |                              |                      |                    |                              |                   |       |
| 3133XTT3<br>FHLB            | 08/10/09         | 0.850           | 12/03/10               | 500,000.00           | 499,215.00  | 499,896.97                                  | 500,550.50                             | 653.53                       | 0.00                 | 354.17             | 1,393.06                     | 2.91              | 0.97  |
| 31398AVQ2<br>FNMA           | 10/26/09         | 1.750           | 03/23/11               | 500,000.00           | 506,830.00  | 502,303.29                                  | 503,606.00                             | 1,302.71                     | 4,375.00             | 729.16             | 194.44                       | 2.95              | 0.77  |
| 3133XTV45<br>FHLB           | 06/08/09         | 1.125           | 06/03/11               | 500,000.00           | 496,367.20  | 498,772.36                                  | 502,731.00                             | 3,958.64                     | 0.00                 | 468.75             | 1,843.75                     | 2.89              | 1.50  |
| 31331GXK3<br>FPCB           | 12/02/09         | 1.150           | 06/08/11               | 500,000.00           | 504,070.00  | 501,839.96                                  | 502,867.50                             | 1,027.54                     | 0.00                 | 479.17             | 1,804.86                     | 2.94              | 0.61  |
| 3137EACF4<br>FHLMC          | 10/22/09         | 1.125           | 12/15/11               | 500,000.00           | 499,110.00  | 499,500.51                                  | 504,466.50                             | 4,965.99                     | 0.00                 | 468.75             | 1,656.25                     | 2.91              | 1.21  |
| 31398AS37<br>FNMA           | 05/26/10         | 1.300           | 05/25/12               | 500,000.00           | 501,035.00  | 500,671.04                                  | 502,033.00                             | 1,361.96                     | 0.00                 | 541.67             | 2,275.00                     | 2.92              | 1.09  |
| 3133XUD91<br>FHLB           | 04/15/10         | 2.050           | 08/10/12               | 500,000.00           | 505,000.00  | 503,246.89                                  | 506,319.50                             | 3,072.61                     | 0.00                 | 854.16             | 1,452.08                     | 2.94              | 1.28  |
| 31398AD33<br>FNMA           | 02/11/10         | 2.125           | 01/25/13               | 1,000,000.00         | 1,005,670.00                                      | 1,001,890.00                                | 1,004,136.00                           | 2,246.00                     | 0.00                 | 1,770.83           | 3,895.83                     | 5.86              | 1.52  |
| 3136FMU1<br>FNMA            | 06/03/10         | 1.000V          | 06/03/13               | 500,000.00           | 500,000.00  | 500,000.00                                  | 500,180.00                             | 180.00                       | 0.00                 | 416.67             | 1,638.89                     | 2.91              | 1.00  |

**Town of Atherton  
Securities Held  
September 30, 2010**

| <u>U.S. Instrumentality</u> | CUSIP/<br>Description | Purchase<br>Date | Rate/<br>Coupon | Maturity/<br>Call Date | Par Value/<br>Shares | Historical Cost/<br>Accrued Interest<br>Purchased | Amortized<br>Cost/Accretion<br>(Amortization) | Fair Value/<br>Change<br>In Fair Value | Unrealized<br>Gain<br>(Loss) | Interest<br>Received | Interest<br>Earned | Total<br>Accrued<br>Interest | Port<br>Cost<br>% | Yield |
|-----------------------------|-----------------------|------------------|-----------------|------------------------|----------------------|---|---|--|------------------------------|----------------------|--------------------|------------------------------|-------------------|-------|
|                             | 3133702W7<br>FHLB     | 08/04/10         | 1.400           | 07/12/13<br>01/12/12   | 500,000.00           | 503,600.00<br>427.78                              | 503,203.04<br>(205.33)                        | 504,277.00<br>345.50                   | 1,073.96                     | 0.00                 | 583.33             | 1,536.11                     | 2.93              | 0.90  |
|                             | 3134G1PP3<br>FHLMC    | 08/18/10         | 1.400           | 11/18/13<br>08/18/11   | 500,000.00           | 501,485.00<br>0.00                                | 501,305.99<br>(122.05)                        | 503,076.50<br>601.50                   | 1,770.51                     | 0.00                 | 583.33             | 836.11                       | 2.92              | 1.10  |
|                             | 3136FMNY6<br>FNMA     | 04/29/10         | 1.550 V         | 04/29/15<br>10/29/10   | 500,000.00           | 499,600.00<br>0.00                                | 499,633.95<br>6.57                            | 500,435.50<br>(477.50)                 | 801.55                       | 0.00                 | 645.83             | 3,272.22                     | 2.91              | 3.50  |
|                             | 3134G1TY0<br>FHLMC    | 09/24/10         | 1.250 V         | 09/24/15<br>03/24/11   | 500,000.00           | 499,875.00<br>0.00                                | 499,875.48<br>0.48                            | 501,355.00<br>1,480.00                 | 1,479.52                     | 0.00                 | 121.53             | 121.53                       | 2.91              | 2.32  |
| <b>TOTAL</b>                |                       |                  |                 |                        | 7,000,000.00         | 7,021,857.20<br>445.84                            | 7,012,139.48<br>(1,592.41)                    | 7,036,034.00<br>94.00                  | 23,894.52                    | 4,375.00             | 8,017.35           | 21,920.13                    | 40.92             |       |
| <b>GRAND TOTAL</b>          |                       |                  |                 |                        | 17,136,249.38        | 17,158,887.83<br>445.84                           | 17,148,331.89<br>(1,657.75)                   | 17,180,507.38<br>270.00                | 32,175.49                    | 4,375.00             | 12,837.13          | 38,563.62                    | 100.00            |       |

V = variable rate, current rate shown, average rate for Cash & Equivalents

**Town of Atherton  
 Quarterly Treasurer's Report  
 Cash & Investments Balance By Fund  
 September 30, 2010**

| <b>Fund No.</b> | <b>Fund Name</b>                          | <b>Sept<br/>Balance</b>  |
|-----------------|---|--------------------------|
| 101             | General Fund                              | 5,104,460                |
| 105             | Tennis Fund                               | 18,028                   |
| 610             | Equipment Replacement Fund                | 377,442                  |
| 614             | Worker's Compensation                     | 523,660                  |
| 615             | General Liability                         | 218,979                  |
| 616             | Employee Benefits                         | 919,296                  |
|                 | <b>Total Non-Restricted</b>               | <u>7,161,864</u>         |
| 201             | Special Tax Fund                          | 2,105,905                |
| 202             | County Measure A Fund                     | 16,288                   |
| 203             | Gas Tax Fund                              | 139,334                  |
| 209             | SLES/COPS Grant                           | 8,506                    |
| 210             | Road Constructions Impact Fee             | 1,423,688                |
| 213             | Library Fund                              | 4,921,848                |
| 215             | Evans Creative Design (formerly fund 715) | 106,612                  |
| 220             | Traffic Congest. Relief                   | 8,804                    |
| 401             | GF Projects                               | (178,043)                |
| 402             | Storm Drainage                            | 33,749                   |
| 403             | Atherton Channel Drainage District        | 87,503                   |
| 406             | Facilities Construction                   | 1,803,725                |
| 730             | H-P Park Improvement                      | 5,888                    |
| 740             | Tree Committee                            | 25,891                   |
|                 | <b>Total Restricted</b>                   | <u>10,509,698</u>        |
|                 | <b>Total Cash &amp; Investments</b>       | <u><u>17,671,563</u></u> |



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: LOUISE HO, FINANCE DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: ACCEPTANCE OF FISCAL YEAR 2009-10 BASIC FINANCIAL STATEMENTS, REPORT ON COMPLIANCE WITH THE AGREEMENT FOR DISTRIBUTION OF SAN MATEO COUNTY MEASURE A FUNDS FOR LOCAL TRANSPORTATION PURPOSE, AGREED UPON PROCEDURES REPORT ON COMPLIANCE WITH THE PROPOSITION 111 APPROPRIATIONS LIMIT, AND MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS**

### **RECOMMENDATION**

Accept FY 2009-10 Basic Financial Statements, Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds, Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit, and the Memorandum on Internal Control and Required Communications.

### **DISCUSSION**

The Town of Atherton selected Maze & Associates as the external auditor for FY 2008-09 and two subsequent years plus two one-year extensions. Staff is pleased to report that the FY 2009-10 audit was done timely. The Town received an “unqualified” or “clean” opinion from Maze & Associates.

The Audit Committee reviewed all the attached reports and asked questions of audit partner from Maze & Associates on October 28, 2010. The Committee voted 5-1 and is recommending that the City Council accept the reports.

The acceptance of the audited financial reports will ensure the Town is in compliance with the Government Code which requires the Town to issue the annual audited financial reports within 180 days after the year ended.

**FISCAL IMPACT**

None

Prepared by:

Approved by:

*/s/ Louise Ho*

*/s/ Nadine Levin*

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

\_\_\_\_\_  
Nadine Levin, Interim City Manager

Attachment:

1. FY 2009-10 Basic Financial Statements
2. FY 2009-10 Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes
3. Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit
4. Memorandum on Internal Control and Required Communications

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

**FOR THE YEAR ENDED**  
**JUNE 30, 2010**

TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2010

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## **MEMORANDUM ON INTERNAL CONTROL**

September 28, 2010

To the City Council of  
the Town of Atherton

We have audited the financial statements of the Town of Atherton for the year ended June 30, 2010, and have issued our report thereon dated September 28, 2010. In planning and performing our audit of the financial statements of the Town of Atherton as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

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

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

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

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

*Maze & Associates*

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TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL STRUCTURE  
CURRENT YEAR SCHEDULE OF OTHER MATTERS

**2010-01: Appropriations Limit**

**Criteria:** Tax proceeds should not exceed Appropriations Limit.

**Condition:** In the current fiscal 2010, the Town tax proceeds exceeded the Appropriations Limit. It is our understanding that the Town is planning on expending qualifying expenditures in fiscal 2011, so that, as allowed by California state law, the total tax proceeds for the 2 fiscal years 2010 and 2011 will be less than the total Appropriations Limit for these 2 fiscal years. The Town is closing monitoring its tax proceeds and qualifying capital expenditures. The Town intends to spend on qualifying capital projects so that it will not exceed the appropriations limit in aggregate over 2 years.

**Effect:** The Town exceeded the Appropriations Limit for fiscal year 2010.

**Recommendation:** We recommend the Town to continue monitoring the tax proceeds and qualifying capital outlay in fiscal year 2011 so that the Town will not exceed the Appropriations Limits in aggregate over 2 years for fiscal 2010 and fiscal 2011.

**Management Response:**

The Town concurs with the recommendation and the Public Works Department is monitoring the qualifying capital outlay to ensure compliance by FY 2011.

**2010-02: Outstanding Building Permit Deposits Close Out**

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

**Condition:** During the current year the Town spent a significant amount of time and effort and reconciled the detail records with its general ledger. As of June 30, 2010, the Town has building deposits payable in the amount of \$674,703. Of this amount, about \$273,000 of building permit deposits are from calendar year 2000 to 2007, which are more than 2 years old.

**Recommendation:** The Town should establish procedures to close out these old building permits that are still recorded as outstanding after more than 2 years.

**Management Response:**

The matter has been brought to the attention of the Interim Building Official. The Building Department is to work on a process and written procedures to close out permits and deal with deposits in a timely manner.

TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL STRUCTURE

CURRENT YEAR SCHEDULE OF OTHER MATTERS

**2010-03: Maximum Vacation Accrual for Management Employees**

**Criteria:** Per City Council Resolution 09-05, maximum vacation accrual for each management employee is 800 hours. Vacation accrual in excess of the maximum allowed should be liquidated by monetary payment during the month of November.

**Condition:** We tested the June 30, 2010 balance for compensated absences. We inquired and reviewed the June 30, 2010, accrued vacation balances for selected Town employees. We noted that there was 1 management employee whose accrued vacation had exceeded 800 hours. However the employee's accrued vacation in excess of the maximum accrual had not been liquidated by monetary payment during the month of November as required in the resolution.

**Recommendation:** The Town should make sure that all employees liquidate or reduce any excess accrued vacation as required by the City Council resolution.

**Management Response:**

The matter was addressed and a cash out of vacation accrual in excess of 800 hours is scheduled in November 2010.

**2010-04: Implementation of Human Resources Module in the Springbrook Accounting Software**

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

**Condition:** The Town had purchase the Human Resources Module in the Springbrook accounting software. Currently, the employee who runs payroll and prints payroll checks can also adjust the employee database information including employee information and pay rates.

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

**Management Response:**

The Town concurs with the recommendation and will make implementation of the Human Resources module a priority.

TOWN OF ATHERTON  
MEMORANDUM ON INTERNAL CONTROL STRUCTURE

CURRENT YEAR SCHEDULE OF OTHER MATTERS

**2010-04: New Accounting Standard Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions (Effective for fiscal 10/11)**

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

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered **nonspendable**, such as fund balance associated with inventories. This Statement also provides for additional classification as **restricted, committed, assigned, and unassigned** based on the relative strength of the constraints that control how specific amounts can be spent.

The **restricted** fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The **committed** fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the **assigned** fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds *other than the general fund*, assigned fund balance represents the remaining amount that is not restricted or committed.

**Unassigned** fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. *In other funds*, the unassigned classification should be *used only to report a deficit balance* resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

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

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

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

**Management Response:** The Town will evaluate and implement as appropriate.

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## **REQUIRED COMMUNICATIONS**

September 28, 2010

To the City Council of  
the Town of Atherton, California

We have audited the financial statements of the Town of Atherton as of and for the year ended June 30, 2010 and have issued our report thereon dated September 28, 2010. Professional standards require that we advise you of the following matters relating to our audit.

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

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

**Accounting Policies:** Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2010. As described in notes to the financial statements, during the year, the City implemented the following new standards:

- Statement No. 45 - Accounting And Financial Reporting By Employers For Postemployment Benefits Other Than Pensions

GASB 45 uses Pension Accounting (GASB 27) to change the accounting for Other Post Employment Benefits (OPEB) to full accrual at the Entity-wide and proprietary funds financial statement levels. Under the concepts in GASB 45 an actuarial study or simplified measurement method calculation is performed to determine an Annual Required Contribution (ARC). So long as employers contribute this amount every year, no accrual adjustment is needed in the financial statements. A summary of the impacts of this statement are presented below.

As discussed in Note 9 to the financial statements, during the year ended June 30, 2010, the City contributed less than the ARC for fiscal 2009-10 by paying retiree health care premiums in the amount of \$173,474. As of June 30, 2010, the City had a net OPEB obligation in the amount of \$639,673. There was no cumulative effect of the accounting change as of the beginning of the year.

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

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

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

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

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

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

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

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

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

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

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

\*\*\*\*\*

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

*Maze & Associates*

**TOWN OF ATHERTON, CALIFORNIA  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Prepared by  
FINANCE DEPARTMENT**

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**TOWN OF ATHERTON  
Basic Financial Statements  
For the Year Ended June 30, 2010**

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**TOWN OF ATHERTON  
Basic Financial Statements  
For the Year Ended June 30, 2010**

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## INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

To the City Council  
Town of Atherton, California

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Atherton as of and for the year ended June 30, 2010, as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Atherton at June 30, 2010, and the results of its operations and the cash flows of its proprietary fund types where applicable thereof, and budgetary comparisons for major general and special revenue funds for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As described in Note 9, the City implemented the provision of GASB Statement No. 45, *Accounting and Financial Reporting by Employers of Post Employment Benefits other than Pensions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2010, on our consideration of the Town of Atherton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Mare & Associates*

September 28, 2010

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Atherton, we offer readers of the Town of Atherton's financial statements this narrative overview and analysis of the financial activities of the Town of Atherton for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here.

### FINANCIAL HIGHLIGHTS

- The assets of the Town of Atherton exceeded its liabilities at the close of the most recent fiscal year by \$45,350,005 (*net assets*). Of this amount, \$6,116,042 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$357,236. The decrease is due to the implementation of GASB 45 to recognize OPEB obligation for retiree health care cost, anticipated refund of prior years' construction road impact fees, and two legal settlements.
- As of the close of the current fiscal year, the Town of Atherton's governmental funds reported combined ending fund balances of \$17,015,591, an increase of \$228,266 in comparison with the prior year. Of this amount, approximately 70.9 percent or \$12,056,696 is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was \$1,667,136, or 14.9 percent of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 16-23 of this report.

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

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The basic proprietary fund financial statements can be found on pages 26-28 of this report.

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

The basic fiduciary fund financial statements can be found on page 30 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-53 of this report.

**Other information.** Budgetary comparison statement for General Fund, Special Tax Special Revenue Fund, and Library Special Revenue Fund can be found on pages 20-23 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 56-63 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Atherton, assets exceeded liabilities by \$45,350,005 at the close of the most recent fiscal year.

By far the largest portion of the Town of Atherton's net assets (63.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of Atherton uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Atherton's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Town's of Atherton Net Assets**

|  | Governmental activities |                      |
|--|-------------------------|----------------------|
|  | 2010                    | 2009                 |
| Current and other assets                           | \$ 20,626,817           | \$ 20,091,291        |
| Capital assets                                     | 28,942,210              | 29,067,634           |
| <b>Total assets</b>                                | <b>49,569,027</b>       | <b>49,158,925</b>    |
| Current liabilities                                | 2,851,637               | 3,052,668            |
| Noncurrent liabilities                             | 1,367,385               | 399,016              |
| <b>Total liabilities</b>                           | <b>4,219,022</b>        | <b>3,451,684</b>     |
| Net Assets:  |                         |                      |
| Invested in capital assets,<br>net of related debt | 28,862,718              | 29,067,634           |
| Restricted   | 10,371,245              | 9,567,250            |
| Unrestricted                                       | 6,116,042               | 7,072,357            |
| <b>Total net assets</b>                            | <b>\$ 45,350,005</b>    | <b>\$ 45,707,241</b> |

An additional portion of the Town of Atherton net assets (23 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$6,116,042 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Governmental activities.** Governmental activities decreased the Town of Atherton's net assets by \$357,236. The decrease was due to first year implementation of GASB 45 to recognize annual required contribution for unfunded retiree health care cost, accrual of anticipated refund of prior years' construction road impact fees, and two legal settlements with former employees.

## Town of Atherton's Changes in Net Assets

|                                    | Governmental activities |              |
|------------------------------------|-------------------------|--------------|
|                                    | 2010                    | 2009         |
| Revenues:                          |                         |              |
| Program revenues:                  |                         |              |
| Charges for services               | \$ 1,783,484            | \$ 2,238,843 |
| Operating grants and contributions | 467,302                 | 352,275      |
| Capital Grants and Contributions   | 533,582                 | 660,101      |
| General revenues:                  |                         |              |
| Taxes                              | 10,573,623              | 9,525,485    |
| Investment earnings                | 159,331                 | 414,398      |
| Other revenues                     | 146,396                 | 397,704      |
| Total revenues                     | 13,663,718              | 13,588,806   |
| Expenses:                          |                         |              |
| General government                 | 2,525,526               | 2,032,385    |
| Public works                       | 4,739,450               | 4,618,784    |
| Police                             | 5,391,165               | 4,948,898    |
| Building                           | 1,183,081               | 1,013,971    |
| Planning                           | 181,732                 | 284,479      |
| Total expenses                     | 14,020,954              | 12,898,517   |
| Change in Net Assets               | (357,236)               | 690,289      |
| Transfers                          | -                       | -            |
| Net assets - Beginning             | 45,707,241              | 45,016,952   |
| Net assets - Ending                | 45,350,005              | 45,707,241   |

- Charges for services decreased by \$455,359 (20 percent) during the year. The decrease was primarily due to lower building department revenues of \$221,280.
- Operating grants and contribution increased by \$115,027 (33 percent) during the year. The increase was primarily due to classifying \$59,600 public safety sales tax (Prop172) as operating grant and contribution in FY 2010 whereas the same tax was classified as taxes in FY 2009.
- Capital grants and contributions decreased by \$126,519 (19 percent) during the year. The decrease was primarily due to the Town's decision on December 16, 2009, to stop collecting construction road impact fees.
- Taxes increased by \$1,048,138 (11 percent) during the year. The increase was primarily due to higher secured property tax of \$286,750, higher Excess ERAF of \$207,059 and no reduction of business license tax due to refund of prior years' tax.
- Investment earnings decreased by \$255,067 (62 percent) during the year. The decrease was primarily due to low interest environment.
- Other revenues decreased by \$251,308 (63 percent) during the year. The decrease was primarily due to one-time legal settlement income of \$150,000 in FY 2009.

- 
- General Government expense increased by \$493,141 (24 percent) during the year. The increase was primarily due to a legal settlement of \$226,000 and GASB 45 annual required contribution of \$136,892.
  - Public Works expense increased by \$120,666 (5 percent) during the year. The increase was mostly due to GASB 45 annual required contribution of \$164,879.
  - Police expense increased by \$442,267 (9 percent) during the year. The increase was primarily due to a legal settlement of \$230,000 and GASB 45 annual required contribution of \$401,099
  - Building expense increased by \$169,110 (17 percent) during the year. The increase was primarily due to GASB 45 annual required contribution of \$110,410.
  - Planning expense decreased by \$102,747 (36 percent) during the year. The decrease was primarily due to near completion of zoning code update and housing element.

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

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

#### ***Governmental funds:***

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

As of the end of the current fiscal year, the Town of Atherton's governmental funds reported combined ending fund balances of \$17,015,591, an increase of \$228,266 in comparison with the prior year. Approximately 70.9 percent of this total amount constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed for 1) to maintain a budget stabilization reserve (\$1,681,258), 2) to maintain an emergency disaster reserve (\$1,681,258), 3) to maintain a working capital reserve (\$560,419), 4) to maintain a Building Department operating reserve (\$1,030,636), and 5) to maintain a community tree and planting maintenance reserve (\$4,854).

***General Fund*** The general fund is the chief operating fund of the Town of Atherton. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$1,667,136, while total fund balance reached \$6,626,031. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 14.9 percent of the total general fund expenditures, while total fund balance represents 25 percent of that same amount.

The fund balance of the Town of Atherton's general fund decreased by \$577,245 during the current fiscal year. Key factors in this decline are as follows:

- Implementation of GASB 45 to recognize OPEB liabilities for retiree health care cost of \$639,673
- Two legal settlements of \$456,000.

**Special Tax Special Revenue Fund** has a total fund balance of \$2,712,268, all of which is reserved for the street and drainage facility maintenance and polices services. Revenue and expense in the fund showed no significant variation from prior year.

**Library Special Revenue Fund** has a total fund balance of \$4,914,208, all of which is reserved for the library operation. Revenue was higher than prior year due to higher return of excess donor fund.

**General Fund Budgetary Highlights**

During the year there was a \$892,119 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$230,000 for a legal settlement in the Police Department.
- \$82,238 of Public Works salary savings that did not occur.
- \$83,640 for fee study and High Speed Rail consultant.
- \$40,000 for temporary staffing help for Finance Department.
- \$178,916 for Police Department salary increase and vacation payout.
- \$134,321 for GASB 45 OPEB annual required contribution to achieve 100% funding.

During the year, the revenues budget increased by \$190,831. The increase was due to higher Excess ERAF revenue of \$200,000.

**Capital Assets and Debt Administration**

**Capital assets.** The Town of Atherton’s investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$28,862,718 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings, furniture and fixtures, machinery and equipment, vehicles, streets, drainage systems, and construction in progress. There was no significant increase in the Town of Atherton’s investment in capital assets for the current fiscal year.

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

|                             | Governmental activities |            |
|-----------------------------|-------------------------|------------|
|                             | 2010                    | 2009       |
| Land                        | 690,884                 | 690,884    |
| Construction in progress    | 668,711                 | 553,959    |
| Building                    | 1,069,338               | 1,063,273  |
| Other Improvements          | 507,996                 | 417,488    |
| Vehicles                    | 379,500                 | 352,796    |
| Computer Equipment/Software | 167,014                 | 234,604    |
| Furniture & Fixture         | 10,376                  | 13,341     |
| Machinery & Equipment       | 114,298                 | 111,697    |
| Infrastructure              | 25,334,093              | 25,629,592 |
| Total Fixed Assets          | 28,942,210              | 29,067,634 |

Additional information about the Town’s capital assets can be found in Note. 5 on pages 41 through 43 in the financial statements.

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

**Town of Atherton's Outstanding Debt**

|                                  | Governmental activities |      |
|----------------------------------|-------------------------|------|
|                                  | 2010                    | 2009 |
| Software capital lease           | \$72,990                | -    |
| Workers' compensation assessment | 428,000                 | -    |
| Total Debt                       | 500,990                 | -    |

The Town of Atherton's reported \$500,990 of total debt during the current fiscal year.

- \$72,990 in capital lease with Springbrook Software for financial software licensing
- \$428,000 in assessment due to The Cities Group to cover negative workers' compensation reserve.

Additional information on the Town of Atherton's outstanding debt can be found in Note. 6 on pages 43-44 of this report.

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

At the date of publication of this report, there is continuing uncertainty regarding Town revenues for the coming fiscal year and beyond. Property taxes comprise 68% of the General Fund operating revenues and it appears that this will remain a stable source of revenue into the coming year. However, due to the slower than anticipated recovery in the economy, the property tax revenue is projected to remain flat.

The Town expects to face some challenges in trying to maintain its moderate and responsible fiscal policies related to operating expenditures. The rising costs of employee salaries and benefits including health care and retirement costs, as well as unfunded retiree health care cost are factors that are challenging to the Town and remain a major impediment to continuing to provide the current level of services.

**Requests for Information**

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

## TOWN OF ATHERTON

### STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

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

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

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

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

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

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

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

TOWN OF ATHERTON  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>ASSETS</b>  |                            |
| Cash and investments (Note 3)                        | \$20,319,506               |
| Receivables:   |                            |
| Taxes  | 73,792                     |
| Grants   | 98,781                     |
| Interest   | 14,299                     |
| Other  | 119,969                    |
| Prepaid expenses                                     | 470                        |
| Capital assets (Note 5):                             |                            |
| Non-depreciable                                      | 1,359,595                  |
| Depreciable, net                                     | 27,582,615                 |
| Total Capital assets                                 | 28,942,210                 |
| Total Assets   | 49,569,027                 |
| <b>LIABILITIES</b>                                   |                            |
| Accounts payable                                     | 432,692                    |
| Accrued liabilities                                  | 1,052,588                  |
| Deposits payable                                     | 848,416                    |
| Compensated absences (Note 1F)                       |                            |
| Due in less than one year                            | 386,611                    |
| Due in more than one year                            | 358,052                    |
| Long-term debt (Note 6)                              |                            |
| Due within one year                                  | 131,330                    |
| Due in more than one year                            | 369,660                    |
| Net OPEB obligation (Note 9)                         |                            |
| Due in more than one year                            | 639,673                    |
| Total Liabilities                                    | 4,219,022                  |
| <b>NET ASSETS (Note 7)</b>                           |                            |
| Investment in capital assets, net of related debt    | 28,862,718                 |
| Restricted for:                                      |                            |
| Streets and drainage maintenance and police services | 2,712,268                  |
| Library operations                                   | 4,914,208                  |
| Public facilities constructions                      | 1,761,123                  |
| Special revenue projects                             | 847,744                    |
| Capital projects                                     | 135,902                    |
| Unrestricted   | 6,116,042                  |
| Total Net Assets                                     | \$45,350,005               |

See accompanying notes to financial statements

TOWN OF ATHERTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

| Functions/Programs                   | Expenses          | Program Revenues     |                                    | Governmental Activities | Net (Expenses)<br>Revenue and<br>Changes in<br>Net Assets |
|--------------------------------------|-------------------|----------------------|------------------------------------|-------------------------|---|
|                                      |                   | Charges for Services | Operating Grants and Contributions |                         |   |
| <b>Primary Government:</b>           |                   |                      |                                    |                         |   |
| General government                   | \$2,525,526       | \$8,284              | \$6,219                            |                         | (\$2,511,023)   |
| Public works                         | 4,739,450         | 693,293              | 242,580                            | \$533,582               | (3,269,995)   |
| Police                               | 5,391,165         | 48,068               | 218,503                            |                         | (5,124,594)   |
| Building                             | 1,183,081         | 858,012              |                                    |                         | (325,069)   |
| Planning                             | 181,732           | 175,827              |                                    |                         | (5,905)   |
| <b>Total Governmental Activities</b> | <b>14,020,954</b> | <b>1,783,484</b>     | <b>467,302</b>                     | <b>533,582</b>          | <b>(11,236,586)</b>                                       |
| <b>General revenues:</b>             |                   |                      |                                    |                         |   |
| <b>Taxes:</b>                        |                   |                      |                                    |                         |   |
| Property taxes                       |                   |                      |                                    |                         | 9,416,608   |
| Sales taxes                          |                   |                      |                                    |                         | 112,985   |
| Other taxes                          |                   |                      |                                    |                         | 1,044,030   |
| <b>Total Taxes</b>                   |                   |                      |                                    |                         | <b>10,573,623</b>   |
| Investment earnings                  |                   |                      |                                    |                         | 159,331   |
| Miscellaneous                        |                   |                      |                                    |                         | 146,396   |
| <b>Total general revenues</b>        |                   |                      |                                    |                         | <b>10,879,350</b>   |
| Change in Net Assets                 |                   |                      |                                    |                         | (357,236)   |
| Net Assets-Beginning                 |                   |                      |                                    |                         | 45,707,241  |
| Net Assets-Ending                    |                   |                      |                                    |                         | <u>\$45,350,005</u>                                       |

See accompanying notes to financial statements

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|                                 |
|---------------------------------|
| <b>MAJOR GOVERNMENTAL FUNDS</b> |
|---------------------------------|

The funds described below were determined to be Major Funds by the Town in fiscal 2010. Individual non-major funds may be found in the Supplemental Section.

**GENERAL FUND**

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

**SPECIAL TAX SPECIAL REVENUE FUND**

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

**LIBRARY SPECIAL REVENUE FUND**

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

**STATE GRANT SPECIAL REVENUE FUND**

Accounts for various grant funds received for capital improvement projects including park grants.

**FACILITIES CONSTRUCTION CAPITAL PROJECTS FUND**

Accounts for the funds dedicated to facilities construction.

TOWN OF ATHERTON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

|  | Major Funds        |  |                                    |  |  |                                |                                |
|--|--------------------|--|------------------------------------|--|--|--------------------------------|--------------------------------|
|  | General Fund       | Special<br>Tax Special<br>Revenue Fund | Library<br>Special<br>Revenue Fund | State Grant<br>Special<br>Revenue Fund | Facilities<br>Construction<br>Capital<br>Projects Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
| <b>ASSETS</b>                              |                    |  |                                    |  |  |                                |                                |
| Cash and investments (Note 3)              | \$7,902,464        | \$2,923,224                            | \$4,915,624                        |  | \$1,761,123  | \$1,026,720                    | \$18,529,155                   |
| Receivables:                               |                    |  |                                    |  |  |                                |                                |
| Taxes                                      | 49,522             |  |                                    |  |  | 24,270                         | 73,792                         |
| Grants                                     | 1,459              |  |                                    |  |  | 97,322                         | 98,781                         |
| Interest                                   | 14,299             |  |                                    |  |  |                                | 14,299                         |
| Other                                      | 119,284            |  |                                    |  |  | 685                            | 119,969                        |
| Prepays                                    | 470                |  |                                    |  |  |                                | 470                            |
| Due from other funds (Note 4)              | 16,450             |  |                                    |  |  |                                | 16,450                         |
| <b>Total Assets</b>                        | <b>\$8,103,948</b> | <b>\$2,923,224</b>                     | <b>\$4,915,624</b>                 |  | <b>\$1,761,123</b>                                     | <b>\$1,148,997</b>             | <b>\$18,852,916</b>            |
| <b>LIABILITIES</b>                         |                    |  |                                    |  |  |                                |                                |
| Accounts payable                           | \$163,971          | \$192,661                              | \$1,416                            |  |  | \$37,787                       | \$395,835                      |
| Accrued liabilities                        | 448,976            |  |                                    |  |  | 158                            | 449,134                        |
| Deposits payable                           | 830,121            | 18,295                                 |                                    |  |  |                                | 848,416                        |
| Claims payable                             | 26,863             |  |                                    |  |  |                                | 26,863                         |
| Due to other funds (Note 4)                |                    |  |                                    |  |  | 16,450                         | 16,450                         |
| Deferred Revenue                           | 7,986              |  |                                    |  |  | 92,641                         | 100,627                        |
| <b>Total Liabilities</b>                   | <b>1,477,917</b>   | <b>210,956</b>                         | <b>1,416</b>                       |  |  | <b>147,036</b>                 | <b>1,837,325</b>               |
| <b>FUND BALANCES</b>                       |                    |  |                                    |  |  |                                |                                |
| Fund balance (Note 7)                      |                    |  |                                    |  |  |                                |                                |
| Reserved for:                              |                    |  |                                    |  |  |                                |                                |
| Prepays                                    | 470                |  |                                    |  |  |                                | 470                            |
| Unreserved:                                |                    |  |                                    |  |  |                                |                                |
| Designated for:                            |                    |  |                                    |  |  |                                |                                |
| Budget Stabilization                       | 1,681,258          |  |                                    |  |  |                                | 1,681,258                      |
| Emergency Disaster                         | 1,681,258          |  |                                    |  |  |                                | 1,681,258                      |
| Working Capital Reserve                    | 560,419            |  |                                    |  |  |                                | 560,419                        |
| Building Department Operating Reserve      | 1,030,636          |  |                                    |  |  |                                | 1,030,636                      |
| Community Tree and Planting Maintenance    | 4,854              |  |                                    |  |  |                                | 4,854                          |
| Undesignated                               |                    |  |                                    |  |  |                                |                                |
| General Fund                               | 1,667,136          |  |                                    |  |  |                                | 1,667,136                      |
| Special Revenue Funds                      |                    | 2,712,268                              | 4,914,208                          |  |  | 868,330                        | 8,494,806                      |
| Capital Projects Funds                     |                    |  |                                    |  | \$1,761,123  | 133,631                        | 1,894,754                      |
| <b>Total Fund Balances</b>                 | <b>6,626,031</b>   | <b>2,712,268</b>                       | <b>4,914,208</b>                   |  | <b>1,761,123</b>                                       | <b>1,001,961</b>               | <b>17,015,591</b>              |
| <b>Total Liabilities and Fund Balances</b> | <b>\$8,103,948</b> | <b>\$2,923,224</b>                     | <b>\$4,915,624</b>                 |  | <b>\$1,761,123</b>                                     | <b>\$1,148,997</b>             | <b>\$18,852,916</b>            |

See accompanying notes to financial statements

TOWN OF ATHERTON  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2010

Total fund balances reported on the governmental funds balance sheet \$17,015,591

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and  
 therefore are not reported in the Governmental Funds. 28,452,927

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

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

|  |           |
|--|-----------|
| Cash and Investment  | 1,790,351 |
| Capital assets, net  | 489,283   |
| Accounts payable and other liabilities / contracts payable | (36,857)  |
| Compensated absences                                       | (744,663) |
| Claims Payable   | (44,504)  |
| Net OPEB Obligation  | (639,673) |
| Long term debt   | (500,990) |

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

|   |           |
|---|-----------|
| Revenues which are deferred on the Fund Balance Sheets because they are not available currently<br>are taken into revenue in the Statement of Activities. | 100,627   |
| Accrued liabilities   | (532,087) |

|                                       |              |
|---------------------------------------|--------------|
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | \$45,350,005 |
|---------------------------------------|--------------|

See accompanying notes to financial statements

TOWN OF ATHERTON  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | Major Funds        |                                |                                    |  |  |                                | Total<br>Governmental<br>Funds |
|--|--------------------|--------------------------------|------------------------------------|--|--|--------------------------------|--------------------------------|
|  | General Fund       | Special<br>Tax Revenue<br>Fund | Library<br>Special<br>Revenue Fund | State Grant<br>Special<br>Revenue Fund | Facilities<br>Construction<br>Capital<br>Projects Fund | Other<br>Governmental<br>Funds |                                |
| <b>REVENUES</b>  |                    |                                |                                    |  |  |                                |                                |
| Property taxes   | \$6,588,719        |                                | \$900,000                          |  |  | \$73,402                       | \$7,562,121                    |
| Special assessments  |                    | \$1,854,487                    |                                    |  |  |                                | 1,854,487                      |
| Sales taxes  | 172,585            |                                |                                    |  |  |                                | 172,585                        |
| Other taxes  | 826,998            |                                |                                    |  |  |                                | 826,998                        |
| Measure A grants   |                    |                                |                                    |  |  | 224,222                        | 224,222                        |
| From other governmental agencies                                     | 64,096             |                                |                                    |  |  | 675,121                        | 739,217                        |
| Permit and licenses  | 217,032            |                                |                                    |  |  |                                | 217,032                        |
| Fines and forfeitures  | 42,899             |                                |                                    |  |  |                                | 42,899                         |
| Service charges  | 1,512,547          |                                |                                    |  |  | 9,060                          | 1,521,607                      |
| Use of money and property  | 253,055            | 19,039                         | 30,808                             |  | \$13,309   | 6,242                          | 322,453                        |
| Road Impact Fee  |                    |                                |                                    |  |  | 88,848                         | 88,848                         |
| Miscellaneous  | 89,618             | 1,984                          |                                    |  |  | 115,892                        | 207,494                        |
| <b>Total Revenues</b>  | <b>9,767,549</b>   | <b>1,875,510</b>               | <b>930,808</b>                     |  | <b>13,309</b>  | <b>1,192,787</b>               | <b>13,779,963</b>              |
| <b>EXPENDITURES</b>  |                    |                                |                                    |  |  |                                |                                |
| Current:   |                    |                                |                                    |  |  |                                |                                |
| General government   | 2,576,842          | 1,474                          |                                    |  |  |                                | 2,578,316                      |
| Planning   | 195,255            |                                |                                    |  |  |                                | 195,255                        |
| Building   | 1,068,429          |                                |                                    |  |  |                                | 1,068,429                      |
| Police   | 5,359,631          |                                |                                    |  |  | 100,112                        | 5,459,743                      |
| Public Works   | 1,945,964          | 160,571                        |                                    |  | 63   | 538,274                        | 2,644,872                      |
| Non-departmental   |                    |                                | 37,080                             |  |  | 9,968                          | 47,048                         |
| Capital outlay   | 62,271             | 686,909                        |                                    |  |  | 808,854                        | 1,558,034                      |
| <b>Total Expenditures</b>  | <b>11,208,392</b>  | <b>848,954</b>                 | <b>37,080</b>                      |  | <b>63</b>  | <b>1,457,208</b>               | <b>13,551,697</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(1,440,843)</b> | <b>1,026,556</b>               | <b>893,728</b>                     |  | <b>13,246</b>  | <b>(264,421)</b>               | <b>228,266</b>                 |
| Other Financing Sources (uses):                                      |                    |                                |                                    |  |  |                                |                                |
| Transfer in (Note 4)   | 863,598            |                                |                                    | \$10,846                               |  |                                | 874,444                        |
| Transfer (out) (Note 4)  |                    | (780,863)                      |                                    |  | (82,735)   | (10,846)                       | (874,444)                      |
| <b>Total Other Financing Sources (uses)</b>                          | <b>863,598</b>     | <b>(780,863)</b>               |                                    | <b>10,846</b>                          | <b>(82,735)</b>  | <b>(10,846)</b>                |                                |
| <b>Net change in fund balances</b>                                   | <b>(577,245)</b>   | <b>245,693</b>                 | <b>893,728</b>                     | <b>10,846</b>                          | <b>(69,489)</b>  | <b>(275,267)</b>               | <b>228,266</b>                 |
| <b>BEGINNING FUND BALANCES</b>                                       | <b>7,203,276</b>   | <b>2,466,575</b>               | <b>4,020,480</b>                   | <b>(10,846)</b>                        | <b>1,830,612</b>                                       | <b>1,277,228</b>               | <b>16,787,325</b>              |
| <b>ENDING FUND BALANCES</b>  | <b>\$6,626,031</b> | <b>\$2,712,268</b>             | <b>\$4,914,208</b>                 |  | <b>\$1,761,123</b>                                     | <b>\$1,001,961</b>             | <b>\$17,015,591</b>            |

See accompanying notes to financial statements

TOWN OF ATHERTON  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2010

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$228,266

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

CAPITAL ASSETS TRANSACTIONS

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

|  |             |
|--|-------------|
| The capital outlay expenditures are therefore added back to fund balance | 1,718,209   |
| Retirements, net, are deducted from fund balance                         | (54,804)    |
| Depreciation expense is deducted from the fund balance                   | (1,779,752) |

ACCRUAL OF NON-CURRENT ITEMS

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

|                      |           |
|----------------------|-----------|
| Compensated absences | 827,762   |
| Deferred Revenue     | (125,689) |
| Accrued liabilities  | (252,388) |

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities such as equipment acquisition, maintenance, and insurance to individual funds.

The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

|  |                  |
|--|------------------|
| Change in Net Asset - All Internal Service Funds | <u>(918,840)</u> |
|--|------------------|

|   |                           |
|---|---------------------------|
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>(\$357,236)</u></u> |
|---|---------------------------|

See accompanying notes to financial statements

TOWN OF ATHERTON  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

|  | <u>Budgeted Amounts</u> |                      | <u>Actual Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|----------------------|-----------------------|---|
|  | <u>Original</u>         | <u>Final</u>         |                       |   |
| <b>REVENUES:</b>   |                         |                      |                       |   |
| Property taxes   | \$6,086,500             | \$6,460,594          | \$6,588,719           | \$128,125   |
| Sales taxes  | 215,000                 | 106,698              | 172,585               | 65,887  |
| Other taxes  | 695,000                 | 795,000              | 826,998               | 31,998  |
| Permits and licenses   | 150,000                 | 225,000              | 217,032               | (7,968)   |
| Fines and forfeitures  | 19,525                  | 19,525               | 42,899                | 23,374  |
| From other governmental agencies                             | 27,895                  | 27,895               | 64,096                | 36,201  |
| Service charges  | 1,502,125               | 1,326,464            | 1,512,547             | 186,083   |
| Use of money and property                                    | 315,348                 | 205,348              | 253,055               | 47,707  |
| Other  | 24,286                  | 59,986               | 89,618                | 29,632  |
| <b>Total Revenues</b>  | <u>9,035,679</u>        | <u>9,226,510</u>     | <u>9,767,549</u>      | <u>541,039</u>  |
| <b>EXPENDITURES:</b>   |                         |                      |                       |   |
| Current:   |                         |                      |                       |   |
| General government   |                         |                      |                       |   |
| City council   | 22,382                  | 22,382               | 13,784                | 8,598   |
| Administration   | 794,560                 | 805,388              | 807,275               | (1,887)   |
| City attorney  | 423,000                 | 461,000              | 454,304               | 6,696   |
| Finance  | 531,584                 | 615,145              | 816,927               | (201,782)   |
| Non-departmental   | 433,477                 | 536,984              | 484,552               | 52,432  |
| <b>General government total</b>                              | 2,205,003               | 2,440,899            | 2,576,842             | (135,943)   |
| Planning   | 196,257                 | 196,257              | 195,255               | 1,002   |
| Building   | 1,012,547               | 1,068,155            | 1,068,429             | (274)   |
| Public works   | 1,783,425               | 1,951,656            | 1,945,964             | 5,692   |
| Police   | 5,040,639               | 5,473,023            | 5,359,631             | 113,392   |
| Capital outlay   | 78,671                  | 78,671               | 62,271                | 16,400  |
| <b>Total Expenditures</b>                                    | <u>10,316,542</u>       | <u>11,208,661</u>    | <u>11,208,392</u>     | <u>136,212</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(1,280,863)</u>      | <u>(1,982,151)</u>   | <u>(1,440,843)</u>    | <u>541,308</u>  |
| <b>OTHER FINANCING SOURCES USES</b>                          |                         |                      |                       |   |
| Transfer in (Note 4)   | 780,863                 | 863,598              | 863,598               |   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>(\$500,000)</u>      | <u>(\$1,118,553)</u> | <u>(\$577,245)</u>    | <u>541,308</u>  |
| Fund balance, beginning of year                              |                         |                      | 7,203,276             |   |
| Fund balance, end of year                                    |                         |                      | <u>\$6,626,031</u>    |   |

See accompanying notes to financial statements

TOWN OF ATHERTON  
SPECIAL TAX SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

|   | <u>Budgeted Amounts</u> |                  | <u>Actual Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|------------------|-----------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                       |   |
| <b>REVENUES:</b>                            |                         |                  |                       |   |
| Special assessments                         | \$1,858,000             | \$1,858,000      | \$1,854,487           | (\$3,513)   |
| Use of money and property                   |                         |                  | 19,039                | 19,039  |
| Other Revenue                               |                         |                  | 1,984                 | 1,984   |
| <b>Total Revenues</b>                       | <u>1,858,000</u>        | <u>1,858,000</u> | <u>1,875,510</u>      | <u>17,510</u>   |
| <b>EXPENDITURES:</b>                        |                         |                  |                       |   |
| Current:                                    |                         |                  |                       |   |
| General government                          | 1,500                   | 21,500           | 1,474                 | 20,026  |
| Public works                                | 75,000                  | 215,229          | 160,571               | 54,658  |
| Capital outlay                              | 2,859,806               | 1,695,789        | 686,909               | 1,008,880   |
| <b>Total Expenditures</b>                   | <u>2,936,306</u>        | <u>1,932,518</u> | <u>848,954</u>        | <u>1,083,564</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                  |                       |   |
| Transfers (out) (Note 4)                    | (780,863)               | (780,863)        | (780,863)             |   |
| <b>Total Other Financing Sources (Uses)</b> | <u>(780,863)</u>        | <u>(780,863)</u> | <u>(780,863)</u>      |   |
| <b>Net change in fund balance</b>           | <u>(1,859,169)</u>      | <u>(855,381)</u> | 245,693               | <u>(1,101,074)</u>  |
| Fund Balance, beginning of year             |                         |                  | <u>2,466,575</u>      |   |
| Fund Balance, end of year                   |                         |                  | <u>\$2,712,268</u>    |   |

See accompanying notes to financial statements

TOWN OF ATHERTON  
LIBRARY SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

|                             | Budgeted Amounts |                | Actual Amounts     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|------------------|----------------|--------------------|---|
|                             | Original         | Final          |                    |   |
| REVENUES:                   |                  |                |                    |   |
| Property taxes              | \$625,000        | \$625,000      | \$900,000          | \$275,000   |
| Use of money and property   | 20,000           | 20,000         | 30,808             | 10,808  |
| Total Revenues              | <u>645,000</u>   | <u>645,000</u> | <u>930,808</u>     | <u>285,808</u>  |
| EXPENDITURES:               |                  |                |                    |   |
| Library Maintenance         | <u>46,888</u>    | <u>51,888</u>  | <u>37,080</u>      | <u>14,808</u>   |
| Total Expenditures          | <u>46,888</u>    | <u>51,888</u>  | <u>37,080</u>      | <u>14,808</u>   |
| NET CHANGES IN FUND BALANCE | <u>598,112</u>   | <u>593,112</u> | 893,728            | <u>300,616</u>  |
| BEGINNING FUND BALANCE      |                  |                | <u>4,020,480</u>   |   |
| ENDING FUND BALANCE         |                  |                | <u>\$4,914,208</u> |   |

See accompanying notes to financial statements

TOWN OF ATHERTON  
STATE GRANT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

|                                      | <u>Budgeted Amounts</u> |              | <u>Actual Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|--------------|-----------------------|---|
|                                      | <u>Original</u>         | <u>Final</u> |                       |   |
| REVENUES                             |                         |              |                       |   |
| From other agencies                  |                         |              |                       |   |
| Use of money and property            |                         |              |                       |   |
| Other revenue                        |                         |              |                       |   |
| Total Revenues                       |                         |              |                       |   |
| EXPENDITURES                         |                         |              |                       |   |
| Current:                             |                         |              |                       |   |
| Public Works                         |                         |              |                       |   |
| Capital outlay                       |                         |              |                       |   |
| Total Expenditures                   |                         |              |                       |   |
| OTHER FINANCING SOURCES (USES)       |                         |              |                       |   |
| Transfers in (Note 4)                |                         |              | \$10,846              | (\$10,846)  |
| Total Other Financing Sources (Uses) |                         |              | 10,846                | (10,846)  |
| NET CHANGE IN FUND BALANCES          |                         |              | 10,846                | (10,846)  |
| BEGINNING FUND BALANCE               |                         |              | (10,846)              |   |
| ENDING FUND BALANCE                  |                         |              |                       |   |

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## **PROPRIETARY FUNDS**

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

### **INTERNAL SERVICE FUND**

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

TOWN OF ATHERTON  
 PROPRIETARY FUND  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2010

|                                | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--------------------------------|---|
|                                |   |
| <b>ASSETS</b>                  |   |
| Current assets                 |   |
| Cash and investments (Note 3)  | \$1,790,351   |
| Noncurrent Assets:             |   |
| Capital assets (Note 5):       |   |
| Depreciable                    | 1,082,462   |
| Less accumulated depreciation  | (593,179)   |
| Total capital assets           | 489,283   |
| Total noncurrent assets        | 489,283   |
| Total Assets                   | 2,279,634   |
| <b>LIABILITIES</b>             |   |
| Current liabilities:           |   |
| Accounts payable               | 36,857  |
| Compensated absences (Note 1F) | 386,611   |
| Long-term debt (Note 6)        | 131,330   |
| Total current liabilities      | 554,798   |
| Non-current liabilities:       |   |
| Compensated absences (Note 1F) | 358,052   |
| Long-term debt (Note 6)        | 369,660   |
| Net OPEB obligation (Note 9)   | 639,673   |
| Claims payable (Note 10)       | 44,504  |
| Total noncurrent liabilities   | 1,411,889   |
| Total Liabilities              | 1,966,687   |
| NET ASSETS (Note 7)            |   |
| Invested in capital assets     | 489,283   |
| Unrestricted                   | (176,336)   |
| Total Net Assets               | \$312,947   |

See accompanying notes to financial statements

TOWN OF ATHERTON  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010

|   | Governmental<br>Activities-<br>Internal Service<br>Funds |
|---|--|
| <b>OPERATING REVENUES</b>               |  |
| Charges for services                    | <u>\$1,435,271</u>                                       |
| Total Operating Revenues                | <u>1,435,271</u>   |
| <b>OPERATING EXPENSES</b>               |  |
| Insurance                               | 653,358  |
| OPEB expense                            | 832,969  |
| Supplies and maintenance                | 18,294   |
| Employee benefits earned                | 744,663  |
| Depreciation                            | <u>114,271</u>   |
| Total Operating Expenses                | <u>2,363,555</u>   |
| Operating Income                        | <u>(928,284)</u>   |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |  |
| Interest income                         | <u>9,444</u>   |
| Total Nonoperating Revenues             | <u>9,444</u>   |
| Income Before Transfers                 | (918,840)  |
| Change in net assets                    | <u>(918,840)</u>   |
| <b>BEGINNING NET ASSETS</b>             | <u>1,231,787</u>   |
| <b>ENDING NET ASSETS</b>                | <u><u>\$312,947</u></u>                                  |

See accompanying notes to financial statements

TOWN OF ATHERTON  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2010

|  | Governmental<br>Activities-<br>Internal Service<br>Funds |
|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |
| Interdepartmental charges  | \$1,435,271  |
| Payments to suppliers  | <u>(447,865)</u>   |
| Cash Flows from Operating Activities   | <u>987,406</u>   |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                          |  |
| Acquisition of capital assets, net   | <u>(105,194)</u>   |
| Cash Flow from Capital and Related Financing Activities  | <u>(105,194)</u>   |
| <br><b>CASH FLOWS FORM INVESTING ACTIVITIES</b>  |  |
| Interest Income  | <u>9,444</u>   |
| Cash Flow from Investing Activities  | <u>9,444</u>   |
| Net Cash Flow  | 891,656  |
| Cash and investments at beginning of period  | <u>898,695</u>   |
| Cash and investment at end of period   | <u><u>\$1,790,351</u></u>                                |
| <br><b>Reconciliation of Operating Income (Loss) to Cash Flows<br/>from Operating Activities</b> |  |
| Operating income   | (\$928,284)  |
| Adjustments to reconcile operating income to cash flows<br>from operating activities:            |  |
| Depreciation   | 114,271  |
| Compensated absences   | 744,663  |
| Changes in assets and liabilities:   |  |
| Accounts payable   | (104,081)  |
| Accrued liabilities  | (24,330)   |
| Long term debt   | 500,990  |
| Net OPEB obligation  | 639,673  |
| Claims payable   | <u>44,504</u>  |
| Cash Flows from Operating Activities   | <u><u>\$987,406</u></u>                                  |

See accompanying notes to financial statements

|                        |
|------------------------|
| <b>FIDUCIARY FUNDS</b> |
|------------------------|

***FIDUCIARY FUNDS***

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

TOWN OF ATHERTON  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|                               | <u>Agency<br/>Funds</u> |
|-------------------------------|-------------------------|
| <b>ASSETS</b>                 |                         |
| Cash and investments (Note 3) | <u>\$31,705</u>         |
| Total Assets                  | <u><u>\$31,705</u></u>  |
| <b>LIABILITIES</b>            |                         |
| Deposits payable              | <u>\$31,705</u>         |
| Total Liabilities             | <u><u>\$31,705</u></u>  |

See accompanying notes to financial statements

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

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

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

**A. Reporting Entity**

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

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

**B. Basis of Presentation**

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

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

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

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

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

**C. Major Funds**

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

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

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

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

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

**State Grant Special Revenue Fund** - Accounts for various grant funds received for capital improvement projects including park grants.

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

The Town also reports the following fund types:

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

**D. Basis of Accounting**

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

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

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

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

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

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**E. Property Tax**

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

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

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

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

**F. Compensated Absences**

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

The changes of the compensated absences were as follows:

|                   |                  |
|-------------------|------------------|
| Beginning Balance | \$827,762        |
| Additions         | 351,748          |
| Payments          | <u>(434,847)</u> |
| Ending Balance    | <u>\$744,663</u> |
| Current Portion   | <u>\$386,611</u> |

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**G. Expenditures in Excess of Budget**

The funds below incurred expenditures in excess of their budgets in the amounts below for the year ended June 30, 2010:

| Fund Name                                      | Amount    |
|--|-----------|
| General Fund:                                  |           |
| General Government                             | \$135,943 |
| Building                                       | 274       |
| Road Construction Special Revenue Fund         | 159,136   |
| Channel Drainage District Capital Project Fund | 35,380    |

**H. Closed Funds**

During the fiscal year ended June 30, 2010, the Town closed State Grant Special Revenue Fund and Police on the Street Special Revenue Fund.

**I. New Fund**

During the fiscal year ended June 30, 2010, the Town recategorized Evans Creative Design Fund from an agency fund type to a special revenue fund type.

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budgets and Budgetary Accounting**

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

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

The following funds were not budgeted for:

- Police on the Street Special Revenue Fund
  - Evans Creative Design Special Revenue Fund
  - Storm Drainage Capital Projects Fund
  - Facilities Construction Capital Projects Fund
- Budgets for the general and certain special revenue are adopted on a basis consistent with generally accepted accounting principles (GAAP).
  - Budgets for capital projects are adopted on a project life basis.

**NOTE 3 - CASH AND INVESTMENTS**

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

**A. Policies**

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**B. Classification**

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

|   |              |
|---|--------------|
| <i>Statement of Net Assets</i>                |              |
| Cash and investments available for operations | \$20,319,506 |
| <i>Fiduciary Funds</i>                        |              |
| Cash and investments available for operations | 31,705       |
| Total Cash and Investments                    | \$20,351,211 |

Cash and investments as of June 30, 2010 consist of the following:

|                            |              |
|----------------------------|--------------|
| Cash on hand               | \$973        |
| Cash in Bank               | 1,020,985    |
| Investments                | 19,329,253   |
| Total Cash and Investments | \$20,351,211 |

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

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

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

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

**D. Interest Rate Risk**

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

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

| Investment Type                         | 12 Months or<br>less | 13 to 24<br>Months | 25 to 60<br>Months | Total                      |
|---|----------------------|--------------------|--------------------|----------------------------|
| U.S. Treasury Obligations               | \$502,225            | \$1,004,550        |                    | \$1,506,775                |
| U.S. Agency Securities                  | 3,513,125            | 1,006,720          | \$2,515,945        | 7,035,790                  |
| San Mateo County Investment Fund        | 1,218,184            |                    |                    | 1,218,184                  |
| California Local Agency Investment Fund | 9,508,704            |                    |                    | 9,508,704                  |
| Money Market Mutual Fund                | 59,800               |                    |                    | 59,800                     |
| Total Investments                       | <u>14,802,038</u>    | <u>2,011,270</u>   | <u>2,515,945</u>   | <u>19,329,253</u>          |
| Cash in Banks                           |                      |                    |                    | 1,020,985                  |
| Petty Cash                              |                      |                    |                    | <u>973</u>                 |
| Total Cash                              |                      |                    |                    | <u>1,021,958</u>           |
| Total Cash and Investments              |                      |                    |                    | <u><u>\$20,351,211</u></u> |

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual Standard and Poor's investment ratings as of June 30, 2010 are as follows:

| Investment Type                         | AAA                | AAAm-G          | Not Rated           | Total               |
|---|--------------------|-----------------|---------------------|---------------------|
| U.S. Agency Securities                  | 7,035,790          |                 |                     | \$7,035,790         |
| U.S. Treasury Obligations               |                    |                 | \$1,506,775         | 1,506,775           |
| San Mateo County Investment Fund        |                    |                 | 1,218,184           | 1,218,184           |
| California Local Agency Investment Fund |                    |                 | 9,508,704           | 9,508,704           |
| Money Market Mutual Fund                |                    | \$59,800        |                     | 59,800              |
| Total Investments                       | <u>\$7,035,790</u> | <u>\$59,800</u> | <u>\$12,233,663</u> | <u>\$19,329,253</u> |

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**F. Concentration of Credit Risk**

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total Entity-wide investments are as follows at June 30, 2010:

| Major Fund   | Issuer                                | Investment Type           | Reported Amount |
|--------------|---------------------------------------|---------------------------|-----------------|
| General Fund | Federal National Mortgage Association | Federal Agency Securities | \$3,016,575     |
| General Fund | Federal Home Loan Bank                | Federal Agency Securities | 1,511,405       |
| General Fund | Federal Farm Credit Bank              | Federal Agency Securities | 2,003,905       |

**G. Local Agency Investment Fund**

The Town is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporation. At June 30, 2010, these investments matured in an average of 203 days.

**H. San Mateo County Investment Fund**

The Town is a voluntary participant in the San Mateo County Investment Fund (SMCIF) that is regulated by California Government Code Section 53600 under the oversight of the treasurer of the County of San Mateo. The Town reports its investment in SMCIF at the fair value amount provided by SMCIF. The balance available for withdrawal is based on the accounting records maintained by SMCIF, which are recorded on an amortized cost basis. Included in SMCIF's investment portfolio are U.S. Treasury Notes, obligations issued by agencies of the U.S. Government, LAIF, corporate notes, commercial paper, collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporation. At June 30, 2010, these investments matured in an average of 1 year.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. Interfund balances as of June 30, 2010, are as follows:

| <u>Due From Other Funds</u> | <u>Due To Other Funds</u>                            |                 |
|-----------------------------|--|-----------------|
| General Fund                | <b>Special Revenue Fund:</b>                         |                 |
|                             | Supplemental Law Enforcement Services/<br>COPS Grant | \$1,453         |
|                             | Traffic congestion relief                            | 10,134          |
|                             | Capital Improvement Capital Project Funds            | <u>4,863</u>    |
|                             |  | <u>\$16,450</u> |

**B. Transfers Between Funds**

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

Transfers between funds during the fiscal year ended June 30, 2010 were as follows:

| <u>Fund Receiving Transfer</u>   | <u>Fund Making Transfer</u>                   | <u>Amount Transferred</u> |
|----------------------------------|---|---------------------------|
| General Fund                     | Special Tax Special Revenue Fund              | \$780,863 (A)             |
|                                  | Facilities Construction Capital Projects Fund | 82,735 (B)                |
| State Grant Special Revenue Fund | Capital Improvement Capital Projects Fund     | <u>10,846 (C)</u>         |
|                                  |   | <u>\$874,444</u>          |

- (A) Transfer was used to fund Police services
- (B) Transfer was used to fund Capital projects
- (C) Transfer was used to close out funds

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 5 - CAPITAL ASSETS**

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

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

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

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

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**A. Current Year Capital Asset Activities**

| <i>Governmental activities</i>             | Balance<br>July 1, 2009 | Additions  | Retirements | Transfers   | Balance<br>June 30, 2010 |
|--|-------------------------|------------|-------------|-------------|--------------------------|
| <b>General Capital Assets</b>              |                         |            |             |             |                          |
| Capital assets not being depreciated:      |                         |            |             |             |                          |
| Land                                       | \$690,884               |            |             |             | \$690,884                |
| Construction in progress                   | 553,959                 | \$489,791  | (\$54,804)  | (\$320,235) | 668,711                  |
| Total non-depreciable capital assets       | 1,244,843               | 489,791    | (54,804)    | (320,235)   | 1,359,595                |
| Capital assets being depreciated:          |                         |            |             |             |                          |
| Buildings                                  | 1,843,678               | 53,575     |             |             | 1,897,253                |
| Other improvements                         | 1,007,712               | 127,806    | (9,850)     |             | 1,125,668                |
| Computer equipment and software            | 187,893                 |            |             |             | 187,893                  |
| Furniture & Fixture                        | 79,312                  |            |             |             | 79,312                   |
| Vehicle                                    |                         | 11,847     |             | 20,220      | 32,067                   |
| Machinery & Equipment                      | 418,923                 | 13,786     | (10,260)    | 6,000       | 428,449                  |
| Infrastructure                             | 50,525,000              | 1,021,404  |             | 294,015     | 51,840,419               |
| Total capital assets being depreciated     | 54,062,518              | 1,228,418  | (20,110)    | 320,235     | 55,591,061               |
| Less accumulated depreciation for:         |                         |            |             |             |                          |
| Buildings                                  | 780,405                 | 47,510     |             |             | 827,915                  |
| Other improvements                         | 590,224                 | 37,298     | (9,850)     |             | 617,672                  |
| Computer equipment and software            | 98,853                  | 54,359     |             |             | 153,212                  |
| Furniture & Fixture                        | 65,971                  | 2,965      |             |             | 68,936                   |
| Vehicles                                   |                         | 3,066      |             |             | 3,066                    |
| Machinery & Equipment                      | 307,226                 | 23,636     | (10,260)    |             | 320,602                  |
| Infrastructure                             | 24,895,408              | 1,610,918  |             |             | 26,506,326               |
| Total accumulated depreciation             | 26,738,087              | 1,779,752  | (20,110)    |             | 28,497,729               |
| Net capital assets being depreciated       | 27,324,431              | (551,334)  |             | 320,235     | 27,093,332               |
| General capital assets, net                | \$28,569,274            | (\$61,543) | (\$54,804)  |             | \$28,452,927             |
| <b>Internal Service Funds</b>              |                         |            |             |             |                          |
| Depreciable capital assets:                |                         |            |             |             |                          |
| Vehicles                                   | 878,792                 | 83,423     | (102,154)   |             | 860,061                  |
| Computer Equipment                         | 194,953                 | 27,448     |             | (38,931)    | 183,470                  |
| Other Equipment                            |                         |            |             | 38,931      | 38,931                   |
| Total depreciable capital assets           | 1,073,745               | 110,871    | (102,154)   |             | 1,082,462                |
| Less: accumulated depreciation for         |                         |            |             |             |                          |
| Vehicles                                   | 525,996                 | 80,043     | (96,477)    |             | 509,562                  |
| Computer Equipment                         | 49,389                  | 30,527     |             | (28,779)    | 51,137                   |
| Other Equipment                            |                         | 3,701      |             | 28,779      | 32,480                   |
| Total accumulated depreciation             | 575,385                 | 114,271    | (96,477)    |             | 593,179                  |
| Internal Service Funds capital assets, net | 498,360                 | (3,400)    | (5,677)     |             | 489,283                  |
| Governmental capital assets, net           | \$29,067,634            | (\$64,943) | (\$60,481)  |             | \$28,942,210             |

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**B. Capital Asset Contributions**

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

**C. Depreciation Allocation**

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

|                                  |                           |
|----------------------------------|---------------------------|
| General government               | \$14,026                  |
| Public Works                     | 1,683,036                 |
| Building                         | 50,475                    |
| Police                           | <u>32,215</u>             |
| Governmental activities subtotal | 1,779,752                 |
| Internal Service Fund            | <u>114,271</u>            |
| Total                            | <u><u>\$1,894,023</u></u> |

**NOTE 6 – LONG TERM DEBT**

**A. Long Term Obligations**

|                                    | Balance<br>June 30, 2009 | Additions        | Balance<br>June 30, 2010 | Current<br>Portion |
|------------------------------------|--------------------------|------------------|--------------------------|--------------------|
| <b>Governmental Activity Debt:</b> |                          |                  |                          |                    |
| Software capital lease             |                          | \$72,990         | \$72,990                 | \$24,330           |
| Workers' compensation assessment   |                          | 428,000          | 428,000                  | 107,000            |
| Total Governmental Activity Debt   |                          | <u>\$500,990</u> | <u>\$500,990</u>         | <u>\$131,330</u>   |

**B. Software capital lease**

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

**C. Workers' Compensation Assessment**

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**D. Debt Service Requirements**

At June 30, 2010, the Software capital lease along with the Workers' compensation assessment payments to maturity were as follows:

| Year ending<br>June30, | Amount           |
|------------------------|------------------|
| 2011                   | \$131,330        |
| 2012                   | 131,330          |
| 2013                   | 131,330          |
| 2014                   | 107,000          |
| Total                  | <u>\$500,990</u> |

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

**A. Net Assets**

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

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

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

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

**B. Fund Balance Reserves**

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds, or represent fund balance of assets not available for expenditures. The Town cannot modify or remove these reserves, which are described below:

Reserve for prepaid expenses represents the portion of fund balance set aside to indicate these items do not represent available, spendable resources even though they are a component of assets.

**C. Fund Balance Designations**

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource use in a future period. Such plans or intentions are subject to change and may not result in expenditure. At June 30, 2010, designations included the following:

Designated for budget stabilization reserve represents the portions of fund balance set aside for economic uncertainty, known or anticipated future obligations.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

Designated for emergency disaster reserve represents the portions of fund balance set aside for unforeseen expenditures such as natural disaster or catastrophic accidents.

Designated for working capital reserve represents the portion of fund balance set aside for sufficient cash flow needs.

Designated for building department operating reserve represents the portion of fund balance set aside for future building department operations needs.

Designated for community tree planting and maintenance reserve represents the portion of fund balance set aside for planting and maintenance of community trees.

**D. Fund Equity**

Fund equity consists of reserved and unreserved amounts. Reserved fund equity represents that portion of a fund balance or retained earnings which has been appropriated for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved.

A portion of unreserved fund balance may be designated to indicate plans for financial resource utilization in a future period, such as for general contingencies or capital projects.

**E. Fund Deficit**

As of June 30, 2010 the Capital Improvement Capital Projects Fund had a fund deficit in the amount of \$658, which is expected to be eliminated by future revenues.

**NOTE 8 – PENSION PLAN**

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

The Town participates in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit cost-sharing pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Town's employees participate in the separate Safety (police - sworn) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and Town resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the Town contributes these amounts. The Plans' provisions and benefits in effect at June 30, 2010 are summarized below:

|   | <u>Safety (Police)</u> | <u>Miscellaneous</u> |
|---|------------------------|----------------------|
| Benefit vesting schedule                  | 5 years of service     | 5 years of service   |
| Benefit payments                          | monthly allowance      | monthly allowance    |
| Retirement age                            | 50                     | 55                   |
| Monthly benefits, as a % of annual salary | 3%                     | 2%                   |
| Required employee contribution rates      | 9%                     | 7%                   |
| Required employer contribution rates      | 31.661%                | 13.103%              |

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 8 – PENSION PLAN (Continued)**

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

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

| Fiscal Year<br>Ending                  | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|--|---------------------------------|-------------------------------------|------------------------------|
| <i>Safety &amp; Miscellaneous Plan</i> |                                 |                                     |                              |
| June 30, 2008                          | \$946,555                       | 100%                                | \$0                          |
| June 30, 2009                          | 1,238,268                       | 100%                                | 0                            |
| June 30, 2010                          | 1,416,695                       | 100%                                | 0                            |

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

As required by State law, effective July 1, 2005, the Town's Miscellaneous and Safety Plans were terminated, and the employees in those plans were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the Town true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The Town satisfied its Miscellaneous and Safety Plans unfunded liabilities by agreeing to contribute to the Side Fund through an addition to its normal contribution rates. The balance of the Miscellaneous Plan's Side Fund was \$793,507 at June 30, 2010, which will be repaid over the next 10 years. The balance of the Safety Plan's Side Fund was \$1,543,496 at June 30, 2010, which will be repaid over the next 7 years.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 8 – PENSION PLAN (Continued)**

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

**State-Wide Safety Plan:**

| Actuarial      |                             |                 |                                 |              |                        |   |
|----------------|-----------------------------|-----------------|---------------------------------|--------------|------------------------|---|
| Valuation Date | Entry Age Accrued Liability | Value of Assets | Unfunded (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | Unfunded (Overfunded) Liability as % of Payroll |
| 2006           | \$7,278,049,834             | \$6,102,615,567 | \$1,175,434,267                 | 83.8%        | \$754,730,438          | 155.7%  |
| 2007           | 7,986,055,176               | 6,826,599,459   | 1,159,455,717                   | 85.5%        | 831,607,658            | 139.4%  |
| 2008           | 8,700,467,733               | 7,464,927,716   | 1,235,540,017                   | 85.8%        | 914,840,596            | 135.1%  |

The Town's Safety Plan represents approximately 0.24%, 0.25%, and 0.27% of the State-wide pool for the years ended June 30, 2008, 2007, and 2006, respectively, based on covered projected payroll of \$2,220,450, \$2,098,737 and \$2,096,174 for those years.

**State-Wide Miscellaneous Plan:**

| Actuarial      |                             |                 |                                 |              |                        |   |
|----------------|-----------------------------|-----------------|---------------------------------|--------------|------------------------|---|
| Valuation Date | Entry Age Accrued Liability | Value of Assets | Unfunded (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | Unfunded (Overfunded) Liability as % of Payroll |
| 2006           | \$2,754,396,608             | \$2,492,226,176 | \$262,170,432                   | 90.5%        | \$699,897,835          | 37.5%   |
| 2007           | 2,611,746,790               | 2,391,434,447   | 220,312,343                     | 91.6%        | 665,522,859            | 33.1%   |
| 2008           | 2,780,280,768               | 2,547,323,278   | 232,957,490                     | 91.6%        | 688,606,681            | 33.8%   |

The Town's Miscellaneous Plan represents approximately 0.37%, 0.39%, and 0.34% of the State-wide pool for the years ended June 30, 2008, 2007, and 2006, respectively, based on covered projected payroll of \$2,572,293; \$2,595,095 and \$2,365,430 for those years.

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 9 – POSTEMPLOYMENT HEALTH CARE BENEFITS**

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

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

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

**Management employees** - For management employees, the Town pays 100% of premiums for any medical coverage and any family status. This is subject to a phase-in over four calendar years (2009 through 2012) from 85% to 100% for pre-age 65 premiums.

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

**APOA miscellaneous employees** - For APOA miscellaneous employees, the Town pays up to a maximum of 90% of Blue Shield premiums. The same four years phase-in applies as for management retirees, except that the phase-in also applies to post-age 65 benefits. The 90% of Blue Shield maximum applies to any medical coverage and any family status. After age 65, the Town pays only 90% of the reduced post age 65 premiums.

**Teamsters** - Teamsters receive the same benefits as APOA, except that the maximum benefit is 95% rather than 90% of Blue Shield premiums.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**A. Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included 4.00% investment rate of return, 3.25% projected annual salary increase, and 5.5% to 8.2% health cost inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

| <b>Annual CalPERS Medical Premium Rate</b> |      |
|--|------|
| <b>Trend Rate Assumption</b>               |      |
| <b>for the Plan Year</b>                   |      |
| <b><u>Beginning</u></b>                    |      |
| January 1, 2010                            | 8.2% |
| January 1, 2011                            | 7.9% |
| January 1, 2012                            | 7.6% |
| January 1, 2013                            | 7.3% |
| January 1, 2014                            | 7.0% |
| January 1, 2015                            | 6.7% |
| January 1, 2016                            | 6.4% |
| January 1, 2017                            | 6.1% |
| January 1, 2018                            | 5.8% |
| January 1, 2019 and thereafter             | 5.5% |

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

**B. Funding Progress and Funded Status**

In fiscal year 2009, the Town made contributions toward the ARC and amortized its net OPEB obligation as presented below:

|  |                             |
|--|-----------------------------|
| Annual required contribution (ARC) and<br>Annual OPEB cost | \$813,147                   |
| Contributions made:  |                             |
| Town's portion of current year premiums paid               | <u>173,474</u>              |
| Contributions less than the ARC                            | <u>639,673</u>              |
| Net OPEB Obligation June 30, 2009                          | <u>                    </u> |
| Net OPEB Obligation June 30, 2010                          | <u><u>\$639,673</u></u>     |

The Plan's annual required contributions and actual contributions for the year ended June 30, 2010 is set forth below:

| Fiscal Year | Annual Required<br>Contribution<br>(ARC) | Actual<br>Contribution | Percentage of<br>ARC Contributed | Net OPEB<br>Obligation |
|-------------|--|------------------------|----------------------------------|------------------------|
| 6/30/2010   | \$813,147                                | \$173,474              | 21%                              | \$639,673              |

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 10 - RISK MANAGEMENT**

**A. Coverage**

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

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

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

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

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

**B. Uninsured Claims**

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

|                                      |                  |                   |
|--------------------------------------|------------------|-------------------|
|                                      | <u>2010</u>      | <u>2009</u>       |
| Beginning balance                    | \$302,249        | \$154,306         |
| Net change in claims liabilities     | 44,504           | 147,943           |
| Claims paid                          | <u>(302,249)</u> | <u>          </u> |
| Ending balance                       | <u>\$44,504</u>  | <u>\$302,249</u>  |
| Claims liabilities due within a year | <u>\$44,504</u>  | <u>\$154,306</u>  |

For the years ended June 30, 2010, 2009, 2008, the amount of settlements did not exceed insurance coverage.

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

**NOTE 11 – JOINT POWERS AUTHORITIES**

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

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

Town/County Association of Governments of San Mateo County was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use and hazardous waste. The Town's contribution to C/CAG was \$31,272 for the year ended June 30, 2010. Financial statements may be obtained by mailing a request to the City San Carlos, 600 Elm Street, San Carlos, CA 9407

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

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

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

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

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

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

**Town of Atherton**  
**Notes to Basic Financial Statements**  
**For the fiscal year ended June 30, 2010**

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

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

**NOTE 12 - CONTINGENT LIABILITIES**

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

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

**NOTE 13 – PROPOSITION 1A SECURITIZATION**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fees, triple flip in lieu sales taxes, and supplemental property taxes apportioned to the City. The state is required to repay the \$442,363 it borrowed from the Town plus interest by June 30, 2013.

Authorized with the 2009-10 State budget package was the Proposition 1A Securitization Program, administered by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. Under the Program, the Town receives cash equal to its share of State borrowings and forgoes interest it otherwise would have received from the State on the unpaid borrowings.

California Communities simultaneously purchased the Proposition 1A receivables from the Town and other participants and issued bonds to provide participants with proceeds to be remitted in two equal installments due on January 15, 2010 and May 3, 2010. All costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. As of June 30, 2010, the Town received both installments due under the Program and recorded them as property taxes in the same manner as if the State had not exercised its rights under Proposition 1A. Since sales proceeds to the Town equal the book value of state borrowings and no gain or loss was incurred.

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**NON-MAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

**TENNIS FUND** accounts for revenues earned and expenditures incurred for the Holbrook-Palmer Park tennis operations.

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

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

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

**POLICE ON THE STREET FUND** accounts for private donations from citizens for police services.

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

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

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

**CAPITAL PROJECTS FUNDS**

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

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

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

TOWN OF ATHERTON  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2010

| SPECIAL REVENUE FUNDS               |          |                     |           |   |                         |
|-------------------------------------|----------|---------------------|-----------|---|-------------------------|
|                                     | Tennis   | County<br>Measure A | Gas Tax   | Supplemental<br>Law<br>Enforcement<br>Services/<br>COPS Grant | Police on<br>the Street |
| <b>ASSETS</b>                       |          |                     |           |   |                         |
| Cash and investment                 | \$20,059 | \$70,695            | \$136,493 |   |                         |
| Receivables                         |          |                     |           |   |                         |
| Taxes                               |          |                     |           |   |                         |
| Grants                              |          |                     |           | \$9,938   |                         |
| Other                               | \$685    |                     |           |   |                         |
| Total Assets                        | \$20,744 | \$70,695            | \$136,493 | \$9,938   |                         |
| <b>LIABILITIES</b>                  |          |                     |           |   |                         |
| Accounts payable                    |          | \$1,390             |           |   |                         |
| Accrued liabilities                 | \$158    |                     |           |   |                         |
| Due to other funds                  |          |                     |           | \$1,453   |                         |
| Deferred revenue                    |          |                     |           |   |                         |
| Total Liabilities                   | 158      | 1,390               |           | 1,453   |                         |
| <b>FUND EQUITY</b>                  |          |                     |           |   |                         |
| Fund balances                       |          |                     |           |   |                         |
| Unreserved, undesignated:           |          |                     |           |   |                         |
| Special Revenue Fund                | \$20,586 | 69,305              | 136,493   | \$8,485   |                         |
| Capital Projects Fund               |          |                     |           |   |                         |
| Total Fund Balances                 | 20,586   | 69,305              | 136,493   | 8,485   |                         |
| Total Liabilities and Fund Balances | \$20,744 | \$70,695            | \$136,493 | \$9,938   |                         |

**SPECIAL REVENUE FUNDS**

**CAPITAL PROJECT FUNDS**

| <u>Road<br/>Construction</u> | <u>Traffic<br/>Congestion<br/>Relief</u> | <u>Evans<br/>Creative<br/>Design</u> | <u>Capital<br/>Improvement</u> | <u>Strom<br/>Drainage</u> | <u>Channel<br/>Drainage<br/>District</u> | <u>Total Nonmajor<br/>Governmental<br/>Funds</u> |
|------------------------------|--|--------------------------------------|--------------------------------|---------------------------|--|--|
| \$517,969                    |  | \$106,708                            | \$12,271                       | \$33,670                  | \$128,855                                | \$1,026,720                                      |
|                              | \$18,918                                 |                                      | 87,384                         |                           | 5,352                                    | 24,270   |
|                              |  |                                      |                                |                           |  | 97,322   |
|                              |  |                                      |                                |                           |  | 685  |
| <u>\$517,969</u>             | <u>\$18,918</u>                          | <u>\$106,708</u>                     | <u>\$99,655</u>                | <u>\$33,670</u>           | <u>\$134,207</u>                         | <u>\$1,148,997</u>                               |
|                              |  |                                      | 9,679                          |                           | \$26,718                                 | \$37,787   |
|                              | \$10,134                                 |                                      | 4,863                          |                           |  | 158  |
|                              |  |                                      | 87,384                         |                           | 5,257                                    | 16,450   |
|                              | 10,134                                   |                                      | 101,926                        |                           | 31,975                                   | 92,641   |
| \$517,969                    | \$8,784                                  | \$106,708                            | (2,271)                        | \$33,670                  | 102,232                                  | 868,330  |
| 517,969                      | 8,784                                    | 106,708                              | (2,271)                        | 33,670                    | 102,232                                  | 133,631  |
| <u>517,969</u>               | <u>8,784</u>                             | <u>106,708</u>                       | <u>(2,271)</u>                 | <u>33,670</u>             | <u>102,232</u>                           | <u>1,001,961</u>                                 |
| <u>\$517,969</u>             | <u>\$18,918</u>                          | <u>\$106,708</u>                     | <u>\$99,655</u>                | <u>\$33,670</u>           | <u>\$134,207</u>                         | <u>\$1,148,997</u>                               |

TOWN OF ATHERTON  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

SPECIAL REVENUE FUNDS

|  | Tennis          | County<br>Measure A | Gas Tax          | Supplemental<br>Law Enforcement<br>Services/<br>COPS Grant | Police on<br>the Street |
|--|-----------------|---------------------|------------------|--|-------------------------|
| <b>REVENUES</b>  |                 |                     |                  |  |                         |
| Property taxes   |                 |                     |                  |  |                         |
| Measure A Grants   |                 | \$224,222           |                  |  |                         |
| From Other Agencies  |                 |                     | \$129,404        | \$100,982  |                         |
| Service Charge   | \$9,060         |                     |                  |  |                         |
| Use of money and property                                    | 160             | 291                 | 489              | 214  | \$2                     |
| Road Impact Fees   |                 |                     |                  |  |                         |
| Other revenues   |                 |                     |                  |  |                         |
| <b>Total Revenues</b>  | <u>9,220</u>    | <u>224,513</u>      | <u>129,893</u>   | <u>101,196</u>   | <u>2</u>                |
| <b>EXPENDITURES</b>  |                 |                     |                  |  |                         |
| Current  |                 |                     |                  |  |                         |
| Police   |                 |                     |                  | 100,000  | 112                     |
| Public Works   | 16,279          | 275,982             | 19,710           |  |                         |
| Non-Departmental   |                 |                     |                  |  |                         |
| Capital Outlay   |                 | 12,553              |                  |  | 966                     |
| <b>Total Expenditures</b>                                    | <u>16,279</u>   | <u>288,535</u>      | <u>19,710</u>    | <u>100,000</u>   | <u>1,078</u>            |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(7,059)</u>  | <u>(64,022)</u>     | <u>110,183</u>   | <u>1,196</u>   | <u>(1,076)</u>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                 |                     |                  |  |                         |
| Transfers (out)  |                 |                     |                  |  |                         |
| <b>Total other financing sources and uses</b>                |                 |                     |                  |  |                         |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>(7,059)</u>  | <u>(64,022)</u>     | <u>110,183</u>   | <u>1,196</u>   | <u>(1,076)</u>          |
| <b>BEGINNING FUND BALANCES</b>                               | <u>27,645</u>   | <u>133,327</u>      | <u>26,310</u>    | <u>7,289</u>   | <u>1,076</u>            |
| <b>ENDING FUND BALANCES</b>                                  | <u>\$20,586</u> | <u>\$69,305</u>     | <u>\$136,493</u> | <u>\$8,485</u>   |                         |

| SPECIAL REVENUE FUNDS |                                 |                             | CAPITAL PROJECT FUNDS  |                   |                                 | Total<br>Nonmajor<br>Governmental<br>Funds |
|-----------------------|---------------------------------|-----------------------------|------------------------|-------------------|---------------------------------|--|
| Road<br>Construction  | Traffic<br>Congestion<br>Relief | Evans<br>Creative<br>Design | Capital<br>Improvement | Storm<br>Drainage | Channel<br>Drainage<br>District |  |
|                       |                                 |                             |                        |                   | \$73,402                        | \$73,402                                   |
|                       | \$67,750                        |                             | \$376,985              |                   |                                 | 224,222                                    |
| \$3,878               | 161                             | 784                         | (884)                  | \$250             | 897                             | 675,121                                    |
| 88,848                |                                 |                             |                        |                   |                                 | 9,060                                      |
|                       |                                 | 115,892                     |                        |                   |                                 | 6,242                                      |
|                       |                                 |                             |                        |                   |                                 | 88,848                                     |
|                       |                                 |                             |                        |                   |                                 | 115,892                                    |
| 92,726                | 67,911                          | 116,676                     | 376,101                | 250               | 74,299                          | 1,192,787                                  |
|                       |                                 |                             |                        |                   |                                 | 100,112                                    |
| 2,008                 | 122,725                         |                             |                        | 3,600             | 97,970                          | 538,274                                    |
|                       |                                 | 9,968                       |                        |                   |                                 | 9,968                                      |
| 326,883               |                                 |                             | 468,452                |                   |                                 | 808,854                                    |
| 328,891               | 122,725                         | 9,968                       | 468,452                | 3,600             | 97,970                          | 1,457,208                                  |
| (236,165)             | (54,814)                        | 106,708                     | (92,351)               | (3,350)           | (23,671)                        | (264,421)                                  |
|                       |                                 |                             | (10,846)               |                   |                                 | (10,846)                                   |
|                       |                                 |                             | (10,846)               |                   |                                 | (10,846)                                   |
| (236,165)             | (54,814)                        | 106,708                     | (103,197)              | (3,350)           | (23,671)                        | (275,267)                                  |
| 754,134               | 63,598                          |                             | 100,926                | 37,020            | 125,903                         | 1,277,228                                  |
| \$517,969             | \$8,784                         | \$106,708                   | (\$2,271)              | \$33,670          | \$102,232                       | \$1,001,961                                |

TOWN OF ATHERTON  
 BUDGETED NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SPECIAL REVENUE FUNDS

|  | Tennis        |                 |                                    | County Measure A |                 |                                    |
|--|---------------|-----------------|------------------------------------|------------------|-----------------|------------------------------------|
|  | Budget        | Actual          | Variance<br>Positive<br>(Negative) | Budget           | Actual          | Variance<br>Positive<br>(Negative) |
| REVENUES   |               |                 |                                    |                  |                 |                                    |
| Property taxes   |               |                 |                                    |                  |                 |                                    |
| Measure A grants   |               |                 |                                    | \$205,000        | \$224,222       | \$19,222                           |
| From other agencies  |               |                 |                                    |                  |                 |                                    |
| Service charges  | \$12,500      | \$9,060         | (\$3,440)                          |                  |                 |                                    |
| Use of money and property                                    | 100           | 160             | 60                                 |                  | 291             | 291                                |
| Road impact fee  |               |                 |                                    |                  |                 |                                    |
| Other revenue  |               |                 |                                    |                  |                 |                                    |
| <b>Total Revenues</b>  | <b>12,600</b> | <b>9,220</b>    | <b>(3,380)</b>                     | <b>205,000</b>   | <b>224,513</b>  | <b>19,513</b>                      |
| EXPENDITURES   |               |                 |                                    |                  |                 |                                    |
| Current  |               |                 |                                    |                  |                 |                                    |
| General Government   |               |                 |                                    |                  |                 |                                    |
| Police   |               |                 |                                    |                  |                 |                                    |
| Public Works   | 23,198        | 16,279          | 6,919                              | 162,801          | 275,982         | (113,181)                          |
| Capital Outlay   |               |                 |                                    | 175,526          | 12,553          | 162,973                            |
| <b>Total Expenditures</b>                                    | <b>23,198</b> | <b>16,279</b>   | <b>6,919</b>                       | <b>338,327</b>   | <b>288,535</b>  | <b>49,792</b>                      |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | (10,598)      | (7,059)         | (10,299)                           | (133,327)        | (64,022)        | (30,279)                           |
| OTHER FINANCING SOURCES (USES)                               |               |                 |                                    |                  |                 |                                    |
| Transfers (out)  |               |                 |                                    |                  |                 |                                    |
| <b>Total other financing sources (uses)</b>                  |               |                 |                                    |                  |                 |                                    |
| NET CHANGE IN FUND BALANCES                                  | (10,598)      | (7,059)         | 3,539                              | (133,327)        | (64,022)        | 69,305                             |
| BEGINNING FUND BALANCES                                      |               | 27,645          |                                    |                  | 133,327         |                                    |
| ENDING FUND BALANCES   |               | <u>\$20,586</u> |                                    |                  | <u>\$69,305</u> |                                    |

SPECIAL REVENUE FUNDS

| Gas Tax   |                  |                                    | Supplemental Law<br>Enforcement Services / COPS Grants |                |                                    | Road Construction |                   |                                    |
|-----------|------------------|------------------------------------|--|----------------|------------------------------------|-------------------|-------------------|------------------------------------|
| Budget    | Actual           | Variance<br>Positive<br>(Negative) | Budget   | Actual         | Variance<br>Positive<br>(Negative) | Budget            | Actual            | Variance<br>Positive<br>(Negative) |
| \$100,000 | \$129,404        | \$29,404                           | \$100,000  | \$100,982      | \$982                              |                   |                   |                                    |
|           | 489              | 489                                |  | 214            | 214                                | \$58,824          | \$3,878<br>88,848 | \$3,878<br>30,024                  |
| 100,000   | 129,893          | 29,893                             | 100,000  | 101,196        | 1,196                              | 58,824            | 92,726            | 33,902                             |
| 126,310   | 19,710           | 106,600                            | 100,000  | 100,000        |                                    | 169,755           | 2,008<br>326,883  | (2,008)<br>(157,128)               |
| 126,310   | 19,710           | 106,600                            | 100,000  | 100,000        |                                    | 169,755           | 328,891           | (159,136)                          |
| (26,310)  | 110,183          | (76,707)                           |  | 1,196          | 1,196                              | (110,931)         | (236,165)         | 193,038                            |
| (26,310)  | 110,183          | 136,493                            |  | 1,196          | 1,196                              | (110,931)         | (236,165)         | 193,038                            |
|           | 26,310           |                                    |  | 7,289          |                                    |                   | 754,134           |                                    |
|           | <u>\$136,493</u> |                                    |  | <u>\$8,485</u> |                                    |                   | <u>\$517,969</u>  |                                    |

TOWN OF ATHERTON  
 BUDGETED NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|  | SPECIAL REVENUE FUND      |                |                                    | CAPITAL PROJECTS FUND |                  |                                    |
|--|---------------------------|----------------|------------------------------------|-----------------------|------------------|------------------------------------|
|  | Traffic Congestion Relief |                | Variance<br>Positive<br>(Negative) | Capital Improvement   |                  | Variance<br>Positive<br>(Negative) |
|  | Budget                    | Actual         |                                    | Budget                | Actual           |                                    |
| REVENUES   |                           |                |                                    |                       |                  |                                    |
| Property taxes   |                           |                |                                    |                       |                  |                                    |
| Measure A grants   |                           |                |                                    |                       |                  |                                    |
| From other agencies  | (\$60,000)                | \$67,750       | \$127,750                          | \$1,113,168           | \$376,985        | (\$736,183)                        |
| Service charges  |                           |                |                                    |                       |                  |                                    |
| Use of money and property                                    |                           | 161            | 161                                |                       | (\$884)          | (\$884)                            |
| Road impact fee  |                           |                |                                    |                       |                  |                                    |
| Other revenue  |                           |                |                                    |                       |                  |                                    |
| <b>Total Revenues</b>  | <b>(60,000)</b>           | <b>67,911</b>  | <b>127,911</b>                     | <b>1,113,168</b>      | <b>376,101</b>   | <b>(737,067)</b>                   |
| EXPENDITURES   |                           |                |                                    |                       |                  |                                    |
| Current  |                           |                |                                    |                       |                  |                                    |
| General Government   |                           |                |                                    |                       |                  |                                    |
| Police   |                           |                |                                    |                       |                  |                                    |
| Public Works   | 123,598                   | 122,725        | 873                                |                       |                  |                                    |
| Capital Outlay   |                           |                |                                    | 1,187,860             | 468,452          | \$719,408                          |
| <b>Total Expenditures</b>                                    | <b>123,598</b>            | <b>122,725</b> | <b>873</b>                         | <b>1,187,860</b>      | <b>468,452</b>   | <b>719,408</b>                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | (183,598)                 | (54,814)       | 127,038                            | (74,692)              | (92,351)         | (1,456,475)                        |
| OTHER FINANCING SOURCES (USES)                               |                           |                |                                    |                       |                  |                                    |
| Transfers (out)  |                           |                |                                    |                       | (10,846)         | \$10,846                           |
| <b>Total other financing sources (uses)</b>                  |                           |                |                                    |                       | <b>(10,846)</b>  | <b>10,846</b>                      |
| NET CHANGE IN FUND BALANCES                                  | (183,598)                 | (54,814)       | 127,038                            | (74,692)              | (103,197)        | (1,445,629)                        |
| BEGINNING FUND BALANCES                                      |                           | 63,598         |                                    |                       | 100,926          |                                    |
| ENDING FUND BALANCES   |                           | <u>\$8,784</u> |                                    |                       | <u>(\$2,271)</u> |                                    |

CAPITAL PROJECTS FUND

Channel Drainage District

| <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> |
|------------------|------------------|---|
| (\$82,000)       | \$73,402         | \$155,402                                   |
|                  | 897              | 897   |
| <u>(82,000)</u>  | <u>74,299</u>    | <u>156,299</u>                              |
| 62,590           | 97,970           | (35,380)                                    |
| <u>62,590</u>    | <u>97,970</u>    | <u>(35,380)</u>                             |
| <u>(144,590)</u> | <u>(23,671)</u>  | <u>191,679</u>                              |
|                  |                  |   |
| <u>(144,590)</u> | <u>(23,671)</u>  | <u>191,679</u>                              |
|                  | <u>125,903</u>   |   |
|                  | <u>\$102,232</u> |   |

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## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

TOWN OF A THERTON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

|                                      | Equipment<br>Replacement | Workers'<br>Compensation<br>Insurance | General<br>Liability   | Employee<br>Benefits      | Total                   |
|--------------------------------------|--------------------------|---------------------------------------|------------------------|---------------------------|-------------------------|
| <b>ASSETS</b>                        |                          |                                       |                        |                           |                         |
| Current Assets:                      |                          |                                       |                        |                           |                         |
| Cash and investments                 | \$459,775                | \$509,076                             | \$80,747               | \$740,753                 | \$1,790,351             |
| Total Current Assets                 | <u>459,775</u>           | <u>509,076</u>                        | <u>80,747</u>          | <u>740,753</u>            | <u>1,790,351</u>        |
| Non-Current Assets:                  |                          |                                       |                        |                           |                         |
| Capital assets:                      |                          |                                       |                        |                           |                         |
| Depreciable                          | 1,082,462                |                                       |                        |                           | 1,082,462               |
| Less: accumulated depreciation       | (593,179)                |                                       |                        |                           | (593,179)               |
| Net Capital Asset                    | <u>489,283</u>           |                                       |                        |                           | <u>489,283</u>          |
| Total noncurrent assets              | <u>489,283</u>           |                                       |                        |                           | <u>489,283</u>          |
| Total Assets                         | <u><u>949,058</u></u>    | <u><u>509,076</u></u>                 | <u><u>80,747</u></u>   | <u><u>740,753</u></u>     | <u><u>2,279,634</u></u> |
| <b>LIABILITIES</b>                   |                          |                                       |                        |                           |                         |
| Current liabilities                  |                          |                                       |                        |                           |                         |
| Accounts payable                     | \$36,857                 |                                       |                        |                           | \$36,857                |
| Accrued liability                    |                          |                                       |                        |                           |                         |
| Compensated absences                 |                          |                                       |                        | \$386,611                 | 386,611                 |
| Long-term debt - due within one year | 24,330                   | \$107,000                             |                        |                           | 131,330                 |
| Total current liabilities            | <u>61,187</u>            | <u>107,000</u>                        |                        | <u>386,611</u>            | <u>554,798</u>          |
| Noncurrent liabilities               |                          |                                       |                        |                           |                         |
| Compensated absences                 |                          |                                       |                        | 358,052                   | 358,052                 |
| Long-term debt                       | 48,660                   | 321,000                               |                        |                           | 369,660                 |
| Net OPEB obligations                 |                          |                                       |                        | 639,673                   | 639,673                 |
| Claims Payable                       |                          |                                       | \$44,504               |                           | 44,504                  |
| Total noncurrent liabilities         | <u>48,660</u>            | <u>321,000</u>                        | <u>44,504</u>          | <u>997,725</u>            | <u>1,411,889</u>        |
| Total Liabilities                    | <u>109,847</u>           | <u>428,000</u>                        | <u>44,504</u>          | <u>1,384,336</u>          | <u>1,966,687</u>        |
| <b>NET ASSETS</b>                    |                          |                                       |                        |                           |                         |
| Invested in capital assets           | 489,283                  |                                       |                        |                           | 489,283                 |
| Unrestricted                         | 349,928                  | 81,076                                | 36,243                 | (643,583)                 | (176,336)               |
| Total Net Assets (Deficit)           | <u><u>\$839,211</u></u>  | <u><u>\$81,076</u></u>                | <u><u>\$36,243</u></u> | <u><u>(\$643,583)</u></u> | <u><u>\$312,947</u></u> |

TOWN OF ATHERTON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Equipment<br>Replacement | Workers'<br>Compensation<br>Insurance | General<br>Liability | Employee<br>Benefits | Total       |
|---|--------------------------|---------------------------------------|----------------------|----------------------|-------------|
| <b>OPERATING REVENUES</b>               |                          |                                       |                      |                      |             |
| Charges for services                    | \$123,281                | \$153,248                             | \$226,937            | \$931,805            | \$1,435,271 |
| Total Operating Revenues                | 123,281                  | 153,248                               | 226,937              | 931,805              | 1,435,271   |
| <b>OPERATING EXPENSES</b>               |                          |                                       |                      |                      |             |
| Insurance                               |                          | 461,747                               | 191,611              |                      | 653,358     |
| OPEB expense                            |                          |                                       |                      | 832,969              | 832,969     |
| Supplies and maintenance                | 18,294                   |                                       |                      |                      | 18,294      |
| Other contractual services              |                          |                                       |                      |                      |             |
| Employee benefits earned                |                          |                                       |                      | 744,663              | 744,663     |
| Depreciation                            | 114,271                  |                                       |                      |                      | 114,271     |
| Total Operating Expenses                | 132,565                  | 461,747                               | 191,611              | 1,577,632            | 2,363,555   |
| Operating Income (Loss)                 | (9,284)                  | (308,499)                             | 35,326               | (645,827)            | (928,284)   |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                          |                                       |                      |                      |             |
| Interest income                         | 3,176                    | 3,107                                 | 917                  | 2,244                | 9,444       |
| Total Nonoperating Revenues (Expenses)  | 3,176                    | 3,107                                 | 917                  | 2,244                | 9,444       |
| Income Before Transfers                 | (6,108)                  | (305,392)                             | 36,243               | (643,583)            | (918,840)   |
| Change in Net Assets                    | (6,108)                  | (305,392)                             | 36,243               | (643,583)            | (918,840)   |
| BEGINNING NET ASSETS                    | 845,319                  | 386,468                               |                      |                      | 1,231,787   |
| ENDING NET ASSETS (DEFICIT)             | \$839,211                | \$81,076                              | \$36,243             | (\$643,583)          | \$312,947   |

TOWN OF ATHERTON  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

|  | Equipment<br>Replacement | Workers'<br>Compensation<br>Insurance | General<br>Liability | Employee<br>Benefits | Total              |
|--|--------------------------|---------------------------------------|----------------------|----------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                          |                                       |                      |                      |                    |
| Receipts from other funds  | \$123,281                | \$153,248                             | \$226,937            | \$931,805            | \$1,435,271        |
| Payments to vendors  | (73,715)                 | (33,747)                              | (147,107)            | (193,296)            | (447,865)          |
| Cash Flows from Operating Activities   | <u>49,566</u>            | <u>119,501</u>                        | <u>79,830</u>        | <u>738,509</u>       | <u>987,406</u>     |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                        |                          |                                       |                      |                      |                    |
| Acquisition of capital assets, net   | (105,194)                |                                       |                      |                      | (105,194)          |
| Cash Flows from Capital and Related Financing Activities                               | <u>(105,194)</u>         |                                       |                      |                      | <u>(105,194)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                          |                                       |                      |                      |                    |
| Interest received  | 3,176                    | 3,107                                 | 917                  | 2,244                | 9,444              |
| Cash Flows from Investing Activities   | <u>3,176</u>             | <u>3,107</u>                          | <u>917</u>           | <u>2,244</u>         | <u>9,444</u>       |
| Net Cash Flows   | (52,452)                 | 122,608                               | 80,747               | 740,753              | 891,656            |
| Cash and investments at beginning of period  | 512,227                  | 386,468                               |                      |                      | 898,695            |
| Cash and investments at end of period  | <u>\$459,775</u>         | <u>\$509,076</u>                      | <u>\$80,747</u>      | <u>\$740,753</u>     | <u>\$1,790,351</u> |
| Reconciliation of operating income (loss) to net cash flows from operating activities: |                          |                                       |                      |                      |                    |
| Operating income (loss)  | (\$9,284)                | (\$308,499)                           | \$35,326             | (\$645,827)          | (\$928,284)        |
| Adjustments to reconcile operating income to net cash flows from operating activities: |                          |                                       |                      |                      |                    |
| Depreciation   | 114,271                  |                                       |                      |                      | 114,271            |
| Compensated absences   |                          |                                       |                      | 744,663              | 744,663            |
| Change in assets and liabilities:  |                          |                                       |                      |                      |                    |
| Accounts payable   | (104,081)                |                                       |                      |                      | (104,081)          |
| Accrued liability  | (24,330)                 |                                       |                      |                      | (24,330)           |
| Long term liabilities  | 72,990                   | 428,000                               |                      |                      | 500,990            |
| Net OPEB obligation  |                          |                                       |                      | 639,673              | 639,673            |
| Claims payable   |                          |                                       | 44,504               |                      | 44,504             |
| Cash Flows from Operating Activities   | <u>\$49,566</u>          | <u>\$119,501</u>                      | <u>\$79,830</u>      | <u>\$738,509</u>     | <u>\$987,406</u>   |

## AGENCY FUNDS

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

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

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

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

TOWN OF ATHERTON  
 AGENCY FUNDS  
 STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2010

|   | Balance<br>June 30, 2009 | Additions      | Deductions       | Balance<br>June 30, 2010 |
|---|--------------------------|----------------|------------------|--------------------------|
| <hr/> <u>Evans Creative Design Fund</u> <hr/> |                          |                |                  |                          |
| ASSETS  |                          |                |                  |                          |
| Cash and investments                          | \$116,166                |                | \$116,166        |                          |
| Total assets                                  | <u>\$116,166</u>         |                | <u>\$116,166</u> |                          |
| LIABILITIES                                   |                          |                |                  |                          |
| Deposits payable                              | \$116,166                |                | \$116,166        |                          |
| Total liabilities                             | <u>\$116,166</u>         |                | <u>\$116,166</u> |                          |
| <hr/> <u>Lindenwood Gate Trust</u> <hr/>      |                          |                |                  |                          |
| ASSETS  |                          |                |                  |                          |
| Cash and investments                          | \$249                    |                | 249              |                          |
| Total assets                                  | <u>\$249</u>             |                | <u>\$249</u>     |                          |
| LIABILITIES                                   |                          |                |                  |                          |
| Deposits payable                              | \$249                    |                | \$249            |                          |
| Total liabilities                             | <u>\$249</u>             |                | <u>\$249</u>     |                          |
| <hr/> <u>H-P Park Improvement Fund</u> <hr/>  |                          |                |                  |                          |
| ASSETS  |                          |                |                  |                          |
| Cash and investments                          | \$3,956                  | \$1,919        |                  | \$5,875                  |
| Total assets                                  | <u>\$3,956</u>           | <u>\$1,919</u> |                  | <u>\$5,875</u>           |
| LIABILITIES                                   |                          |                |                  |                          |
| Deposits payable                              | \$3,956                  | \$1,919        |                  | \$5,875                  |
| Total liabilities                             | <u>\$3,956</u>           | <u>\$1,919</u> |                  | <u>\$5,875</u>           |

|                         | <u>Balance<br/>June 30, 2009</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>June 30, 2010</u> |
|-------------------------|----------------------------------|------------------|-------------------|----------------------------------|
| <u>Tree Committee</u>   |                                  |                  |                   |                                  |
| <b>ASSETS</b>           |                                  |                  |                   |                                  |
| Cash and investments    | \$24,907                         | \$923            |                   | \$25,830                         |
| Total assets            | <u>\$24,907</u>                  | <u>\$923</u>     |                   | <u>\$25,830</u>                  |
| <b>LIABILITIES</b>      |                                  |                  |                   |                                  |
| Accounts payable        | \$169                            |                  | \$169             |                                  |
| Deposits payable        | \$24,738                         | \$1,092          |                   | \$25,830                         |
| Total liabilities       | <u>\$24,907</u>                  | <u>\$1,092</u>   | <u>\$169</u>      | <u>\$25,830</u>                  |
| <u>All Agency Funds</u> |                                  |                  |                   |                                  |
| <b>ASSET</b>            |                                  |                  |                   |                                  |
| Cash and investments    | \$145,278                        | \$2,842          | \$116,415         | \$31,705                         |
| Total assets            | <u>\$145,278</u>                 | <u>\$2,842</u>   | <u>\$116,415</u>  | <u>\$31,705</u>                  |
| <b>LIABILITIES</b>      |                                  |                  |                   |                                  |
| Accounts payable        | \$169                            |                  | \$169             |                                  |
| Deposits payable        | \$145,109                        | \$3,011          | \$116,415         | \$31,705                         |
| Total liabilities       | <u>\$145,278</u>                 | <u>\$3,011</u>   | <u>\$116,584</u>  | <u>\$31,705</u>                  |

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

**TOWN OF ATHERTON  
AGREED UPON PROCEDURES REPORT ON  
COMPLIANCE WITH THE PROPOSITION 111  
FOR THE YEAR ENDED JUNE 30, 2011 APPROPRIATIONS LIMIT INCREMENT**

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

We have applied the procedures below to the Gann Appropriations Limit History (Worksheet) for the Town of Atherton, California, for the year ended June 30, 2011. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is intended for the information of management and the City Council. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

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

- A. We obtained the Appropriations Limitation Worksheet and determined that the 2010-2011 Appropriations Limit amounting to \$10,141,898 and annual adjustment factors were adopted by resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the Appropriations Limit by multiplying the 2009-2010 Prior Year Appropriations Limit by the Total Growth Factor and added in the parcel tax revenue adjustment of \$2,787,000.
- C. For the Appropriations Limitation Worksheet, we agreed the Per Capita Income and Town Population Factors to California State Department of Finance Worksheets.

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

*Maze & Associates*

September 28, 2010

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

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

**For the Year Ended June 30, 2010**

ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
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## INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSERTION

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

We have examined management's assertion, included in accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes (the Agreement)* between the Town and the San Mateo County Transportation Authority dated January 21, 2009 that the Town of Atherton complied with the requirements of the Agreement during the year ended June 30, 2010. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based upon our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2010.

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

*Maze & Associates*

September 28, 2010

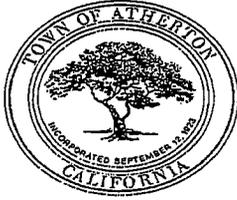
TOWN OF ATHERTON  
 SCHEDULE OF MEASURE A FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

BALANCE SHEET

|                                    |          |
|------------------------------------|----------|
| Assets:                            |          |
| Cash                               | \$70,695 |
| Total Assets                       | \$70,695 |
| Liabilities:                       |          |
| Accounts Payable                   | \$1,390  |
| Total Liabilities                  | 1,390    |
| Fund Balance:                      |          |
| Unreserved, Undesignated           | 69,305   |
| Total Fund Balance                 | 69,305   |
| Total Liabilities and Fund Balance | \$70,695 |

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE

|                                      |           |
|--------------------------------------|-----------|
| Revenues:                            |           |
| Measure A Sales Tax                  | \$224,222 |
| Use of Money & Property              | 291       |
| Total Revenues                       | 224,513   |
| Expenditures:                        |           |
| Street Reconstruction Phase V        | 183,068   |
| Atherton Avenue Economic Stimulus    | 48,859    |
| Encinal Traffic Signal               | 17,949    |
| Engineering Support                  | 13,215    |
| C/CAG Membership Dues and Audit Fee  | 25,444    |
| Total Expenditures                   | 288,535   |
| Excess of Revenues over Expenditures | (64,022)  |
| Fund Balance - July 1, 2009          | 133,327   |
| Fund Balance - June 30, 2010         | \$69,305  |



## Town of Atherton

91 Ashfield Road  
Atherton, California 94027  
Phone: (650) 752-0500  
Fax: (650) 688-6528

September 28, 2010

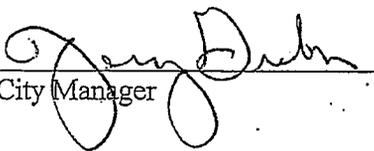
San Mateo County Transportation Authority  
120 San Carlos Avenue  
San Carlos, California 94070

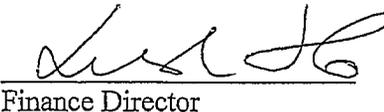
### ***Management's Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purpose***

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

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2010:

- Management is responsible for establishing and maintaining an effective internal control structure with respect to compliance with the Agreement;
- Management is responsible for complying with the Agreement;
- Management has evaluated the Town's compliance with the requirements of the Agreement;
- All Transactions, as summarized in the attached Statement of Revenues and Expenditures for the Year Ended June 30, 2010, are in compliance with the Agreement.

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

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



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: THE AUDIT COMMITTEE (DRAFTED BY LOUISE HO, FINANCE  
DIRECTOR)**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: ACCEPT REPORT FROM THE AUDIT COMMITTEE IN RESPONSE  
TO THE FY 2009-10 AUDIT REPORT**

### **RECOMMENDATION**

Accept the Audit Committee recommendations in response to the FY 2009-10 audit report.

### **DISCUSSION**

The Audit Committee met on October 28, 2010, to receive an update from staff on the external auditor's Interim Accounting Issues Memo and to discuss and review the draft FY 2009-10 Basic Financial Statements and the Memorandum on Internal Control (MOIC) issued by Maze & Associates (external auditor). The MOIC includes recommendations that the external auditor believes to be of benefit to the Town. Mark Wong, audit partner of Maze & Associates, was present at the meeting to explain the audit and MOIC.

In response to the FY 2009-10 audit report, the Audit Committee made the following recommendations and is requesting the City Council to accept.

1. All payments for events at the Holbrook-Palmer (HP) Park be made at the central facility, 91 Ashfield Road, and a receipt be given there; and a calendar be prepared and kept at the Park and also at the central facility delineating what the general event is and how many people will be attending.
2. The Interim Building Official, in accordance with matter referred in the MOIC, to work on a process and written procedures to close out permits and deal with building deposits

on a timely manner no later than January 2011 for the Audit Committee to review; and for the Interim City Manager to keep the Audit Committee apprised of his progress.

3. When contract expires with various bargaining units, the Town look to restrict the work rules so that they are more in accordance with private sectors; reducing such things as vacation days, vacation day carryover, sick, holidays, and contribution to benefits.
4. The Bridge Interim City Manager is to provide a response to the City Council at its December 2010 Council meeting as to a discussion can be brought forward to the Council in a open forum to discuss whether the fund set aside by the Town in the bank account for GASB 45 OPEB (other post-employment benefits other than pension) obligation should be transferred to an irrevocable trust for unfunded retiree health care cost; and staff to research potential providers of a 115 trust not later than January 2011.

### **FISCAL IMPACT**

None

Prepared by:

Approved by:

*/s/ Louise Ho*

*/s/ Nadine Levin*

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Louise Ho, Louise Ho

---

Nadine Levin, Interim City Manager



## ITEM 14

**TOWN OF ATHERTON**

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: Nadine P. Levin, Interim City Manager**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: STAFF RESPONSE TO AUDIT COMMITTEE  
RECOMMENDATIONS**

#### **RECOMMENDATION:**

Accept staff's response to the Audit Committee's recommendations.

#### **BACKGROUND AND DISCUSSION:**

The Audit Committee is charged by the Town Council to act in an advisory capacity and make recommendations to the City Council in all matters pertaining to the Town's annual audit (in addition to other duties related to the external audit process). Committee members have worked diligently with the Finance Director to review the Auditor's Memorandum of Internal Control (MOIC) I for the FY 2009-10 audit and make specific recommendations to address the matters raised by the Auditor.

Agenda Item No. 12 presents the Audit Committee's recommendation in response to two of the items referenced in the Auditor's MOIC. The purpose of this agenda report is to provide the interim City Manager's response to the recommendations and provide a timeline.

Audit Committee Recommendation #1: "All payments for events at the Holbrook-Palmer (HP) Park be made at the central facility, 91 Ashfield Road, and a receipt be given there; and a calendar be prepared and kept not only at the park and but also at the central facility delineating what the general event is and how many people will be attending."

*The external auditor noted in their Interim Accounting Issues Memo dated June 30, 2010 a potential issue with the Cash Receipt control procedures at HP Park. Staff provided them with information on the procedures in place and the auditor did not carry the note into the final MOIC. There may be a continuing concern on the part of the*

*Audit Committee that the current procedures are not adequate and the recommendation to have all payments made at the central facility is an attempt by the Audit Committee to address this concern.*

*If Council directs staff to implement the Audit Committee's recommendation in this area staff will work toward the implementation in a reasonable time frame. There is one potential downside to the implementation and that may be customer reaction if they are physically at HP Park making a reservation to come to the central facility to make the payment. This may or may not actually be a concern and staff is only referencing in an effort to provide Council with staff's thoughts on the subject.*

*Setting up a calendar to be kept both at HP Park and the central facility is technologically fairly simple to accomplish and the only caveat is it should not be for public review since some users may not want their event publicized.*

Audit Committee Recommendation #2: "The Interim Building Official, in accordance with matter referred in the MOIC, to work on a process and written procedures to close out permits and deal with building deposits on a timely manner no later than January 2011 for the Audit Committee to review; and for the Interim City Manager to keep the Audit Committee apprised of his progress."

*The Interim Building Official is reviewing the current processes and procedures and will suggest changes to them to address the issues raised in the MOIC and to reflect best practices. He will make recommendations to the City Manager by December 31, 2010 in order that the City Manager may provide the Audit Committee with recommendations for consideration at the Audit Committee's January, 2011 meeting.*

Audit Committee Recommendation #3: "When contract expires with various bargaining units, the Town look to restrict the work rules so that they are more in accordance with private sector; reducing such things as vacation days, vacation day carryover; sick, holidays, and contribution to benefits."

*Staff will meet with Council in late winter or Early Spring, 2011 to begin to prepare for negotiations with labor groups whose MOU or Resolutions expire on June 30, 2011. The closed session on negotiations will include the City Manager's recommendations for Council's consideration in providing parameters to staff in negotiating the agreements.*

Audit Committee Recommendation #4: "The Bridge Interim City Manager to provide a response to the City Council at its December 2010 Council meeting as to a discussion can be brought forward to the Council in open forum to discuss whether the fund set aside by the Town in the bank account for GASB 45 OPEB (other post-employment benefits other than pension) obligation should be transferred to an irrevocable trust for unfunded retiree health care cost; and staff to research potential providers of a 115 trust not later than January 2011."

*As the Audit Committee is aware there are several considerations in prefunding the Town's OPEB obligations. Considerations are if the Town should maintain the current fund arrangement in a revocable Town fund or establish an irrevocable arrangement (115 Trust) and if one is established with which entity. Maintaining the current situation does not meet the GASB 45 prefunding requirement and that is one important consideration for the Town. Staff is undertaking a review of potential 115 Trust arrangements and will provide Council with an analysis of the pros and cons of a 115 Trust and make a recommendation for the Council's January, 2011 meeting.*



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: ROAD IMPACT FEE REPORT FOR FY 2009-2010 (AB 1600  
STATE REPORTING REQUIREMENT)**

#### **RECOMMENDATION:**

Approve the Road Impact Fee Report for FY 2009-2010.

#### **INTRODUCTION:**

In FY 2009-10 the Town of Atherton had one Development Impact Fee (DIF), a Road Impact Fee (Resolution 05-34 passed on March 16, 2005). The intent of this fee was to allow mitigation of the impacts of private construction which included accelerated wear and tear to the City's roads due to numerous heavy loads brought on by construction activity.

Because the City collected a DIF, Government Code Section 66006 (b)(1) requires the preparation of a report to disclose the financial activity associated with the fee. This staff report and attachments provides the Council and public the opportunity to review the status of the Town's DIF as it pertains to Fiscal Year 2009-10 and complies with State Law.

#### **ANALYSIS:**

Government Code Section 66006 (b)(1) requires a local agency, within 180 days after the last day of each fiscal year, to make available to the public the following information for the fiscal year:

- A) A brief description of the type of fee in the account or fund.

- B) The amount of the fee.
- C) The beginning and ending balance of the account or fund.
- D) The amount of the fees collected and the interest earned.
- E) An identification of each public improvement on which the fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- F) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete.
- G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- H) The amount of refunds made.

The Town's DIF was established on September 20, 2000 and was put into effect on December 18, 2000. A budget was created to spend these monies.

For Fiscal Year 2009-2010 Road Impact funds amounting to \$ were expended as follows:

- Street Reconstruction 5 \$126,673.87
- Street Reconstruction 6 \$169,754.76
- Fletcher/Ridgeview Reconstruction \$30,453.29
- 2009/2010 Street Patch, Seal & Overlay \$2,007.75

As illustrated in the FY2009-2010 Road Impact Fund expenditure budget (part of the Capital Improvement Plan), the funds budgeted were sufficient to complete the budgeted street repairs with a balance remaining.

No interfund transfers or loans were made from the DIF Fund.

### **FISCAL IMPACT:**

The Building Department collected this money for the sole purpose of repairing Town streets. The fee revenue and expenditure plan was included in the 2009-2010 CIP Budget. The fund balance, as of June 30, 2009 was \$754,133.51. Total funds available in FY 2009-10 were \$92,725.37. Budgeted expenditures were \$1,417,736 and actual expenditures were \$328,889.67. The fund balance, as of June 30, 2010 was \$517,969.21.

Now that the Road Impact Fee has been rescinded, the funds available for projects will be reduced or eliminated in future years. The current FY2010-2011 Road Impact Fund budget (part of the Capital Improvement Plan) uses some of the DIF fund to refund fees paid based on the formula approved by Council. The remainder will be available for additional street repair projects.

Prepared By:

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

Approved:

*/s/ Nadine Levin*

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Nadine Levin  
Interim City Manager

Attachments: FY 2009-10 Road Impact Fee Report



**Town of Atherton**  
**DEVELOPMENT IMPACT FEES**  
**ANNUAL REPORT**  
**Fiscal Year 2009-10**  
**(July 1, 2009 to June 30, 2010)**

The following report is prepared to comply with Chapter 66000 of the Government Code with regard to reporting on fees for Land Development Activities. The Town of Atherton had one Development Impact Fee (DIF) in FY 2009-10. The Road Impact Fee was collected to fund road improvements. Resolution No. 05-34, passed in 2005, superseded Resolution 00-27, passed in 2000, raising the fee from 0.5% of permitted value to 0.71%. The resolution enabled the Town to collect development road impact fees to offset the costs of repairing public roads due to increased wear and tear caused by construction activity. The fee was revenue to the road impact fee fund, and capital projects were charged directly against that fund, with no interfund transfers. The fee was rescinded in December 2009.

Fiscal Year 2008-09 financial activity is as follows:

| Fiscal Year | Beginning Fund Balance | Fees Collected | Interest Earned | Net Expenditures | Ending Fund Balance |
|-------------|------------------------|----------------|-----------------|------------------|---------------------|
| 2009-10     | \$754,133.51           | +\$88,847.51   | +\$3,877.86     | -\$328,889.67    | \$517,969.21        |

Amount of Fee: Varies (.0071 X building permit valuation)  
The fee was rescinded in December 2009

Description of Interfund Transfer or loan: None

Amount of Refunds/ Cancellations and Allocations: Refunds/Cancellations \$  
 Budgeted \$1,417,736; Allocations: \$328,889.67  
 - Street Reconstruction 5 \$126,673.87  
 - Street Reconstruction 6 \$169,754.76  
 - Fletcher/Ridgeview Reconstruction \$30,453.29  
 - 2009/2010 Street Patch, Seal & Overlay \$2,007.75

FY 2010-2011

(The fee has been rescinded and funds available will be less or eliminated)

Estimated Revenue/Expenditures \$0 revenue/\$900,000 expenditures

Proposed use of Fund Balances: Refunds; Street Reconstruction  
 Approx. Commencement Date: To Be Determined



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: AMEND THE TOWN LANDSCAPE CONTRACT**

#### **RECOMMENDATION:**

Staff recommends an amendment to the current landscape contract in the amount of \$912.00 per month be added to the current contract price of \$2,083 per month for a total of \$2,995 per month for the remainder of the 2010/11 fiscal year.

#### **INTRODUCTION:**

On October 20, 2010, council approved the award of contract to Frank & Grossman Landscape Contractors the Town Landscape Maintenance Services for \$2,083 per month. They were the low bidder out of a field of three qualified bidders for this work.

Town staff has for a long time performed the maintenance along the shoulders of El Camino Real (under a maintenance agreement with Caltrans) and recently took over maintenance on Middlefield Road, formerly outsourced. Due to the recent tragic accidents along El Camino Real, the level of right shoulder landscape maintenance has been reviewed along both that one-mile strip of El Camino Real through town as well as the one-mile plus long strip of Middlefield Road. Staff recommends that the level of maintenance on these arterial roadways should be increased to improve safety, both for visibility from vehicles and for bicycles and pedestrians using the shoulders.

Our new landscape contractor, Frank and Grossman, was asked to give us a price to perform weekly maintenance along these areas. This maintenance includes pruning, weed control and litter pick up. They were also asked for a price for maintaining the landscape along the lot frontage of the home at 12 Selby Lane (corner of Cebalo). Town staff was been charged with the routine landscape maintenance of this area after planting trees using a tree destruction fine.

The outsourced contractors for both the street department and Holbrook-Palmer Park was eliminated last year. The park outsource cancellation was continued this year. To help meet these reduced budgetary goals and improve park maintenance service levels, the street department currently performs 24 hours of labor per week in the park. The budget for street department outsourced landscaping was added this year to reinstate the level of service for some of the areas covered by the street department and free them for work in the park. The low bids received for the original landscape work (Town Center and El Camino Real medians) leaves sufficient budget to respond to the call for improved safety on El Camino Real and Middlefield Road.

**ANALYSIS:**

The following are the prices given for services for these areas from Frank & Grossman:

| <u>AREA</u>               | <u>SCHEDULE</u> | <u>MO. PRICE</u> |
|---------------------------|-----------------|------------------|
| N/B & S/B ECR shoulders   | Weekly          | \$532.00         |
| N/B & S/B Middlefield     | Weekly          | \$304.00         |
| 12 Selby Lane (at Cebalo) | Weekly          | <u>\$76.00</u>   |
|                           | <b>TOTAL</b>    | <b>\$912.00</b>  |

Staff recommends that these prices are appropriate for the work to be performed.

**FISCAL IMPACT:**

The current price for town landscaping awarded by low bid to Frank & Grossman is \$2083.00 per month. The amendment for approximately 3 miles of shoulder maintenance is \$912 which brings the total to \$2995 per month.

The Town has budgeted \$20,000 for landscape maintenance for FY 2010/11. The Library has budgeted \$10,000 for maintaining their grounds. Together, the price for current services through June of 2011 is \$16,664. \$7296 of that amount will be funded from the Library. The Town funded portion of the work is \$9,368, leaving \$10,632 remaining of the \$20,000 budget.

The remaining six months of the year of this amended contract will cost \$5,472, bringing the total authorization through June 2011 to \$14,840, which is \$5,160 under the \$20,000 budgeted amount. The Library fund will be \$2,704 under their \$10,000 budgeted amount.

In total, this contract will, from November 2010 through June 2011, cost \$22,136 of which \$14,840 will come from public works funding and \$7296 will come from Library funding.

Prepared By:

Approved:

*/s/ Nadine Levin*

---

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

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Nadine Levin  
Interim City Manager



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: AWARD A PURCHASE ORDER TO SERRAMONTE FORD IN THE  
AMOUNT OF \$25,726.75 FOR THE PURCHASE OF ONE FORD F-250  
PICK-UP TRUCK**

#### **RECOMMENDATION:**

Authorize the purchase of one Ford F-250 pick-up truck from Serramonte Ford for a cost of \$25,726.75 including tax and fees.

#### **INTRODUCTION:**

The Public Works Department's 1999 F-250 supervisor's truck has been down due to a transmission issue in early November, 2010. The cost estimate for replacing the transmission in this 4WD truck was estimated at \$3500.00+ by Redwood City shop. That price was for a remanufactured transmission.

This 1999 truck was originally due for replacement in the 2009/2010 fiscal year, but was put off one year to allow for replacement of the 1986 dump truck. Due to the accident last year of our utility body pick-up truck, it was decided to replace it instead of the 1986 dump truck. The dump truck was carried forward to a supplemental request this year (which was not approved) and the F-250 vehicle was moved forward another year. The truck did not last as anticipated.

#### **ANALYSIS:**

Redwood City shop estimated the transmission repairs at \$3500 which is above the current depreciated value of the vehicle which is \$0.00 (as of 12/31/2009) per the Town's financial records.

Staff, with the assistance of the fleet specification experts at the Redwood City equipment facility, developed a specification for the replacement vehicle. The Redwood City shop fleet is standardized on Ford vehicles for shop efficiency. It was decided that this vehicle could be downgraded from its current 4WD status to 2WD which will save a significant amount of money on its replacement.

This specification was sent to three local Ford dealerships with fleet departments. There is no current holder of the California Multiple Awards Schedule (CMAS) for trucks of this specification and new vendors will not be released until next year. The following final bid results include the vehicle price, including tax, warranty and all applicable associated costs with the purchase of the vehicle:

| <b>Dealership</b>  | <b>City</b>        | <b>Vehicle price</b> | <b>Final</b> |
|--------------------|--------------------|----------------------|--------------|
| Serramonte Ford    | Colma              | \$23540.50           | \$25,726.75  |
| Towne Ford         | Redwood City       | \$23562.00           | \$25,748.75  |
| San Francisco Ford | San Francisco Ford | \$23550.00           | \$25,737.13  |
| Downtown Ford*     | Sacramento         | No reply             |              |

\*Downtown Ford was the last CMAS vendor.

**FISCAL IMPACT:**

The F-250 pickup has been paying into the Vehicle Replacement Fund in the amount of \$2,522 for 11 years, therefore there is \$27,742 in the fund for its replacement. A budget amendment for FY 2010-2011 for \$26,000 is recommended, allowing for miscellaneous additions to the vehicle, such as safety equipment and emergency lights. The supervisor's truck will be used daily by the Public Works supervisor, so a new truck should be purchased to replace this vehicle so that it will not need to be replaced for at least 10 years. The base cost of the new truck is \$25,726.75 which will be allocated from the Vehicle Replacement Fund. The additional equipment can be charged to the budget when purchased.

Normally, we would use the CMAS schedule for this type of purchase. There is no current CMAS schedule out for this type of vehicle. Serramonte Ford, the low bidder, beat the last CMAS price of a 2011 utility body pick-up the Town purchased in March of this year. The pricing shows that all the fleet vendors are doing all they can to give us the lowest possible price.

Prepared By:

Approved by:

/s/ *Nadine Levín*

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

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Nadine Levine  
Interim City Manager



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

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

**FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: AWARD OF CONTRACT FOR THE TREE MAINTENANCE  
SERVICE AGREEMENT, PROJECT NUMBER 11-53099, IN AN  
AMOUNT NOT TO EXCEED \$47,000**

#### **RECOMMENDATION:**

Pass a motion to award the contract for the Tree Maintenance Service Agreement, Project Number 11-53009, in an amount not to exceed \$47,000 to the low bidder on the December 15, 2010 bids and to authorize the Mayor to sign the contract on behalf of the Town.

#### **INTRODUCTION:**

The FY 2010-11 adopted Public Works budget includes funds for street and park tree maintenance. This project is for an annual tree trimming contract. Tree work is done for a variety of reasons here in town; including structural improvement, disease control, risk reduction, for vehicular concerns.

#### **ANALYSIS:**

The contractors will bid an hourly crew rate to provide routine pruning, hazardous tree removal and storm damage cleanup of City trees, up to the contract limit of \$47,000. The winning bidder will give us the greatest number of crew hours for the \$47,000.00 contract price. A crew hour consists of two tree workers, a high lift truck and a chipper for one hour, including equipment and excluding travel time.

In order to give the contractors sufficient time to prepare their bids, the bid will be received on December 15, 2010. A separate staff report will be prepared for distribution at the City Council meeting to convey the bid results.

**FISCAL IMPACT:**

Public Works funds in Department 53 - Street Maintenance and Department 57 - Park Maintenance in the amount of \$60,000 are budgeted for this project in FY 2010-11. \$13,000 has already been spent this year on removal of trees with Dutch Elm Disease, leaving \$47,000.

Prepared By:

Approved:

*/s/ Nadine Levin*

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

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Nadine Levin  
Interim City Manager



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: AWARD OF CONTRACT FOR THE POLICE/ADMINISTRATION  
ROOF REPLACEMENT PROJECT, PROJECT NUMBER 56043**

#### **RECOMMENDATION:**

Pass a motion to award the contract for the Police/Administration roof replacement Project, Project Number 56043 to the low bidder on the December 15, 2010 bids, and to authorize the Mayor to sign the contract on behalf of the Town.

#### **INTRODUCTION:**

The FY 2010-11 adopted Capital Improvement Program includes funds for Police/Administration building roof replacements. The need for this project resulted from continuous roof leaks on both of these buildings that staff has tried numerous times to repair and have been unsuccessful. The roofs that are being replaced are the flat sections of the PD, Admin and Lobby of Town hall, and new title 24 compliant roofing materials as well as re-pitching the roofs with rigid insulation will help to drain them properly, as well as providing a more energy efficient roof.

#### **ANALYSIS:**

In order to give the contractors sufficient time to prepare their bids, the bids will be received on December 15, 2010. A separate staff report will be prepared for distribution at the City Council meeting to convey the bid results.

**FISCAL IMPACT:**

\$50,000 is budgeted for this project in FY 2010-11 from CIP Funds. The revised Engineer's Estimate for the project is \$41,000.

Prepared By:

Approved:

*/s/ Nadine Levin*

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

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Nadine Levin  
Interim City Manager



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER

**FROM:** DUNCAN L. JONES, PUBLIC WORKS DIRECTOR

**DATE:** FOR THE MEETING OF DECEMBER 15, 2010

**SUBJECT:** APPROVE AN AGREEMENT WITH THE WEST BAY  
SANITARY DISTRICT

#### **RECOMMENDATION:**

Approve an agreement with the West Bay Sanitary District (WBSD).

#### **INTRODUCTION:**

In 2009 the Town received multiple complaints about the hazardous condition of the pavement on Glenwood Avenue, a designated bicycle route. It was determined that only the sewer trench was failing, and that the remainder of the street was in good condition. The Town repaired the pavement over the sewer trench on Glenwood Avenue after requests to the WBSD to repair it were not effective due to management transition. The cost of the repair was \$64,086.70. After the repair, an invoice was sent to WBSD.

The WBSD is proposing to pay the cost of the repair. There is some issue regarding their responsibility to pay for the repair, and because of this uncertainty the WBSD is also interested in entering into a master agreement to cover the various relations between the two public agencies covering the following items:

1. Payment for the repair of the Glenwood Avenue trench failure
2. 15-year trench guarantee
3. Repairs due a sewer main failure
4. Reduced T-trench standard to one-foot beyond the trench instead of the current five-feet

5. No T-trench for work in anticipation of a Town street project
6. Payment for manhole adjustments on Town street projects
7. Annual encroachment permit for repairs

### **ANALYSIS:**

The Glenwood Avenue trench was constructed in 1993. There is evidence that the Town inspector failed the pavement placed over the trench, and that the Town was persuaded to allow the pavement to remain with assurances it would be repaired if it failed. There does not appear to be any documentation of this agreement. The pavement began failing as identified by reduced Pavement Condition Index (PCI) numbers in our 2003 pavement condition survey, i.e., after the trench pavement was only 10 years old. The 2008 PCI confirmed that the pavement needed repair. WBSD was contacted to make the repair, but at the time WBSD was in management transition and no decision was made to repair it. To avoid potential liability to cyclists, the Town made the repair as a part of an annual patching contract, at a very favorable bid price. In exchange for resolving the issue by payment of the repair invoice, the WBSD would like to enter into this agreement to forestall any future confusion regarding trench pavements.

The WBSD also desires to make this agreement a master agreement regarding relations between the two agencies. The WBSD is an independent public agency formed in 1902 to collect sewage in a service area that included properties that later became Atherton. As public agencies, the relationship between the Town and the WBSD is different than between the Town and a private franchised utility company. The Town's residents pay sewer rates directly related to the cost of all work performed by the WBSD. However, the residents also pay for the upkeep and repair of the streets, primarily through the Parcel Tax. It is in the best interests of the Atherton residents to reduce the total cost of providing both of these facilities.

A major portion of the cost of sewer replacement work is the restoration of the street pavement above the trench. The Town's current T-trench standard of 5-feet on either side of what is usually a five foot wide (or less) trench triples the cost of the restoration work. While it is designed to avoid failure of the pavement due to the trench, often the additional pavement removed is in good shape and will last as long as the rest of the street. Thus if this pavement is not replaced unless it fails, the total cost to the residents of the District is reduced.

The Town's T-trench standard is designed to assure that trenches don't fail for the useful life of the street. If the trench is guaranteed, the T-trench standard can be reduced. A one-foot standard is designed to provide a neat and clean edged patch over the trench after the underground work is done.

Naturally, if any street pavement fails at any time because the sewer line below fails, the WBSD will need to dig up the street, repair the sewer line, and repair the street.

The Town and the WBSD meet annually to discuss upcoming Town street projects and WBSD plans to upgrade their pipes where needed under these streets prior to the paving, with the understanding that the District will not dig up a recently paved street for five years after it is paved, unless sewer repairs are necessary.. Sewer trenches installed before repaving will not require a t-trench or matching existing pavement thickness because the street repaving will compact and pave over the trench area. Once the five years has past, if a sewer replacement is constructed, WBSD will warrant the trench for 15 years. The normal useful life of street pavement is 20 years, thus any trench constructed after the five year moratorium should outlive the street.

Normally a separate agreement is made between the two agencies for each street project and a separate permit issued for each sewer repair encroachment permit. WBSD and the Town desire to reduce the time requirement and work effort required for these projects. In addition, many sewer repairs are needed on a fast track basis, and often on an emergency basis, to repair the sewage collection system and avoid sewer leaks and overflows (which could potentially cause fines to the sewer district). The agreement will simplify this process while continuing to protect the interests of each agency. Blanket agreements for manhole adjustment and blanket encroachment permits are normal between municipalities and special districts. Encroachment permits for sewer replacement projects will still be prepared on an individual basis Sewer replacement projects constructed in advance of street reconstruction are also normally exempt from permit fees because the pavement inspection normally included is not required.

**FISCAL IMPACT:**

The Town will receive payment for the Glenwood Avenue trench repair in the amount of \$64,086.70. The Town will be relieved of the potential burden of repairing failed trenches on otherwise good streets into the future. The Town will continue to be reimbursed for manhole adjustments on Town street projects. The Town's revenue from sewer repair encroachments will be guaranteed each year, although in some years the revenue may be slightly less than would otherwise be collected.

Prepared By:

Approved:

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

*/s/ Nadine Levin*

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Nadine Levin  
Interim City Manager

Attachments: Agreement

**AGREEMENT**  
**BETWEEN THE WEST BAY SANITARY DISTRICT**  
**AND TOWN OF ATHERTON**  
**FOR POST-SEWER REPAIR TRENCH WARRANTY AND STREET RESURFACING**  
**WORK**

This Agreement, entered into this day of \_\_\_\_, November 2010 by and between the West Bay Sanitary District, a public agency of the State of California, hereinafter called the "DISTRICT" and the Town of Atherton, a Municipal Corporation of the State of California, hereinafter called the "CITY";

**WITNESSETH:**

**WHEREAS**, DISTRICT replaced the sanitary sewer along Glenwood Avenue between Middlefield Road and Laurel Street around 1993; and

**WHEREAS**, the CITY issued and approved an encroachment permit for said work along Glenwood Avenue; and

**WHEREAS**, the trench along Glenwood Avenue over the years has weathered and was in need of repair; and

**WHEREAS**, the CITY publicly bid and awarded the project to Bortolotto & Co. of San Carlos to make repairs to CITY roadways in the summer of 2009 and included the repair over the sewer trench along Glenwood Avenue; and

**WHEREAS**, the total road repair project was 32,582 square feet and the sewer trench along Glenwood Avenue was 11,274 square feet;

**WHEREAS**, DISTRICT was invoiced for repairs along Glenwood Avenue on May 1, 2009 for a total of Sixty-four thousand Eighty-six Dollars and Seventy Cents (\$64,086.70); and

**WHEREAS**, the DISTRICT will affect various sewer repairs each year in certain locations within the DISTRICT boundaries and within the CITY limits; and

**WHEREAS**, the underground work and street resurfacing work will be done according to standards; and

reiterated herein as fully as if such provisions had been set forth verbatim in this Agreement.

9 **Copies.** A photostatic or other reproduction of this document shall be as effective, valid and conclusive as the original.

10 **Entire Agreement.** The parties acknowledge that no representations or inducements have been made other than those expressed herein; that this Agreement supersedes any and all prior memoranda, correspondence, conversations, negotiations and agreements pertaining to the matters herein expressed; and that this Agreement constitutes the entire agreement between them

11 **Term of Agreement.** The Agreement will be for a five (5) year period, beginning on the effective date as determined in Section 23. The Agreement shall be automatically renewed each year for an additional term of one (1) year if neither party receives a 180-day written notice from the other party terminating the agreement before the anniversary date.

12 **Modification.** The terms of this Agreement may be modified in whole or in part only by a written instrument signed by CITY and the DISTRICT. Any oral agreement to modify this Agreement shall be void and of no force and effect.

13 **Captions.** The captions and headings of the Paragraphs of this Agreement are for convenience only and may not be used to interpret or define the provisions of this Agreement.

14 **No Waiver.** No waiver of a breach of any of the covenants or promises of this Agreement shall be construed as a waiver of any succeeding breach of the same or other covenant or promise.

15 **Severability.** In the event that any provision or clause of this Agreement conflicts with any applicable law, the other provisions of this Agreement shall be given effect as fully as possible without the conflicting provision, and to this end the provisions of this Agreement are declared to be severable.

16 **References Herein.** Wherever appropriate, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

17 **Successors and Assigns.** The covenants and agreements contained in this Agreement and the obligations created hereunder shall enure to the benefit of and be binding on the DISTRICT, CITY and all successors and assigns, or any part thereof.

18 **Governing Law and Forum.** The validity, construction and effect of this Agreement shall be governed by the laws of the State of California, and the parties hereby consent to the exclusive jurisdiction of the courts of the state of California for resolution of any dispute arising hereunder.

19 **Notices.** Any and all notices permitted or required to be given hereunder shall be deemed duly given and effective (1) upon actual delivery, if delivery is by hand; or (2) five days after delivery into the United States mail if delivery is by postage paid registered or certified (return receipt requested) mail. Each such notice shall be sent to the parties at the address respectively indicated below or to any other address as the respective parties may designate from time to time in writing.

FOR CITY: Town of Atherton  
91 Ashfield Road  
Atherton, CA 94027  
Attn: Duncan Jones, Public Works Director  
Phone: 650-752-0532

FOR DISTRICT: WEST BAY SANITARY DISTRICT  
500 Laurel Street  
Menlo Park, California 94025  
Attn: Phil Scott, District Manager  
Phone: 650.321.0384

20 **Attorneys' Fees.** If either party to this Agreement is required to initiate or defend or is made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition, to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal, and in addition a party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery, and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable if such action is prosecuted to judgment.

21 It is understood and the CITY agrees that upon completion of the work specified under this agreement, and mutual acceptance by the parties hereto, maintenance responsibilities for the street improvements installed under this agreement shall vest in CITY. It is understood and the DISTRICT agrees that upon completion of the work specified under this agreement, and mutual acceptance by the parties hereto, maintenance responsibilities for the sewer improvements installed under this agreement shall vest in DISTRICT.

22 **Indemnity.** The CITY shall indemnify and hold harmless the DISTRICT from all claims, suits, or action of every name, kind and description, arising of or relating to the matters covered by this agreement to the extent such claims, suits or actions are due to the negligence or willful misconduct of the CITY or CITY'S failure to perform obligations required of the CITY under this Agreement.

The DISTRICT shall indemnify and hold harmless the CITY from all claims, suits, or action of every name, kind and description, arising of or relating to the matters



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, CITY MANAGER**

**FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: APPROVE A REQUEST FOR PROPOSALS FOR AN  
ARCHITECT TO PERFORM SITE PLANNING AND  
CONCEPTUAL DESIGN FOR A NEW ATHERTON  
LIBRARY**

#### **RECOMMENDATION:**

Approve a Request for Proposals (RFP) for an architect to perform site planning and conceptual design for a new Atherton Library.

#### **INTRODUCTION:**

A Library Needs Assessment was prepared for the Atherton Library in February 2010 for the San Mateo County Library by Anderson Brulé Architects. The assessment calls for a new and much larger library, which may not fit on the existing site. An architectural firm needs to be retained to study the available sites within Atherton, including the existing site and Holbrook-Palmer Park, and prepare conceptual designs to determine what can be built, and where, on each site. The selected firm will also conduct a public involvement process. The information developed by the architect will inform the environmental process, allowing a locally preferred alternative determination to be made for the project. The environmental process will be managed by the Town planners in the same manner as other significant projects, such as those at Sacred Heart Schools and Menlo School.

**ANALYSIS:**

The Atherton Library Building Steering Committee developed the RFP for the project architect. The RFP was recommended for approval at the Committee's November 29, 2010 meeting.

When approved, the RFP and associated documents will be placed on the town website. Letters or emails will be sent to architect firms known to the Town, the Committee and the Library staff, as well as any architects that have submitted requests to receive the RFP. In addition, the notice will be sent to firms that provide marketing leads to architectural firms, as well as the American Institute of Architects for placement on their website.

**FISCAL IMPACT:**

There will be minimal fiscal impact for circulation of the RFP, including a small amount of staff time and a small amount of postage to mail announcements to architectural firms. The firms will be able to download the RFP at no cost to the Town.

Once proposals are received and evaluated, and a cost proposal negotiated with the top firm, an agreement supported by a budget adjustment will be brought back to Council and the Library Joint Powers Authority.

Library donor funds will be used for all costs associated with the RFP and with hiring the architect.

Prepared By:

Approved:

*/s/ Nadine Levin*

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

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Nadine Levin  
City Manager

Attachments: Request for Proposals

# Request for Proposal

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Atherton Library Building Steering Committee

12/16/2010

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The Town of Atherton seeks a Proposal from licensed architectural design firms with demonstrated experience in public library design for Phase I of the Atherton Library Building project. Phase I includes the Library Building Program, Site Selection, Conceptual Designs, and Cost Models.

## **Town Background**

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The recently published book by Pam Gullard and Nancy Lund describes the Town:

In this pretty town, ancient trees arch over winding lanes along private gardens. For over two hundred years, residents have relished the park-like atmosphere of this peaceful refuge that is now on the edge of Silicon Valley. . . Residents keep a strong sense of community and a desire to preserve the neighborhood's original feeling of the peaceful forest and preserving that sense of rustic beauty. <sup>1</sup>

All of Atherton is a park, said long time Atherton police chief Leroy Hubbard<sup>2</sup>.

Refer to Library Needs Assessment (in Appendix of this document) for additional information.

## **Library Background**

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### **History of Atherton Library Service**

The San Mateo County Library began providing library service to the Atherton community in 1931 in what is now Town Hall. In 1968 the library was relocated in what had been the police chief's house. This is its current location.

In 1999, the San Mateo County Library Joint Powers Authority (JPA) was established. The formation of the JPA shifted governance from the County Board of Supervisors to the JPA Governing Board, which consists of representatives from each member entity. Library

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<sup>1</sup> Gullard, P, and Lund, P. G. (2009). *Under the Oaks, Two Hundred Years of Atherton History*. San Francisco: Scottwall Associates.

<sup>2</sup> Gullard, P, and Lund, P. G. (2009). *Under the Oaks, Two Hundred Years of Atherton History*. San Francisco: Scottwall Associates.

service and operations are provided by the San Mateo County Library and facilities are owned and maintained by each member entity--in this case, by the Town of Atherton.

### **Atherton Library Usage Today**

The Atherton Library welcomed over 80,000 patrons last year and currently holds an average of 21 programs and classes per month.

### **Identified Needs**

Based on expressed interest in the improvement of the Atherton Library and the completion by the Town of a Structural Facility Evaluation, the Library completed a Library Needs Assessment (see Appendix of this document) during FY 2009-10. The Library Needs Assessment findings indicate that the existing facility presents significant barriers to the effective delivery of library services including:

- Inability to house an adequate collection for a community of its size
- A need to increase the number and types of seating available
- A need to increase the number of public computers available
- A need to provide areas for library related programs and events
- A need to create spaces or zones for various uses, such as quiet study areas, browsing areas, and spaces dedicated for children and teens
- Intimate, accessible library

The report recommends that in order to effectively meet identified service needs, the facility would require an increase from the current 4,790 square feet to approximately 11,100 square feet.

### **Project Background**

The Library Needs Assessment was studied by the Atherton Library Needs Task Force and they recommended a new library should be constructed and that the project be overseen by an Atherton Library Building Steering Committee (ALBSC). Council approved the recommendations in June 16, 2010 Resolution No 10-30 Library Partnering (see Appendix of this document). ALBSC has been formed and part of its work is to guide this RFP process.

### **Project Overview**

---

The Town of Atherton and the JPA wish to build a new library that will better serve its community of current and future users. This new library must not only meet the needs of the existing community of users, it must also be designed and programmed to anticipate

and engage the needs and technologies of the next several decades. In addition, the new library could include:

- i. an area to accommodate the Town of Atherton Heritage Association collection, its associated activities and possible display areas for portions of the collection;
- ii. an area to accommodate the Town of Atherton Arts Committee and spaces to display community art;
- iii. outdoor reading, meeting and educational spaces connected to the new library;
- iv. flexible spatial configuration to allow for modular current use, future use, and technology changes.

## **Project Description**

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### **Project Description -- Phase I**

Phase I requires development of concept plans for two sites, described below. The chosen design firm will be asked to interpret and satisfy the proposed ALBSC guidelines, with careful consideration of the alternative sites and budgetary constraints. At present, there is approximately \$5,000,000 available for the Atherton Library project re: the funding. The concept plans will be used in the planning and environmental review process, and at least one public forum charrette. The purpose of Phase I is to complete the site selection and approval process, identify the overall concept of the new library, and effectively engage the community, which will provide the basis for Phase II work.

Two possible sites include the existing library site on Station Lane in Atherton and a site at Holbrook-Palmer Park. Concepts for both sites are to be analyzed and developed as part of this phase. (Refer to Appendix – Site Plan for the Existing Site, Site Plan for Holbrook-Palmer Park – Holbrook-Palmer Park Landscape Master Plan 2005).

The existing library site is located at 2 Dinskelspiel Station Lane, Atherton adjacent to the Caltrain corridor, Atherton Town Council chambers and a residential R1-B neighborhood. The Holbrook-Palmer Park proposed site at 150 Watkins, Atherton includes: a late 19th century Water Tower and Carriage House, a mid 20th century activities building (Pavilion) rented for private and community events, and a mid-20th century residence (Main House) converted to accommodate private and community meetings and functions. The Water Tower and Carriage House buildings are one of a few remaining examples of late 19th century estate farm architecture in the Bay Area, and are the most significant contextual elements that will need to be accommodated and respected. It is anticipated that a new

library site in Holbrook-Palmer Park will require replacement of an existing building and the carriage house.

Given the nature of the two available sites, Phase I will require careful consideration of context, existing conditions, and uses within i) a neighborhood and ii) a public park. Respondents to the RFP should have members on their design team who are experienced in public library design, land and landscape planning for public parks.

Phase I requires development of concept plans for the two aforementioned sites, to be used for the planning and environmental review process, and at least one public forum charrette. We are currently hiring for Phase 1 of the project. Selection of a firm for Phase 1 does not indicate in any way that said firm will be engaged for the next phase of the project.

### **Project Description -- Phase II**

Phase II will commence subsequent to successful completion of Phase I. After the completion of Phase I, we will hire an architectural firm to build upon Phase 1 to create the Schematic Design for the new Atherton Library. The public and regulatory process will play an integral role in this Phase. Specific requirements for Phase II will be developed subsequent to the completion of Phase I.

### **Project Description—Phase III**

The architectural firm hired for Phase II will continue to provide services during Phase III, including some or all of the following: design development, construction documents, bidding, construction phase services, and post-construction services.

### **Services Requested -- Phase I**

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#### **Library Building Program**

Using the San Mateo County Library Service model as a foundation, integrate priorities and information reflected in the Atherton Library Needs Assessment, collaborate with library staff, collaborate with ALBSC, and incorporate the feedback of the Atherton library service community to create an Atherton Library Building Program: incorporate feedback from the

Atherton library service community. Elements of the building program will include: charts providing specific figures on projected collections, projected area space needs and uses, adjacencies and spatial relationships between service areas, recommended assignable space, the relationship between the building and the site, landscape design requirements, LEED requirements, acoustical requirements, and general design requirements for the building (as well as any additional requirements).

## **Site Selection**

With the involvement of a landscape architect, environmental consultant, LEED consultant, and/or green consultant, investigate sites (rebuilding in the same location or potential locations within Holbrook-Palmer Park), perform site analysis, hold a public site evaluation meeting, and assist with a site recommendation.

## **Conceptual Drawings**

Architect will prepare conceptual drawings, based on the Atherton Library Building Program, for discussion and feedback at City Council, public presentations, and committee meetings.

## **Community Engagement**

Facilitate community involvement throughout Phase I by developing and carrying out a communications plan, holding public meetings, and soliciting public input from multiple sources, including focus groups and charrettes.

## **Cost Models**

Perform cost estimating activities through all phases.

## **Meetings**

It is anticipated that Phase I will involve the planning and approval process as outlined in Exhibit E – Atherton Library Planning and Review Process. It is expected the process will involve no less than two daytime meetings with the ALBSC, one Saturday charrette meeting, one evening General Plan Commission meeting, one evening Planning Commission Meeting, and one evening Town Council Meeting.

### **Pre-submittal Process**

1. Bid Meeting and Tour: There will be a meeting for the proposal applicants on Tuesday, January 4, 2011 at 1 pm.
2. Applicant questions: Questions shall be submitted in writing and sent via email no later than [insert date and time] to Carine Risley, Atherton Library Branch Manager, risley@smcl.org with a copy to Theresa Della Santa, Deputy City Clerk,

tdellasanta@ci.atherton.ca.us. The questions and answers will be made available publicly one week prior to the submittal deadline on the town web site

3. Submittal Deadline: 24 January 2011 4:00 pm
4. Format and Delivery: Submit three (3) printed letter-sized copies with one (1) unbound copy to:

Atherton Town Manager  
Town Of Atherton  
91 Ashfield Road

and email a PDF copy to Carine Risley and Theresa Della Santa.

Submittals will not be returned.

**RFPs submitted after the deadline will not be accepted for consideration except as otherwise noted below.**

The Town reserves the right to accept or reject any or all proposals, or to alter the selection process in any way, to postpone the selection process for its own convenience at any time, and to waive any defects in this RFP. The Town also reserves the right to accept or reject any firm that a candidate proposes to use.

The Town is seeking to engage the most qualified firm, based on the evaluation criteria described. The Town reserves the right to negotiate with other qualified firms or solicit additional statements of qualifications at any point in the project should it later fail to negotiate a reasonable fee with the selected firm.

## **Proposed Timeline**

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|                               |   |
|-------------------------------|---|
| 15 December 2010              | RFP Approved by Atherton Town Council and JPA |
| 16 December 2010              | RFP Issued                                    |
| 4 January 2011 at 1pm         | Pre-submittal meeting (non-mandatory)         |
| 10 January 2011 at 4pm        | Submission deadline for written questions     |
| 17 January 2011               | Answers to written questions issued           |
| <b>24 January 2011 at 4pm</b> | <b>Proposals due</b>                          |

|                                    |  |
|------------------------------------|--|
| 2 February 2011                    | Interview notification and City Council presentation invitation for the top ranked proposals |
| 9 February 2011, beginning at 9 am | Interviews   |
| 16 February 2011                   | ALBSC selection approved by Library JPA and Atherton Town Council                            |
| 17 February – March 2, 2011        | Negotiate cost and contract with selected firms  |
| 16 March 2011                      | ALBSC cost and terms for selected firms approved by Library JPA and Atherton Town Council    |

## Proposal Content

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The RFP should include the following:

1. FIRM INTRODUCTION: including information such as length of time in business, office location(s), number of staff and a general summary of qualifications documenting the strengths of the firm, areas of expertise and licensing. List services provided by prime firm and sub-consultants anticipated.
2. APPROACH: the firm's design principles and uniqueness of approach, including meeting 'Green' or LEED building standards for essential service facilities.
3. PRELIMINARY SITE AND BUILDING EVALUATION: please include preliminary comments on the sites.
4. PROJECT EXPERIENCE: listing specific project experience that is related to the type of services required by the Atherton Library project. Project experience should reference design experience with public library projects, park and/or campus design as well as other public buildings in an urban setting and list the client contact information for each project. The experience should include:
  - a. A reference list including the names of libraries where the firm has provided services and contact information.
  - b. A reference list of building projects similar to the proposed project, including the construction contract initial and final value, the project size/scope, and the beginning and ending years of the project.
  - c. A reference list of projects including essential service facilities and sustainable design / green elements designed or accomplished.
  - d. A demonstration of specific in-depth knowledge of and experience with:

- 1) Building designs that relate well to historic settings and/or experience working with the Secretary of the Interior's standards and the State Historical Building code.
- 2) Public involvement in a project's design and modification of proposed designs based on public comment. Explain public presentation experience.
- 3) Designing/acquiring/installing technology, both specific library technology and other.
- 4) Site Planning in a park setting and/or urban neighborhood.

**KEY STAFF:** including the identification of the Principal-in-Charge, Project Manager and key staff. Key Staff/Project Principals shall be licensed professionals in the State of California (Professional Engineer, Registered Architect or Landscape Architects).

This section should identify the qualifications and related experience of key staff assigned to the project. The proposer shall possess any applicable professional licenses issued by the State of California and shall have knowledge of applicable local, state and federal regulations and codes, particularly the California Public Agreement Code as it applies to this type of service.

This section should also include cameo resumes of all staff performing tasks for this project. The cameo resumes shall include a summary of relevant management and work experience, years of relevant experience, the current and proposed location of the staff, and a statement of availability. Two references shall be provided for each key staff member. This section should also include a table of all key personnel showing their availability for the duration of this project as well as any commitments to other projects. Please include the level of involvement that each key staff member will have, including an approximate share of the hours of their work as it relates to the whole.

Principal architect's involvement with the design and work with the public will be an important criteria for selection.

1. **RESUMES:** should demonstrate experience in architectural/engineering services on public projects including those tasks described above, including registrations (????).
2. **LITIGATION:** - A list of any current litigation to which the firm and/or key sub consultants(s) are parties by virtue of their professional service, in addition to a list of any such litigation from the past ten years.
3. **DISCLOSURE:** of any past, ongoing, or potential conflicts of interest that the firm may have as a result of performing the anticipated work.
4. **COMMENTS:** Please include any other information or material that might help us to evaluate your firm's ability to execute this project, including any vision or other ideas on the direction of this project. Please limit comments to a maximum of 3 pages.
5. **ADDITIONAL SERVICES:** List any additional related services your firm can provide, such as interior design, energy management, etc.

6. CHANGE ORDERS: List the total cost of change orders on each of your current projects and discuss the reasons for the change orders.

## **Selection Process**

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**Short-List Selection Process:** The ALBSC will review all proposals, interview all or some of the firms, and identify the top three short-list firms (“Library Center Project Finalists”) to the Atherton Town Council and JPA .

The ALBSC will identify their first choice for the project. Upon approval by the JPA and Council, the selected firm will then be presented with the Town’s form of contract as well as the guidelines for the Conceptual Design Phase (the “Guidelines”). If they are prepared to accept this form of contract and the Guidelines, then they may proceed to the Conceptual Design Phase. To the extent that any Finalist Firm is not prepared to accept the Town’s form of contract and the Guidelines, then the alternates will be given an opportunity to become a Finalist Firm based on their rank order.

See Needs Assessment Analysis Criteria in the Appendix.

## **Contract Terms and Conditions**

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The selected firm will work under a Services Agreement (See Appendix). Once an Agreement is negotiated, the following documents will be required by the selected firm prior to the commencement of any work:

- Signed contract by both the Town and the consultant(s)
- Proof of insurance in the following amounts:

Workers' Compensation Coverage as required by the State of California  
Commercial General Liability in an amount not less than \$2,000,000  
Automobile Liability in an amount not less than \$1,000,000  
Professional Liability in an amount not less than \$2,000,000

A separate Additional Insured Endorsement naming the Town as additional insured is required. Please call if you have any questions related to the insurance required by the Town.

- Proof of payment of the Atherton Business License Fee. An Atherton Business License is required of any person who transacts or carries on any business, trade, profession, calling, or occupation in the Town of Atherton.

Being selected under this solicitation will not preclude the firm from being considered for any other projects advertised by the Town.

## APPENDIX

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### **June 16, 2010 Resolution No 10-30 Library Partnering (item 23)**

<http://www.ci.atherton.ca.us/city-council/3188.pdf>

### **Atherton Library Needs Assessment**

#### **February 1, 2010 Memo**

<http://www.ci.atherton.ca.us/documents/ITEM71ATHNeedsAssessmentMemo2-10.pdf>

#### **Attachment**

<http://www.ci.atherton.ca.us/documents/ITEM72AthertonLibraryNeedsAssessment.pdf>

### **Needs Assessment Analysis Criteria**

|   |     |
|---|-----|
| Number of Library Projects                              | 25% |
| Quality of Design                                       | 15% |
| Professionalism of RFP Presentation                     | 15% |
| Experience with Sustainable Design                      | 25% |
| Did they answer the questions we asked in the RFP       | 10% |
| Intangibles: Overall Impression of the RFP presentation | 10% |

### **Project Process Flow**

<http://www.ci.atherton.ca.us/documents/ProjectProcessFlow.pdf>

### **Site Plans**

#### **Site Plan for the Existing Site**

<http://www.ci.atherton.ca.us/documents/AthertonLibraryCurrentSitePlan.pdf>

#### **Site Plan for Holbrook-Palmer Park – Holbrook-Palmer Park Landscape Master Plan 2005**

<http://www.ci.atherton.ca.us/documents/HPParkMasterPlan.pdf>

### **Zoning Information**

????????????? where is this?????????????

### **Town of Atherton Services Agreement**

????????????? where is this?????????????

## **Works Cited**

Gullard, P, and Lund, P. G. (2009). *Under the Oaks, Two Hundred Years of Atherton History*. San Francisco: Scottwall Associates.



ITEM 23

**CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: NADINE P. LEVIN, ASSISTANT CITY MANAGER**

**DATE: FOR THE REGULAR MEETING OF NOVEMBER 17, 2010**

**SUBJECT: ADOPTION OF RESOLUTION SETTING FORTH THE SALARY AND BENEFITS FOR CONFIDENTIAL EMPLOYEES FOR FISCAL YEAR 2009-10 AND 2010-11**

**RECOMMENDATION:**

Adopt the attached Resolution 10-69 setting the salary and benefits of the Town's Confidential Employees.

**INTRODUCTION:**

There are three (3) position classifications that are designated by the Town as confidential: Accountant, Executive Assistant/Deputy City Clerk and Executive Assistant/Police Department. Salary and benefits for these positions are set by Town resolution. Attachment A to the Resolution details the salary and benefit information for the covered classifications from July 1, 2009-June 30, 2011.

**ANALYSIS:**

There is no salary adjustments included in the Resolution for Confidential Employees. These positions are included in the Town's step system and the incumbents will be entitled to the step adjustment per the Town's applicable policies.

**FISCAL IMPACT:**

There is no fiscal impact for FY 2010-11 in adopting the resolution.

Attachment: Resolution of the Town of Atherton Adopting Salaries and Benefits for Confidential Staff for Fiscal Year 2009-10 and 2010-11.

**RESOLUTION NO. 10-69**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON  
ADOPTING SALARIES AND BENEFITS FOR CONFIDENTIAL STAFF  
FOR FISCAL YEAR 2009-10 AND 2010-11**

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

**WHEREAS**, the City Council has determined that it is in the best interests of the Town to bring uniformity to the salaries and benefits of Confidential Employees in the form of a resolution, and

**WHEREAS**, Attachment A to this Resolution specifies terms and conditions of employment for Confidential Employees for the Fiscal Years 2009-10 and 2010-11.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the Town of Atherton that the salaries and benefits of the Confidential Employees of the Town of Atherton shall be as stated in Attachment A.

\* \* \* \* \*

*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 15th day of December, 2010, by the following vote.*

AYES:                      Councilmembers:  
NOES:                      Councilmembers:  
ABSENT:                   Councilmembers:  
ABSTAIN:                   Councilmembers:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Theresa N. DellaSanta  
Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Wynne Furth  
City Attorney

## ATTACHMENT A

The purpose of this Resolution is to provide salary and benefit information for Confidential Employees of the Town of Atherton.

1. **TERM:** The term of this Resolution is July 1, 2009 through June 30, 2011 (Fiscal Years 2009-11).

2. **COVERED CLASSIFICATIONS:**

Accountant

Executive Assistant/Deputy City Clerk

Executive Assistant/Police Department

3. **SALARY:** See Exhibit A.

4. **OVERTIME:** All confidential employees are not exempt from overtime compensation in accordance with the provisions of the Fair Labor Standards Act.

5. **HOLIDAYS:** The following holidays will be observed by all employees:

|                             |                             |
|-----------------------------|-----------------------------|
| January 1                   | New Year's Day              |
| Third Monday in January     | Martin Luther King, Jr. Day |
| Third Monday in February    | President's Day             |
| Last Monday in May          | Memorial Day                |
| July 4                      | Independence Day            |
| First Monday in September   | Labor Day                   |
| Second Monday in October    | Columbus Day                |
| November 11                 | Veterans' Day               |
| Fourth Thursday in November | Thanksgiving Day            |
| Fourth Friday in November   | Day after Thanksgiving Day  |
| December 25                 | Christmas Day               |

In addition, a personal holiday on a date to be determined by the employee subject to the approval of the City Manager or his/her designee. This holiday will be credited to the employee each January.

If any of the holidays falls on a Saturday, the Friday preceding shall be observed as the holiday. If the holiday falls on a Sunday, the following Monday shall be observed as the holiday.

6. **VACATION LEAVE:** Except as limited by this section, all employees shall accrue Vacation Leave at the following rates:

Less than three years of service – 80 hours per year.

Three years of service to eight years of service – 120 hours per year.  
Eight years of service and above – 160 hours per year.

For purposes of this resolution, “years of service” shall include full-time employment with the Town of Atherton, plus full-time service with other public or private agencies prior to Town employment. Full-time years of service with other agencies shall be credited on a two-for-one basis as follows: credit for one year of service for every two years of service outside the Town. Partial years shall not be rounded up to the next year. Employees covered by this provision include all current Confidential Employees and all Confidential Employees hired during the term of this Resolution.

Vacation can only be accumulated to two times the employee’s annual accrual rate.

Employees shall be allowed to have the Town buy back accrued vacation, with the approval of the City Manager or his/her designee, under the following:

- Accumulation at 15 days per year – 5 days of buy back by the Town per year
- Accumulation at 20 days per year – 10 days of buy back by the Town per year

To be eligible to sell back vacation time, an employee must have a minimum balance in excess of one half of his/her annual vacation accrual, after any buy back.

7. **SICK LEAVE:** The Town shall provide each employee in paid status with paid sick leave at the rate of 3.69 hours per pay period. There is no cap on the hours of sick leave accrual.

An employee may only use sick leave that has accrued prior to the current pay period. Sick leave is not cashed out upon separation. Probationary employees can earn and use sick leave.

Sick Leave shall be allowed and used in cases of actual personal sickness or disability, medical or dental treatment, or as authorized for other health-related reasons. Up to six (6) days per year of sick leave may be used in cases of actual sickness or disability, medical or dental treatment of members of the employee’s immediate family, or as otherwise provided by law. The City Manager or his/her designee may require an employee who uses sick leave to provide an original doctor’s certificate to support the sick leave claimed. An employee who claims sick leave of three consecutive days or more may be required to submit a statement from a

physician that the employee is fit to return to work with or without reasonable accommodation.

Unless he or she has submitted a doctor's note stating the length of absence, each employee on sick leave shall personally call in each day prior to the beginning of scheduled work hours to his or her immediate supervisor stating the following:

1. Non-detailed nature of the illness;
2. Estimated length of absence; and
3. Any necessary information about work which needs attention during the employee's absence.

**Award for Non-Use**

Provided that the following conditions are met, regular full-time employees may receive two hours of vacation leave on December 31 of any calendar year for every eight hours of sick leave earned but not used during that calendar year:

1. The employee must have completed one year of service by December 31 of the calendar year;
2. The employee must have received a satisfactory overall rating on his/her most recent performance review for work done during that calendar year; and
3. The employee only earns the Award for Non-Use to the extent that the Award does not exceed the vacation accrual cap.

Sick leave is not diminished as a result of an Award for Non-Use.

8. **BEREAVEMENT LEAVE:** Employees shall be allowed paid leave for not more than five working days when absent because a death has occurred in his/her immediate family. For the purpose of bereavement leave, members of the immediate family include mother, stepmother, father, stepfather, mother-in-law, father-in-law, child, grandparent, grandchild of the employee, or spouse, brother, stepbrother, sister, stepsister, cohabitant or dependent of the employee. Bereavement Leave because of a death of someone who is not a member of the employee's immediate family is limited to one day per request. Bereavement Leave cannot be accumulated and is not part of the sick leave benefit. Bereavement Leave cannot be used on a Town holiday.

In order to receive Bereavement Leave, an employee must make a written request to the City Manager or his/her designee that identifies the relationship of the deceased to the employee.

9. **MILITARY LEAVE:** Military leave of absence shall be granted and compensated in accordance with all applicable laws upon satisfactory proof of the need to report to active duty. Employees must give the City Manager or his/her designee advance notice, to the greatest extent possible, when military duty is scheduled.
10. **LEAVE FOR PREGNANCY DISABILITY:** A pregnant employee shall be entitled to an unpaid leave of absence for the duration of disability due to pregnancy to a maximum of four months. The employee may use her accumulated sick or vacation leave for all or part of the leave. The employee's request for Pregnancy Disability Leave must be supported by a physician's statement that sets forth the anticipated duration of the disability.
11. **FAMILY AND MEDICAL ACT LEAVE:** Provided that the Town's workforce consists of at least 50 full-time employees, leave of absence shall be granted in accordance with the State and Federal Family and Medical Leave Acts.
12. **JURY DUTY:** An employee required to report for jury duty or to answer a subpoena as a witness shall be granted a leave of absence with pay from his/her assigned duties until released by the court, provided the employee remits to the Town all fees received for such duties, other than mileage or subsistence allowances, as soon as the employee receives such fees. The employee must report to work for any portion of the work day that the employee is not required to be absent due to jury duty or to answer a subpoena.
13. **LEAVE WITHOUT PAY:** Upon the written request of an employee and recommendation of the Department Head (if applicable), the City Manager or his/her designee may grant a leave of absence without pay for good cause shown in cases of personal emergency or when such absences would not be contrary to the best interest of the Town.

The City Manager or his/her designee may grant a leave of absence without pay for a period not to exceed one year, during which time no benefits and no seniority credit will accrue. Upon expiration of an approved leave, or within five working days after written notice to return to duty, the employee shall be reinstated in the position held at the time the leave was granted. An employee's failure to report promptly at the expiration of a leave, or within five working days after notice to report to

duty may be deemed notice of resignation and/or cause for disciplinary action.

During unpaid leaves of absence, the employee may elect to use accrued vacation time.

**14. BENEFITS PROGRAMS:** The following benefits are provided to employees. Benefits are not vested and are subject to change or to being discontinued.

**A. HEALTH/DENTAL/VISION INSURANCE:** Effective until January 2011, the Town will pay the full cost of the health insurance, up to the eligible Blue Shield, for the employee and his/her family. Health insurance offered by PERS commences on the first day of the month following employment, and remains in effect for one month after one terminates employment with the Town. The City Manager may contract with different health care insurers/providers, with City Council approval, at the beginning of a calendar year, as long as the new contract does not reduce the level of benefits.

The Town will pay the full cost of the employee's and his/her family dental and vision insurance with insurers/providers as determined by the City Council based upon a recommendation of the City Manager.

#### **Flexible Benefits Plan**

During the term of this contract the City intends to convert to a flexible benefit plan structure to accommodate the tiered retiree medical benefit provision for employees hired after the effective date of this Resolution. Under the Flexible Benefit Plan the City's monthly contribution for the individual employee and the employee's eligible dependents shall be One Hundred and Eight dollars (\$108.00) per month effective January 1, 2011 and shall adjust in accordance with the Minimum Employer Contribution (MEC) established by the Public Employees Medical and Hospital Care Act.

Effective January 1, 2011, the City shall contribute the below-listed amount per month toward each employee's Section 125 Plan benefit allowance components:

- 97% of cost of the Blue Shield HMO rate for 3+ party, 2-party or 1-party plans less the PERS required MEC. An employee whose health plan premium exceeds the above state amount will be required to pay the difference.

An employee may use any benefit allowance stated above toward the cost of employer-provided PERS Health insurance for the employee and eligible dependents. An employee may not use the benefit allowance for other reasons.

Any Employee that enrolls in a Medical Plan that has a higher premium than the City's contribution, as stated above, will pay the difference via pre-tax payroll deductions.

Effective January 1, 2011, an employee who declines medical coverage from the Town (with approved medical coverage from an alternative source) shall receive 50% of the Blue Shield rate or a minimum of \$300 per month for which the employee is eligible.

In addition, the Town will pay for 100% of the Dental and Vision plan costs.

**B. RETIREE MEDICAL:** Employees who are hired after the adoption of this Resolution shall have the following vesting schedule for retiree medical benefits:

- Completion of 10 years Town Service – 50%
- Completion of 11 years Town Service – 55%
- Completion of 12 years Town Service – 60%
- Completion of 13 years Town Service – 65%
- Completion of 14 years Town Service – 70%
- Completion of 15 years Town Service – 75%
- Completion of 16 years Town Service – 80%
- Completion of 17 years Town Service – 85%
- Completion of 18 years Town Service – 90%
- Completion of 19 years Town Service – 95%
- Completion of 20 years Town Service – 100%

The Town's maximum contribution for retiree medical, for employees who are hired after the adoption of this Resolution, shall be the Employee Only rate for Kaiser.

**C. LIFE INSURANCE:** The Town will provide employees life/accidental death and dismemberment insurance of \$50,000.

**D. EMPLOYEE ASSISTANCE PLAN:** The Town will continue its program for psychological counseling to employees and dependents, with total Town expenditures not to exceed \$3,000 in any fiscal year, for payment of professional psychological

counseling fees. Employee family groups are entitled to attend up to six sessions each year when he/she/they determine(s) that psychological counseling is needed to ensure continued good mental health.

- E. LONG TERM DISABILITY INSURANCE (LTD):** Coverage for this insurance is 67% of monthly earnings to a maximum of \$6,000. This insurance becomes effective the first day of the month following date of employment subject to the terms and provisions contained in the policy. The waiting period following a disability is sixty (60) days. An employee does not accrue sick or vacation leave while on Long Term Disability Leave.
  - F. DEFERRED COMPENSATION:** Employees are eligible to participate in Deferred Compensation Plans offered by the Town.
  - G. SHORT TERM DISABILITY INSURANCE (STD):** Short Term Disability Insurance can only be utilized after an employee has exhausted all of his/her available sick leave. The benefit is an amount equal to 70% of the employee's weekly earnings to a maximum of \$500 per week.
  - H. FLEXIBLE SPENDING PLAN:** Regular full-time employees may enroll in this plan and take advantage of tax benefits as they pertain to medical and dependent care. Employees enroll upon employment and once a year thereafter in the month of January.
  - I. PUBLIC EMPLOYEES' RETIREMENT SYSTEM:** All full-time Management employees are covered by California's PERS in lieu of Social Security coverage. The Town pays both the employer's and the employee's portion of PERS under the 2% @55 program.
- 15. PERFORMANCE REVIEWS:** All employees shall have their performance reviewed at least once prior to the end of the fiscal year in June.
  - 16. AUTOMOBILE PROVISION/MILEAGE REIMBURSEMENT:** All employees will be compensated for mileage at the current Internal Revenue Service rate in the performance of his/her job
  - 17. EDUCATIONAL REIMBURSEMENT:** The Town shall establish a \$1,000 annual educational reimbursement plan. An employee who successfully completes courses that have been approved by the City Manager or his/her designee may receive up to \$400 reimbursement for each fiscal year until the funds are depleted. At the end of the fiscal year, any unused amount in the plan shall be distributed to the participants in the plan during

that year on an equal basis provided that such additional payments to participants shall be based on actual expenditures incurred by the participants.

18. **FLEXIBLE SCHEDULING:** At the request of the Department Head and following review and approval by the City Manager or his/her designee, a flexible work schedule may be implemented for employees covered by this Resolution. The City Manager's evaluation shall give consideration to the needs of the Department/Employee as well as the desire of the City Council to continue to provide all Town services on a schedule that is conducive to providing uninterrupted service to its residents throughout the week.

Each flexible schedule approved shall be evaluated by the City Manager or his/her designee no later than six months following its implementation. The purpose of the evaluation will be to determine if it is in the best interests of the Town of Atherton to continue the flexible schedule, or any modifications to the schedule that would be necessitated by the City Manager's evaluation.

19. **MILITARY BUY-BACK OF SERVICE CREDIT:** Eligible employees are able to participate in the Military Buy Back of Service Credit program available through the Public Employees Retirement System (PERS).
20. The provisions of this Resolution supercede and terminate any and all prior or existing MOUs, understandings, rules, policies, agreements, resolutions or correspondence, whether formal or informal, regarding the compensation, benefits and terms and conditions of employment, to the extent that those items are inconsistent with the terms of this Resolution. Existing MOUs, understandings, rules, policies, agreements, resolutions or correspondence that do not conflict with the matters set forth herein remain in effect.

EXHIBIT A

**TOWN OF ATHERTON  
CONFIDENTIAL SALARY SCHEDULE  
Fiscal Year 2009-10**

| Job Description                        | Step A     | Step B     | Step C     | Step D     | Annual      |
|--|------------|------------|------------|------------|-------------|
| Accountant                             | \$5,224.92 | \$5,486.17 | \$5,760.48 | \$6,048.50 | \$72,582.00 |
| Executive<br>Asst/Deputy City<br>Clerk | \$5,813.63 | \$6,104.31 | \$6,409.52 | \$6,730.00 | \$80,760.00 |
| Executive Assistant<br>to Police Dept. | \$5,813.63 | \$6,104.31 | \$6,409.52 | \$6,730.00 | \$80,760.00 |

**TOWN OF ATHERTON  
CONFIDENTIAL SALARY SCHEDULE  
Fiscal Year 2010-11**

| Job Description                        | Step A     | Step B     | Step C     | Step D     | Annual      |
|--|------------|------------|------------|------------|-------------|
| Accountant                             | \$5,224.92 | \$5,486.17 | \$5,760.48 | \$6,048.50 | \$72,582.00 |
| Executive<br>Asst/Deputy City<br>Clerk | \$5,813.63 | \$6,104.31 | \$6,409.52 | \$6,730.00 | \$80,760.00 |
| Executive Assistant<br>to Police Dept. | \$5,813.63 | \$6,104.31 | \$6,409.52 | \$6,730.00 | \$80,760.00 |

Executive Asst/Secretary  
to the Police Chief                      SAME AS ABOVE



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: CITY COUNCIL**

**FROM: NADINE LEVIN, Interim City Manager**

**DATE: DECEMBER 7, 2010**

**SUBJECT: SACRED HEART SCHOOL COMMERCIAL BUILDING PLAN REVIEW  
AUTHORIZATION TO PAY CSG CONSULTANTS FOR WORK  
PERFORMED**

#### **RECOMMENDATION:**

Authorize the payment of \$44,686.98 to CSG Consultants from the collected plan review fees of \$59,582.64 received from the processing of building permits for 150 Valparaiso Ave. Building A, B, C and D.

#### **DISCUSSION**

As a general business practice the Building Department has routinely out sourced plan review of commercial buildings proposed for construction in the Town of Atherton. This decision was made based on the complexity of commercial projects and the Federal and State Laws dealing with disability access and other public building design issues. In December 2009 the Building Department was contacted by Sacred Heart School to discuss the submission of plans for 4 new buildings on their campus. The Town Building Official, after meeting with school officials, determined the plan review would be outsourced to CSG Consultants using an existing contract for plan review and inspection services. CSG, in the existing contract charges the Town 75% of the collected plan review fee for the cost of the entire plan review process. The formal assignment of these projects to CSG Consultants occurred in July 2010.

Based on that determination the following buildings were sent to CSG Consultants for review:

- BP 10-00806 – 150 Valparaiso Ave; Building “A” – 23,548 square foot structure
- BP 10-00807 – 150 Valparaiso Ave; Building “B” – 7,081 square foot structure

- BP 10-00808 – 150 Valparaiso Ave; Building “C” – 30,505 square foot structure
- BP 10-00809 – 150 Valparaiso Ave; Building “D” – 42,062 square foot structure

The total plans check fees collected for the four buildings were \$59,582.64. These fees are itemized both with the fees charged for plan review by the Town and the fees charged by CSG Consultants is as follows:

| Permit Number             | City Fee Collected | CSG Fee For Services |
|---------------------------|--------------------|----------------------|
| BP 10-00806 –Building “A” | \$14,128.20        | \$10,596.15          |
| BP 10-00807 –Building “B” | \$4,841.51         | \$3,6631.13          |
| BP 10-00808 –Building “C” | \$18,418.41        | \$13,813.81          |
| BP 10-00809 –Building “D” | \$22,194.52        | \$16,645.89          |

**TOTAL COLLECTED  
BY THE TOWN**

**\$59,582.64**

**TOTAL CHARGED BY CSG CONSULTANTS**

**\$44,686.98**

**Fiscal Budget Revenues for 2010-2011**

For fiscal year 2010-2011 the projected revenues for plan review services was estimated to be \$284,000. This estimate did not include any anticipated revenues from commercial construction such as the Sacred Heart School project. Revenues for plan review services year to date, including the Sacred Heart School project total \$218,465.75. Deducting the collected fees for the Sacred Heart Project from the total collected for plan review leaves an adjusted balance of plan review revenues at \$158,883.11. The estimated revenue for the mid-year (one half of the fiscal year, one-half of \$284,000) is \$142,000. The actual collected revenues excluding the Sacred Heart project for plan review services exceeds the projected budget revenues by \$16,883.11 or stated as a percentage the revenues for plan review are 55.9% of the projected revenues for the current fiscal budget year.

**CONCLUSION**

Based on the contracted services provided, fees collected and the prices charged for those services it is recommended that the City Council approve payment for services rendered for the Sacred Heart School project to CSG consultants.



## ITEM 25

### TOWN OF ATHERTON

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: Nadine P. Levin, Interim City Manager**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: REQUEST TO REIMBURSE EXPENSES FOR EXPERT PRESENTER AT THE RAIL COMMITTEE MEETING**

#### **RECOMMENDATION:**

Consider a request to reimburse a portion of Mr. Jean-Claude Guez's travel expenses.

#### **DISCUSSION:**

Mr. Jean-Claude Guez is a board member of Eurostar, and Consultant to TOV (French HSR system). Mr. Guez visited California the week of December 7, 2010 and made a several presentations to policy and interest groups and the public on lessons learned from Europe on High Speed Rail. He made a presentation to the Town Rail Committee at their December 7, 2010 meeting. In addition to his presentation he was able to answer specific questions both from Committee members and the public in attendance.

Mr. Greg Conlon, a Rail Committee member, was instrumental in getting Mr. Guez to come to California and provide his expertise and experience regarding high speed rail. Mr. Conlon is asking for the Town to consider reimbursing a portion of Mr. Guez's travel expenses. He has requested that the Town consider making a contribution in the amount of \$1,000.

Staff has added an item to the agenda to offer Council an opportunity to consider the request.



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL  
NADINE LEVIN, INTERIM CITY MANAGER**

**FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: AUCTION AGREEMENT WITH FIRST CAPITOL  
AUCTION, INC. AND REQUEST TO AUCTION OFF  
SURPLUS TOWN EQUIPMENT.**

#### **RECOMMENDATION:**

Staff recommends permitting First Capitol Auction of Vallejo to pick up and auction off 15 pieces of surplus town equipment and sell at auction, per agreement.

#### **INTRODUCTION:**

The Town has slowly been collecting excess equipment through the years due to low use, ineffective cost of repair, old age and severe accident damage. Some of this equipment was donated to the Town, and now is price prohibitive to repair. It is in the Town's best interest to have a vendor come and pick up this mostly non-operating equipment and sell it at auction. The vendor charges for transportation of the equipment, and takes a percentage of the proceeds for their efforts.

Currently, the town has 15 pieces of equipment that are ready to be taken off our premises. They are listed below;

| <u>Description</u>              | <u>Status</u>                        |
|---------------------------------|--------------------------------------|
| 1999 Ford F250 UB pick-up truck | Accident damage/totaled              |
| Crown Victoria police car       | Accident damage/totaled              |
| 1965 Essex roller               | Not to current OSHA safety standards |
| 2003 Ford Think (2)             | Inoperative/repair cost prohibitive  |
| 1968 John Deere Tractor         | Low use                              |
| 1999 Ford F250 4wd              | Inoperative/repair cost prohibitive  |
| Moorbark brush chipper          | Low use                              |

|                 |                             |
|-----------------|-----------------------------|
| Striper         | Inoperative                 |
| Generator (old) | Inoperative (in pieces)     |
| Air compressor  | Low use                     |
| Arrowboard      | Accident Damage/inoperative |
| Pump 4"         | Non-op/very old             |
| Mowers (2)      | Old park mowers/non-op      |

Storage of this equipment is very cumbersome, occupying usable space. Some of the damaged equipment is being stored at Redwood City shop and they request we either sell it at auction or pay to have it towed back to our premises.

### **ANALYSIS:**

Much of this equipment is non-operative due to the nature of owning specialized equipment that gets very low usage. As an example, owning an asphalt roller that only gets used 8-10 days per year is extremely labor intensive and monetarily expensive as routine operation of the machine is still necessary. Maintenance still needs to be performed and replacement funds need to be collected. However modern fleet management shows renting this equipment is relatively inexpensive, always works when you need it to and all costs of owning, maintaining and storing such equipment are born by others.

The City of Redwood has an agreement with First Capitol Auctions of Vallejo for disposal of their out of service equipment. This agreement has been working out well for Redwood City, as some of the more local auction houses have been difficult and/or evasive when it came time for their reimbursements.

Staff met with the First Capital Auctioneers and discussed the possibility of piggy backing onto the agreement with identical terms for Atherton. They sent us a copy of the Redwood City agreement and said Atherton could mirror this agreement.

Redwood City's agreement for commissions and transportation is as follows;

#### **COMMISSION AND EXPENSES.**

##### A. Commission (Selling Fees)

|  |           |
|--|-----------|
| 1. Motor Vehicles and Off Road Vehicles                    | 7.5%      |
| 2. Miscellaneous Property (Non-motor or Off Road Vehicles) | 20%       |
| 3. Non running vehicles                                    | 7.5%      |
| 4. State of California Vehicle Safety Inspection           | No Charge |
| 5. Smog Service  | No Charge |

##### B. Transportation Charges and Other Services

|                                   |             |
|-----------------------------------|-------------|
| 1. Standard Towing: Non-Op Units. | See low bed |
|-----------------------------------|-------------|

|  |             |
|--|-------------|
| 2. Standard Towing: Running Vehicles (6-8 Vehicles)  | \$85.00/Veh |
| 3. Low Bed Trailer Service                           | \$85.00/Hr  |
| 4. Surplus Personal Property (Miscellaneous)         | \$85.00/Hr  |
| 5. Auto Wash   | No Charge   |
| 6. Minor De-Identification of County and City Unites | \$50.00/Veh |
| 7. Exempt Plates: Processing "E" Plates              | No Charge   |
| 8. Storage Fees                                      | No Charge   |

In the event the auction house is unable to sell the item, we will sell it to a salvage yard for any amount they will give for it.

Once sold, all this equipment will be itemized and removed from the towns list of fixed assets and the funds will be placed in the equipment replacement fund.

**FISCAL IMPACT:**

As indicated in the contract language, there will be yet to be determined charges to the town for transportation of vehicles and equipment to the auctioneer which will be paid under vehicle/equipment funds from the streets and park departments. There will also be undetermined moneys returned to the town for the full price of the auctioned merchandise minus 7.5% for vehicles and 20% for misc. equipment. This money can be placed in the equipment replacement fund to help fund the purchases of the two replacement vehicles (police car and public works truck) or considered by the Council for other uses.

Prepared By:

Approved:

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

*/s/ Nadine Levin*

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Nadine Levin  
Interim City Manager

Attachments: Agreement with First Capital and Redwood City

AUCTION AGREEMENT

For

CITY OF REDWOOD CITY

1400 BROADWAY

REDWOOD CITY, CA 94063

ATTN: TERENCE KYAW

Submitted by:

FIRST CAPITOL AUCTION INC.

50 SOLANO AVENUE

VALLEJO, CA 94590

PHONE: (707) 552-0739

FAX: (707) 552-8613

EMAIL: [auction cap@aol.com](mailto:auctioncap@aol.com)

DATE: July 29, 2008

## AUCTION AGREEMENT

FIRST CAPITOL AUCTION INC., now hereinafter referred to as (“Auctioneer”) and the undersigned (“Seller”) agree as follows:

1. AGENCY. Seller hereby appoints Auctioneer as its agent to conduct a Public Auction of personal property described below. Auctioneer shall be an independent contractor. Seller authorizes and confers upon Auctioneer the power to take all actions on its behalf necessary to complete the auction. Such as accepting cash or checks on behalf of Seller in payment for property sold, signing on behalf of Seller as the registered and/or legal owner of any motor vehicles sold to effect a transfer, and satisfying or compromising secured parties who hold or assert a lien on any Property sold at auction. Seller hereby agrees to sell the Property to the highest bidder, with no minimums, reservations, buy-backs or persons bidding for Seller. Absolutely under no circumstances whatsoever shall the Auctioneer or the staff assert a bid on behalf of an owner or consignor of equipment to this auction.
  
2. AUCTIONS AND PROPERTY. First Capitol Auction Inc conducts public auction about six to eight times a year at 50 Solano Avenue, City of Vallejo, State of California. None of the property may be sold before the auction without the written consent of both parties, in which case the sales proceeds shall be treated as part of the gross proceeds of the auction. All of the Property shall be at the auction at least one week prior to the auction and in the event of a failure of Seller to deliver said Property, or if Seller shall breach this contract, Seller agrees to pay the other costs as provided below and said commission based on market value of said property. First Capitol Auction, Inc. is a fully licensed auto dealer and is bonded with the State of California. Vehicles will not be offered at auction unless the Certificates of Ownership and all other documents necessary to affect a transfer of title for Motor Vehicles, Trailers and Towable Property are submitted to Auctioneer at least five (5) business days prior to the sale. All property submitted for auction shall be free and clear of any toxic waste and/or environmental hazards. If these are not environmentally safe, these items may incur additional fees or disposal costs.
  
3. First Capitol Auction Inc is in compliance with all State of California environmental requirements as well as in compliance with all current California Air Resource Board (CARB) requirements. For all CARB sales, you as the legal owner, must complete the “VIN Stop Request” form and submit it to CARB. The two (2) page “Out of State Sales Verification” forms should to be submitted to us upon delivery of the vehicle with “Selling Party’s Information, Vehicle Information and Engine Information” filled out. We in turn complete the “Purchaser Information” at the time of the sale notifying the buyer the item(s) cannot be registered or operated in the State of California without being

retrofitted to meet CARB requirements. The Auctioneer will submit the form back to the Seller for their records with payment.

#### 4. COMMISSION AND EXPENSES.

##### A. Commission (Selling Fees)

|  |           |
|--|-----------|
| 1. Motor Vehicles and Off Road Vehicles                    | 7.5%      |
| 2. Miscellaneous Property (Non-motor or Off Road Vehicles) | 20%       |
| 3. Non running vehicles                                    | 7.5%      |
| 4. State of California Vehicle Safety Inspection           | No Charge |
| 5. Smog Service  | No Charge |

##### B. Transportation Charges an Other Services

|  |             |
|--|-------------|
| 1. Standard Towing: Non-Op Units.                    | See low bed |
| 2. Standard Towing: Running Vehicles (6-8 Vehicles)  | \$85.00/Veh |
| 3. Low Bed Trailer Service                           | \$85.00/Hr  |
| 4. Surplus Personal Property (Miscellaneous)         | \$85.00/Hr  |
| 5. Auto Wash   | No Charge   |
| 6. Minor De-Identification of County and City Unites | \$50.00/Veh |
| 7. Exempt Plates: Processing "E" Plates              | No Charge   |
| 8. Storage Fees                                      | No Charge   |

##### C. Additional Services Provided to the Public

1. Free Color Sales Brochure
2. Free Permanent Bidder Program (encouraging return bidders)
3. Free Auction Sale Catalog (this is an important selling aid for the buyer)
4. Three (3) way to bid at First Capitol Auction Inc.; live, absentee or online bidding
5. First Capitol Auction Inc does not allow or sell any special privileges such as pay to cut in line. We feel this practice is discriminatory.
6. Free hospitality barbeque at all heavy equipment sales to encourage bidder registration and inspection.

4. SECURITY INTEREST. Seller hereby gives Auctioneer a security interest in the Property and Equipment listed herein and now owned and hereinafter acquired by Seller (including insurance) and in the sales proceeds, in order to secure any and all advances which may be made to or on behalf of the Seller by Auctioneer and to secure any and all other obligations that the Seller may owe Auctioneer arising out of or in connection with this Agreement, the Property, and or any other agreement, transaction, or Property involving Seller and Auctioneer. Auctioneer shall have all the rights of a secured creditor under the Uniform Commercial code and Seller agrees to execute a financing statement enabling Auctioneer to perfect this security interest as a first lien on the Property listed herein.

5. REPRESENTATION AND INDEMNITY BY SELLER. Seller represents and warrants that title to the Property is and will be at the time of the auction, free and clear of any and all liens, security interests, encumbrances, rights and claims other than those of Auctioneer pursuant to this Agreement, Seller further represents and warrants that Seller has used no other business name or address other than the names and addresses specified in this Agreement.

Auctioneer hereby indemnifies, defends and holds Seller harmless from and against any and all losses, costs, expenses, demands, claim, causes of action and liabilities (including without limitation, reasonable attorney's fees) (collectively "losses and liabilities") related directly or indirectly to, arising out of, or in connection with the performance of services by Auctioneer under this Agreement, caused in whole or in part by the willful misconduct or any negligent act or omission of the Auctioneer, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of Seller.

Seller hereby indemnifies, defends and holds Auctioneer harmless from and against any and all losses, costs, expenses, demands, claims, causes of action, and liabilities (including without limitation, reasonable attorney's fees) (collectively "losses and liabilities") arising out of the Seller's execution of its obligations under this Agreement, caused by Seller's active negligence, sole negligence, or willful misconduct.

First Capitol Auction, Inc. and its consignors will indemnify and hold harmless Selling agency, its boards, commissions, officers and employees in performance of services here under. First Capitol Auction, Inc. will provide comprehensive general liability insurance not less than \$1,000,000.

## 6. GENERAL PROVISIONS

1. Within fifteen (15) banking days after the auction date, Auctioneer shall present a full accounting of the sales proceeds and expenses, and shall, if requested, document the accounting by invoices and/or vouchers. With such accounting, Auctioneer shall present Seller with a check for all monies due from such action unless delayed by legal proceedings or inability of Auctioneer, through no fault of its own, to transfer title or to comply with the Uniform Commercial code or other laws. Auctioneer reserves the right to eliminate from settlement any property for which payment has not been made and Seller agrees to accept responsibility for reclaiming same wherever located. Auction may at their own discretion charge a 10% buyer's premium.

2. In the event a dispute arises out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees from the other party.

3. The duration of this contract shall be for a minimum of three (3) years with the option of a one (1) year extension.

First Capitol Auction Inc  
50 Solano Avenue  
Vallejo, Ca 94590

City of Redwood City  
1400 Broadway  
Redwood City, Ca 94063

By: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**FROM: DENNIS LOCKARD, INTERIM BUILDING OFFICIAL**

**DATE: CITY COUNCIL MEETING OF DECEMBER 15, 2010**

**SUBJECT: ORDINANCE AMENDING TITLE 15 OF THE ATHERTON MUNICIPAL CODE ADOPTING CURRENT BUILDING AND SAFETY CODES**

### **RECOMMENDATION:**

Staff recommends that the City Council hold a public hearing and adopt an ordinance amending Title 15 of the Atherton Municipal Code which will, in turn, adopt the administrative, building, fire, electrical, plumbing, mechanical, energy, historical building, residential, green and seismic hazards codes, and retain the existing abatement of dangerous buildings code.

### **BACKGROUND:**

The City Council has previously introduced the ordinance on November 17, 2010. The ordinance may be adopted by a majority vote of the Council. It will take effect thirty days following adoption.

### **FINDINGS**

The Resolution of Findings was approved in the meeting held on November 17, 2010. The filing will be made subsequent to the Council's adoption of the attached ordinance and the Resolution of Findings.

### **FISCAL IMPACT.**

None.

Prepared By:

Approved By:

*/s/ Dennis Lockard*

*/s/ Nadine Levin*

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Dennis Lockard  
Interim Building Official

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Nadine Levin  
City Manager

**ORDINANCE 560**  
**AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF**  
**ATHERTON ADDING CHAPTERS 15.02 AND 15.19 AND AMENDING**  
**CHAPTERS 15.04, 15.08, 15.12, 15.16, 15.18, 15.20, 15.22 AND 15.44 IN**  
**ORDER TO ADOPT BY REFERENCE THE 2010 CALIFORNIA BUILDING**  
**STANDARDS CODE, INCLUDING THE RESIDENTIAL, FIRE (BY**  
**RATIFICATION), ELECTRICAL, PLUMBING, MECHANICAL, ENERGY,**  
**HISTORICAL BUILDING, GREEN AND EXISTING BUILDING CODES**  
**AND CHAPTER 1 DIVISION II OF THE 2010 EDITION OF THE**  
**CALIFORNIA BUILDING CODE AS THE ATHERTON**  
**ADMINISTRATIVE CODE**

WHEREAS, the California Building Standards Code, also known as Title 24 of the California Code of Regulations, is updated by the California Building Standards Commission from time to time based upon published model codes specified in the California Health and Safety Code; and

WHEREAS, the 2010 modifications will take effect on January 1, 2011; and

WHEREAS, local jurisdictions responsible for enforcement of the California Buildings Standards Code must enact local administrative regulations in order to implement the California Building Standards Code; and

WHEREAS, the City Council wishes to ratify the adoption by Menlo Park Fire Protection District of the new Fire Code with local modification regarding the installation of automatic fire suppression systems and other fire safety enhancements as allowed by the Section 17958 of the California Health and Safety Code and Section ;

**NOW, THEREFORE, THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES ORDAIN AS FOLLOWS:**

Section 1. Findings.

The City Council finds and determines that:

A. A duly noticed hearing before the City Council will be held on December 15, 2010. Copies of the codes to be adopted by reference are on file with the City Clerk and available for inspection.

B. The adoption of these codes is exempt from the California Environmental Quality Act under Section 15061(b)(3) of Title 14 of the California Code of Regulations because it will not have a significant effect on the environment.

C. This ordinance is adopted pursuant to Health and Safety Code Section 17958.5 and 17922.1 and Government Code Section 50022.2

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Adopted December , 2010  
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D. Greater than normal vulnerability to seismic events and to fire requires the modification of the State Building Standards Code for the protection of the public health, safety and welfare due to local climatic, geologic or topographical conditions as follows:

1. Climate

The Town, on average, experiences an annual rainfall of 19.7 inches. This rainfall can be expected between October and April of each year. However, during the summer months there is little, if any measurable precipitation. During this dry period the temperatures are usually between 70 – 95 F degrees with light to gusty westerly winds. These drying winds, combined with the natural and imported vegetation which is dominant throughout the area, create a hazardous fuel condition that can cause extensive encroaching into these wooded and grass covered areas where wind-driven fires can have severe consequences. Because of variable weather patterns, normal rainfall cannot always be relied upon. This can result in water rationing and water allocation programs, as demonstrated in past drought patterns. Water shortages may also be expected in the future due to limited water storage capabilities and increased consumption.

2. Geology

The Town is situated on alluvial soils between San Francisco Bay and the San Andreas Fault zones. The location makes older structures particularly vulnerable to damage and caused by seismic events. The relatively young geological processes that have created the San Francisco Bay Area are still active today. Seismically, the District sits between two active earthquake faults (San Andreas and the Hayward/Calaveras), and numerous potentially active faults. A majority of the Town's land surface is in the high-to-moderate seismic hazard zones. Bedrock lies beneath the area at depths generally 300 feet or more. The predominant soils patterns increase adverse effects on structures from major seismic events. A significant portion of the Town's residential and commercial structures are located in seismic risk zones. Fires following an earthquake have the potential of causing greater loss of life and damage than the earthquake itself.

3. Topography.

The Town's topography does not lend itself to a systematic street and road layout which would promote easy traffic flow, especially during emergencies. The Town is divided by a major state highway (El Camino Real) and a rail road track. It includes hilly areas and heavily wooded areas with winding roads and numerous cul de sac streets. These conditions are likely to adversely affect response times of emergency personnel during periods of heavy traffic or conditions of major emergencies. The Town's location on the San Francisco Peninsula, where there is a strong north-south commute pattern between a number of cities and towns on limited transportation corridors, results in very congested roads during peak commute hours. This creates barriers that increase the response time of fire equipment and other emergency services.

4. Built in Automatic Fire Suppression Systems

The increased risk to persons and property from fire makes it necessary to require the installation of built-in automatic fire protection systems that provide early detection and initial control until the arrival of emergency resources. During large scale disasters, such as seismic events, these fire protection systems reduce the hazard of the spread of multiple fires to adjacent properties. Therefore the Council ratifies the local modifications to the Fire Code adopted by the Menlo Park Fire Protection District.

Section 2. Chapter 15.02 is added to the Atherton Municipal Code to read as follows:

**Chapter 15.02**

**ADMINISTRATIVE CODE**

**Sections:**

**15.02.010 Adopted.**

**15.02.020 References to Other Codes.**

**Section 15.02.010 Adoption of the Administrative Code.**

That certain document, one printed copy of which is on file with the building official of the town, being marked and designated as Chapter 1 of Division II of the 2010 Edition of the *California Building Code* as published by the International Code Council is adopted and incorporated by reference and made a part of this chapter as if fully set out in this chapter, subject to amendments, deletions and additions to it as provided in this chapter. A copy of the *2010 California Building Code* printed in code book form shall be kept on file in the office of the City Clerk.

**Section 15.02.020 References to Other Codes.**

Section 101.1 of this code is amended as follows:

A. Section 101.4.1 is amended to read:

Section 101.4.1 Gas. The provisions of the ~~*International Fuel Gas*~~ *California Plumbing Code* shall apply to the installation of gas piping from the point of delivery, gas appliances and related accessories as covered in this code. These requirements apply to gas piping systems extending from the point of delivery to the inlet connections of appliances and the installation and operation of residential and commercial gas appliances and related accessories.

B. Section 101.4.2 of this code is amended to read:

Section 104.2 Mechanical. The provisions of the ~~*International*~~ *California Mechanical Code* shall apply to the installation, alterations, repairs and replacement of mechanical systems, including equipment, appliances, fixtures, fittings and/or appurtenances, including ventilating, heating, cooling, air-conditioning and refrigeration systems, incinerators and other energy-related systems.

C. Section 101.4.3 of this code is amended to read:

Section 101.4.3 Plumbing. The provisions of the ~~International-California Plumbing Code~~ shall apply to the installation, alteration, repair and replacement of plumbing systems, including equipment, appliances, fixtures, fittings and appurtenances, and where connected to a water or sewage system and all aspects of a medical gas system. ~~The provisions of the International Private Sewage Disposal Code shall apply to private sewage disposal systems.~~

D. Section 101.4.5 is amended to read:

Section 101.4.5 Fire prevention. The provisions of the ~~International-California Fire Code~~ (as described in Chapter 15.22) the Atherton Municipal Code shall apply to matters affecting or relating to structures, processes and premises from the hazard of fire and explosion arising from the storage, handling or use of structures, materials or devices; from conditions hazardous to life, property or public welfare in the occupancy of structures or premises; and from the construction, extension, repair, alteration or removal of fire suppression and alarm systems or fire hazards in the structure or on the premises from occupancy or operation.

Section 3. Chapter 15.04 of the Atherton Municipal Code is hereby amended in its entirety to read as follows:

## Chapter 15.04

### BUILDING CODE

**Sections:**

- 15.04.010** Adopted.
- 15.04.020** Permit and license requirements.
- 15.04.025** Permit Fees.
- 15.04.030** Strong Motion Instrumentation Fee.
- 15.04.040** Cash Deposits – Early Utility Hookups
- 15.04.050** Fire Protection Systems.

That a certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the 2010 California Building Code, Volumes 1 and 2 (Title 24, Part 2) with Appendix Chapters F (Rodentproofing) & G (Flood Resistant Construction), and the 2010 California Residential Code (Title 24, Part 2.5) with Appendix Chapters G (Swimming Pools and Hot Tubs), H (Patio Covers) & J (Existing Buildings) as published by the International Code Council and adopted by the California Building Standards Commission as Title 24 California Code of Regulations, is adopted as the Building Code of the Town for regulating the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and/or structures in the Town; control of excavation and grading; providing for the issuance of permits and collection of fees; providing penalties for violation of such code; and each and all of the regulations, provisions, penalties of such 2010 California Building Code, and the 2010 California Residential Code and are referred to, adopted and made a part of this chapter as if fully set out in this chapter, subject to the amendments, deletions and additions thereto, as provided in this chapter.

**15.04.020 Permit and license requirements.**

No building permit shall be issued to any contractor unless that contractor holds a business license duly issued by the Town. The Town may refuse to grant a final inspection of a structure until such time as all subcontractors and contractors working on the structure have obtained all necessary permits and licenses from the Town.

**15.04.025 Permit Fees**

Permit fees are as established and amended by resolution of the City Council.

**15.04.030 Strong Motion Instrumentation Fee.**

There is a Strong Motion Instrumentation Fee collected by the Town on all permits for construction or alterations of residential and commercial buildings, (excluding plumbing, electrical or mechanical permits) and this fee is submitted to the State Department of Conservation.

**15.04.040 Cash Deposit – Early Utility Hookup.**

Every person who makes application for a temporary certificate of occupancy or makes application to receive gas and electrical service prior to the final inspection shall post a deposit or cash bond of five thousand dollars (\$5,000.00). The deposit or cash bond shall be returned after a satisfactory final inspection is made. Any costs related to work performed by Town staff to effect compliance with the intent of this section shall be deducted from this deposit.

**15.04.050 Fire Protection Systems**

For requirements for installation of fire protection systems see Chapter 15.22

**Section 4.** Chapter 15.08 of the Atherton Municipal Code is hereby amended in its entirety to s added to read as follows:

**Chapter 15.08**

**ELECTRICAL CODE**

**Sections:**

**15.08.010 Adopted.**

**15.08.020 Permit Fees.**

**15.08.010 Adoption of the California Electrical Code, 2010 Edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the "2010 California Electrical Code," California Code of Regulations, Title 24, Part 3, is adopted as the Electrical Code of the Town for the purpose of providing for the issuance of permits for the installation or alteration of electrical systems, and the collection of fees for the same, defining certain terms, establishing minimum regulations for the installation or alterations or additions or repairs of electrical systems and the inspection thereof, providing penalties for its violation; and each and all of the regulations , provisions, penalties,

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Adopted \_\_\_\_\_, 2010  
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conditions and terms of such 2010 California Electrical Code, are referred to, adopted and made part of this chapter as if fully set out in this chapter, subject to the amendments, deletions and additions thereto, as provided in this chapter.

**15.08.020 Permit Fees**

Permit fees are as established and amended by resolution of the City Council.

**Section 5.** Chapter 15.12 of the Atherton Municipal Code is hereby repealed and a new Chapter 15.12 is added to read as follows:

**Chapter 15.12**

**PLUMBING CODE**

**Sections:**

**15.12.010 Adopted.**

**15.12.020 Permit Fees.**

**15.12.010 Adoption of the California Plumbing Code, 2010 Edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the "2010 California Plumbing Code," including Appendix Chapters as published by the International Association of Plumbing and Mechanical officials, and adopted by the California Building Standards Commission as Title 24, California Code of Regulations, Part 5, is adopted as the Plumbing Code of the Town, requiring a permit for the installation or alteration of plumbing and drainage systems; defining certain terms; establishing minimum regulations for the installation or alteration or addition or repairs of plumbing and drainage systems and the inspection thereof, providing penalties for its violation; and each and all of the regulations, provisions, penalties, conditions and terms of the 2010 California Plumbing Code are referred to, adopted and made a part of this chapter, as if fully set out in this chapter, subject to the amendments, deletions, and additions thereto, as provided in this chapter.

**15.12.020 Permit Fees.**

Permit fees are as established and amended by resolution of the City Council.

**Section 6.** Chapter 15.16 of the Atherton Municipal Code is hereby amended in its entirety to read as follows:

**Chapter 15.16**

**MECHANICAL CODE**

**Sections:**

**15.16.010 Adopted.**

**15.16.020 Permit Fees.**

**15.16.010 Adoption of the California Mechanical Code, 2010 edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the "2010 California Mechanical Code," including Appendix Chapters, as published by the International Association of Plumbing and Mechanical officials, and adopted by the California Building Standards Commission as Title 24, Part 4, California Code of Regulations, is adopted as the Mechanical Code of the Town in order to provide complete requirements for the installation and maintenance of heating, ventilating, cooling and refrigeration systems; and each and all of the regulations, provisions, and penalties of such 2010 California Mechanical Code, are referred to, adopted and made a part of this chapter as if fully set out in this chapter, subject to the amendments, deletions and additions thereto, as provided in this chapter.

**15.16.020 Permit Fees.**

Permit fees are as established and amended by resolution of the City Council.

**Section 7.** Chapter 15.18 of the Atherton Municipal Code is hereby amended in its entirety to read as follows:

**Chapter 15.18**

**ENERGY CODE**

**Sections:**

**15.18.010 Adopted.**

**15.18.020 Permit Fees.**

**15.18.010 Adoption of the California Energy Code, 2010 edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the "2010 California Energy Code", including Appendix Chapter 1-A, as published by the California Building Standards Commission and identified as California Code of Regulations Title 24, Part 6, is adopted as the Energy Code for the Town regulating energy efficiency and conservation for all buildings and structures and each and all of the regulations, provisions, and penalties of such 2010 California Energy Code, are referred to, adopted and made a part of this chapter as if fully set out in this chapter, subject to the amendments, deletions and additions thereto, as provided in this chapter.

**15.18.020 Permit Fees.**

Permit fees are established and amended by resolution of the City Council.

**Section 8.** Chapter 15.19 of the Atherton Municipal Code is hereby added to read as follows:

## GREEN BUILDING CODE

**Sections:**

**15.19.010**      **Adopted.**

**15.19.020**      **Permit Fees.**

**15.19.010**      **Adoption of the California Green Building Code, 2010 edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the “2010 California Green Building Standards Code or CalGreen”, as published by the California Building Standards Commission and identified as California Code of Regulations, Title 24, Part 11, is adopted as the Green Building Code for the Town regulating improving public health, safety and general welfare by enhancing the design and construction of buildings through the use of building concepts having a reduced negative impact or positive environmental impact for all buildings and structures and each and all of the regulations, provisions, and penalties of such 2010 California Green Building Standards Code, are referred to, adopted and made a part of this chapter as if fully set out in this chapter, subject to the amendments, deletions and additions thereto, as provided in this chapter.

**15.19.020**      **Permit Fees.**

Permit fees are established and amended by resolution of the City Council.

**Section 9.**      Chapter 15.20 of the Atherton Municipal Code is hereby amended in its entirety to read as follows:

### Chapter 15.20

## HISTORICAL BUILDING CODE

**Sections:**

**15.20.010**      **Adopted.**

**15.20.020**      **Permit Fees.**

**15.20.010**      **Adoption of the California Historical Building Code, 2010 edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the 2010 California Historical Buildings Code, as published by the International Code Council, and adopted by the California Building Standards Commission as California Code of Regulations Title 24, Part 8, regulating construction in an effort to preserve the character and nature of Historical Buildings within the Town.

**15.20.20**      **Permit Fees.**

Permit fees are as established and amended by resolution of the City Council.

**Section 10.**      Chapter 15.22 is hereby added to read as follows:

## Chapter 15.22

### FIRE CODE

#### Sections:

- 15.22.010**     **Ratified.**  
**15.22.020**     **Permit Fees.**
- 15.22.010**     **Ratified.**

The Menlo Park Fire Protection District Ordinance Number 32-2010 entitled *District Fire Prevention Code*, which adopts the 2009 Edition of the International Fire Code (generally know as the California Fire Code, codified at 24 California Code of Regulations Part 9), with local amendments in response local conditions, is hereby ratified.

#### **15.22.020**     **Permit Fees**

Permit fees are as established and amended by resolution of the Menlo Park Fire Protection District.

**Section 10.** Chapter 15.44 of the Atherton Municipal Code is hereby repealed and a new Chapter 15.44 is added to read as follows:

## Chapter 15.44

### EXISTING BUILDINGS CODE

- 15.44.010**     **Adopted.**  
**15.44.020**     **Permit Fees.**
- 15.44.010.**     **Adoption of the California Existing Buildings Code, 2010 edition.**

That certain document, one copy of which is on file in the office of the Building Official of the Town, being marked and designated as the “2010 California Existing Buildings Code” Appendix Chapter A1, as published by the International Code Council and adopted by the California Building Standards Commission, as California Code of Regulations Title 24, Part 10, is adopted as the code for the maintenance of existing buildings and structures throughout the Town that are constructed of Unreinforced Masonry and establishing a program for the same.

#### **15.44.020.**     **Permit Fees.**

Permit fees are as established and amended by resolution of the City Council.

**Section 11**     Except as hereby amended, said Atherton Municipal Code as amended shall be and remain in full force and effect.

**Section 12.**     If any section, subsection, sentence, clause, phrase, or portion of this ordinance 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 ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

**Section 13.** This Ordinance shall be posted in at least three public places within the Town of Atherton and shall be effective from and after thirty (30) days following its adoption.

\* \* \* \* \*

*I hereby certify that the foregoing ordinance was introduced at a regular meeting of the City Council of the Town of Atherton held on November , 2010, and was adopted by said City Council at a regular meeting held on \_\_\_\_\_, 2010, by the following roll call vote:*

AYES: Council Members:  
NOES: Council Members: None  
ABSENT: Council Members: None  
ABSTAIN: Council Members: None

\_\_\_\_\_  
MAYOR  
Town of Atherton

ATTEST:

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Wynne Furth, City Attorney



## ITEM 28

### Town of Atherton

**DATE:** CITY COUNCIL MEETING OF DECEMBER 15, 2010

**TO:** THE CITY COUNCIL

**FROM:** LISA COSTA SANDERS, DEPUTY TOWN PLANNER

**SUBJECT:** ADOPTION OF AN ORDINANCE ADDING CHAPTER 17.37 TO THE ATHERTON MUNICIPAL CODE TO CREATE THE PARKER AVENUE OVERLAY DISTRICT (P) AND ADOPTION OF AN ORDINANCE AMENDING THE ZONING MAP TO TITLE 17 OF THE ATHERTON MUNICIPAL CODE TO REZONE TWENTY-TWO LEGAL LOTS ON PARKER AVENUE FROM R1-A TO R1-A (P)

#### **RECOMMENDATION**

Staff recommends that the City Council adopt the Ordinance adding Chapter 17.37 to the Atherton Municipal Code to create the Parker Avenue Overlay District (P) and adopt the Ordinance amending the Zoning Map to Title 17 of the Atherton Municipal Code to rezone twenty-two legal lots on Parker Avenue in Town of Atherton from R1-A to R1-A(P) and waive further reading:

#### **BACKGROUND**

The City Council, at its September 20, 2010 meeting, adopted a Resolution of Intention to initiate a zoning code amendment to create a new overlay zone for application to the Parker Avenue neighborhood and to request that the Planning Commission consider the proposed amendment.

The Planning Commission, at its duly noticed special meeting of October 6, 2010 heard public testimony relating to the creation of an overlay zone and application of that overlay zone to the Parker Avenue properties. Based on the public comments received, the Planning Commission requested staff draft an overlay district for consideration at its next regular meeting. The Planning Commission, at its duly notice meeting of October 27, 2010 voted to recommend the City Council adopt the Ordinance creating the Parker Avenue overlay district and further recommended that the City Council amend the Zoning Map to rezone Parker Avenue properties to R1-A (P).

The City Council introduced the Ordinance as amended at its November 17, 2010 meeting. Specifically, the Council introduced Chapter 17.37 of the Atherton Municipal Code to create the Parker Avenue Overlay district with the following provisions;

- Height: Maximum building height shall be 28' and sidewalls and columns may not exceed 20'. End walls shall be perpendicular to lot depth.

- Floor Area: shall equal lot size times .165 plus 1,500 square feet (which results in 2,787 square feet for Parker Avenue properties). Second floor area limited to 1,132 square feet.
- Setback: For single story portion of the main building that does not exceed 15' in height, the front yard setback shall be 23'-3".

All other R1-A zoning provisions will apply to the Parker Avenue properties. Specifically, the rear yard setback requirement of 39' will remain as currently required.

Staff has incorporated the changes as directed by the Council at its November 17, 2010 meeting to the attached Ordinance for City Council adoption.

**FORMAL MOTION:**

I move that the City Council adopt Ordinance number 587, an Ordinance of the City Council of the Town of Atherton adding chapter 17.37 to the Atherton Municipal Code creating the Parker Avenue Overlay District (P).

I move that the City Council adopt Ordinance number 588, an Ordinance of the City Council of the Town of Atherton amending the Zoning Map to Title 17 of the Atherton Municipal Code to rezone twenty-two (22) legal lots on Parker Avenue from R1-A to R1-A(P) (Parker Avenue Overlay Zone).

Approved:

*/S/ Lisa Costa Sanders*

*/S/ Nadine P. Levin*

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Lisa Costa Sanders, Deputy Town Planner

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Nadine P. Levin  
City Manager

**Attachments:**

1. Ordinance 587, an Ordinance of the City Council of the Town of Atherton adding chapter 17.37 to the Atherton Municipal Code creating the Parker Avenue Overlay District (P).
2. Ordinance number 588, an Ordinance of the City Council of the Town of Atherton amending the Zoning Map to Title 17 of the Atherton Municipal Code to rezone twenty-two (22) legal lots on Parker Avenue from R1-A to R1-A(P) (Parker Avenue Overlay Zone).

## **ORDINANCE 587**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON ADDING CHAPTER 17.37 TO THE ATHERTON MUNICIPAL CODE CREATING THE PARKER AVENUE OVERLAY DISTRICT (P)**

**WHEREAS**, pursuant to Atherton Municipal Code Section 17.18.020(C), the City Council at its September 20, 2010 meeting, adopted Resolution 10-53, directing the Planning Commission to consider the creation and application of an overlay district for the Parker Avenue neighborhood, and

**WHEREAS**, creation of an overlay district Parker Avenue properties will allow an increase in floor area, while reduction in height and maintenance of the R1-A setback requirements will allow property owners to improve their properties while maintaining the unique character of the street, and

**WHEREAS**, the General Plan land use designation for all residential properties in Atherton is “single family residential, low density” and the creation of an overlay district and applying that overlay district to the Parker Avenue neighborhood is consistent with the General Plan, and

**WHEREAS**, on October 6, 2010 and on October 27, 2010, the Planning Commission conducted duly noticed public hearings on the proposed changes to the Zoning Code and the Zoning Map and heard and considered public testimony on the subject. At the close of the October 27, 2010 public hearing the Planning Commission recommended that the City Council rezone properties fronting on Parker Avenue by adding the Parker Avenue Overlay District (P) to the R-1A base zoning, and

**WHEREAS**, on November 17, 2010, the City Council conducted a duly noticed public hearing and on said date the public hearing was opened, held and closed.

**NOW, THEREFOR, THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES ORDAIN AS FOLLOWS:**

**SECTION 1:** Chapter 17.37 Parker Avenue Overlay Districts (P) is hereby added to the Atherton Municipal Code, “Zoning” to read as follows:

#### **17.37.010 Purpose and Relationship to Base Zoning District.**

This chapter establishes the Parker Avenue overlay district. This district is intended to be combined with the Residential District R1-A. In any conflict between the standards of the R1-A Base District and this overlay district, the overlay district regulations shall apply.

### **17.37.020 Characteristics of the District**

The Parker Avenue Overlay District (P) provides for the development of single-family residential uses on lots located in the R1-A District which are significantly less than one acre in area and which front on a 70-foot wide public right of way. This right of way is significantly wider than the Town's standard local street. The Parker Avenue overlay district allows for more total floor area and more second story floor area than the base R1-A district. Unchanged R1-A setbacks and reduction in permitted heights for new development are intended to minimize any adverse impacts on the privacy or views of neighboring homes and to maintain the general development pattern.

### **17.37.040 Development Standards Modifications**

- A. Height. The standard maximum building height for main buildings shall be twenty-eight feet; provided, that vertical sidewalls and columns may not exceed eighteen feet. End walls shall be perpendicular to lot depth-
- B. Maximum Floor Area Ratio. The maximum floor area ratio shall be determined by the following equation:

Floor area in square feet = (lot size in square feet  $\times$  .165) + 1,500 square feet.

The floor area above the first floor of the main building for all lots shall not exceed 1,132 square feet.

**SECTION 2:** CEQA Categorical Exemption: The adoption of this ordinance is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15305 as a minor alteration to land use limitations. It does not change permitted land uses or residential density.

**SECTION 3:** Severability. The City Council hereby declares every section, paragraph, sentence, cause and phrase is severable. If any section, paragraph, sentence, clause or phrase of this ordinance is for any reason found to be invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses or phrases.

**SECTION 4:** Effective Date. This Ordinance shall be in full force and effective 30 days after its adoption, and shall be posted as required by law.

Introduced this 17<sup>th</sup> day of November, 2010.

Passed and adopted as an Ordinance of the town of Atherton at a regular meeting thereof held on the 15th day of December, 2010, by the following vote:

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

---

Mayor

ATTEST:

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Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

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Wynne Furth, City Attorney

**DRAFT**

**ORDINANCE 588**

**AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON  
AMENDING THE ZONING MAP TO TITLE 17 OF THE ATHERTON MUNICIPAL  
CODE TO REZONE TWENTY-TWO (22) LEGAL LOTS ON PARKER AVENUE  
FROM R1-A TO R1-A (P) (PARKER AVENUE OVERLAY ZONE)**

**WHEREAS**, pursuant to Atherton Municipal Code Section 17.18.020(C), the City Council at its September 20, 2010 meeting adopted Resolution 10-53 directing the Planning Commission to consider the creation of an overlay zone for application to the Parker Avenue neighborhood, and

**WHEREAS**, creation of an overlay zone for Parker Avenue properties modifying development standards will allow an increase in the floor area of Parker Avenue homes while protecting privacy and views of adjacent homes and maintaining the unique character of Parker Avenue, and

**WHEREAS**, the General Plan land use designation for all residential properties in Atherton is “single family residential, low density” and the creation of an overlay district and applying that overlay district to the Parker Avenue neighborhood is consistent with the General Plan, and

**WHEREAS**, on October 6, 2010 and on October 27, 2010, the Planning Commission conducted duly noticed public hearings on the proposed changes to the Zoning Code and considered the testimony offered by the public; and

**WHEREAS**, upon conclusion of the October 27, 2010 public hearing the Planning Commission voted to recommend the City Council rezone Parker Avenue to include the Parker Avenue (P) Overlay zone, and

**WHEREAS**, on November 17, 2010, the City Council conducted a duly noticed public hearing and on said date the public hearing was opened, held and closed.

**NOW, THEREFORE, THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES ORDAIN AS FOLLOWS:**

**SECTION 1: Findings.** The City Council of the Town of Atherton does hereby find and determine that the rezoning of the twenty-two (22) legal lots on and along Parker Avenue in the Town of Atherton from the R1-A Residential District to R1-A(P) by adding the Parker Avenue (P) Overlay District to the R1-A base zoning is consistent with the General Plan and with the land use designation of single family low density.

**SECTION 2:** Redistricting. The zoning district designation for Parker Avenue properties shown of Exhibit A attached to this ordinance and part of it, shall include the Parker Avenue (P) Overlay District resulting in the properties being zoned R1-A (P).

**SECTION 3:** California Environmental Quality Act. This amendment of the Zoning Map is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15305 because it is a minor alteration in land use limitations which does not alter permitted uses or density of development and applies to land which has an average slope of less than 20%.

**SECTION 4:** Severability. The City Council hereby declares every section, paragraph, sentence, cause and phrase is severable. If any section, paragraph, sentence, clause or phrase of this ordinance is for any reason found to be invalid or unconstitutional, such invalidity, or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, sentences, clauses or phrases.

**SECTION 5:** Effective Date. This Ordinance shall be in full force and effective 30 days after its adoption, and shall be posted as required by law.

Introduced on the 17<sup>th</sup> day of November, 2010.

Passed and adopted as an Ordinance of the town of Atherton at a regular meeting thereof held on the 15th day of December, 2010, by the following vote:

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

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Wynne Furth, City Attorney



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** NEAL J. MARTIN, TOWN PLANNER  
LISA COSTA SANDERS, DEPUTY TOWN PLANNER

**DATE:** FOR THE MEETING OF DECEMBER 15, 2010

**SUBJECT:** ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING SECTIONS 17.52.030, 17.36.030, 17.32.030, 17.33.030 AND ADDING SECTIONS 17.32.040 D.4, 17.32.040 E.2, 17.33.040 D.3, 17.33.040 E.1, 17.33.040 G.2, AND 17.36.060 TO THE ATHERTON MUNICIPAL CODE IMPLEMENTING THE ATHERTON 2007-2014 HOUSING ELEMENT

#### **RECOMMENDATION:**

It is recommended that the City Council adopt the attached ordinance amending the Town of Atherton Municipal Code Title 17. The proposed amendments would implement the recently adopted 2007-2014 Housing Element Update.

#### **BACKGROUND:**

On November 17, 2010 the City Council held a public hearing and then introduced the Zoning Ordinance amendments to implement the 2007-2014 Housing Element Update.

#### **ANALYSIS:**

The next step in the process would be for the City Council to adopt the Zoning Ordinance amendments.

#### **FISCAL IMPACT:**

The cost associated with preparation of the draft ordinance amendments is included within the annual Planning Department budget.

**ENVIRONMENTAL IMPACT:**

An Initial Study and Negative Declaration were prepared for the 2007-2014 Housing Element Update and Zoning Ordinance Amendment Project. The Negative Declaration was adopted by the City Council on July 21, 2010. The CEQA Guidelines (California Code of Regulations) Section 15074 (b) requires that the City Council consider the Negative Declaration prior to approving the ordinance amendments.

**FORMAL MOTION:**

I further move that the City Council adopt the ordinance entitled “AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING SECTIONS 17.52.030, 17.36.030, 17.32.030, 17.33.030 AND ADDING SECTIONS 17.32.040 D.4, 17.32.040 E.2, 17.33.040 D.3, 17.33.040 E.1, 17.33.040 G.2, AND 17.36.060 TO THE ATHERTON MUNICIPAL CODE IMPLEMENTING THE ATHERTON 2007-2014 HOUSING ELEMENT” and waive further reading of the ordinance.

Prepared By:

Approved By:

*/s/ Neal J. Martin*

*/s/ Nadine Levin*

\_\_\_\_\_  
Neal J. Martin, Town Planner

\_\_\_\_\_  
Nadine Levin, Interim City Manager

Attachments:

1. Zoning Ordinance Amendment as introduced by the City Council

## ORDINANCE 561

### AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON AMENDING SECTIONS 17.52.030, 17.36.030, 17.32.030, 17.33.030 AND ADDING SECTIONS 17.32.040 D.4, 17.32.040 E.2, 17.33.040 D.3, 17.33.040 E.1, 17.33.040 G.2, AND 17.36.060 TO THE ATHERTON MUNICIPAL CODE IMPLEMENTING THE ATHERTON 2007-2014 HOUSING ELEMENT

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

**SECTION 1:** Section 17.52.030 of the Atherton Municipal Code, “Zoning” is hereby amended as follows:

#### **17.52.030      Development Standards**

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

- A. Maximum Number. Only one second dwelling unit shall be allowed on each lot or parcel.
- B. Setback Requirement. Each second dwelling unit shall be located in the main building area. In addition, a second dwelling unit may encroach into the side and rear yard setbacks by not more than 20% of the required setback.
- C. Maximum Size. The size of each such second dwelling unit shall not exceed twelve hundred square feet, and no unit shall contain fewer square feet than the minimum prescribed by the applicable building code.
- D. Owner Occupancy. Either the main residence or the second dwelling unit, or both, shall be occupied by the owner of the property.
- E. Parking Requirement. Each second dwelling unit shall have assigned to it one parking space for each bedroom in the second dwelling unit. Parking shall be accessible from a public street and screened from view of the public street.
- F. Exemption from Floor Area Limitations. The first 1,200 square feet of floor area of each second dwelling unit shall be excluded from maximum floor area calculations, provided that the floor area exclusion shall not to exceed 10% of the allowed floor area for the lot.
- G. Separation Requirement. A separation of at least eight feet shall be maintained between any detached second dwelling unit and its main residence structure.
- H. Entrance Requirements. Any new second dwelling unit that is incorporated into an existing main residence shall have a separate entrance facing the side or rear yard.
- I. Compliance with Applicable Requirements. The second dwelling unit shall meet all applicable zoning, building, and fire regulations.
- J. Lighting Restrictions. Any lighting associated with the second dwelling unit shall be shielded or downlit and shall not shine onto adjoining properties.

K. Landscape Screening. Landscape screening shall be provided in compliance with the provisions of chapter 17.50 (Landscape Screening).

**SECTION 2:** Section 17.32.040D.4 is hereby added to the Atherton Municipal Code, “Zoning” as follows:

4. Second dwelling units: as provided in chapter 17.52.

**SECTION 3:** Section 17.32.040E.2 is hereby added to the Atherton Municipal Code, “Zoning” as follows:

2. Second dwelling units: Minimum side yard requirements are as provided in chapter 17.52.

**SECTION 4:** Section 17.33.040D.3 is hereby added to the Atherton Municipal Code, “Zoning” as follows:

3. Second dwelling units: as provided in chapter 17.52.

**SECTION 5:** Section 17.33.040E.1 is hereby added to the Atherton Municipal Code, “Zoning” as follows:

1. Second dwelling units: Minimum side yard requirements are as provided in chapter 17.52.

**SECTION 6:** Section 17.33.040G.2 of the Atherton Municipal Code, “Zoning” is hereby amended as follows:

2. One kitchen may be within an approved second dwelling unit.

**SECTION 7:** Section 17.36.030 of the Atherton Municipal Code, “Zoning” is hereby amended as follows:

**17.36.030 Allowed Uses and Permit Requirements**

Table 17.36.030-1 (Allowed Uses and Permit requirements for PFS District) identifies the allowed uses in the PFS district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

- P = Land use permitted by right
- CUP = Land use permitted with approval of a conditional use permit
- L/ER = Land use permitted with location and environmental review

**Table 17.36.030-1  
Allowed Uses and Permit Requirements for PFS District**

| Land Use  | Zoning District     |
|---|---------------------|
|   | PFS                 |
| Public library  | P                   |
| Public school   | P                   |
| Town corporation yard   | P                   |
| Town hall and associated community uses   | P                   |
| Emergency Shelters  | P <sup>4</sup>      |
| Churches and places of worship  | CUP                 |
| Convents  | CUP                 |
| Country clubs   | CUP                 |
| Residential associated with primary nonresidential use of property on same site(1)  | CUP                 |
| Multiple family residential uses that could accommodate housing for very low- and low-income households associated with primary nonresidential use of property on same site | L/ER <sup>5</sup>   |
| Private schools   | CUP <sup>2, 3</sup> |
| Public utilities and facilities, uses, and structures   | CUP                 |
| Transportation terminal facilities  | CUP                 |

Notes:

1. Examples include dorms or teacher housing associated with school site, convent when associated with religious institutions, etc.

2. Where a master plan for a private school has been prepared and filed with the town for public record, any application for a conditional use permit shall be compared to the master plan for consistency with that document. All building and/or faculty changes, improvements, or new construction shall require a conditional use permit. To that end, all conditional use permit applications shall include the following:

- a. Maps and diagrams showing the proposal in relation to the master plan layout;
- b. History of student and faculty growth and projections of future growth, including an analysis of that growth's consistency with the master plan projections;
- c. A traffic and parking analysis of the proposal and comparison to the master plan projections;
- d. A circulation plan showing how the traffic and pedestrian circulation will function upon implementation of the proposals; and
- e. Other information that might be required for specific proposals, such as noise analyses, lighting plans, landscape screening plans, heritage tree locations, and other similar information.

3. In addition to other conditions of approval, the planning commission shall require the following items where relevant:

- a. Identification of the approved uses and hours of operation; and
- b. Clustering of high intensity or noise-intense structures and uses (such as gymnasiums, theaters, athletic facilities) away from neighboring residential uses, where possible.

4. Emergency shelters shall be permitted only when located within the Town Civic Center property; defined as Lots 1, 2, 24, 25 and 26, Watlinton Park RSM (Resubdivision Maps) 5/8.

5. Where a master plan for a private school has been prepared and filed with the town for public record that includes multifamily residential uses that could accommodate housing for very low- and low-income households, such multifamily residential uses shall be subject to planning commission public hearing and review of the location, size, proximity to heritage trees and environmental aspects of the project but shall not result in the denial of the use.

**SECTION 8:** Section 17.36.060 is hereby added to the Atherton Municipal Code, “Zoning” as follows:

**17.36.060 Standards for Emergency Shelter Operation**

The objective and predictable standards listed below apply to emergency shelter operations permitted in the PFS District.

- A. Size: Emergency shelters shall not exceed 1,000 square feet in floor area.
- B. Beds and Population. The maximum number of client beds permitted in each emergency shelter shall be three and the maximum client population permitted to be served nightly by the facility shall be three.
- C. Location: Each emergency shelter shall not be located within a 1,000 foot radius of another emergency shelter.
- D. Parking: At least one standard size car parking space per emergency shelter bed shall be provided within 50 feet of the emergency shelter
- E. Waiting and Client Intake Areas. Onsite waiting and client intake areas shall be located within the emergency shelter and shall not exceed 250 square feet in floor area.
- F. Handicap Accessibility: Each emergency shelter shall be completely handicap accessible.
- G. Onsite Management. Space for onsite management shall not exceed 500 square feet and shall not include more than two beds.
- H. Exterior Lighting: All exterior lighting shall be shielded or down lit so the source of light is not visible from other properties.

**SECTION 9:** Section 17.32.030 of the Atherton Municipal Code, “Zoning” is hereby amended as follows:

**17.32.030 Allowed Uses and Permit Requirements.**

Table 17.32.030-1 (Allowed Uses and Permit Requirements for Residential District R-1A) identifies the allowed uses in the R-1A zoning district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

- P = Land use permitted by right
- CUP = Land use permitted with approval of a conditional use permit

**Table 17.32.030-1  
Allowed Uses and Permit  
Requirements for Residential District  
R-1A**

| Land Use                              | Zoning District |
|---------------------------------------|-----------------|
|                                       | R-1A            |
| Single-family dwelling <sup>1,3</sup> | P               |
| Second dwelling unit <sup>2</sup>     | P               |
| Home occupations                      | P               |
| Churches and places of worship        | CUP             |
| Public utilities or facilities        | CUP             |

Notes:

1. Includes associated accessory uses, accessory buildings, and accessory structures (Note: Garages are accessory buildings).
2. Subject to compliance with section [17.32.040](#) (Development Standards) and chapter [17.52](#) (Second Dwelling Units).
3. Includes residential care facility (defined as a facility serving six or fewer persons)

**SECTION 10:** Section 17.33.030 of the Atherton Municipal Code, “Zoning” is hereby amended as follows:

**17.33.030 Allowed Uses and Permit Requirements.**

Table 17.33.030-1 (Allowed Uses and Permit Requirements for Residential District R-1B) identifies the allowed uses in the R-1B zoning district subject to the development standards of this chapter and all other provisions of this title. Allowed use provisions are symbolized in the table as follows:

- P = Land use permitted by right
- CUP = Land use permitted with approval of a conditional use permit

**Table 17.33.030-1  
Allowed Uses and Permit  
Requirements for Residential District  
R-1B**

| Land Use                              | Zoning District |
|---------------------------------------|-----------------|
|                                       | R-1B            |
| Single-family dwelling <sup>1,3</sup> | P               |
| Second dwelling unit <sup>2</sup>     | P               |
| Home occupations                      | P               |
| Churches and places of worship        | CUP             |
| Public utilities or facilities        | CUP             |

Notes:

1. Includes associated accessory uses, accessory buildings, and accessory structures (Note: Garages are accessory structures).
2. Subject to compliance with section [17.33.040](#) (Development Standards) and section 17.52 (Second Dwelling Units).
3. Includes residential care facility (defined as a facility serving six or fewer persons)

**SECTION 11:** That the adoption of this ordinance is part of a project analyzed in an Initial Study and Negative Declaration of the 2007-2014 Housing Element Update and Zoning Ordinance Amendments dated July 21, 2010 and previously approved by the City Council when it adopted amendments to its General Plan. No circumstances exist that would require modification of the Negative Declaration and the City Council relies upon that previously approved environmental document in approving these code amendments.

**SECTION 12:** That the City Council hereby declares that it would have passed this Ordinance sentence by sentence, paragraph by paragraph, and section by section, and does hereby declare that any provisions in this Ordinance severable and, if for any reason any sentence, paragraph or section of this Ordinance shall be held invalid, such decision shall not effect the validity of the remaining partsof this Ordinance.

**SECTION 13:** 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.

\* \* \* \* \*

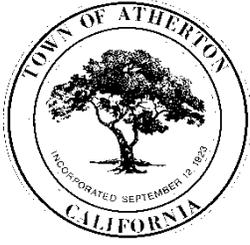
*I hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council held on November 17, 2010 and was thereafter, at a regular meeting held on \_\_\_\_\_ passed and adopted by the following vote:*

|          |                 |
|----------|-----------------|
| AYES:    | COUNCILMEMBERS: |
| NOES:    | COUNCILMEMBERS: |
| ABSENT:  | COUNCILMEMBERS: |
| ABSTAIN: | COUNCILMEMBERS: |

\_\_\_\_\_  
Mayor

ATTEST:

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



ITEM 30

**Town of Atherton**

**DATE: CITY COUNCIL MEETING OF DECEMBER 15, 2010**

**TO: CITY COUNCIL**

**FROM: LISA COSTA SANDERS, DEPUTY TOWN PLANNER**

**SUBJECT: CONSIDER REFUSE AND RECYCLING COLLECTION RATES AND PROVIDE DIRECTION FOR PUBLIC REVIEW PROCESS**

**RECOMMENDATION**

Staff and the Environmental Programs Committee recommend the City Council review the attached collection rate options and provide direction to Staff to advertise a rate increase hearing.

**BACKGROUND**

Pursuant to the current Uniform Franchise Agreement for Collection Services (Collection Agreement) with Allied Waste Industries, Inc. (Allied), Atherton City Council is required to adopt collection rates to cover the cost of waste management services provided by Allied to Atherton residents. Each year, the firm of HF&H Consultants, LLC completes a review of the refuse collector's rate application and prepares recommendations to each jurisdiction for the collection rates. The Collection Agreement establishes the process for setting collection rates based on expenses and revenues projected, which is in turn based on actual results, trends and management plans. Allied is entitled to cost plus 9% profit applied to reasonable and necessary operating expenses, net of certain "pass-through" expenses (i.g. disposal expenses and franchise fees). The Collection Agreement with Allied expires on December 31, 2010.

The Town of Atherton entered into a new Uniform Franchise Agreement for Collection Services with Recology San Mateo County (Recology) for services commencing January 1, 2011. The rate setting process under the new Collection Agreement is based on the cost submitted in the proposal to the South Bayside Waste Management Authority (SBMWA) and is subject to annual CPI increase. The new Collection Agreement with Recology includes expanded refuse and recycling services. Recology is currently delivering new refuse and recycling containers to residents for its automated collection services. Recycling will now be picked up weekly as opposed to the current bi-weekly collection. The expanded recycling services include single stream (one container for all bottles/cans/paper/cardboard) as well as new residential organics recycling (food scraps collected with green waste).

Historically, Atherton increased its refuse and recycling rates 14% in 2002, and most recently increased rates 18.9% in 2010. The rate increase in 2002 was due to the rollout of unlimited yard waste recycling and purchase of new containers. The 2010 rate increase became effective March 19, 2010, which resulted in nine months of increased revenue collection or an actual rate increase of 16.9%. The rate

increase in 2010 was necessary due to increased operating expenses and increased disposal costs. These new costs include bond expenses for improvements to the Recycling Facility in San Carlos.

As the Council is aware, the Collection Agreement with Allied expires on December 31, 2010. The Town of Atherton has one year to “true-up” with Allied on any revenue due to them. SBWMA staff recommends the Council consider including three months of the amount due to Allied in the 2011 rate increase.

**ANALYSIS**

**Rate Setting:** The City Council establishes the collection rates that are then billed to residential and commercial customers by the franchised service provide. All costs of service are paid by the ratepayers. With the rollout of the new service by Recology, the numerous container sizes previously serviced by Allied (customer provided container) were modified to four container sizes (containers provided by the company). This report focuses on the residential rates and collection services as that accounts for the majority of service in Atherton. There are a few commercial customers in Atherton (schools and country club). The percentage of rate increase approved by the Council will also be applied to Atherton’s commercial customers.

Atherton’s residential current rates:

| Container size | # of containers | 2010 Rates |
|----------------|-----------------|------------|
| 20 gallon      | 160             | \$17.31    |
| 32 gallon      | 2,495           | \$27.69    |
| 64 gallon      | 323             | \$55.38    |
| 96 gallon      | 437             | \$82.18    |
| <b>Total</b>   | <b>3,415</b>    |            |

Summary of expenses relating to the 2011 rate increase request;

|  |              |
|--|--------------|
| Increased collection expenses for Recology services, increased disposal & processing fees, county increase at Ox Mountain, increased franchise fees* | 31.6%        |
| Can migration (customers choosing smaller garbage containers)  | 2.5%         |
| Allied balancing account (estimated for 2010 revenue/expenses) – three months  | 4.4%         |
| <b>Recommended Rate Increase</b>   | <b>38.5%</b> |

\* The Town’s Franchise Fee remains at 10% of revenue. As revenue increases, the amount due to the Town for the Franchise Fee increase

Based on direction provided by the Environmental Programs Committee and the City Council with the last rate increase, staff requested the SBWMA prepared a progressive rate structure scenario, where the cost per gallon is adjusted for larger containers to reflect the increased costs of disposing of larger volumes of waste over time. Two proposed progressive rate structure scenarios have been prepared. The first includes a 10% premium on 64-gallon containers and a 20% premium on 96-gallon containers. This rate structure was modeled after progressive rate structures found in other SBMWA jurisdictions. The second progressive rate structure scenario holds 20-gallon containers at \$20 per

month and includes a 15% premium on 64-gallon containers and a 25% premium on 96 gallon containers.

The new Agreement with Recology also includes costs for other service (referenced as Attachment Q to the Recology Agreement with the Town). The Council should also provide direction to staff on the items listed in "Attachment Q – Unscheduled Services". In particular, the Council may wish to modify the charges related to backyard collection service. The 2010 rates as adopted by the City Council included a \$20.00 monthly backyard service fee. The rates for backyard collection with the new Recology Agreement are based on distance from curbside. Hillsborough has proposed to merge the first two distance categories, which would result in a \$21.00 monthly cost for containers located up to 100 feet from the curb. The backyard cost does not apply to households where disabilities prevent the customer from making use of curbside service.

In the 2010 rate review process, SBWMA staff had projected a 25% rate increase necessary in 2011 due to the new Collection Agreement with Recology. If the full rate increase is adopted for 2011, it is anticipated that a 5%-10% rate increase will be necessary in 2012.

Comparison to other SBWMA jurisdictions: Other SBWMA jurisdictions are currently considering rate increases. The comparison of rate increases as shown in the spreadsheet attached to this staff report are based on the annual rate review report recommendations and may not be the rates that jurisdictions ultimately adopt. For comparison purposes, Hillsborough is more similar to Atherton in terms of property size and efficiency of collection than other jurisdictions. Hillsborough's current rates are 5%- 6.6% higher than Atherton's current rates. Hillsborough's recommended rate increase of 32.6%, which if implemented, would closely mirror Atherton's recommended increased rates. Atherton and Hillsborough's rates are higher than other jurisdictions in the SBWMA due to the larger lots sizes result in longer collection times (distance between collection stops), many dead end streets/small side streets and the multiple yard waste containers in Atherton. In other jurisdictions, the mix of commercial and residential customers results in a lower costs to residential customers.

Environmental Programs Committee Recommendation: The Environmental Programs Committee reviewed the rate options at its November 30, 2010 meeting. The Environmental Programs Committee recommends the Council consider the full rate increase necessary to cover the amount due to Allied under its expiring contract and adjusted for March 1, 2011 effective date (ten months of increased rates). The Committee also recommended a more aggressive progressive rate schedule than proposed by the SBWMA and staff. The Committee recommended 20 gallon containers be held at \$20.00 per month and the 64 gallon and 96 gallon containers be increased with a higher progressive rate. The Environmental Programs Committee did not have the information available at its meeting to show the full impact on the rates. Information provided subsequent by the SBWMA show an overall 59% rate increase with this option.

California law requires that fees for services not exceed the reasonable cost of providing the service. The Town may make reasonable assumptions about average costs and make its charges on that basis. However, allocation of costs among classes of customers should reflect the costs of providing services to those groups. If the Town wishes to adopt the more progressive rates recommended by the Committee, it should have a study documenting the basis for the differential.

The Environmental Programs Committee also recommended staff prepares a letter to customers when the rate increase becomes effective to provide information on how to reduce their garbage container size. The Committee also recommended Recology host an educational event to further educate residents on the recycling programs and how to reduce their garbage service.

Rate Increase Options: The Council has several options with the rate setting for 2011. It is estimated that at the end of 2010, Atherton will owe Allied \$334,000. SBWMA staff recommends each agency include three months of payback in the 2011 rates. Due to the amount of time necessary to publicly notice the rate hearing, the 2011 rate increase will not be effective until March 1, 2011, resulting in 10 months of increased revenue. This results in a 6.5% carryover rate increase to 2012. Recology has agreed to waive the interest on any revenue shortfall during this first year transition period.

Staff recommends a progressive rate increase with a 10% premium on 64 gallon containers and a 20% premium on 96 gallon containers for 2011 based on direction provided at the Environmental Programs Committee to proceed with a progressive rate structure and review of other jurisdictions progressive rates to ensure consistency with local practices. Staff agrees with the Environmental Programs Committee's recommendation to have the rate increase adjusted to factor in the March 1, 2011 effective date. Based on the recommendation of the SBWMA, staff recommends the 2011 rates include a portion (3 months) of the amount due to Allied. The amount due to Allied is an estimate at this time and will not be finalized until mid-2011.

Staff recommended rate increase:

- 42.5% increase
- Effective March 1, retro to January 1
- Progressive Rate with 10% premium on 64 gallon and 20% premium on 96 gallon
- Three months of amount due to Allied

| <b>Container Size</b> | <b>2010 rates</b> | <b>2011 rates</b> | <b>Amount increase</b> |
|-----------------------|-------------------|-------------------|------------------------|
| 20 gallon             | \$17.31           | \$24.66           | \$7.35                 |
| 32 gallon*            | \$27.69           | \$39.45           | \$11.76                |
| 64 gallon             | \$55.38           | \$86.79           | \$31.41                |
| 96 gallon             | \$82.18           | \$140.49          | \$58.31                |

\* majority of Atherton residents subscribe to 32-gallon service (2,495 containers)

The Environmental Programs Committee recommended the rate for 20 gallon containers be set at \$20.00 and a more progressive rate structure for 64 gallon and 96 gallon containers. The Committee also recommended the full increase (retro to January 1) be implemented as well as the full amount due to Allied be included with this rate increase. As noted earlier, the resulting rates were not reviewed by the Committee.

Environmental Programs Committee recommended rate increase:

- 59% increase
- Effective March 1, retro to January 1
- Progressive rate, holding 20 gallon at \$20/month, a 15% premium on 64 gallon and 25% premium on 96 gallon
- Full amount due to Allied

| <b>Container Size</b> | <b>2010 rates</b> | <b>2011 rates</b> | <b>Amount increase</b> |
|-----------------------|-------------------|-------------------|------------------------|
| 20 gallon             | \$17.31           | \$20.00           | \$2.69                 |
| 32 gallon             | \$27.69           | \$44.01           | \$16.32                |
| 64 gallon             | \$55.38           | \$101.23          | \$45.85                |
| 96 gallon             | \$82.18           | \$163.29          | \$81.11                |

The rate increase as proposed by the Environmental Programs Committee may result in further can migration (customers choosing smaller container sizes). If the Council wishes to proceed with this rate scenario, staff recommends the Council authorize a rate study ensure there is a basis for the rates.

Additional Option

- 38.9% increase
- Effective March 1, (will result in 6.5% carryover rate increase to Recology in 2012)
- Non-progressive rate
- Three months of amount due to Allied

| <b>Container Size</b> | <b>2010 rates</b> | <b>2011 rates</b> | <b>Amount increase</b> |
|-----------------------|-------------------|-------------------|------------------------|
| 20 gallon             | \$17.31           | \$24.04           | \$6.73                 |
| 32 gallon             | \$27.69           | \$38.46           | \$10.77                |
| 64 gallon             | \$55.38           | \$76.92           | \$21.54                |
| 96 gallon             | \$82.18           | \$114.15          | \$31.97                |

Notice and Hearing Procedure: Proposition 218 and enabling legislation adopted by the state legislature following its passage establish procedures for "property related fees and charges." The proposition establishes a notice and protest procedure for refuse fees, which suggests that these fees are, in at least some circumstances, to be considered "property related." The Town followed the Proposition 218 procedures for its last rate increase in 2010.

Proposition 218 requires written notice by mail of the proposed rate increase at least 45 days before the public hearing either to the record owner of each parcel or in a mailing to the address to which refuse bills are normally sent. (Cal. Const. art XIID Section 6; Gov. Code §§ 53750(i)(j), 53755). The notice will contain: (1) the amount of the proposed fee; (2) the basis on which the proposed fee was calculated; (3) the reason for the fee; and (4) the date, time and location of a public hearing on the proposed fee. For variable fees such as refuse fees, the notice will contain a proposed fee

schedule. The notice will also advise customers that they may file a written protest of the fees.

At the public hearing, the Town will consider all written protests of the rate increase; if written protests are presented for a majority of the parcels, the rate increase will not take effect. If there is no majority protest, then the rate increases can be imposed by an ordinance approved by 2/3 vote of the members of the City Council under Health & Safety Code § 5471. The Town will also publish and post notice of the proceedings.

**ALTERNATIVES**

The City Council has the option to approve any of the rate increase scenarios presented in the attachments, or direct staff to prepare additional rate increase scenarios for consideration. The collection rates are based on the size of the garbage containers and do not adjust based on use of yard waste collection or recycling collection to encourage use of these services and overall reduction in the disposed tonnage. The new Agreement includes a \$1/month surcharge on more than two green waste containers. The Council could request the rates be restructured to include additional charges for green waste collection. If the Council wishes to proceed with the rate increase as recommended by the Environmental Programs Committee, or a significant change in the rate structure (additional charges for green waste), staff recommends a rate study be conducted. It is estimated that a rate study would cost \$15,000 to \$20,000.

**FISCAL IMPACT**

Refuse and recycling fees are paid by the residential and commercial customers. The Town receives 10% Franchise Fee based on the total collection revenue. The rate increase to most Atherton residents (customers that subscribe to 32-gallon service) ranges from \$10.00 per month to \$16.65 per month depending on which option the Council selects.

**RECOMMENDATION**

Staff recommends the Council direct staff to provide the required notice for a property related fee for a rate increase following a progressive scenario with 10% surcharge on 64 gallon containers and a 20% surcharge for 96 gallon containers with an overall 42.5% rate increase.

Prepared By:

Approved:

*/s/ Lisa Costa Sanders*

*/s/ Nadine Levin*

\_\_\_\_\_  
Lisa Costa Sanders  
Deputy Town Planner

\_\_\_\_\_  
Nadine Levin  
City Manager

**Attachments:**

1. Atherton Rate Analysis
2. Collection rate scenarios
3. Comparison of other jurisdictions rates
4. Unscheduled services – summary of attachment Q

**Atherton Rate Analysis**

|   | A                  | B                             |
|---|--------------------|-------------------------------|
|   | FINAL              | Full Payoff OF Allied Balance |
|   | Nov. 19, 2010      |                               |
|   | Atherton           | Atherton                      |
| <b>2011 Collection Revenue @ 2010 Rates</b>         | \$ 1,917,424       | \$ 1,917,424                  |
| <b>Total Contractor's Compensation</b>              | \$ 1,529,988       | \$ 1,529,988                  |
| <b>Other Pass-Through Costs</b>                     |                    |                               |
| Disposal & Processing Fees                          | \$ 784,819         | \$ 784,819                    |
| Agency Franchise Fees                               | \$ 208,473         | \$ 208,473                    |
| Agency Contract Management                          |                    |                               |
| <b>Total Other Pass-Through Costs</b>               | \$993,292          | \$993,292                     |
| <b>RSMC REVENUE REQUIREMENT</b>                     | <b>\$2,523,280</b> | <b>\$2,523,280</b>            |
| <b><u>A. 2011 RATE YEAR REVENUE REQUIREMENT</u></b> |                    |                               |
| <b>A.1 Subtotal Year Surplus/(Shortfall)</b>        | (\$605,856)        | (\$605,856)                   |
| <b>A.2 Rate Adjustment</b>                          | -31.6%             | -31.6%                        |
| <i>(See Rate Variance Analysis for detail)</i>      |                    |                               |
| <b><u>B. REVENUE SHORTFALL</u></b>                  |                    |                               |
| <b>B.1 Can Migration Impact</b>                     | (\$48,250)         | (\$48,250)                    |
| <b>B.2 Rate Impact</b>                              | -2.5%              | -2.5%                         |
| <b><u>C. BALANCING ACCOUNT</u></b>                  |                    |                               |
| <b>C.1 Cumulative Revenue Requirement</b>           | \$2,571,530        | \$2,571,530                   |
| <b>C.2 SubTotal Year Surplus/(Shortfall)</b>        | (\$654,106)        | (\$654,106)                   |
| <b>C.3 Cumulative Rate Impact</b>                   | -34.1%             | -34.1%                        |
| <b><u>D. ALLIED 2010 BALANCING ACCOUNT</u></b>      |                    |                               |
| <b>D.1 Allied Balancing Account</b>                 | (\$334,000)        | (\$334,000)                   |
| <b>D.2 Agency Funds for Rate Impact</b>             |                    |                               |
| <b>D.3 Net Rate Impact - 2010</b>                   | (\$334,000)        | (\$334,000)                   |
| <b>D.4 Potential Amount in 2011 (3 months)</b>      | (\$83,500)         | (\$334,000)                   |
| <b>D.5 Rate Impact in 2011</b>                      | 4.4%               | 17.4%                         |
| <b><u>E. TOTAL RATE IMPACT</u></b>                  |                    |                               |
| <b>E.1 TOTAL REVENUE IMPACT</b>                     | \$2,655,030        | \$2,905,530                   |
| <b>E.2 Total Year Surplus/(Shortfall)</b>           | (\$737,606)        | (\$988,106)                   |
| <b>Cumulative Rate Impact</b>                       | 38.5%              | 51.5%                         |

**Residential Rate Summary  
Member Agency: AHERTON**

| Scenario          | # of Containers | 2010 Base | 2011      |                           |           | 2011                      |  |  |
|-------------------|-----------------|-----------|-----------|---------------------------|-----------|---------------------------|--|--|
|                   |                 |           | A         | B                         | C         | D                         |  |  |
| Rate Adjustment % |                 |           | 38.9%     | 45.4%                     | 36.4%     | 42.5%                     |  |  |
| Rate Adjustment   |                 |           | Eff Mar 1 | Eff Mar 1, retro to Jan 1 | Eff Mar 1 | Eff Mar 1, retro to Jan 1 |  |  |
| Progressive Rate  |                 | No        | No        | No                        | Yes       | Yes                       |  |  |
| Gallons           |                 |           |           |                           |           |                           |  |  |
| 20g               | 160             | \$ 17.31  | \$ 24.04  | \$ 25.17                  | \$ 23.61  | \$ 24.66                  |  |  |
| 32g               | 2,495           | \$ 27.69  | \$ 38.46  | \$ 40.26                  | \$ 37.77  | \$ 39.45                  |  |  |
| 64g               | 323             | \$ 55.38  | \$ 76.92  | \$ 80.51                  | \$ 83.09  | \$ 86.79                  |  |  |
| 96g               | 437             | \$ 82.18  | \$ 114.15 | \$ 119.48                 | \$ 134.51 | \$ 140.49                 |  |  |
| <b>Total</b>      | <b>3,415</b>    |           |           |                           |           |                           |  |  |

**Progressive:**

- \* 10% premium on 64g
- \* 20% premium on 96g

A March 1 effective date results in a 6.5% carryover rate increase to 2012 for two months of underpayment to Recology without a retro increase added.

**Residential Rate Summary  
Member Agency: ATHERTON**

|                   | # of Containers | 2010 Base | 2011      |                           |           | 2011                      |
|-------------------|-----------------|-----------|-----------|---------------------------|-----------|---------------------------|
|                   |                 |           | A         | B                         | C         |                           |
| Scenario          |                 |           |           |                           |           |                           |
| Rate Adjustment % |                 |           | 38.5%     | 44.9%                     | 36.0%     | 42.0%                     |
| Rate Adjustment   |                 |           | Eff Mar 1 | Eff Mar 1, retro to Jan 1 | Eff Mar 1 | Eff Mar 1, retro to Jan 1 |
| Progressive Rate  |                 | No        | No        | No                        | Yes       | Yes                       |
| Gallons           |                 |           |           |                           |           |                           |
| 20g               | 160             | \$ 17.31  | \$ 20.00  | \$ 20.00                  | \$ 20.00  | \$ 20.00                  |
| 32g               | 2,495           | \$ 27.69  | \$ 38.34  | \$ 40.12                  | \$ 37.65  | \$ 39.31                  |
| 64g               | 323             | \$ 55.38  | \$ 76.68  | \$ 80.23                  | \$ 86.59  | \$ 90.41                  |
| 96g               | 437             | \$ 82.18  | \$ 113.79 | \$ 119.06                 | \$ 139.67 | \$ 145.83                 |
| <b>Total</b>      | <b>3,415</b>    |           |           |                           |           |                           |

**(4,776)**

**Progressive:**

- \* premium on 64g 15%
- \* premium on 96g 25%

**A March 1 effective date results in a 6.5% carryover rate increase to 2012 for two months of underpayment to Recology without a retro increase added.**

| Residential Rate Summary<br>Member Agency: ATHERTON |                 |          |           |                           |           |                           |
|---|-----------------|----------|-----------|---------------------------|-----------|---------------------------|
| With Allied Fully Paid Off                          |                 | 2010     |           | 2011                      |           | 2011                      |
| Scenario  | # of Containers | Base     | A         | B                         | C         | D                         |
| Rate Adjustment %                                   |                 |          | 51.5%     | 60.1%                     | 50.5%     | 59.0%                     |
| Rate Adjustment                                     |                 |          | Eff Mar 1 | Eff Mar 1, retro to Jan 1 | Eff Mar 1 | Eff Mar 1, retro to Jan 1 |
| Progressive Rate                                    |                 | No       | No        | No                        | Yes       | Yes                       |
| Gallons   |                 |          |           |                           |           |                           |
| 20g   | 160             | \$ 17.31 | \$ 20.00  | \$ 20.00                  | \$ 20.00  | \$ 20.00                  |
| 32g   | 2,495           | \$ 27.69 | \$ 41.96  | \$ 44.34                  | \$ 41.68  | \$ 44.01                  |
| 64g   | 323             | \$ 55.38 | \$ 83.92  | \$ 88.68                  | \$ 95.87  | \$ 101.23                 |
| 96g   | 437             | \$ 82.18 | \$ 124.53 | \$ 131.59                 | \$ 154.64 | \$ 163.29                 |
| Total   | 3,415           |          |           |                           |           |                           |

**Progressive:**

- \* premium on 64g 15%
- \* premium on 96g 25%

A March 1 effective date results in a 6.5% carryover rate increase to 2012 for two months of underpayment to Recology without a retro increase added.

**Comparison of Current Rates of SBWMA Agencies to Estimated Future Rates**

| Member Agency     | Projected Increase | 20 gallon |         | 32 gallon |         | 64 gallon |         | 96 gallon |          |
|-------------------|--------------------|-----------|---------|-----------|---------|-----------|---------|-----------|----------|
|                   |                    | current   | 2011    | current   | 2011    | current   | 2011    | current   | 2011     |
| Atherton          | 38.9%              | \$17.31   | \$24.04 | \$27.69   | \$38.46 | \$55.38   | \$76.92 | \$82.18   | \$114.15 |
| Hillsborough      | 32.6%              | \$18.26   | \$24.21 | \$29.22   | \$38.75 | \$58.43   | \$77.48 | \$87.65   | \$116.22 |
| North Fair Oaks   | 0.7%               | \$23.52   | \$23.68 | \$23.52   | \$23.68 | \$47.04   | \$47.37 | \$70.56   | \$71.05  |
| Menlo Park        | 9.4%               | \$15.12   | \$16.54 | \$23.77   | \$26.00 | \$73.57   | \$80.49 | \$87.35   | \$95.56  |
| Belmont           | 19.2%              | \$13.86   | \$16.52 | \$22.18   | \$26.44 | \$45.37   | \$54.08 | \$68.85   | \$82.07  |
| San Carlos        | 13.3%              | \$13.87   | \$15.71 | \$22.19   | \$25.14 | \$46.18   | \$52.32 | \$68.55   | \$77.67  |
| West Bay Sanitary | 14.5%              | \$12.66   | \$14.50 | \$20.26   | \$23.20 | \$40.51   | \$46.38 | \$60.14   | \$68.86  |
| Redwood City      | 16.3%              | \$8.73    | \$10.15 | \$20.96   | \$24.38 | \$41.91   | \$48.74 | \$64.82   | \$75.39  |
| San Mateo         | 16.6%              | \$8.91    | \$10.39 | \$14.22   | \$16.58 | \$31.32   | \$36.52 | \$48.40   | \$56.43  |
| Burlingame        | 14.7%              | \$8.82    | \$10.12 | \$16.31   | \$18.71 | \$32.62   | \$37.42 | \$48.41   | \$55.53  |
| Foster City       | 29.5%              | \$8.58    | \$11.11 | \$13.73   | \$17.78 | \$27.46   | \$35.56 | \$41.18   | \$53.34  |

**SBWMA MEMBER AGENCY FRANCHISE AGREEMENTS  
SUMMARY OF ATTACHMENT Q  
UNSCHEDULED SERVICES**

| <u>Unscheduled Service Category</u> | <u>Cost</u>                                       | <u>Description of Cost</u>   |
|-------------------------------------|---|--|
| Overage Bags Cost                   | 50% of the base monthly Rate<br>or \$8.00 minimum | Per bag  |
| Container Cleaning Fee              | A – \$50.00<br>B – \$85.00                        | A – per Cart<br>B – per Bin or Drop-Box                                    |
| Dirty Cart Replacement Cost         | A – \$65.00<br>B – \$75.00<br>C – \$85.00         | A – per 32 gallon Cart<br>B – per 64 gallon Cart<br>C – per 96 gallon Cart |

| <b>Backyard Collection Service Distance Costs for Single-Family Dwellings<br/>(Section 5.02.A)</b> |   |   |   |   |
|--|---|---|---|---|
|  | <b>One (1) Solid<br/>Waste Cart</b>               | <b>Two (2) Solid<br/>Waste Carts</b>              | <b>Three (3) Solid<br/>Waste Carts</b>            | <b>Four (4) Solid<br/>Waste Carts</b>             |
| <b>Distance from<br/>Curbside</b>  | <b>Base monthly<br/>Solid Waste<br/>Rate plus</b> |
| 0 – 50 feet  | \$18.00   | \$28.72   | \$57.44   | \$86.16   |
| 51-100 feet  | \$21.00   | \$31.72   | \$60.44   | \$89.16   |
| 101-150 feet   | \$24.00   | \$34.72   | \$63.44   | \$92.16   |
| 151 – 200 feet   | \$27.00   | \$37.72   | \$66.44   | \$95.16   |
| 201 – 250 feet   | \$30.00   | \$40.72   | \$69.44   | \$98.16   |
| 251 – 300 feet   | \$33.00   | \$43.72   | \$72.44   | \$101.16  |
| 301 feet or more   | \$36.00   | \$46.72   | \$75.44   | \$104.16  |

**SBWMA MEMBER AGENCY FRANCHISE AGREEMENTS  
SUMMARY OF ATTACHMENT Q  
UNSCHEDULED SERVICES**

| <u>Unscheduled Service Category</u>  | <u>Cost</u>  | <u>Description of Cost</u>   |
|--|--|--|
| SFD Backyard Collection Service  | See table below on next page   | See table below on next page   |
| Distance Charge for MFD and Commercial Accounts  | A – 10% of base monthly Rate<br>B – 25% of base monthly Rate   | A – 51 to 100 feet from access by Contractor's collection vehicle<br>B – 101 feet or more from access by Contractor's collection vehicle |
| Extra Pick-up Cost for MFD and Commercial Customers                                      | 25% of the base monthly Rate for the size of Container Collected once per week                           | Per Collection event   |
| Single-Family Return Trip Cost   | \$15.00  | Per Collection event   |
| Additional Targeted Recyclable Materials or Organic Materials Cart Rental or Purchase    | A – \$1.00<br>B – \$63.00<br>C – \$69.00   | A – monthly rental fee (any size Cart)<br>B – Customer purchase of a 64 gallon Cart<br>C – Customer purchase of a 96 gallon Cart         |
| Fee for Service On-Call Bulky Item Collection Service                                    | \$81.55  | Per event  |
| Fee to Collect Contaminated Targeted Recyclable Materials or Organic Materials Container | 25% of the base monthly Rate for the size of Container Collected once per week<br><u>plus</u><br>\$15.00 | Per Collection event   |
| Key Service  | A – \$8.50<br>B – \$9.50   | Monthly cost:<br>A – Residential Customers<br>B – Commercial Customers   |
| Lock purchase fee (replacement at no additional cost)                                    | \$17.00  | One-time per Account cost.   |
| Overage Fee  | 100% of the base monthly Rate  | Per Collection event   |



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: NADINE P. LEVIN, INTERIM CITY MANAGER**

**DATE: FOR THE REGULAR MEETING OF DECEMBER 15, 2010**

**SUBJECT: UPDATE FROM AD-HOC COMMITTEE FOR LEGAL COUNSEL SELECTION**

#### **RECOMMENDATION:**

Determination of date to interview resident candidates; confirm the number of resident committee members will be three or some other number; define role and expectations for the committee and its interaction with the Council.

#### **BACKGROUND:**

At the August 18, 2010 regular City Council meeting Vice Mayor Dobbie and Council Member Lewis were appointed to an ad-hoc committee to begin preparing an RFP for legal counsel services.

At the September 30 special meeting Vice Mayor Dobbie was replaced by Council Member Carlson on the ad-hoc committee. Council received criteria from the ad-hoc committee for selection of resident members to the committee. The criteria was approved and published with a deadline date of November 1. The Town received six applications. The approved criteria are attached to this report. The six applicants are:

Scott Barnum  
Vivian Kral  
Christopher Cobey  
Elizabeth Hammack  
Peter Carpenter  
Lynne S. Coonan

Council approved the final RFP for legal counsel services at the November 17, 2010 regular Council meeting. A deadline date of January 18, 2011 for submittal of proposals was set. The RFP was publicized in the Almanac, sent to Atherton residents email distribution lists, several local law firms, the League of California Cities and the California City Attorney listserv.

At the November 17 Council meeting Council agreed to add discussion of a charter and course for the Legal Counsel Selection Committee in the RFP process. The ad-hoc committee has completed their specific role so far and will need further direction on how to proceed.

The six applicants for the Legal Counsel Selection Committee need to be interviewed and three members should be appointed before January 18, 2011. The City Clerk will send available dates for early to mid January to hold the special meeting to conduct interviews.

Attachment:  
Approved Legal Counsel Selection Committee criteria

Criteria approved at special meeting on September 30, 2010

### Criteria and Process for Selecting Community Volunteers for City Attorney Selection

The City Council of the Town of Atherton has directed the formation of an Ad Hoc Legal Counsel Selection Committee to be formed for the purpose of developing a Request for Proposals, reviewing the proposals and submitting them along with recommendations to the entire City Council for selection of a City Attorney for the Town.

Council Members Carlson and Lewis are the Council representatives who will solicit applications from the Town of Atherton Community for volunteers to serve on the Committee. Three residents will be selected by the entire Council at the October 20, 2010.

Applicants will be chosen based on the following criteria:

1. Atherton resident and homeowner.
2. Experience in public sector law, as counsel or as a public sector manager receiving legal services.
3. Experience in recruitment, selection and hiring (or making hiring recommendations) of counsel for public entities.
4. Independent of any close association with Atherton interests which could pose a conflict.
5. Awareness of Atherton's financial situation and its exposure to lawsuits.
6. Ability to work as a team member, focus on solutions and compromise.
7. Member of the California Bar and experience practicing law in California is highly desirable.

Please submit application no later than September 28, 2010. Final selection of 3 Committee Members will be at the regularly scheduled City Council meeting on October.

090210



## Town of Atherton

### **CITY COUNCIL STAFF REPORT**

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: THERESA N. DELLASANTA, DEPUTY CITY CLERK**

**DATE: FOR THE MEETING OF DECEMBER 15, 2010**

**SUBJECT: COUNCIL OF CITIES DECEMBER MEETING – COUNCIL GUIDANCE  
ON VOTING MATTERS**

#### **RECOMMENDATION:**

Council to give guidance direction to San Mateo County Council of Cities representative (Mayor) and alternate representative (Council Member) on voting matters at the December 17, 2010 meeting.

#### **BACKGROUND**

The last meeting for 2010 of the San Mateo County City Selection is scheduled for Friday, December 17th at the Colma Fire Department. At this meeting you will be voting on several expiring committee seats and the 2011 City Selection Officers.

The San Mateo County Council of Cities will vote on a number of regional board seats at its December meeting. The positions are identified below:

#### **EXPIRING SEATS:**

California Identification System - 1 seat

San Mateo Transit District (SamTrans) - 2 seats

San Mateo County Transportation Authority (SMCTA) - 2 seats

#### **Elections for 2011 Officers:**

Chairperson

Vice Chairperson

Secretary/Treasurer

**FISCAL IMPACT**

There is no fiscal impact.

**ATTACHMENTS:**

- 1- Proxy Form – to be filled out the night of December 15, 2010 – after selection of Mayor/Vice Mayor
- 2- Roster of Appointments by the San Mateo County Board of Supervisors and City Selection Committee

**SAN MATEO COUNTY  
CITY SELECTION  
COMMITTEE**

*Mayor, Christine Krolik, Chair*

*Marge Colapietro, Vice-Chair*

**TO:** Rebecca Romero, Secretary  
City Selection Committee

**SUBJECT: Alternate to the City Selection Committee**

I \_\_\_\_\_, Mayor of the City/Town of \_\_\_\_\_,  
hereby appoint Councilmember \_\_\_\_\_, to serve as my  
alternate to the City Selection Committee meeting(s).

In the absence of my appointee, I then appoint: **(Please choose one)**

\_\_\_\_\_ Councilmember \_\_\_\_\_ to represent me

\_\_\_\_\_ Vice-Mayor and each Councilmember in order of seniority

**(You must check only one of the following options)**

My alternate is to serve for the:  
\_\_\_\_\_ meeting only  
Date

\_\_\_\_\_ duration of my term of office as Mayor

\_\_\_\_\_ I do not choose to appoint an alternate

\_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_  
Date

**Please return to:**

Rebecca Romero, Secretary  
City Selection Committee  
Hall of Justice  
400 County Center / CMO 105  
Redwood City, CA 94063

**Or Fax to 650 363-1916  
Or bring to the meeting**

If you should have any questions please do not hesitate to call me (650) 363-1802.

# **ROSTER OF APPOINTMENTS**

BY THE

**SAN MATEO COUNTY BOARD OF SUPERVISORS**

AND

**CITY SELECTION COMMITTEE**

Rich Gordon, President  
San Mateo County Board of Supervisors

Christine Krolik, Chairperson  
City Selection Committee

Rebecca Romero, Secretary  
City Selection Committee

## Northern Judicial Cities

Brisbane  
Colma  
Daly City  
Pacifica  
San Bruno  
South San Francisco

## Central Judicial Cities

Belmont  
Burlingame  
Foster City  
Half Moon Bay  
Hillsborough  
Millbrae  
San Mateo

## Southern Judicial Cities

Atherton  
East Palo Alto  
Menlo Park  
Portola Valley  
Redwood City  
San Carlos  
Woodside

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## ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG)

### Executive Board

| CURRENT MEMBERSHIP<br>(San Mateo County) | Date First<br><u>Appointed</u> | Current Term<br><u>Expires</u> | <u>Representing</u>  |
|--|--------------------------------|--------------------------------|----------------------|
| Rose Jacobs Gibson                       | 01/12/99                       | 01/08/13                       | Board of Supervisors |
| Carole Groom                             | 01/06/09                       | 01/04/11                       | Board of Supervisors |
| Sepi Richardson, Brisbane                | 01/24/03                       | 06/30/11                       | Cities               |
| Richard Garbarino, South San Francisco   | 06/22/07                       | 06/30/11                       | Cities               |
| <u>Alternate Members</u>                 |                                |                                |                      |
| Rich Gordon                              |                                | 01/04/11                       | Board of Supervisors |
| Mark Church                              | 01/23/01                       | 01/08/13                       | Board of Supervisors |
| Pedro Gonzalez, South San Francisco      | 03/27/09                       | 06/30/11                       | Cities               |
| John Boyle, Menlo Park                   | 05/30/08                       | 06/30/11                       | Cities               |

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Authority: Government Code Section 6500; Joint Powers Agreement Resolution 15506 adopted September 26, 1960, amended Resolution 15815 adopted January 12, 1961.

Membership requirements: Two Supervisors and two City Councilmembers.

Term of office: 2 years

Duties: Recommends annual budget and summary work program of the Association for adoption by the General Assembly; appoints, fixes the salary of, and removes the Executive Director; acts on recommendations from committees for policy decisions; carries out policy decisions made by the General Assembly.

Appointment: Supervisors are appointed by the Board of Supervisors, City Councilmembers are appointed by the City Selection Committee (Open Seat).

Compensation: \$150 per Board or Committee meeting, with a maximum of 48 meetings per year.

Meetings: 3rd Thursdays/alternate month, 7:00 pm – 9:00 pm, MetroCenter Auditorium, 101 8th Street, Oakland.

Contact: Patricia Jones, P.O. Box 2050, Oakland 94604. 510-464-1933, [PatriciaJ@abag.ca.gov](mailto:PatriciaJ@abag.ca.gov)

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## BAY AREA AIR QUALITY MANAGEMENT DISTRICT

| <u>CURRENT MEMBERSHIP</u> | <u>Date First Appointed</u> | <u>Current Term Expires</u> | <u>Representing</u>  |
|---------------------------|-----------------------------|-----------------------------|----------------------|
| Carole Groom              | 01/06/09                    | 01/04/11                    | Board of Supervisors |
| Carol Klatt, Daly City    | 03/24/06                    | 12/31/11                    | City                 |

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Authority: Health and Safety Code, Section 24345 and 40200.

Membership requirements: Member of the Board of Supervisors and a City Councilmember.

Term of office: 4 years for members appointed by the Board of Supervisors; 2 years for members appointed by the City Selection Committee.

Duties: The Board is the governing body of the District and shall exercise all powers of the District, except as otherwise provided. The Board establishes and executes an effective program for the reduction of air contaminants within the District.

Appointment: Supervisor appointed by the Board of Supervisors, Councilmember appointed by the City Selection Committee.

Compensation: \$100 per meeting, plus travel expenses, per diem shall not exceed \$6,000 per year.

Meetings: 1st & 3rd Wednesdays of the month, 9:30 am at the Air Quality Management District, 939 Ellis Street, 7<sup>th</sup> Floor, San Francisco.

Contact: Mary Romaidis, Clerk of the Board, 939 Ellis Street, San Francisco 94109.  
(415) 749-4965, [mromaidis@baaqmd.gov](mailto:mromaidis@baaqmd.gov)

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## CALIFORNIA IDENTIFICATION SYSTEM (CAL-ID)

| <u>CURRENT MEMBERSHIP</u>           | <u>Date First Appointed</u> | <u>Current Term Expires</u> | <u>Representing</u>  |
|-------------------------------------|-----------------------------|-----------------------------|----------------------|
| Greg Munks                          |                             |                             | Sheriff              |
| Jack Van Etten, Burlingame          |                             |                             | Chief                |
| James Fox                           |                             |                             | District Attorney    |
| Anthony Constantouros, Hillsborough |                             |                             | At-Large             |
| Gary McClane, Daly City (Chair)     |                             |                             | Chief                |
| Adrienne Tissier                    |                             |                             | Board of Supervisors |
| Larry Franzella, San Bruno          | 12/16/99                    | 12/31/10                    | Cities               |

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Authority: Penal Code Section 11112.4, Resolution 47314 adopted September 24, 1985.

Membership requirements: 7 members; one member of the Board of Supervisors, Sheriff, District Attorney, Chief of Police of the Department having the largest number of sworn personnel within the County, 2nd Chief selected by all other Chiefs within the County, 1 representative of the Cities, and member-at-large.

Term of Office: 3 years, beginning on January 1st and ending December 31st

Duties: Determine the placement of Random Access Network (RAN) equipment within the County and to coordinate acceptance, delivery and installation. Develop procedures necessary to regulate the use and maintenance of the equipment, adhering to the policy guidelines and procedures adopted by the State Department of Justice.

Appointment: Councilmember is appointed by City Selection Committee, on behalf of the Council of Cities; Supervisor by the Board of Supervisors; 2nd Police Chief by Police Chiefs Association; and member-at-large is chosen by other members.

Compensation: None

Meetings: Various locations, 2:00 pm.

Contact: Mark Hanlon, Captain, Sheriff's Office, 400 County Center, Redwood City, (650) 363-4390, [mhanlon@co.sanmateo.ca.us](mailto:mhanlon@co.sanmateo.ca.us)

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## DOMESTIC VIOLENCE COUNCIL

| <u>CURRENT MEMBERSHIP</u> | <u>Appointed</u> | <u>Expires</u> | <u>Category</u>      |
|---------------------------|------------------|----------------|----------------------|
| Mark Church               | 01/04/05         | 01/08/13       | Board of Supervisors |
| Stephen M. Hall           |                  |                | Presiding Judge      |
| Susan Etezadi             |                  |                | Superior Court       |
| Greg Munks                |                  |                | Sheriff              |
| Mark Alcantara            |                  |                | Sheriff              |
| Linda Gibbons             |                  |                | Sheriff              |
| Robert Lotti              |                  |                | Chief                |
| Louis Cobarruviaz         |                  |                | Chief                |
| Jim Fox                   |                  |                | District Attorney    |
| Karen Guidotti            |                  |                | District Attorney    |
| Beverly Beasley Johnson   |                  |                | HSA                  |
| Gabriel Thibaut           |                  |                | Pyramid Alternatives |
| Melissa Lukin             |                  |                | CORA                 |
| Debbie Appel              |                  |                | CORA                 |
| Lynda Burton              |                  |                | Legal Aid of SMC     |
| Calvin Remington          |                  |                | Probation            |
| Greg Sonnenschein         |                  |                | Probation            |
| Jean Holbrook             |                  |                | SMCOE                |
| Sylvia Key                |                  |                | SMCOE                |
| Jean S.Frasier            |                  |                | Health System        |
| Brian Zamora              |                  |                | Health System        |
| Ellen Taliaferro          |                  |                | Keller Center        |
| Diana Emerson             |                  |                | Keller Center        |
| Jan Kamman                |                  |                | CSW                  |
| Sandra Schuster           |                  |                | CSW                  |
| Richard Garbarino         | 12/14/07         | 12/31/11       | Cities               |
| Pedro Gonzalez            |                  |                | Cities               |
| Felope Fatunmise          |                  |                | At-Large             |
| Bernadette Plotnikoff     |                  |                | At-Large             |

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Authority: Resolution 62407 adopted November 17, 1998, Amended Resolution 68609 adopted March 27, 2007.

Membership: A member of the Board of Supervisors; the Presiding Judge of the Superior Court or his/her representative; the Sheriff or his/her representative; the District Attorney or his/her representative; the County Superintendent of Schools or his/her representative; the Chief Probation Officer or his/her representative; the Director of Health Services or his/her representative; the Director of Human Services or his/her representative; a representative of the Council of Cities; a representative of the Police Chiefs' Association; a representative of the Commission on the Status of Women; two individuals representing non-profit agencies servicing battered women; one individual representing agencies or individuals

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who provide treatment services to batterers; one individual representing a non-profit agency providing legal services to battered women; and four individuals representing the community at large; one representative of the San Mateo County Bar Association, who is member of the Private Defender Program.

Term of Office: 4 years; maximum of 3 terms

Duties: To evaluate, make recommendations and initiate activities regarding: current responses of law enforcement, the judicial system, health care services and community resources; local government efforts to reduce domestic and family violence; public awareness and public education necessary to effect prevention activities; the collection of statistics and data; the adequacy of federal, state and local laws; and the need for services for those who are victims of domestic and family violence. The Council will develop an annual work plan and submit an annual report to the Board of Supervisors.

Appointment: The members representing non-profit agencies servicing battered women, agencies or individuals who provide treatment services to batterers, the non-profit agency providing legal services to battered women and the community at large are appointed by the Board of Supervisors.

Compensation: None

Meetings: 4<sup>th</sup> Thursdays/every other month, 3:00 pm – 4:30 pm, 455 County Center, 5<sup>th</sup> Floor, Redwood City,

Contact: Honora Miller, Commission on the Status of Women, 455 County Center, 5<sup>th</sup> Floor, Redwood City 94063, (650) 363-4872, [hmiller@co.sanmateo.ca.us](mailto:hmiller@co.sanmateo.ca.us)

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## HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

| <u>CURRENT MEMBERSHIP</u>                         | <u>Date First Appointed</u> | <u>Current Term Expires</u> | <u>Representing</u>                               |
|---|-----------------------------|-----------------------------|---|
| <b>VACANT</b><br>Susy Castoria                    | 03/05/07                    | 12/31/11                    | Commission on Aging<br>Commission on Disabilities |
| <b>VACANT</b><br>Linda Lopez                      | 01/01/03                    | 12/31/08                    | Homeless Continuum of Care<br>North Fair Oaks     |
| <b>VACANT</b><br>Norma Fragoso, So. San Francisco | 01/01/03                    | 12/31/09                    | HOME Consortium                                   |
| <b>VACANT</b><br><b>VACANT</b>                    | 01/01/03                    | 12/31/09                    | Unincorporated<br>At- Large (Pub.Fac. / Eco.Dev.) |
| <b>VACANT</b><br>Nancy Mangini                    | 01/01/03                    | 12/31/09                    | At-Large (Pub.Fac. / Eco.Dev.)                    |
| <b>VACANT</b><br>Tom Davids                       | 01/01/03                    | 12/31/08                    | At-Large (Housing)                                |
| <b>VACANT</b>                                     |                             |                             | At-Large (Housing)                                |
| <b>VACANT</b>                                     |                             |                             | At-Large (Housing)                                |
| <b>VACANT</b>                                     |                             |                             | At-Large (Pub.Fac. / Eco.Dev.)                    |
| <b>VACANT</b>                                     |                             |                             | Low-Income  |

### City Selection Appointments:

|                          |          |          |        |
|--------------------------|----------|----------|--------|
| Deborah Gordon, Woodside | 01/01/03 | 12/31/12 | Cities |
| Helen Fisicaro, Colma    | 01/01/03 | 12/31/12 | Cities |

Authority: Housing and Safety Cod 34120.5; Ordinance Code § 2.08010-050; Resolution 65783 adopted January 28, 2003.

### Membership requirements:

15-17 member; Two member appointed by the Council of Cities, one member appointed by the Commission on Aging, one member appointed by the Commission on Disabilities, one member appointed by the Executive committee of the Continuum of Care Planning Board, one member living in the unincorporated area of North Fair Oaks, one member living in the unincorporated Coastsides, one member living in a low-income community, six-eight Members-At-Large, one of whom shall have experience or expertise in real estate, finance, development or operations and one member appointed by each Entitlement city in the County HOME Consortium (currently only South San Francisco).

Term of office: Four years; maximum 12 years.

Duties: Make recommendations to the Board of Supervisors, through the Director of the Office of Housing, Human Services Agency, related to the expenditure of all housing and community development funds' to review and provide a forum for public comment on affordable housing and community development needs and priorities related to the development of the Consolidated Plan and related Annual Action Plans, and to formulate recommendations thereon; and to review and provide a forum for public comment on accomplishments and performance as related to said Consolidated Plan and Action Plans.

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Appointment: The members of the Committee shall be appointed by the Board of Supervisors. The categorical members shall be nominated by their respective agencies, however, the Board of Supervisors retains the discretion to confirm or reject such nominations.

Compensation: None.

Meeting: Minimum of four formal public meetings per fiscal year.

Contact: Marina Yu, 264 Harbor Boulevard, Building A, Belmont 94002, (650) 802-5039, [myu@smchousing.org](mailto:myu@smchousing.org)

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## HOUSING ENDOWMENT AND REGIONAL TRUST (HEART)

### CURRENT MEMBERSHIP

|                    | <u>Date First<br/>Appointed</u> | <u>Current Term<br/>Expires</u> | <u>Representing</u> |
|--------------------|---------------------------------|---------------------------------|---------------------|
| Richard Gordon     | 06/24/03                        | 02/28/12                        | San Mateo County    |
| Rose Jacobs Gibson | 06/24/03                        | 02/28/12                        | San Mateo County    |
| Linda Asbury       | 12/17/03                        | 02/28/10                        | At-Large            |
| Denise Aquila      | 12/17/03                        | 02/28/10                        | At-Large            |
| Julia Baigent      | 07/25/07                        | 02/28/10                        | At-Large            |
| Paul Shepherd      | 06/23/04                        | 02/28/10                        | At-Large            |
| Bill Nack          | 12/17/03                        | 02/28/11                        | At-Large            |
| Karyl Eldridge     | 12/17/03                        | 02/28/11                        | At-Large            |
| Michele Jackson    | 12/17/03                        | 02/29/12                        | At-Large            |
| John Conover       | 06/23/04                        | 02/29/12                        | At-Large            |
| Larry Nibbi        | 11/20/07                        | 02/29/12                        | At-Large            |
| Vacant             |                                 |                                 | At-Large            |

### City Selection Appointments

|                                     |          |          |        |
|-------------------------------------|----------|----------|--------|
| Randy Royce, San Carlos             | 12/19/08 | 02/28/13 | Cities |
| Elizabeth Lewis, Atherton           | 12/18/09 | 02/28/12 | Cities |
| Tom Kasten, Hillsborough            | 09/26/03 | 02/28/13 | Cities |
| Pedro Gonzalez, South San Francisco | 03/01/08 | 02/28/11 | Cities |
| Sal Torres, Daly City               | 09/26/03 | 02/28/11 | Cities |
| John Boyle, Menlo Park              | 01/26/07 | 02/28/11 | Cities |
| Daniel Quigg, Millbrae              | 01/27/06 | 02/29/12 | Cities |
| John Seybert, Redwood City          | 12/18/09 | 02/29/13 | Cities |
| Jack Matthews, San Mateo            | 03/27/09 | 02/29/12 | Cities |

Authority: Resolution 65988 adopted May 31, 2003 approving the Joint Powers Agreement joining the Housing Endowment and Trust of San Mateo County

Membership requirements: 2 Supervisors and 9 City Councilmembers (only Member Agencies); 10 members At-Large.

Term of office: Supervisors serve at the pleasure of the Board of Supervisors, Cities and Member At-Large serve 3 years, beginning on March 1<sup>st</sup> and ending February 28<sup>th</sup>.

Duties: The member shall be responsible for the joint fundraising, planning, adoption, financing, administration, review, monitoring, enforcement, and reporting of certain workforce and affordable housing program activities in San Mateo County.

Appointment: Supervisors are appointed by the Board of Supervisors, City Councilmembers are appointed by the City Selection Committee and At-Large members are appointed by the HEART Board of Directors.

Compensation: None.

Meetings: 4<sup>th</sup> Wednesday of the month, 3:00-4:30 pm, 1700 S. El Camino Real, # 100, San Mateo

Contact: Sherri Stevenson, HEART (650) 872-4444, ext 3, [sherri@heartofsmc.org](mailto:sherri@heartofsmc.org)

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## LOCAL AGENCY FORMATION COMMISSION (LAFCO)

| <u>CURRENT MEMBERSHIP</u>     | <u>Date First Appointed</u> | <u>Current Term Expires</u> | <u>Representing</u>  |
|-------------------------------|-----------------------------|-----------------------------|----------------------|
| Adrienne Tissier              |                             | May, 2012                   | Board of Supervisors |
| Richard Gordon                | 01/12/99                    | May, 2012                   | Board of Supervisors |
| Sepi Richardson, Brisbane     | 12/21/01                    | May, 2014                   | Cities               |
| Naomi Patridge, Half Moon Bay | 12/14/07                    | May, 2013                   | Cities               |
| Howard Jones                  | 06/20/98                    | May, 2010                   | Public Member        |
| Robert Craig                  | 05/17/06                    | May, 2010                   | Special District     |
| Iris Gallagher                | 05/07/98                    | May, 2012                   | Special District     |

### Alternate-Members

|                              |          |           |                      |
|------------------------------|----------|-----------|----------------------|
| Rose Jacobs Gibson           | 01/12/99 | May, 2012 | Board of Supervisors |
| Barbara Pierce, Redwood City | 04/27/07 | May, 2011 | Cities               |
| Linda Craig                  | 05/17/06 | May, 2010 | Public Member        |
| David Altscher               | 06/18/06 | May, 2012 | Special District     |

Authority: Government Code sections 56000 et seq.

Membership requirements: 7 members; 2 representing the County, who shall be members of the Board of Supervisors; 2 representing the cities in the county, who shall be city officers; 2 representing special district in the county, who shall be elected or appointed special district officers residing in the county, and who may not be members of a legislative body of a city or county; and 1 member representing the general public. The public member may not be an officer or employee of the county, a city or district within the territory of the county. There shall be alternates for all members representing public entities, and there may be an alternate for the public member. (Govt. Code §§ 56325 – 56332)

Term of office: 4 years expiring 1st Monday in May.

Duties: Reviews proposals for the incorporation of cities, the exclusion of territory from a city, disincorporation of a city, consolidation of two or more cities, or the development of new communities. Reviews proposals for the formation of special districts, detachments, dissolutions, mergers, reorganizations, consolidations, and the annexation of territory to local agencies. Initiates and makes studies of existing governmental agencies determining the maximum service area and service capabilities. (Govt. Code § 56375)

Appointment: The Board of Supervisors appoints 2 of its members and an alternate; City Selection Committee appoints the 2 city representatives and an alternate; the independent special district selection committee appoints 2 members to represent independent special districts in the county and an alternate; the other members of the commission appoint 1 public member and may appoint an alternate.

Compensation: \$100 per meeting

Meetings: 3rd Wednesday of odd month, 2:30pm, Board of Supervisors Chambers, 400 County Center, Redwood City.

Contact: Martha Poyatos, LAFCo, County Office Building, 455 County Center, Redwood City 94063. (650) 363-4224, [mpoyatos@co.sanmateo.ca.us](mailto:mpoyatos@co.sanmateo.ca.us)

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## METROPOLITAN TRANSPORTATION COMMISSION (MTC)

| <u>CURRENT MEMBERSHIP</u> | <u>Date First Appointed</u> | <u>Current Term Expires</u> | <u>Representing</u>  |
|---------------------------|-----------------------------|-----------------------------|----------------------|
| Adrienne Tissier          |                             | 02/09/11                    | Board of Supervisors |
| Sue Lempert, San Mateo    | 12/18/98                    | 02/09/11                    | Cities               |

Authority: Government Code Section 66500.

Membership requirements: 19 members, 16 voting and 2 non-voting; 2 representatives of the City and County of San Francisco, 2 representatives each from Alameda, Contra Costa, San Mateo and Santa Clara Counties, 1 representative from Marin, Napa, Solano and Sonoma Counties, a representative of the Association of Bay Area Governments, a representative of the San Francisco Bay Conservation and Development Commission, a representative of the Secretary of Business and Transportation, and a representative of the U.S. Department of Transportation and Federal Highway Administration. Members are selected based on their special familiarity with the problems and issues in the field of transportation.

Term of office: 4 years

Duties: Maintains a regional transportation plan for the Bay Area which includes interstate highways, California freeway and expressway system, transbay bridges, mass transit systems, bicycle and pedestrian facilities, seaports and airports. Commission reviews applications for state and federal transportation funds, paying particular attention to the interfacing of the various modes of transportation.

Appointment: For members from San Francisco, the Mayor appoints 1 member and the Board of Supervisors appoints 1 member; for members from Alameda, Contra Costa, San Mateo, and Santa Clara Counties, the City Selection Committee of each county shall appoint 1 member, and the Board of Supervisors shall appoint 1 member. The City Selection Committee's of Marin, Napa, Solano, and Sonoma Counties furnish to the Board of Supervisors the names of 3 nominees and the Board of Supervisors shall appoint 1 of the nominees to represent the county. The Association of Bay Area Governments and the SF Bay Conservation and Development Commission each appoint 1 member. The Secretary for Business and Transportation appoints 1 non-voting member and the U.S. Department of Transportation and Federal Highway Administration appoint 1 non-voting member.

Compensation: \$100/meeting, not to exceed \$500/month.

Meetings: 4th Wednesday of the month, 10:00 am, Metro Center, 101 8<sup>th</sup> Street, Oakland.

Contact: Rosy Leyva, Commission Secretary, Metropolitan Transportation Commission, MetroCenter, 101 8th Street, Oakland 94607. (510) 817-5775, [rlayva@mtc.ca.gov](mailto:rlayva@mtc.ca.gov)

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## PENINSULA CORRIDOR JOINT POWERS BOARD (CALTRAIN)

| <u>CURRENT MEMBERSHIP</u> | <u>Date First appointed</u> | <u>No Term Length</u> | <u>Appointed by</u>     |
|---------------------------|-----------------------------|-----------------------|-------------------------|
| Mark Church               | 02/09                       |                       | Board of Supervisors    |
| Omar Ahmad, San Carlos    | 01/10                       |                       | Cities                  |
| Art Lloyd, Portola Valley | 01/93                       |                       | SamTrans                |
| Jose Cisneros             | 04/04                       |                       | SF Mayor                |
| Nathaniel P. Ford Sr.     | 03/06                       |                       | SF MTA                  |
| Sean Elsbernd             | 03/08                       |                       | SF Board of Supervisors |
| Ken Yeager                | 03/07                       |                       | SC Board of Supervisors |
| Don Gage                  | 01/04                       |                       | VTA                     |
| Ash Kalra                 | 01/09                       |                       | VTA                     |

Authority: Gov. Code Sec. 6500 and Joint Powers Agreement of October 18th 1991 and amended December 6th 1994 between SamTrans, Santa Clara County Transit and the City and County of San Francisco.

Membership requirements:

SamTrans Board:

One Supervisor, one Councilmember, one SamTrans Director

City and County of San Francisco

One appointed by the Mayor, one appointed by the board of supervisors and one appointed by SFMTA

Santa Clara Valley Transportation Authority (VTA)

Two Directors representing the County of Santa Clara or the City of San Jose and the Santa Clara County representatives to the Metropolitan Transportation Commission

Term of office: There is no term length, although the members serve at the pleasure of their appointing bodies.

Duties: Sets policy and approves funding for the operation of Peninsula Commute Service.

Appointment: See Membership Requirements (above)

Compensation: \$100 per meeting, \$400 maximum in a month

Meetings: 1st Thursday of each month at 10am at San Mateo County Transit District Offices, 1250 San Carlos Avenue, San Carlos 94070.

Contact: Martha Martinez, JPB Secretary, San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, 94070, (650) 508-6242, [martinezm@samtrans.com](mailto:martinezm@samtrans.com)

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## SUPPLEMENTAL LAW ENFORCEMENT OVERSIGHT COMMITTEE

| <u>CURRENT MEMBERSHIP</u>           | <u>Date First Appointed</u> | <u>Current Term Expires</u> | <u>Category</u>   |
|-------------------------------------|-----------------------------|-----------------------------|-------------------|
| David Boesch                        | ex-officio                  |                             | County Manager    |
| Greg Munks                          | ex-officio                  |                             | Sheriff           |
| James Fox                           | ex-officio                  |                             | District Attorney |
| Mark Raffaelli, South San Francisco | 09/28/01                    |                             | Chief             |
| James Nantell, Burlingame           | 09/28/01                    |                             | City Manager      |

Authority: Government Code Sec. 300061

Membership requirements: 5 members; the County Manager, Sheriff, District Attorney, one Municipal Police Chief and one City Manager.

Term of office: pleasure of the appointing committee

Duties: Annually review the expenditure of the Supplemental Law Enforcement Services Fund to determine whether recipient entities have expended moneys received in compliance with the law.

Appointment: Police Chief and City Manager are appointed by the City Selection Committee. To be appointed a candidate must have a majority of the cities with a majority of the county's population.

Compensation: None

Meetings: Unknown

Contact: Unknown

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## SAN MATEO COUNTY TRANSIT DISTRICT (SAMTRANS)

| <u>CURRENT MEMBERSHIP</u>            | <u>Date First<br/>Appointed</u> | <u>Current Term<br/>Expires</u> | <u>Category</u>                          |
|--------------------------------------|---------------------------------|---------------------------------|--|
| Mark Church                          | 01/09                           | 12/31/12                        | Board of Supervisors                     |
| Adrienne Tissier                     | 01/05                           | 12/08/10                        | Board of Supervisors                     |
| Jerry Deal, Burlingame               | 04/09                           | 12/31/10                        | Cities Central                           |
| Omar Ahmad, San Carlos               | 01/10                           | 12/31/12                        | Cities Southern                          |
| Karyl Matsumoto, South San Francisco | 03/07                           | 12/31/10                        | Cities Northern                          |
| Rose Guilbault, Chair                | 03/06                           | 12/31/12                        | Public Member                            |
| Zoe Kersteen-Tucker                  | 03/06                           | 12/31/10                        | Public Member                            |
| Shirley Harris                       | 1/94                            | 12/31/12                        | Public Member (Coast)                    |
| Arthur Lloyd                         | 02/16/88                        | 12/31/10                        | Transit Expert<br>(Board of Supervisors) |

Authority: San Mateo County Transit District Act

Membership requirements: Nine (9) members; three (3) representing Board of Supervisors (one of which is a transit expert), three (3) City Council Members representing City Selection Committee (Northern, Central, & Southern), three (3) public members (one of which is a coastal zone resident).

Term of office: 4 years, terms run January 1st to December 31st.

Duties: Sets policy and approves funding for the transit district.

Appointment: Supervisors and the "expert" are appointed by the Board of Supervisors. The three councilmembers are appointed by the City Selection Committee, The 3 public members are appointed by six non-public members of the SamTrans board.

Compensation: \$100 per meeting, not to exceed \$400 a month.

Meetings: 2nd Wednesday of the month, 2:00pm, at San Mateo County Transit District Offices, 1250 San Carlos Avenue, San Carlos 94070.

Contact: Martha Martinez, District Secretary, San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, 94070, (650) 508-6242, martinezm@samtrans.com

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## SAN MATEO COUNTY TRANSPORTATION AUTHORITY (SMCTA)

| <u>CURRENT MEMBERSHIP</u>          | <u>First Date Appointed</u> | <u>Current Term Expires</u> | <u>Representing</u>  |
|------------------------------------|-----------------------------|-----------------------------|----------------------|
| Richard Gordon                     | 01/12/99                    | 12/31/11                    | Board of Supervisors |
| <b>Carole Groom</b>                | 01/06/09                    | <b>12/31/10</b>             | Board of Supervisors |
| John Lee, San Mateo                | 01/28/00                    | 12/31/11                    | Cities-at-Large      |
| Jim Vreeland, Pacifica             | 01/01/08                    | 12/31/11                    | Cities Northern      |
| <b>Terry Nagel, Burlingame</b>     | 01/01/10                    | <b>12/31/10</b>             | Cities Central       |
| <b>Rosanne Foust, Redwood City</b> | 01/01/05                    | <b>12/31/10</b>             | Cities Southern      |
| <b>Karyl Matsumoto</b>             | 01/09/08                    | <b>12/31/10</b>             | <b>SamTrans</b>      |

Authority: Bay Area County Traffic and Transportation Funding Act, and San Mateo County Ordinance 3135 adopted March 8, 1988

### Membership

Requirements: Seven members; two Supervisors, one member of the SamTrans Board of Directors, who must be an elected official, and four representatives of the cities, one from each Judicial District, and one at large.

Term of Office: 2 years - Term begins January 1st and ends December 31st.

Duties: To implement Measure A as passed June 7, 1988.

Appointment: Supervisors by the Board of Supervisors, SamTrans Director by the SamTrans Board of Directors, City representative by the City Selection Committee on behalf of the Council of Cities.

Compensation: \$100 per day, maximum \$400 per month.

Meetings: 1st Thursday of each month at 5:00 pm, at San Mateo County Transit District Offices, 1250 San Carlos Avenue, San Carlos, 94070.

Contact: Martha Martinez, Authority Secretary, 1250 San Carlos Avenue, San Carlos 94070, (650) 508-6242, [martinezm@samtrans.com](mailto:martinezm@samtrans.com)

Atherton Rail Committee

Jean-Claude Guez, from France, gave a very interesting presentation to the committee and a number of visitors concerning High Speed Rail (10 Lessons Learned). He is a board member of Eurostar and a consultant to TGV (French HSR System).

He provided fresh insight into the role of HSR in Europe and what is needed for a successful system. First, a high speed rail system needs to be considered analogous to airline service. There is first a need for a sophisticated infrastructure that will last for a long duration. The HSR structure consists of acquiring right-of-way, designing and building tracks, bridges, tunnels, stations and other facilities needed for the system similar as providing airports for airlines.

The rail operating companies are similar to airlines in that they secure the rolling stock, determine schedules, set prices and level of services, etc. In Europe, more than one rail operating company is using most European track lines and they compete with each other like the airlines.

It has been found that rail operating companies can be profitably run when they are serving 'paired cities' that are, door to door, **one to two ½ hours** apart, which makes rail usage very competitive to airlines. (In Europe, 80% market share has been achieved by the rail companies reducing the airline's share to 20%. Only very marginal rail usage comes from replacing autos and buses.)

Ticket pricing is set by 'yield management' same as the airlines, i.e. determining what demand is for each level of service and pricing accordingly. High service (premium seating) is about 6 times the cost of the lowest service. Rail tickets are priced at the same levels as airlines.

Trains run at maximum speeds between paired cities and stop as little as possible, at least an hour in between stops. The rail security system is sophisticated and allows travelers to check in up to 10 minutes before departure.

Hub (paired) cities passengers for HSR arrive at the Hub by car, bus, regional trains and airlines. Business relationships have been developed between airlines and rail operating companies to provide efficient connection service for users. (Example, Japan Airline's ticket from Japan to Brussels will land in London and connect with HSR on to Brussels.)

**The take-away from the meeting is that CHSRA needs to rethink its overall business strategy and approach to how the California system should be put together. Its strategy and business model as it now stands rests on assumptions that will not support a profitable operating outcome.**

Jean-Claude is definitely a very knowledgeable expert on HSR. His host, Greg Conlon, is attempting to have him speak with some of the decision making people involved in the HSR project. The rail committee greatly appreciated Greg arranging the visit and Jean-Claude making the trip.

In addition, Supervisor-elect Don Horsley participated in the meeting. The committee is continuing to encourage our supervisors to become visibly engaged in the process. The new Board of Supervisor's President Carol Groom has been engaged and Jean-Claude and Greg were scheduled to meet with her.

Peer Review Study of HSR was just released and can be found on the internet. The Peer Review group reached some of the same conclusions as the State Auditor, Legislative Analyst's Office, U.C. Transportation Institute and the Senate Transportation Committee.

Each of the above have previously stated that the Ridership Numbers need to be redone. I believe the consensus is that the U.C. Transportation Institute would be an excellent independent body to put together a new ridership study. In addition, a new Business model and plan with a supporting strategy needs to be produced by the authority. The study references the Business report on HSR produced by William Grindley, Alain Enthoven and William Warren. The Peer group calls for an additional Economic report be produced which takes into account green house gas reduction, cars off the road (?) and other public benefits.

Sacramento CHSRA Board meeting approved the Central Valley construction start plan despite opposition by a number of attendees. ("The road to no where.") The Attorney General's Office (Spanos) would not give an opinion as to whether the construction plan met the requirements of AB3034. "Independent utility" and how that may be achieved is one question Spanos couldn't answer because he had not been asked to study the plan beforehand! Imagine – multi billion dollars being committed without knowing if the use is legitimate. He reasoned that maybe this start project could be defined as a subset of a segment project which would have to have independent utility. The planned construction will result in constructing a Fresno train station and laying down rails both north and south of the city. There will be no electrification or high speed trains using the track segment.

During Public Comments, I raised the issues of having all the vertical alternatives seriously studied for the Peninsula including tunneling and covered trenches. Also, I brought up needing to have a new Business Plan by Feb. 1<sup>st</sup>, 2011 as was committed to by the authority until they asked the Governor to veto the language in the budget bill – which the legislative legal counsel ruled to be illegal.

PCC Letter to Governor-elect Brown is intended to be a document that all cities, including non PCC cities on the Peninsula, can get behind and support. The rail committee, however, concluded that the letter should just focus on HSR and not mention Caltrain. The letter presupposes that HSR will be using the Caltrain corridor. The committee members and our lawsuits are not ready to concede that point.

The committee supports the point that a new Ridership Study needs to be undertaken and funded by the legislature, separate and apart from the authority. The system configuration and the operational profit/loss are dependent on ridership numbers. The committee supports U.C. Institute of Transportation doing the study.

The committee would also recommend that all options be considered in the Alternatives Analysis for the Project EIR. (In a recent letter from Congresswoman Eshoo to Transportation Secretary LaHood, the point is made that all options need to be seriously studied without bias.)

Sacramento and Washington D.C. Outreach needs to be increased this next year. Palo Alto and Menlo Park agree that we need to be 'proactive' rather than 'reactive' in

our efforts. Our lobbyist Ravi Mehta developing a strategy for us to review in the near future. It will probably involve asking for more individual councilmember involvement and contact with our representatives. William Grindley and Alain Enthoven have been engaged in making D.C. contacts on behalf of the Peninsula cities. Because the project hinges on getting a lot more federal dollars if it is to happen we will need a greater effort at that level.

Caltrain is receiving support from a grassroots organization which has a goal of putting a tax measure on the ballot to provide on-going funding for Caltrain. Fewer dollars for operations will be available from the three counties and most cities consider the line as essential to their communities. The rail committee, however, is recommending that Atherton withhold support until Caltrain agrees to dissolve the MOU it currently has with HSR. It should be made clear to the JPB that Caltrain's future should not be tied to HSR but it should focus on being part of an intermodal regional transportation system stretching to the Central Valley.

Thank you Finance Committee for holding a joint study session with the council to look at what San Carlos has done with Police Services and the discussion on compensation costs including retiree costs. We might need to revisit the GASB 45 liability calculations because of some questions that have been raised about the last study. For example, the study assumed some fifty current positions would be retiring from the town, whereas, the number may be much smaller such employees electing to take other jobs. Perhaps, someone needs to look at the last report critically and see if it needs updating for a more realistic set of numbers.

Town Center Taskforce is getting closer to one day having some conceptual ideas that can be shared with residents to get their feedback and to see if there are potential donors interested in investing in new town offices.