



AGENDA
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL DRAINAGE
DISTRICT
December 16, 2009
6:00 P.M.
Meeting Room
Town Administrative Offices
91 Ashfield Road
Atherton, California
Closed Session

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

6:02 P.M. PUBLIC COMMENTS

6:15 P.M. CLOSED SESSION

**A. CONFERENCE WITH LEGAL COUNSEL – EXISTING
LITIGATION (Subsection (a) of Government Code Section 54956):**

*John P. Johns v. the Town of Atherton, San Mateo County Superior Court
Case No. CIV 479972*

**B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – pursuant
to Government Code Section 54957(b)(1)**

Title: *City Attorney*

**C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED
LITIGATION (Subsection (b) of Government Code Section 54956.9):
One (1) potential case:**

Jonathan Buckheit –Claim No. GL060595

RECONVENE TO OPEN SESSION

Report of action taken.

6:55 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 16, 2009

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, Marsala, McKeithen, J. Carlson

7:03 P.M. 3A. CITY COUNCIL REORGANIZATION

SELECTION OF MAYOR AND VICE MAYOR

OATH OF OFFICE - Mayor and Vice Mayor

MESSAGE FROM OUTGOING MAYOR

7:25 P.M. 3B. PRESENTATIONS

PROCLAMATION TO RETIRED POLICE CHIEF GLENN NIELSEN

**OATH OF OFFICE – Police Chief Mike Guerra
Sergeant Sherman Hall**

**CERTIFICATE OF APPRECIATION TO JEFFREY N. PETIT FOR
LEGAL SERVICES TO THE ATHERTON ARTS COMMITTEE**

**LEAGUE OF CALIFORNIA CITIES LEADERSHIP IN ACTION
AWARD TO COUNCIL MEMBER CHARLES MARSALA**

7:45 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.)*

7:55 P.M. 5. **REPORT OUT OF CLOSED SESSION**

8:00 P.M. 6. **CITY MANAGER'S REPORT**

8:05 P.M. 7. **COMMUNITY ORGANIZATION ROUNDTABLE REPORT**

- Census Coordinator Margot Grant – San Mateo County

8:15 P.M. **REGULAR AGENDA** (Items 8-10) ***ITEMS CONTINUED FROM
REGULAR NOVEMBER 18, 2009 COUNCIL MEETING***

8. **DRAINAGE CRITERIA UPDATE**

Report: Public Works Director Duncan Jones

Recommendation: Receive information and give direction to staff for future actions to update the Drainage Criteria and to modify the Grading, Erosion and Sediment Control ordinance

(Staff will recommend Council continue this item to a Public Workshop)

9. **COUNCIL OF CITIES DECEMBER MEETING – COUNCIL
GUIDANCE ON VOTING MATTERS**

Report: City Manager Jerome D. Gruber

Recommendation: Council to give guidance direction to San Mateo County Council of Cities representative on voting matters at the December 18, 2009 annual holiday dinner

10. **APPROVAL OF RESOLUTION RESCINDING RESOLUTION 05-34
AND DIRECTING REFUND OF FEES PAID ON OR AFTER AUGUST
20, 2009**

Report: City Attorney Wynne Furth

Recommendation: Adopt Resolution 09-50 Rescinding Resolution No. 05-34 (Establishing a Road Impact Fee) and Directing Refund of Fees Paid on or after August 20, 2009

8:40 P.M. **CONSENT CALENDAR** (Items 11-25)

(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.)

11. **APPROVAL OF NOVEMBER 18, 2009 MEETING MINUTES**

Recommendation: Approve November 18, 2009 Meeting Minutes

12. **APPROVAL OF BILLS AND CLAIMS FOR NOVEMBER 2009 IN
THE AMOUNT OF \$1,114,702**

Recommendation: Approve Bills and Claims in the amount of \$1,114,702

13. **ACCEPTANCE OF MONTHLY FINANCIAL REPORT FOR THE
MONTH ENDED NOVEMBER 30, 2009**

Recommendation: Accept Monthly Financial Report

14. **TREASURER’S REPORT FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009**
Report: Finance Director Louise Ho
Recommendation: Accept the Treasurer’s Report for the First Quarter Ended September 30, 2009
15. **APPROVE A CONSULTANT SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR TRAFFIC ENGINEERING DESIGN SERVICES FOR THE ENCINAL/MIDDLEFIELD TRAFFIC SIGNAL PROJECT, IN AN AMOUNT NOT TO EXCEED \$64,350 PLUS A TEN PERCENT CONTINGENCY, FOR A TOTAL AUTHORIZATION OF \$70,785**
Report: Public Works Director Duncan Jones
Recommendation: Accept the proposal and authorize the City Manager to sign a Consultant Services Agreement with Kimley-Horn and Associates, Inc. to provide traffic engineering design services for the Encinal/Middlefield Traffic Signal Project in an amount not exceed \$64,350, plus a 10% contingency, for a total authorization of \$70,785
16. **APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZATION TO ADVERTISE THE FLETCHER RIDGEVIEW DRAINAGE AND STREET PROJECT NUMBER 08-010**
Report: Public Works Director Duncan Jones
Recommendation: Approve the plans and specifications and authorize advertisement for bids for the Fletcher Ridgeview Drainage and Street Project, Project No. 08-010
17. **AWARD OF CONTRACT TO NORTHERN CALIFORNIA FENCE FOR THE TENNIS COURT FENCE FABRIC REPLACEMENT PROJECT NUMBER 09-013 IN AN AMOUNT NOT TO EXCEED \$22,900 PLUS A TEN PERCENT CONSTRUCTION CONTINGENCY, FOR A TOTAL AUTHORIZATION OF \$25,190.00**
Report: Public Works Director Duncan Jones
Recommendation: Award the contract for the tennis court fence fabric replacement, project number 09-013 to Northern California Fence, the low bidder, for \$22,900.00, with a 10% construction contingency of \$2,290.00, for a total authorization of \$25,190.00; and to authorize the City Manager to sign the contract on behalf of the Town
18. **APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS & COMPANY, INC. FOR SURVEYING SERVICES FOR THE STREET RECONSTRUCTION PHASE 7 PROJECT, IN AN AMOUNT NOT TO EXCEED \$68,190 PLUS A TEN PERCENT CONTINGENCY, FOR A TOTAL AUTHORIZATION OF \$75,009**
Report: Public Works Director Duncan Jones
Recommendation: Accept the proposal and authorize the City Manager to sign a Professional Services Agreement with Mark Thomas & Company, Inc. to provide Surveying services for the Street Reconstruction Phase 7 Project in

an amount not exceed \$68,190, plus a 10% contingency, for a total authorization of \$75,009

19. **ADOPTION OF RESOLUTION ACCEPTING THE 2009/2010 SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) CITIZEN'S OPTION FOR PUBLIC SAFETY (COPS) GRANT**
Report: Police Chief Mike Guerra
Recommendation: Adopt resolution 09-51 accepting the recommended expenditures of the remaining balance of FY 2009-10 Supplemental Law Enforcement Services Fund (SLESF), Citizen's Option for Public Safety (COPS) Grant in the amount of \$106,468.19 in accordance with state requirements
20. **RESULTS OF ATHERTON'S GOVERNMENT OPERATIONS EMISSIONS INVENTORY**
Report: Town Arborist Kathy Hughes Anderson
Recommendation: Accept the Results of Atherton's Government Operations Emissions Inventory
(Continued from November 18, 2009 Regular City Council meeting)
21. **REJECT CLAIM OF D.C. EXPRESS AND DEEPAK CHAND**
Report: Assistant City Manager Eileen Wilkerson
Recommendation: Adopt Resolution 09-52 rejecting claim of D.C. Express, Inc. and Deepak Chand
22. **PROCLAMATION APPROVING A WORKING RELATIONSHIP AGREEMENT WITH THE COUNTY OF SAN MATEO CENSUS 2010**
Report: Assistant City Manager Eileen Wilkerson
Recommendation: Approve the attached proclamation approving agreement with the County of San Mateo Census 2010
23. **APPROVAL OF THE CONSULTANT SERVICES AMENDMENT WITH CRW FOR PROGRAMMING THE PROPOSED MASTER FEE SCHEDULE AND FOR INTERFACE WITH SPRINGBROOK FINANCIAL SOFTWARE IN AN AMOUNT NOT TO EXCEED \$8,000 PLUS A TEN PERCENT CONTINGENCY, FOR A TOTAL AUTHORIZATION OF \$8,800**
Report: Building Official Mike Wasmann
Recommendation: Approve the consultant services amendment with CRW for programming the adopted master fee schedule and for interface with Springbrook financial software; authorize City Manager to execute the agreement in an amount not to exceed \$8,800
24. **REAPPOINT SAMUEL LERNER AS TOWN TRUSTEE TO SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**
Report: City Manager Jerry Gruber
Recommendation: Reappoint Samuel Lerner as Town Trustee to San Mateo County Mosquito and Vector Control District

25. **AMENDMENT TO RESOLUTION 09-09 TO INCREASE AUDIT COMMITTEE FROM FIVE (5) MEMBERS TO SIX (6) MEMBERS**
Report: City Manager Jerry Gruber
Recommendation: Amend Resolution 09-09 to Increase Audit Committee members from Five (5) to Six (6) Members

REGULAR AGENDA (Items 26-32)

- 9:00 P.M. 26. **FISCAL YEAR 2008-09 AUDITED FINANCIAL REPORTS AND MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS**
Report: Finance Director Louise Ho
Recommendation: Accept FY 2008-09 Basic Financial Statements, Report on Compliance with 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
- 9:20 P.M. 27. **COUNCIL GUIDANCE ON ITEMS FOR STRATEGIC PLANNING MEETING ON JANUARY 11, 2010**
Report: City Manager Jerry Gruber
Recommendation: Receive Direction from Council on priorities for 2010 Strategic Planning Workshop
- 9:30 P.M. 28. **HISTORICAL RECONCILIATION OF BUILDING DEPARTMENT COSTS OF SERVICE**
Report: Finance Director Louise Ho
Recommendation: Review and accept the findings of NBS on the historical reconciliation of Building Department costs of service; provide direction to staff on the NBS recommended action 2. Defer Known and Justified Fee Increases, action 3. Proceed with Known and Justified Fee Decreases, and action 4. Revisit Financial Performance in 2010/2011
- 9:50 P.M. 29. **ADOPTION OF RESOLUTION DECLARING THE RESULTS OF NOVEMBER 3, 2009 ELECTION**
Report: City Manager Jerry Gruber
Recommendation: Adopt a Resolution declaring the results of the Special Municipal Election for Measure “S” approved by a 2/3rd vote and Measure “T” approved by a majority vote which were adopted by the voters on November 3, 2009
- 9:55 P.M. 30. **AGREEMENT FOR CONVERSION FROM A FIRM-FIXED/PERFORMANCE BASED CONTRACT POSTAL UNIT TO A CONTRACT ACCESS RETAIL SYSTEM PERFORMANCE-BASED CONTRACT POSTAL UNIT**
Report: Assistant City Manager Eileen Wilkerson
Recommendation: Authorize the City Manager to enter into an Agreement with the United States Postal Service for conversion from a firm-

fixed/performance based contract postal unit to a contract access retail
system performance-based contract postal unit

- 10:05 P.M. 31. **STATUS REPORT ON TOWN OF ATHERTON *et al.* v. California High-Speed Rail Authority AND RELATED PROCEEDINGS FOR PROPOSED HIGH-SPEED RAIL LINE**
Report: City Attorney Wynne Furth
Recommendation: Receive report on status of litigation and related proceedings, receive any public comment, and provide further direction if needed
- 10:10 P.M. 32. **COUNCIL REPORTS**
- 10:15 P.M. 33. **FUTURE AGENDA ITEMS**
- 10:20 P.M. 34. **PUBLIC COMMENTS**
- 10:30 P.M. 35. **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

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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LeaderShip In Action Award to Council Member Charles Marsala

The League of California Cities sponsors a Mayors and Council Members Academy (MCA) which is intended to be a means by which mayors and council members can enhance their effectiveness as elected officials. While completion of the comprehensive and practical curriculum carries some prestige, the real purpose and reward comes from having enhanced knowledge and skills to better serve the public. The Academy is structured as a volunteer program and functions on an honor system.

Council Member Marsala was one of three elected officials statewide who completed the third and final level of the Mayors and Councilmembers Academy - the Leadership In Action level.

The Leadership In Action level was designed to translate educational experience into public service. Emphasizing leadership activities more than classroom learning, the Leadership In Action level expects the city official to put his or her leadership skills into action through demonstrated leadership in their community.

PROCLAMATION

IN RECOGNITION OF ATHERTON'S POLICE CHIEF GLENN M. NIELSEN

WHEREAS, Glenn M. Nielsen, a veteran Police Officer with over 34 years of service to the Town of Atherton; and

WHEREAS, the City Council of the Town of Atherton, along with the entire Police Department and community, would like to honor the contributions that Chief Nielsen has made during his law enforcement career; and

WHEREAS, Glenn's career with Atherton started in 1975 when he became a Police Explorer; who also moved up the career ladder where he was a Police Cadet, Reserve Officer, Police Officer, Sergeant, Lieutenant, and up to the Chief of Police; and

WHEREAS, Glenn's dedicated involvement in the Atherton Police Activities League since 1977, who also served as the Chairperson for the Crime Prevention Task Force since 1990; and

WHEREAS, because of Glenn's law enforcement longevity, in addition to his particular areas of expertise with Bay Area Legal Advisors, the San Mateo County Chaplaincy program, and the Redwood City Police Activities League Board Member, made him an invaluable and historical asset to this organization and the community; and

WHEREAS, due to Glenn's active participation in the community, he received the "Sudden Cardiac Arrest Association Heroism Award in 2009"; and

NOW, THEREFORE, as Mayor of the Town of Atherton, and on behalf of the Atherton City Council, I hereby commend and applaud the outstanding community service performed by Glenn Nielsen during his career. We all wish you well in your retirement and hope your tennis game continues to improve.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Atherton to be affixed this 16th day of December, 2009.

Mayor
Town of Atherton

Certificate of Appreciation



Jeffrey N. Petit
For His Work and Dedication
with the
Atherton Arts Committee

The City Council of the Town of Atherton acknowledges your assistance in providing legal services to the Atherton Arts Committee in helping them to establish a non-profit Foundation with a 501 (c) (3) status. Your work is truly appreciated and the Town of Atherton commends you for your outstanding contribution.

Jerry Carlson, Mayor

Dated



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JEROME D. GRUBER, CITY MANAGER

DATE: FOR THE REGULAR MEETING OF DECEMBER 16, 2009

SUBJECT: CITY MANAGER WRITTEN REPORT

FOLLOW UP FROM NOVEMBER 21 COUNCIL MEETING:

I met with Atherton resident Peter Carpenter to address his concerns regarding the appointment process of the Town's new Police Chief. I also addressed these same concerns with Atherton residents Colleen Anderson (via email) and Melinda Tevis (via phone).

I communicated with Jean Shaaf, via email, to address her thoughts about the treatment of the Arts Committee by the Town Administration. A meeting will be held between Jean Shaaf, the Mayor and me.

PUBLIC WORKS PROJECT UPDATES:

- Cape Seal Project – Project put into winter suspension on 11/19/2009 after approximately 50% completion. Working with contractor to start up project during spring break (beginning of April) to reduce impact to schools (Encinal and St Josephs).
- Drains – Public works rented a storm drain cleaning machine from Oct. 13 through Nov. 20th and cleaned the storm drain drop inlets and piping in the Town.
- Sidewalks – trip hazard removal on sidewalks in town (Lloyd Park, Town Center and Holbrook-Palmer Park) begins Dec. 9th.
- The entire Town will be swept by the Towns contracted street sweeping service (Contract Sweeping, Inc.) beginning Monday, December 7. This is the first of 3 contracted "entire town" sweeps for the year.

- Water Tower Project – 90% complete with walk thru and 1st punch list developed on 12/3. Maintenance period begins 12/3 and lasts until April.
- Polhemus drainage project – 80% complete, with all underground piping installed. Currently working on asphalt (but delayed for rain).
- Street Reconstruction VII – Surveys awaiting Council approval at December meeting.
- Safe Routes to School project at Los Lomitas – phase II crosswalk has been designed and is being reviewed by school.
- Evacuation route signs for Walsh Road area of Atherton Highlands have been installed per Menlo Fire instructions.
- Gate on Holbrook-Palmer Park bridge has been installed but is awaiting hardware for lock mechanism. Planting plan is being designed for interior of project.
- Tennis Court fence fabric replacement – awaiting Council approval at December meeting.
- Fletcher/Ridgeview project – In final stages of redesign.

ADMINISTRATION:

ABAG PLAN JPA

11/4 & 11/5 Board of Directors' Meeting

The Town of Atherton has belonged to a JPA called the ABAG PLAN since the 1980's. The ABAG plan is made up of thirty-one local Cities and Towns that choose to self insure risk management coverage. The PLAN is currently a non-profit structure.

Effective July 1, 2008 language changes to the JPA MOU support the PLAN's existing practice of covering physical inverse claims while denying defense and indemnity for inverse claims that include other allegations such as trespass or nuisance. Normally the Town would negotiate a payment for the restriction of land use ahead of time, eliminating the possibility of a claim.

Simply put, an inverse claim can occur when the Town puts a restriction on property that could lead to the property owner or someone downhill of the property being damaged. An example is drainage designed for one property that floods another property doing physical damage because the Town's pipe was not maintained. ABAG PLAN continues to cover claims from negligent maintenance and negligent design on the part of the Town. The PLAN does not cover the attorney fees for either party.

On November 4th the ABAG PLAN Board of Directors met with a facilitator to debate what happens to those claims that are put forward today based on situations in place prior to 2008. Information was taken and will be reported back through a document from ABAG PLAN staff. The Board will meet again prior to the final decision. Currently, the discussion focused on limited coverage.

November 5th the Board debated the merits of hiring staff and reorganizing the JPA. The Executive Committee has been charged to meet with the current ABAG PLAN staff and

ABAG parent company to work out issues without reorganization and without additional staff.

ABAG Plan Risk Management Goals for FY 09/10

- Defensive Driver Training for all staff
- Sidewalk inspection
- Tree education

San Mateo Employee Relations Consortium

Training – Managing through Evaluation and Advanced Federal Labor Standards Act (FLSA)

November 10th managers of the Town participated in training related to the importance of personnel evaluations, their value to the employee and employer, and steps to include in appropriate documentation.

Art Committee

11/16 & 12/8

The Art Committee is moving forward with the remodel of the Main House Garden Room. Plans are being prepared for Town review for bid purposes. Town purchasing procedures are being followed.

San Mateo County Municipal Employee Relations Committee (MERC)

November 13th

- Assigned research tasks to Committee members

AFLAC

11/20 & 11/24

All employees, with the exception of night personnel, attended a presentation by AFLAC on the Town's various pre-tax programs available. Individual appointments followed.

FINANCE DEPARTMENT PROJECTS AND UPDATES:

Current Projects:

Springbrook Conversion - staff is working on several conversion templates and a new chart of accounts. The Springbrook trainer is scheduled to be at City Hall during the week of January 18, 2010.

Mid-year budget adjustments - start to review and adjust revenues and expenditures for FY 2009-2010 mid-year budget adjustments.

Business License Refund Process:

Administration Summary

JULY 01, 2009 – NOVEMBER 30, 2009

The count from July 1, 2009 to present = 483 licenses issued

@ \$25 (processing fee) = \$12,075.00

+ business tax fees = \$84,551.00

Total Amount Collected = \$96,626.00

JANUARY 01, 2009 – JUNE 30, 2009

Just in case you need the counts prior to the period requested (before July 1, 2009):

There were some accounts issued prior to July (new/pre-renewals) and the count was 114 licenses

@ \$25 (processing fee) = \$2,850.00

+ business tax fees = \$14,375.00

Total Amount Collected = \$17,225.00

YEAR TO DATE

Licenses Issued = 597

@ \$25 (processing fee) = \$14,925.00

+ business tax fees = \$98,926.00

Total Amount Collected = \$113,851.00

Refund Summary – Only change from prior report is that we approved claim #44A for Kimberly Sweidy. All refund requests have been reviewed. There are 6 refund requests that require additional documentation from the taxpayer to complete / these are pending and we have notified the taxpayer.

Refund Summary by Count

Refund request submitted by taxpayers = 69 *

Claims approved / refund issued = 53

Claims outside refund period (Declined) = 04

Duplicate claims (Removed) = 04

No Refund Due (Underpaid) = 02

Claims in final review for payment (Submitted) = 0

Additional information required from taxpayer to complete (Pending) = 06

** Total individual permits reviewed = 437*

Refund Summary by Dollar Amount

Refund request submitted by taxpayers = \$647,420.54 *

Claims approved / refund issued = \$321,349.56

Claims outside refund period (Declined) = \$99,544.16

Duplicate claims (Removed) = \$9,893.60

Non-business tax fees submitted (Declined) = \$199,422.20

Claims in final review for payment (Submitted) = \$0.00

Additional information required from taxpayer to complete (Pending) = \$17,191.02

** Total amount requested also includes non-business tax fees submitted for refund.*

POLICE DEPARTMENT

During the reporting period from 11/18/09 to 12/7/09, PD reported no major events. There were three residential burglaries and one auto burglary throughout the Town on various days that occurred at night. PD searched the area of Michaels and Valparaiso when a resident reported hearing two gunshots on 12/7 around 1:00 AM. The area checked clear. PD also responded and handled seven traffic accidents, and eight Town ordinance violations. For this reporting period, PD responded to 704 calls for service. In addition, on Friday 12/4/09, PD responded to the area of San Benito and Middlefield on a report of suspicious activity. When Officers arrived in the area, a passerby reported a masked male had climbed over a backyard fence at a home located in the county area of San Benito, fled on a bicycle, then jumped into a waiting car a few blocks down the street and left the area.

PD had an active training schedule for this time period. Chief Guerra attended the San Mateo Co. Police Chiefs and Sheriff training conference, Officer Gordon Dere completed a Taser instructor course, Officer. Jason Yoakum completed a basic Field Training Officer course, and Dispatcher Janelle Miller completed a basic HAM radio operator's course. Training PD's tactical dispatchers in Ham radio operation is an essential component of deploying the radio system in the police field command vehicle in the event of a man-made or natural disaster. In addition, Officers Marshall and Pronske attended an emergency vehicle operator's update course. PD also completed the Town of Atherton Code of Conduct refresher training.

PLANNING DEPARTMENT:

Green Building Ordinance

The General Plan Committee, at its last meeting, reviewed the recommendation from the Environmental Programs Committee to develop a Green Building Ordinance. The General Plan Committee expressed support for an Ordinance that would be specific to Atherton (as opposed to adopting the County standards or the Build it Green checklist). At the request of the Committee, Staff conducted a public outreach workshop for additional input. Staff is currently working with the Environmental Programs Committee on a draft Ordinance for review at the February General Plan Committee meeting.

Sacred Heart EIR

A scoping meeting was held on Thursday, December 3, 2009 to gather public input prior to the preparation of an Environmental Impact Report for the Sacred Heart School's improvements (reconstruction of St. Joseph's school and increase in enrollment projections). Once resident showed up late to the meeting and agreed to forward their comments to Staff. The primary focus of the EIR will be traffic and circulation.

Housing Element

The Housing Element was transmitted to HCD for its review. A conference call with HCD staff and Town staff is scheduled for December 16, 2009. This conference call provides an opportunity for Staff to respond to any questions HCD may have prior to HCD preparing their formal review letter.

Garbage Rates

The Town has retained the services of HF&H to prepare options for the garbage rate increase (progressive rates, increase over two years, and rear yard surcharge). These options will be discussed at the January 6, 2010 Environmental Programs Committee meeting, then presented to the City Council at its January 20, 2010 meeting. Based on direction from the Council, staff will notice the item for the next available meeting.

Zoning Code

The updated Zoning Code as approved by the City Council went into effect on November 20, 2009 and is available on the Town's website.

BUILDING DEPARTMENT:

Building Department Activities

- Working with the Environmental Program Committee in regard to Green Building Ordinance. Also attended a meeting with San Mateo County Green Building in regard to adoption of Green Building Ordinances by other jurisdictions.
- Staff has been working with CRW, Planning and Public Works on the Master Fee Schedule implementation.
- 742 building permits have been issued this calendar year.
- 790 building applications for permits this calendar year.
- 4,241 inspections have been completed this calendar year.

MENLO-ATHERTON SCHOOL:

Mayor Carlson wrote a letter dated November 17, 2009 to Patrick Gemma, Superintendent of the Sequoia Union High School District reminding him of a letter he wrote in 2004 to then Mayor Kathy McKeithen stating that the District will not install lights at the Menlo Atherton Football Field unless there is an agreement with the Town of Atherton.

Mayor Carlson received a letter in response from Patrick Gemma assuring the Town that citizens in support of the lights requested that the Board of Directors agendaize the possibility of lights at the Coach Parks Field for discussion, which they did on November

18th. The Board directed staff to research the cost and viability of lights at Coach Parks Field and how often the lights would be used. The Board of Directors will continue to keep the Town informed of the process.

WATKINS AVE/ FAIR OAKS LANE CROSSING IMPROVEMENTS:

The majority of grade crossing improvement work at Fair Oaks Lane and Watkins Ave in Atherton is expected to be completed by 12/23/09. The contractor will take a holiday break from 12/24/09 to 1/2/09.

One weekend in late January or mid February the contractor will return to cutover and activate the new signal system at Fair Oaks Lane crossing.

MENLO GATEWAY PROJECT:

Menlo Park is in the negotiating process with the Bohannon team. Menlo Park City Council has authorized staff to negotiate the development agreement with a considerable list of parameters. Menlo Park has submitted the list to the Bohannon team and they are in the process of developing a draft term sheet that Menlo Park will negotiate from. Menlo Park has a ways to go considering the list of parameters the council established. The list is confidential and will not be released until a term sheet is ready to take to the full council.

The Council did discuss Marsh/Middlefield when they were providing us with the list of what we called caveats.

FUTURE MEETINGS:

- Monday, January 11, 2009 at 9:00 A.M. – Council Strategic Planning workshop
- Tuesday, January 12, 2009 at 9:00 A.M. – Mid-Year Budget Adjustments meeting



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
JERRY GRUBER, CITY MANAGER

FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF NOVEMBER 18, 2009

SUBJECT: DRAINAGE CRITERIA UPDATE

RECOMMENDATION:

Staff recommends that the City Council receive this information and give any further direction to staff.

INTRODUCTION:

Recently residents have raised questions concerning the stormwater management requirements of the Town of Atherton for construction projects involving 5,000 square feet or more of impermeable surface area. Some have commented on the relationship between these stormwater management standards and the pollution reduction requirements of the National Pollution Discharge Elimination System ("NPDES") and the Municipal Restional Stormwater Permit ("MRP") issued by the San Francisco Regional Water Quality Control Board as part of the NPDES.

Council requested that staff update the Council on the Town's requirements, and their relationship to both the current and recently issued MRP. The MRP Final Tentative Order R2-2009-XXXX NPDES Permit No. CAS612008 was released by local Water Quality Control Board on September 24, 2009 and became final at the board's October 14, 2009 meeting as Order Number R2-2009-0074.

SUMMARY:

Atherton Criteria

The primary goal of the Town of Atherton Drainage Criteria is to reduce the potential for flooding of properties downstream of a development site, including neighboring properties. This is accomplished by reducing the intensity of storm runoff by spreading it over a longer period of time. This is called detention and can be accomplished by any effective method, including rain gardens. The most prevalent system in Atherton is underground tanks, either because residents want to maximize their usable yard area or because their architects have not explored other design options with them.

The goal of the Town's detention criteria is for each property, when it constructs or replaces over 5,000 square feet of impermeable area, to mimic the runoff as though the property had never been developed. In this way, each property reverses the damage done by previous development of that property.

A secondary goal of the Drainage Criteria is to reduce the potential for damage to the property itself from on-site runoff and upstream flows. This is accomplished by analyzing these flows and designing the site to be protected from them. Federal Emergency Management Agency (FEMA) flood protection methodologies were adopted to accomplish this goal for the Town.

Provision C.3

Both of these goals are different from and in addition to the requirements of Provision C.3 of the Municipal Regional Permit (MRP). Provision C.3 is intended to reduce pollution from runoff, not the intensity of runoff. It is an anti-pollution law, not a flood control measure. The existing Provision C.3 states that a detached single family home site, so long as it incorporates source control and design measures, "would be in substantial compliance with Provision C.3". One such design measure is hydromodification, including detention. So while detached single family sites are technically excluded from providing treatment measures (as defined in Provision C.3), they must still provide source control (don't spill pollutants into the storm drain system) and site design measures (Best Management Practices (BMPs)). What this means is that detached single family home sites were not and are not completely exempt from Provision C.3.

The Regional Water Quality Control Board passed a new and stricter Provision C.3 at its October 2009 meeting. The goal of the new C.3 permit is to "*mimic a site's predevelopment hydrology by minimizing disturbed areas and impervious cover and then infiltrating, storing, detaining, evapotranspiring, and/or biotreating stormwater runoff close to its source*". By December 2012, the Town of Atherton Drainage Criteria will require modification to include the requirements of the new Provision C.3 to reduce pollution from detached single family home sites constructing or replacing 2500 square feet or more of impervious area. Both the Town's Grading, Erosion and Sediment Control ordinance (Chapter 8.54 of the Municipal Code) and the Drainage Criteria will need to be updated to incorporate the lower threshold of the new Provision C.3.

Maintenance Agreement

The Atherton Drainage Criteria requirement for a maintenance agreement is simply a method to assure that the detention systems required by the Atherton regulations continue to operate in the future. The maintenance agreement required by the Town uses the same format as is required by Provision C.3 for other treatment measures. This provides a uniformity of format between Atherton and other jurisdictions, and between detached single family home projects and other projects that are “Regulated Projects” under Provision C.3, such as commercial and school projects. The reporting requirement is also modeled after Provision C.3 to allow the Town to monitor the continued effectiveness of the site design measures.

Annual reporting is required because, if the systems are maintained annually just before the rainy season, the maintenance is simple and inexpensive to perform and the system continues to function as designed. If maintenance is neglected, it becomes more difficult and expensive to perform, e.g., on an emergency basis during a heavy rainstorm, and undesirable consequences may occur, either on the property or affecting neighbors.

The Town’s ultimate goal is to assure that undesirable consequences do not happen to any of the Town’s residents or our neighbors downstream.

BACKGROUND:

In August of 2006, the City Council authorized BKF Engineers to review the Town’s Drainage Criteria for private development and address specific concerns of the Town. Concerns had been raised by residents and Council members that there were no consistent drainage criteria governing the development of private property, and that property damage was sometimes caused, to neighboring properties as well as to the developed property, by developments that did not adequately address the consequences of the construction and drainage modifications being implemented. BKF completed their scope of work and compiled detailed Drainage Criteria. This Drainage Criteria, after their approval by the City Council, regulate the design of drainage systems for private development within the Town of Atherton and the Atherton Channel Drainage District.

BKF held public meetings and made presentations to the City Council of their findings and the concept for the proposed Drainage Criteria. BKF and staff, including CSG (the consultant who performs the grading and drainage plan reviews for development projects), reviewed in detail the Drainage Criteria and fine tuned each paragraph.

Meanwhile, in July of 2007, the City Council adopted an ordinance amending Chapter 17 regulating basements. The Drainage Criteria being proposed contained specific provisions related to basements. The basement ordinance effective date was delayed to go into effect at the same time as the Drainage Criteria.

In September of 2007 the Drainage Criteria was submitted to Council for approval. Council requested the criteria be footnoted with the source of the requirements contained in the criteria. The criteria were revised to contain a comment line after each provision giving these

references. Many of the current criteria are based on existing criteria for storage of stormwater to avoid flooding in the Atherton Channel and Redwood Creek. Other criteria were developed in order to comply with the MRP and with the State Water Resources Control Board (SWRCB) General Construction Permit (GCP), as well as with FEMA standards for flood protection. Additional new requirements were developed based on the various concerns of the Town that resulted in this study being undertaken. These criteria are the minimum practical applications to assure each concern is addressed and does not cause a problem for the property owner or their neighbors in the future.

Section 8.54 of the Municipal Code regulates storm water. In October 2007 council adopted an ordinance adding section 8.54.050 to adopt the Drainage Criteria. This ordinance section allows the Drainage Criteria to be modified in the future and adopted by City Council resolution.

When the criteria were adopted by Council, the MRP Final Tentative Order Provision C.3 (Provision C.3) was set to start at a threshold for detached single family homes of 10,000 square feet or permeable area and decrease to 5,000 square feet in four years. Instead, the new MRP final order has reduced the threshold to at 2,500 square feet with an implementation deadline of December 2012.

ANALYSIS:

The threshold for a grading and drainage permit has been 5,000 square feet of impervious area (there are other thresholds, but that is the one that is operative for this issue) since 1996. That threshold was incorporated into the Drainage Criteria in 2007 because the ordinance thresholds would not need to change, and because the proposed C.3 permit was proposed to ultimately have a 5,000 square foot threshold.

Detention

The Town Drainage Criteria codified the criteria for detention, although it had been practiced under the ordinance for more than 10 years. The detention requirement is designed to protect downstream property owners, both in Atherton and in other jurisdictions between Atherton and the Bay, from flooding caused by the large quantity of impervious area built and being increased in Atherton.

The Drainage Criteria states that it is for the purpose of "reducing peak flows to downstream creeks and channels". The rationale for this requirement is that, over many decades Athertonians have constructed homes with large roof areas (including the house, garage, and other accessory structures), driveways, patios, walkways and other impervious areas where rainfall runs off very quickly into Redwood Creek and the Atherton Channel. These large impervious areas increased the speed with which the rainfall ran off and caused flooding downstream in Menlo Park, Redwood City and unincorporated San Mateo County. Years ago the Town agreed with these other jurisdictions to work to reduce the incidence of flooding by requiring all new construction to restore their runoff to the condition that would have existed if the original construction had not been built, i.e., the site in its natural state. In this way the

rapid stage-up of the Atherton Channel and Redwood Creek that caused this flooding could be reduced. If everyone who rebuilt a home simply replaced the impermeable areas they had, the downstream flooding would continue unabated. The goal of the criteria is to improve the situation, so the criteria do not give credit for existing impervious area.

The Drainage Criteria require new properties to hold back the runoff from their properties during storms and let it out later, from 48 up to 96 hours after the storm (more than 96 hours can cause mosquitoes to breed), or allow it to soak into the ground (if the soil will allow it to soak in fast enough, and if it won't impact trees or someone else's property when it does soak in). It was always intended that the Atherton criteria go beyond the pollution provisions of Provision C.3 to accomplish a specific Town goal. The potential for downstream flooding will be reduced with each home that is rebuilt with detention, but will be completely addressed only if every home is rebuilt. The detention systems need to be sustainable over the years, i.e., continue to work, hence the Maintenance Agreement. Each home is being required to do no more than limit the runoff from its own parcel..

Provision C.3

The current Provision C.3.c.i under Order Number R2-2003-0023 passed in 2003 states: "Construction of one single-family home, which is not part of a larger common plan of development, with the incorporation of appropriate pollutant source control and design measures, and using landscaping to appropriately treat runoff from roof and house-associated impervious surfaces (e.g., runoff from roofs, patios, driveways, sidewalks, and similar surfaces), would be in substantial compliance with Provision C.3". This is not the same as being "exempt."

The current Provision C-3.c.ii states: "Projects consisting of one single family home not part of a larger common plan of development are excluded from the Group 2 Project definition, and therefore excluded from the requirement to implement appropriate stormwater treatment measures". This exempts single family homes from providing *treatment* measures, but not from *source control* and *design* measures.

Both source control and design measures are currently required by the Atherton criteria. Provision C.3.j provides guidance regarding site design measures as follows:

j. Site Design Measures Guidance and Standards Development:

i. The Dischargers shall review their local design standards and guidance for opportunities to make revisions that would result in reduced impacts to water quality and beneficial uses of waters. In this event, the Dischargers shall make any such revisions and implement the updated standards and guidance, as necessary.

Areas of site design that may be appropriate to address include the following, which are offered as examples:

- 1. Minimize land disturbance;*

- 2. Minimize impervious surfaces (e.g., roadway width, driveway area, and parking lot area), especially directly connected impervious areas;*
- 3. Minimum-impact street design standards for new development and redevelopment, including typical specifications (e.g., neo-traditional street design standards and/or street standards recently revised in other cities, including Portland, Oregon, and Vancouver, British Columbia);*
- 4. Minimum-impact parking lot design standards, including parking space maximization within a given area, use of landscaping as a stormwater drainage feature, use of pervious pavements, and parking maxima;*
- 5. Clustering of structures and pavement;*
- 6. Typical specifications or “acceptable design” guidelines for lot-level design measures, including:*
 - Disconnected roof downspouts to splash blocks or “bubble-ups;”*
 - Alternate driveway standards (e.g., wheelways, unit pavers, or other pervious pavements); and,*
 - Microdetention, including landscape detention and use of cisterns (may also be considered treatment measures);*
- 7. Preservation of high-quality open space;*
- 8. Maintenance and/or restoration of riparian areas and wetlands as project amenities, including establishing vegetated buffer zones to reduce runoff into waterways, allow for stream channel change as a stream’s contributing watershed urbanizes, and otherwise mitigate the effects of urban runoff on waters and beneficial uses of waters (may also be considered treatment measures); and,*
- 9. Incorporation of supplemental controls to minimize changes in the volume, flow rate, timing, and duration of runoff, for a given precipitation event or events. These changes include cumulative hydromodification caused by site development. Measures may include landscape-based measures or other features to reduce the velocity of, detain, and/or infiltrate stormwater runoff (may also be considered treatment measures).*

These guidelines were used to a large extent to develop the Town’s criteria, especially paragraphs 6 and 9 that relate directly to detention and hydromodification.

The pages of the proposed Provision C.3 that apply to detached single family homes (not part of a larger development plan) are the first two pages, Provisions C.3.a.(6) and (7), and the last two pages, Provision C.3.i. These new provision are incorporate all of the site design

measures required in the current Provision C.3 language. Other C.3 provisions state that single family homes are not “Regulated Projects”, but the new C.3.a.(6) and (7) apply to projects “not regulated” and C.3.i requires detached single family home projects to have site design measures, as follows:

C.3.i. Required Site Design Measures for Small Projects and detached Single-family Home Projects

i. Task Description – *The Permittees shall require all development projects, which create and/or replace > 2500 ft² to < 10,000 ft² of impervious surface, and detached single-family home projects, which create and/or replace 2,500 square feet or more of impervious surface, to install one or more of the following site design measures:*

- *Direct roof runoff into cisterns or rain barrels for reuse.*
- *Direct roof runoff onto vegetated areas.*
- *Direct runoff from sidewalks, walkways, and/or patios onto vegetated areas.*
- *Direct runoff from driveways and/or uncovered parking lots onto vegetated areas.*
- *Construct sidewalks, walkways, and/or patios with permeable surfaces.*
- *Construct bike lanes, driveways, and/or uncovered parking lots with permeable surfaces.*

When the Town’s Drainage Criteria were adopted, C.3.i was going to have a threshold of 5,000 square feet. This confirmed that the Muni Code and Drainage Criteria thresholds were appropriate to coordinate with the future permit. The C.3.i threshold has now dropped to 2,500 square feet. This means that our criteria and ordinance will need to be revised to include this new threshold as well as the requirements of C.3.i, which goes into effect in December 2012 (until then, the existing C.3 provisions continue to apply).

This amendment is necessary in order for the Town to adequately review plans and issue permits to assure compliance with C.3.i. However C.3.i does not require that the Town’s threshold for detention systems to drop to 2500 square feet, because the new site design measures no longer include detention. It only requires that the provisions of C.3.i, as set forth above, be applied to projects of 2500 square feet or more of impermeable area.

Maintenance Requirement

The current Provision C.3.e states:

e. Operation and Maintenance of Treatment Measures:

All treatment measures must be adequately operated and maintained by complying with the process described below. Beginning July 1, 2004, each Discharger shall implement a treatment measures operation and maintenance (O&M) verification program (O&M Program), which shall include the following:

i. Compiling a list of properties (public and private) and responsible operators for, at a minimum, all treatment measures implemented from the date of adoption of this Order.

Information on the location of all stormwater treatment measures shall be sent to the local vector control district. In addition, the Dischargers shall inspect a subset of prioritized treatment measures for appropriate O&M, on an annual basis, with appropriate follow-up and correction.

ii. Verification and access assurance shall at a minimum include: Where a private entity is responsible for O&M, the entity's signed statement accepting responsibility for maintenance until the responsibility is legally transferred to another entity; and access permission for representatives of the Discharger, local vector control district, and Regional Board staff strictly for the purpose of O&M verification for the specific stormwater treatment system to the extent allowable by law; and, for all entities, either:

...

4. Any other legally enforceable agreement or mechanism that assigns responsibility for the maintenance of post-construction treatment measures.

These provisions were adopted into the Atherton Design Criteria because the detention systems required were equivalent to treatment measures, requiring a similar level of maintenance to remain sustainable. Provision C.3.i continues to require other site design measures. It still seemed appropriate that the requirements for "Regulated Projects" to maintain these systems should be applied to detention systems and the proposed C.3.i treatment systems. Thus the adopted criteria incorporated the essence of C.3.h – operation and maintenance – maintenance agreement and annual inspection for life of project. The agreement we use was developed by the San Mateo Countywide Water Pollution Prevention Program (SMCWPPP <http://www.flowstobay.org/>), which came from one developed by a bay area wide association, the Bay Area Stormwater Management Agencies Association (BASMAA <http://www.basmaa.org/>). The agreement essentially requires owners of these systems to do what is needed for the systems to continue to function.

Specific Issues Raised by Residents

The relationship of the Atherton requirements to the NPDES MRP Section C.3 requirements.

1. Size of storm – a 25 year storm event could occur multiple times in one year, and then not again for years. It is a standard event for stormwater systems design; the Atherton standards are designed to deal with drainage problems as well as pollution problems..

2. Recovery time – C.3 says within 5 days = 120 hours; Town criteria is 96 hours, which is within 5 days. Mosquito abatement recommends less than 96 hours to avoid coming close to 120 hours gestation period.
3. Threshold – the C.3 threshold is currently 10,000 square feet, the new MRP was to be 5,000 square feet (now reduced to 2500 square feet), and the Town criteria was also set at 5,000 square feet
4. Inclusion of single family homes in the Atherton program – No program to reduce peak storm flows in Atherton will be effective if it does not include single family homes. . The current Provision C.3 does not exclude single family homes, it only excludes them from the requirement to provide “treatment measures”. It still provides that “Construction of one single-family home, which is not part of a larger common plan of development, with the incorporation of appropriate pollutant source control and design measures, and using landscaping to appropriately treat runoff from roof and house-associated impervious surfaces (e.g., runoff from roofs, patios, driveways, sidewalks, and similar surfaces), would be in substantial compliance with Provision C.3” Therefore, although excluded from treatment measures, site design measures are still required. Detention is listed as one of the site design measures that can be used to comply with Provision C.3. This provision continues to be required in the new C.3.a.(6).

Maintenance Agreement

1. Whereas recitals 2 and 4 – Provision C.3 requires the Town to provide minimum verification on treatment and detention measures that are required for Regulated Projects by Provision C.3, it therefore was logical to require the same verification for those required by the Drainage Criteria (and those installed under Provision C.3.c.i for detached single family homes). This recital can be revised to add “or the Town’s Drainage Criteria” after “NPDES permit” in both recitals.
2. Whereas recital 5 asks the property owner to recognize that what is done on their property can impact the health, safety and welfare of others, and that the measures installed are to mitigate these impacts.
3. Sections 2, 13 and 15 require recording and transfer of the responsibility to subsequent owners. This is designed to make sure the new owners know they are supposed to maintain the system and file the reports. Some of the alternative documents do not apply to residential properties, but may be needed for commercial properties or larger developments.
4. Section 3 only requires the system to be maintained in working order.
5. Section 4 only requires removal of sediment that will clog the system and cause it to cease to function.
6. Section 5 only requires the owner to have the system inspected each year to assure it is working. The inspection should be done before the rainy season starts to assure the property is inspected. The penalty of perjury merely means that the owner should not lie about doing the inspection or the results of the inspection, i.e., filing a false report.
7. Section 6 only requires the system to be changed if it is not working.
8. Section 7 grants permission for inspection only at reasonable times and in a reasonable manner. This means that inspectors will try to make an appointment or

knock on the door and advise the resident of the purpose of the inspection if unable to make an appointment. Inspectors will not show up in resident's yards unannounced. The new MRP requires twenty percent (20%) of systems to be inspected, so each property will be inspected once every five (5) years.

9. Section 8 only becomes operational if the property owner fails and refuses to maintain the system. There would be adequate notice to the property owner and a hearing at the City Council before the Town did anything (except in cases of emergency), as with other nuisance abatement actions.
10. Section 10 is a standard indemnity clause to protect the Town. If the system is not properly maintained and causes damage to a neighboring property, the Town will likely to be brought into the proceedings. If this happens, the Town should be indemnified and defended, unless we did something wrong, which is also provided for in Section 10.
11. Section 12 would only become operative in the event of a problem property that failed to adequately maintain their system.
12. We also received suggested edits to the Maintenance Agreement from an attorney for a specific property. We are reviewing these with the City Attorney..

Other Comments

1. Detention pond and water gardens – the Town's Drainage Criteria does not specify the type of detention system, and water gardens are allowed, however, such designs have rarely been submitted. It is possible that, with the new C.3.i criteria, water gardens may become one of the means more frequently used to meet the new requirements. Detention ponds are also allowed. Sacred Heart built a detention pond for the new science building. A resident in Lindenwood proposed to raise the berm on their on-site fish pond to make it into a wet detention pond. These can not only be viable detention systems, they are also more environmentally friendly and, if done correctly, can be an asset to the site landscaping.
2. Restriction on impermeable area – Atherton does not limit impermeable area on a parcel, as long as the site provides an adequate detention system to mitigate the increased runoff speed caused by the presence of impermeable areas on site. This provides the site architect with maximum choice in their design.
3. Design of systems in clay soils – Early systems were designed for percolation, but the soils engineers did not always evaluate if they would work. The Drainage Criteria now require the applicant to prove that the design actually works in the soil at the site of the detention system. If it does not work, alternative means of recovering the detention system capacity must be designed. As a practical matter, most applicants design a backup pumping system instead of hiring a soils firm to test for percolation. This is beneficial because percolation based system can clog with sediment if not properly maintained.
4. Heritage trees – the Drainage Criteria require the applicant to demonstrate that no trees or buildings, on the site or on neighboring properties, will be impacted either by the excavation or by the surface or subsurface outflow from the detention system. The project arborist is required to sign off on the grading and drainage plans and the Town arborist reviews the plans and the arborist's sign off.

5. Maintaining “miniature public works projects” – On-site detention systems have been characterized as undesirable “miniature public works projects” by some commentators. Atherton properties are large for single-family homes. There are many things on these large properties that are similar to public facilities, such as sewer pipes and pump stations, other utilities (water, gas, electricity, etc.), roadways (driveways) and parking, drainage and subdrainage pipes and pumps, irrigation wells and pipes, etc., not to mention the complex systems inside the house, that the property owner must maintain. All of these require maintenance, usually by hired professionals. Retention systems are one more example, necessitated by the construction of large residential projects that are in many ways on a scale with the commercial projects that are “Regulated Projects” under Provision C.3.

ALTERNATIVES

Alternative Detention Systems

Most of the project being submitted for grading and drainage include underground tanks to comply with the Town’s Drainage Criteria. However, the Town’s criteria do not require this type of system. Any of the many types of detention systems described in the various handbooks available to all architects and engineers will be able to meet the criteria. With the new C.3.i requirements, these types of detention systems will likely become more prevalent. Alternative designs possibilities will be presented at the Council meeting.

Townwide Drainage System

There has been discussion of a Townwide alternative to individual sites detaining their own runoff. This is possible by creating one or more detention basins to detain the runoff in the two major systems, the Atherton Channel tributary and the Redwood Creek tributary. The cost of this Townwide system has not yet been estimated, but a fairly large amount of land would be required. The south meadow at Holbrook-Palmer Park could be one such site, but is not large enough or situated geographically to handle the entire Town. More sites would be needed that would require the purchase of properties, possibly by condemnation if voluntary sales were not forthcoming, i.e., purchase of a house that was already for sale.

However, this Townwide solution would normally be designed only to handle and cure the historical runoff from existing large impermeable areas. It would not be designed to handle increases in impermeable area when a property is reconstructed.

Many properties would be able to reduce their impermeable area by using permeable paving for driveways and patios, and larger roof areas could be offset by reductions in other impermeable areas on the site. If a Townwide system were constructed, the criteria could be changed to require no increase in runoff from individual sites. This is the current requirement of many other jurisdictions and of the MRP for commercial and development sites.

If the Town elected to solve the flooding problem by a Town-wide drainage project, individual single family homes would not be exempt from complying with the provisions of

C.3.i. The state requirements refer to individual homes when requiring Best Management Practices (BMPs) to reduce water pollution. Each construction site must implement BMPs, for both during construction and permanently. These criteria cannot be met by any other means than on the individual sites. In the Bay Area these BMPs are designed to protect and clean the Bay. The previous criteria for large scale projects is working, but not well enough and needed to be stricter. For that reason, it now applies to smaller single family detached houses.

FISCAL IMPACT:

There is no fiscal impact unless a Townwide drainage system is considered. A funding mechanism for a Townwide system would need to be created, such as a special assessment district or a special parcel tax. Long term maintenance costs for the system would also need to be considered.

Prepared By:

Approved:

/s/ *Duncan L. Jones*

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

Jerome D. Gruber
City Manager

Additional Info. Available in City Clerks Office:

Provision C.3 (current)
Provision C.3 (new)
Maintenance Agreement form



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JEROME D. GRUBER, CITY MANAGER

DATE: FOR THE MEETING OF NOVEMBER 18, 2009

**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 (Vice Mayor McKeithen) and alternate representative (Council Member Lewis) on voting matters at the December 18, 2009 annual holiday dinner.

BACKGROUND

The San Mateo County Council of Cities will vote on a number of regional board seats at its December meeting, which will be held in conjunction with its annual holiday party. The positions are identified in the attached letter from Chair Terry Nagel dated November 10, 2009.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENTS:

- 1- November 10, 2009 letter from Council of Cities Chair Terry Nagel
- 2- Roster of Appointments by the San Mateo County Board of Supervisors and City Selection Committee

San Mateo County
COUNCIL *of CITIES*

November 10, 2009

Dear Council Member:

I want to make sure you are aware of a number of regional seats that we will be voting on at the December 18 meeting of the San Mateo County Council of Cities, when we will enjoy our annual holiday dinner prepared by the Colma firefighters:

- **Bay Area Air Quality Management District** – One council member to serve a two-year term beginning January 1, 2010.
- **Housing Endowment and Regional Trust (HEART)** – Two council members to serve three-year terms beginning March 1, 2010.
- **Housing Endowment and Regional Trust (HEART)** – Two council members to begin serving immediately through February 28, 2012 to fill seats held by Diane Howard of Redwood City and Larry Franzella of San Bruno, who have termed out.
- **San Mateo County Transit District (SamTrans)** – One council member representing the Southern Judicial Cities to replace Jim Hartnett of Redwood City for a term ending December 31, 2012.
- **Peninsula Corridor Joint Powers Board (Caltrain)** – One of the three San Mateo County council members representing the three areas of San Mateo County on the SamTrans board will be elected to a position representing all San Mateo County cities to replace Jim Harnett, who has termed out. There is no term limit. The SamTrans member elected at the meeting of December 18 (to represent the Southern Judicial Cities) is also eligible for the JPB seat.
- **San Mateo County Transportation Authority** – One council member representing Cities-at-Large for a two-year term beginning January 1, 2010.
- **San Mateo County Transportation Authority** – One council member representing the Northern Judicial Cities for a two-year term beginning January 1, 2010.
- **San Mateo County Transportation Authority** – One council member representing the Central Judicial Cities to replace Rosalie O'Mahony of Burlingame for a term ending December 31, 2010.

If you wish to apply for one of these positions, please mail a letter expressing your interest to Rebecca Romero, Secretary of the City Selection Committee, and to me (I am Chair of the Council of Cities and the City Selection Committee) at these addresses:

Rebecca Romero, Secretary
San Mateo County City Selection Committee
Hall of Justice – 1st Floor
400 County Center – CMO 105
Redwood City, CA 94063

Terry Nagel, Chair
San Mateo County Council of Cities
City of Burlingame
501 Primrose Road
Burlingame, CA 94010

You may email your letter to Rebecca and me at: RXRomero@co.sanmateo.ca.us and tnagel@burlingame.org. If you email your letter, please scan it so that we have a copy with your signature on it. Please let us know if a copy is also coming via mail.

All letters that we receive prior to December 1 will be included with the final meeting agenda that is distributed to council members two weeks prior to the December 18 meeting. If you wish to submit a letter of interest after that, you are responsible for distributing it to council members prior to the meeting. You may also bring copies to the December 18 meeting and distribute them there.

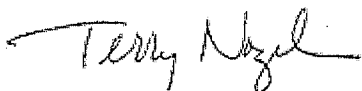
A nomination must be made and seconded at the meeting for each person seeking a position. Nominations may also be made for individuals who do not distribute letters of interest prior to that evening.

In order to be elected, we must have a quorum present (11 of our 20 cities) and there must be 11 votes for each winning candidate. The mayor of each city is the designated voting representative unless he or she delegates that responsibility to someone else.

The attached "Roster of Appointments" gives more details about these positions and lists the cities that comprise the Northern, Central and Southern Judicial Cities on the cover.

Rebecca and I would be happy to answer any questions you may have.

Sincerely,



Terry Nagel
Chair, San Mateo County Council of Cities
Member, Burlingame City Council
tnagel@burlingame.org
650-347-3576

ROSTER OF APPOINTMENTS

BY THE

SAN MATEO COUNTY BOARD OF SUPERVISORS

AND

CITY SELECTION COMMITTEE

Mark Church, President
San Mateo County Board of Supervisors

Terry Nagel, 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 (San Mateo County)	Date First <u>Appointed</u>	Current Term <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

Alternate Members

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

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

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	12/31/09	City

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, 7th Floor, San Francisco.

Contact: Mary Romaidis, Clerk of the Board, 939 Ellis Street, San Francisco 94109.
(415) 749-4965, mromaidis@baaqmd.gov

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
(Vacant)			Board of Supervisors
Larry Franzella, San Bruno	12/16/99	12/31/10	Cities

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

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

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 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: 4th Thursdays/every other month, 3:00 pm – 4:30 pm, 455 County Center, 5th Floor, Redwood City,

Contact: Honora Miller, Commission on the Status of Women, 455 County Center, 5th Floor, Redwood City 94063, (650) 363-4872, hmillier@co.sanmateo.ca.us

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE

<u>CURRENT MEMBERSHIP</u>	<u>Date First Appointed</u>	<u>Current Term Expires</u>	<u>Representing</u>
VACANT			Commission on Aging
Susy Castoria	01/01/03	12/31/11	Commission on Disabilities
VACANT	01/01/03	12/31/08	Homeless Continuum of Care
Linda Lopez	01/01/03	12/31/09	North Fair Oaks
Norma Fragoso, So. San Francisco	01/01/03	12/31/10	HOME Consortium
VACANT	01/01/03	12/31/09	Unincorporated
VACANT			At- Large (Pub.Fac. / Eco.Dev.)
Nancy Mangini	01/01/03	12/31/09	At-Large (Pub.Fac. / Eco.Dev.)
Tom Davids	01/01/03	12/31/08	At-Large (Housing)
VACANT			At-Large (Housing)
VACANT			At-Large (Housing)
Helen Karr	01/01/03	12/31/08	At-Large (Pub.Fac. / Eco.Dev.)
VACANT			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 Coastside, 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.

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

HOUSING ENDOWMENT AND REGIONAL TRUST (HEART)

CURRENT MEMBERSHIP

	Date First <u>Appointed</u>	Current Term <u>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	02/28/10	Cities
Larry Franzella, San Bruno	01/27/06	02/28/10	Cities
Tom Kasten, Hillsborough	09/26/03	02/28/10	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
Diane Howard, Redwood City	01/27/06	02/29/12	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 st and ending February 28 th .
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 th 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

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, 2010	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

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 8th Street, Oakland.

Contact: Rosy Leyva, Commission Secretary, Metropolitan Transportation Commission, MetroCenter, 101 8th Street, Oakland 94607. (510) 817-5775, rleyva@mtc.ca.gov

PENINSULA CORRIDOR JOINT POWERS BOARD (CALTRAIN)

<u>CURRENT MEMBERSHIP</u>	<u>Date First appointed</u>	<u>Current Term Expires</u>	<u>Appointed by</u>
Mark Church			Board of Supervisors
Jim Hartnett, Redwood City			Cities
Art Lloyd, Portola Valley			SamTrans
Jose Cisneros			SF Mayor
Nathaniel P. Ford Sr.			SF MTA
Sean Elsbernd			SF Board of Supervisors
Ken Yeager			SC Board of Supervisors
Don Gage			VTa
Forrest Williams			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

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

SAN MATEO COUNTY TRANSIT DISTRICT (SAMTRANS)

<u>CURRENT MEMBERSHIP</u>	<u>Date First Appointed</u>	<u>Current Term Expires</u>	<u>Category</u>
Mark Church	01/09	12/08/12	Board of Supervisors
Adrienne Tissier	01/07	12/08/12	Board of Supervisors
Jerry Deal, Burlingame	03/09	12/31/10	Cities Central
Jim Hartnett, Redwood City	12/02	12/31/12	Cities Southern
Karyl Matsumoto, South San Francisco	03/07	12/31/10	Cities Northern
Rose Guilbault, Vice Chair	03/06	12/31/12	Public Member
Zoe Kersteen-Tucker, Chair	03/06	12/31/10	Public Member
Shirley Harris	12/93	12/31/12	Public Member
Arthur Lloyd	02/16/88	12/31/10	"Expert"

Authority: San Mateo County Transit District Act

Membership requirements: 9 members; 2 members of the Board of Supervisors, 1 transit "expert", 3 city councilmembers, 1 from each of the former Municipal Court Judicial Districts, 3 public members, 1 of whom shall be a resident of the coastal zone.

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

SAN MATEO COUNTY TRANSPORTATION AUTHORITY (SMCTA)

<u>CURRENT MEMBERSHIP</u>	First Date <u>Appointed</u>	Current Term <u>Expires</u>	<u>Representing</u>
Richard Gordon	01/12/99	01/04/11	Board of Supervisors
Carole Groom	01/06/09	01/04/11	Board of Supervisors
John Lee, San Mateo	01/28/00	12/31/09	At-large (Cities)
Jim Vreeland, Pacifica	12/14/07	12/31/09	Cities Northern
Rosalie O'Mahony, Burlingame	01/27/06	12/31/10	Cities Central
Rosanne Foust, Redwood City	12/17/04	12/31/10	Cities Southern
Karyl Matsumoto	01/09/08	12/31/09	Transit District

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



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

**FROM: JERRY GRUBER, CITY MANAGER
WYNNE S. FURTH, CITY ATTORNEY**

DATE: FOR THE MEETING OF NOVEMBER 18, 2009

SUBJECT: RESCISSION OF ROAD IMPACT FEES

RECOMMENDATION Adopt the attached Resolution of the Council of the Town of Atherton Rescinding Resolution No. 05-34 (Establishing a Road Impact Fee) and Directing Refund of Fees Paid on or After August 20, 2009.

BACKGROUND Since 2000, the Town of Atherton has charged a "road impact fee" against development activity in order to repair the damage to the Town's streets that results from construction. The appropriate amount for the fee was determined by the Council after reviewing reports prepared by engineering firms (DKS Associates in 2000 and Kimley-Horn and Associates, Inc in 2005) which estimated the cost of roadway deterioration and then determined what share of that deterioration was attributable to construction activity. The Public Works Department combined the road impact fees with other road maintenance funding in carrying out its Pavement Management System. Because of the multiple sources of funding, the Town has been able not only to maintain, but improve its "PCI," ("pavement condition index,"), an industry standard for evaluating the condition of public streets. If the PCI is maintained at a high level through regular maintenance of streets, total maintenance costs are lower than if the streets are allowed to deteriorate.

DISCUSSION There is presently a legal controversy in the State of California as to the legality of road impact fees of the type collected by the Town of Atherton and a number of other cities and towns. "Impact fees" to offset the impact of development on civic infrastructure are specifically authorized by the Mitigation Fee Act (Government Code Section 66000 and following) in adopting and modifying the road impact fee in 2005. These fees are charged to developers. However, Vehicle Code Section 9400.8, adopted in 1989, prohibits local governments from charging a fee for the use of public roads. The Court of Appeal for the 5th District of California ruled, in a case involving a per ton charge on the trucking of sewage sludge, construed an impact fee as a charge for the use of public streets and ruled that it was illegal (*County Sanitation District No. 2 of Los Angeles County v. County of Kern* (2005) 127

Cal. App. 4th 1544.) The case has been much criticized, as there was little briefing of the issue and the case primarily focused on the adequacy of an environmental analysis under CEQA. Furthermore, the case does not analyze a fee charged on construction activity. However, the case does hold that Vehicle Code Section 9400.8 pre-empts impact fees for damage to roads. The case is not binding on the appellate courts with jurisdiction over Atherton, but as a published opinion, it will be considered seriously by any court examining the issue in the future.

Several individuals and organizations obtaining development permits in Atherton have raised the question of the legality of the road impact fee. At least one timely claim for a refund of a road impact fee has been filed with the Town for this fiscal year. While the Town's roads have benefitted greatly from the collection and expenditure of the road impact fee, litigation of its legality would be an expensive proposition. Certainty as to the sources and nature of the Town's revenue is important to its efficient operation.

California law requires that a claim for refund of a fee be filed with the Town within 90 days of payment of the fee. The attached resolution directs the City Manager to refund road impact fees paid within the last 90 days, and any other road impact fees paid during the current fiscal year for which a timely claim was filed. It does not require the filing of a claim for fees paid within the last 90 days, but the resolution does direct payment of the refund after the Town receives a release and settlement agreement. Staff anticipates mailing a form to each payor specifying the amount of the refund due and enclosing the release form to be returned to the Town.

FISCAL IMPACT Depending upon the volume of construction activity and the rate of the road impact fee, the Town has collected between \$395,000 and \$1,022,000 in road impact fees annually in fiscal years 2001-2002 through 2008-2009. The total revenue collected under the program through the end of fiscal year 2008-2009 was approximately \$5,170,000, while expenditures totaled \$4,740,000.

Road impact fee revenues were included in the 2009-2010 budget at \$650,000. Approximately \$58,000 in road impact fees were paid between July 1 of this year and August 20th. Approximately \$130,000 in road impact fees were paid between August 20th and November 10th of this year. There are sufficient unspent road impact fees to pay the proposed refunds; general fund expenditures will not be required.

ALTERNATIVE An alternative approach would be for the Council to continue collecting the road impact fee and defend any legal challenge that may be brought.

*****STAFF REPORT UPDATE (December 10, 2009)***:**

Approximately 217,000 in road impact fees were paid between August 20th and December 10th of this year.

Prepared by:

/s/ Jerry Gruber

Jerry Gruber, City Manager

/s/ Wynne Furth

Wynne Furth, City Attorney

RESOLUTION 09-50
RESOLUTION OF THE COUNCIL OF THE TOWN OF ATHERTON
RESCINDING RESOLUTION NO. 05-34 (ESTABLISHING A ROAD IMPACT
FEE) AND DIRECTING REFUND OF CERTAIN FEES PAID ON OR AFTER
AUGUST 20, 2009

WHEREAS, the Town of Atherton previously adopted Resolution No. 00-27, establishing a road impact fee to address the damage to the Town's roads resulting from construction projects within the Town; and

WHEREAS, Resolution No. 00-27 was rescinded and superseded by Resolution No. 05-34, which increased the road impact fee and added an excavation fee to address the continued deterioration of the Town's roads which was judged by the City's consulting engineers to be the result of construction activity; and

WHEREAS, Resolution No. 06-19 rescinded the excavation, or off-haul fee but did not alter the road impact fee; and

WHEREAS, there is controversy as to the legality of a road impact fee adopted under the Mitigation Fee Act (Government Code Sections 66000 and following,) which fees are intended to address the impacts of construction on civic infrastructure, in light of Vehicle Code Section 9400.8, which prohibits local government charges for the lawful use of public streets; and

WHEREAS, it is the position of the California local governments that charge road impact fees for development projects that these are lawful fees on development rather than fees for the use of public streets, no court has ruled on this issue;

NOW, THEREFORE, THE CITY COUNCIL OF THE TOWN OF ATHERTON
DOES RESOLVE AND ORDER AS FOLLOWS:

Section 1. Repeal of Resolution 05-34. Resolution 05-34 is hereby rescinded, effective immediately upon the passage of this resolution.

Section 2. Refund of Road Impact Fee. The City Manager is hereby directed to refund road impact fees paid to the City on or after August 20, 2009, and to refund any road impact fees paid during fiscal year 2009-2010 for which a written protest was received within 90 days after payment of the fee. Such refunds shall be issued promptly to the party that has paid the fee upon execution of a settlement and release agreement in the form satisfactory to the City Attorney.

* * * * *

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 this 16th day of December 2009, by the following vote:

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

Jerry Carlson, MAYOR
TOWN OF ATHERTON

ATTEST:

Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

Wynne Furth, City Attorney



DRAFT MINUTES

Town of Atherton CITY COUNCIL

ATHERTON CHANNEL DRAINAGE DISTRICT NOVEMBER 18, 2009

7:00 p.m.

JENNINGS PAVILION

150 Watkins Avenue

Atherton, California

REGULAR MEETING

Mayor Carlson called the meeting to order at 7:10 p.m.

1. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by 4th grade Atherton resident Daniel Longaker.

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

3 PRESENTATIONS

RED RIBBON WEEK AWARDS –Police Lieutenant Mike Guerra

Lieutenant Mike Guerra presented awards to poster contest winners for the D.A.R.E. program from St. Joseph's and Encinal Schools. The theme for the Red Ribbon Week contest was, "I have better things to do than drugs." First place recipients received a D.A.R.E. ball of their choice and \$50 in gold coins. Second place recipients received a D.A.R.E. ball of their choice.

4. PUBLIC COMMENTS

Peter Carpenter, Atherton resident, stated that the Police Chief is a very critical position and in his opinion should have broad community support. Carpenter added that a Police Chief appointed in a non-competitive process can not have the support of the citizens he serves.

Jean Shaaf, Atherton resident, expressed her tremendous sadness at her recent experience with the Town Administration regarding the Atherton Arts Committee. Shaaf asked for a rationale and clear explanation of the tactics employed by the Town Administration in holding up the Arts gallery.

Colleen Anderson, Atherton resident, stated she was surprised by Chief Nielsen's retirement. Anderson said she requested through email the reason for Nielsen's retirement and the reason for hiring the new Police Chief.

Melinda Tevis, Atherton resident, said she wanted to know what the selection process was for hiring the new Police Chief. Tevis asked why the former Finance Director John Johns situation has not been resolved and why it is being carried on for so long.

5. REPORT OUT OF CLOSED SESSION

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; Eileen Wilkerson, Assistant City Manager
Employee Organization: Confidential Employees

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subsection (a) of Government Code Section 54956):

John P. Johns v. the Town of Atherton, San Mateo County Superior Court Case No. CIV 479972

C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – pursuant to Government Code Section 54957(b)(1)

Title: City Attorney

City Attorney Wynne Furth reported that there was no reportable action from the Regular Closed Session and that the Closed Session is continued until later that evening.

6. CITY MANAGER'S REPORT – Written Report

City Manager Jerry Gruber said he will begin to keep the Council and community apprised of the High Speed Rail technical working group, the Gateway project and Specific Plan project in Menlo Park, and the Saltworks project in Redwood City.

City Manager Gruber stated that Chief of Police Glenn Nielsen has announced his retirement effective November 28, 2009. Gruber said he has appointed Lieutenant Mike Guerra as the next Chief of Police effective November 29, 2009. Gruber said that the transition will be smooth and the level of Police service for Atherton residents will continue at the highest level.

Council Member Marsala thanked Chief Nielsen for his work in Atherton which lasted over 30 years and added that Nielsen has worked past his retirement age. Marsala welcomed Mike Guerra in his new position.

Mayor Carlson said he asked Chief Nielsen why he was retiring. Chief Nielsen said it was purely economics and that he maxed out on his pension.

Council Member Lewis said she is disappointed Chief Nielsen is retiring but knows that it is based on his pension. Lewis added that Lieutenant Mike Guerra is highly educated and qualified and brings skills that the office of the Chief has never had before.

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

CONSENT CALENDAR (Items 8-19)

Mayor Carlson tabled item 14 to a future meeting.

Vice Mayor McKeithen had an edit to the resolution in Item 15.

8. **APPROVAL OF OCTOBER 21, 2009 REGULAR MEETING MINUTES**

Recommendation: Approve October 21, 2009 Regular Meeting Minutes

9. **APPROVAL OF BILLS AND CLAIMS FOR SEPTEMBER 2009 IN THE AMOUNT OF \$917,569**

Recommendation: Approve Bills and Claims in the amount of \$917,569

10. **APPROVAL OF CALPERS RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS – MISCELLANEOUS CATEGORY**

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-42 Employer Paid Member Contributions – Miscellaneous Category

11. **APPROVAL OF CALPERS RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS – SAFETY CATEGORY**

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-43 Employer Paid Member Contributions – Safety Category

12. **APPROVAL OF CALPERS RESOLUTION – EMPLOYER PICK UP**

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-44 Employer Pick Up

13. **ADOPT RESOLUTION 09-45 APPROVING POLICY – 3.4 MODIFIED (LIGHT) DUTY**

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-45 Approving Policy 3.4 Modified (Light) Duty

14. **ADOPT RESOLUTION 09-46 APPROVING POLICY – 3.3 WORKERS' COMPENSATION AND RESCIND "STANDARD OPERATING PROCEDURES SUBJECT: WORKER'S COMPENSATION" DATED MARCH 19, 1997**

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Adopt Resolution 09-46 Approving Policy 3.3 Workers' Compensation

15. **ADOPT RESOLUTION 09-47 APPROVING ADOPTION OF CALIFORNIA PUBLIC EMPLOYEES' SUPPLEMENTAL INCOME 457 PLAN**

Report: Assistant City Manager Eileen Wilkerson

Recommendation: Approve Resolution 09-47 approving adoption of California Public Employees' Supplemental Income 457 Plan and authorize the City Manager to enter into an Employer Adoption Agreement on behalf of the Town of Atherton

Vice Mayor McKeithen suggested that the third paragraph in the resolution be removed so the Town doesn't make any financial representation that might come back to haunt us.

MOTION by McKeithen, second by Lewis to approve Item 15 with removal of the third paragraph in resolution 09-47. The motion passed.

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

16. CLARIFYING AMENDMENTS TO CITY MANAGER CONTRACT AMENDMENTS

Report: City Attorney Wynne Furth

Recommendation: Approve the clarifying amendments to the Employment Agreement between the Town of Atherton and Jerome "Jerry" Gruber

17. RESOLUTION AUTHORIZING AN ADJUSTMENT IN MUNICIPAL CODE PARKING FINES DUE TO SENATE BILL 1407

Report: Police Chief Glenn Nielsen

Recommendation: Approve Resolution 09-48 authorizing an adjustment to increase Municipal Code parking violation fines in the amount of \$5

18. RESOLUTION IN SUPPORT OF THE LOCAL TAXPAYER, PUBLIC SAFETY AND TRANSPORTATION PROTECTION ACT OF 2010

Report: City Manager Jerome D. Gruber

Recommendation: Adopt Resolution 09-49 in support of the Local Taxpayer, Public Safety and Transportation Protection Act of 2010

19. POLICE DEPARTMENT VEHICLE PURCHASE

Report: Police Lieutenant Mike Guerra

Recommendation: Authorize the purchase of one Ford Crown Victoria patrol car not to exceed \$25,094.00.

MOTION by Lewis, second by Dobbie to approved the Consent calendar with the exception of Items 14 and 15. The motion passed.

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

PUBLIC HEARINGS (20)

20. ADOPT RESOLUTION 09-32 TO APPROVE MASTER FEE SCHEDULE SETTING MISCELLANEOUS FEES FOR TOWN SERVICES

Report: Finance Director Louise Ho

Recommendation: Conduct a Public Hearing and Adopt resolution 09-32 approving Master Fee Schedule for miscellaneous fees for Town services

Finance Director Ho said that Council continued this item from September Council meeting in order to give the public last opportunities for input and education into the master fee schedule. Ho added that staff is requesting the Building Department fees be continued to the next Council meeting.

Jeanette Hahn, NBS, gave a brief presentation on the November 5 Community meeting attended by a small but representative group of residents and was a very productive. Hahn said she did not modify the fee schedule based on the community meeting but is prepared to give recommendations based on the meeting.

Hahn said that concern for the burdens placed on individual residents within the community was a recurring concern at the Community meeting. Some of the basic concerns of the residents were the predictability of total costs to a project. Hahn felt that it is a policy decision for Council to consider whether to reflect budget considerations and the burden on individual residents in the final fee schedule.

Hahn said the second concern that came up was the balance of whether the Town is paying for these services with general tax resources in the community or the fees that are being collected. Hahn said that the consensus of the group was that community-based programs should be paid for by the community as a whole. Hahn added that another concern was that fees may be taxes and that the cost might make the community too exclusive.

Hahn concluded that the third and final concern from residents at the community meeting was the cost of service basis itself which include that indirect costs loaded in the fees are unreasonable, fees should cover the incremental cost and not attempt to recover “sunk” costs such as overhead.

Hahn said specific fees that were discussed were the concern for reasonable cost deposits on landscape screening deposits, second utility deposits and temporary occupancy deposit. Hahn said that the fees were proposed to be increased to \$10,000 in September but since then staff has recommended keeping the deposit fees at \$5,000. Hahn concluded that residents are still concerned that \$5,000 is too high.

Hahn said that residents were worried that encroachments permit fees would be a burden to smaller projects in the community. Hahn added that residents weighed in on Park fees and the emphasis on public versus private benefit of a community park. A concern was brought up on whether recovering costs through fees contradicts having a community public space; and that the community residents do specific fundraising to benefit the park and whether or not this should be considered in the fee schedule.

Marsala asked why there is a difference in rate during the week and the weekend. Hahn said that on a non-peak period you can rent it for a small period of time whereas during the weekend you are renting it for an entire day.

Hahn stated that when renting the facilities in the Park the Town actually loses money and will continue to do so unless they choose to change the level of service on an annual basis and the services provided for setting up and tearing down for a meeting.

Vice Mayor McKeithen stated that residents who feel that recovering costs through fees contradicts having a community public space have not read the gift document by which the Park was given to the Town which states that the Park is supposed to be self-supporting and for a long time it has not been.

Hahn said that in the Building Department fees Council will continue to face the question about valuation-based fees. Specific comments made were that the current and proposed fee structure

which is a basis for differentiation costs incurred to review and inspect a project does not accommodate the wide range of construction types or the inherent costs in Atherton.

Hahn concluded that the modifications should be considered before approving the master fee schedule. The modifications include banner fees which should be a fee of \$0 for anything town-related, in the Planning fees the word “initial” be added in front of the word deposit, and the second utility deposit, landscape screening deposit, temporary occupancy deposits and excavation road damage deposit remain at the current level of \$5,000 with an administrative fee attached to it.

Mayor Carlson pointed out that in the Council Agenda packets where both a proposed fee schedule for all Departments and a proposed schedule excluding the Building Department fees. Council concurred to look at the proposed schedule excluding the Building Department fees only and defer the Building Department fees to a future Council meeting.

Carlson opened up for public comment.

Loren Gruner, Atherton resident, said that the November 5th meeting was a good meeting and she thanked the Town for holding it. Gruner asked what kind of focus can be put on marketing events in the park so that the cost could be spread over more events.

Carlson suggested that this be explored at the 2010 Council strategic planning workshop.

Denise Kupperman, Atherton Dames, said that the Dames have been a part of just about every improvement project in the park from the generosity of citizens through fundraising events. Kupperman concluded that there is a clause in the Park Will that states the Park is to be self-sufficient.

Joe Comartin, thanked the Town for the Community meeting and added that it was well run and well advertised. He added that it demonstrated Council’s willingness to hear the residents.

Colleen Anderson, said she did not know about the November 5 Community meeting and had she known she would have been there to talk about the R1A lots. She asked Council to consider anything 10,000 feet and smaller in an R1A lot be looked at.

Carol Flaherty, Atherton resident, complimented the Town on their advertisements of the Community meeting and said she doesn’t see how the Town could have done more to advertise. Flaherty said indirect costs can be recouped only if they are directly attributable to direct costs. The most she has ever heard of is a 35% indirect calculation.

Carlson closed for public comment.

Council Member Lewis felt there were two things Council needed to consider before approving the fee schedule; what is the Towns overall basic philosophy for charging fees to Town residents and what is the minimum fee the Town can charge to provide services and not lose money or become financially insolvent. A Government entity is not a profit center and fees must be reasonable and justifiable. Lewis concluded that Council needs to look at the underlying costs of providing services and come up with the most cost-effective approach.

Council Member Marsala said he would like to review the Park Will. Marsala felt that Council should explore what services residents are entitled too. Marsala requested that if the Town is in a situation where they have used up all the money in their contract with NBS, that NBS come to them for a request for an amendment before the money is depleted. Hahn stated that the Town is still well within their scope of work that was agreed to.

McKeithen felt that the banner installation policy should be rectified with regards to the Town's Committee and Commissions not being charged, planning fees should be modified as requested and the second utility deposits and excavation deposits should be sustained at the current levels. McKeithen felt that the encroachment fee should include one or two inspections costs in the fee schedule.

Carlson asked how depreciation and fixed fees were factored in with regard to Park fees. Hahn stated that she did not factor in depreciation in the true accounting sense. She treated the program like an enterprise, wherein, funding "depreciation" means that you factor in the ongoing costs of asset renewal and replacement. Hahn said in the case of the Town's Parks program, she has factored into the cost of service basis for fees the annual cost of facility maintenance - which keeps the facilities in a condition to be rented - not just the incremental cost of the event

Carlson brought up the banner installation policy. Council Member Marsala felt that if staff is already out taking one banner down then they should not charge to put another banner up if the crew is already out there. Marsala added that banners allow people to promote the Park for recreational use.

Lewis raised concern on the encroachment fees and what the minimum number of inspections is. Public Works Director Duncan Jones said that staff went through all of the different types of driveways Atherton has and the basic minimum is three inspections and possibly more if a drainage system is going in or a concrete driveway is being installed.

Lewis said that Council should study the philosophy of how they treat the residents and come up with new ways of keeping the public involved. Lewis felt that the fee schedule should be held off until the Building Department fees are completed.

Carlson said the master fee schedule will be constantly evolving and continually evaluated and Council should always be looking for efficiencies and ways to reduce the costs that result in fee reductions.

City Attorney Furth recommended changes to Resolution 09-32 approving the master fee schedule.

MOTION by McKeithen to adopt the master fee schedule with changes to the Planning fees to modify "deposit" to say "initial deposit", to designate no charge for banner installation or removal for any town-related banner and defer the building department fees to a future meeting and approved changes to the resolution made by City Attorney Furth. The motion passed.

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

REGULAR AGENDA (Items 21-27)

21. SCHEDULE OF INTERVIEWS AND/OR APPOINTMENTS TO THE AUDIT COMMITTEE

Report: City Manager Jerome D. Gruber

Recommendation: To Be Determined

Both candidates, Atherton residents Randy Lamb and Bill Widmer, gave the Council a brief background of their qualifications.

A short discussion ensued regarding expansion of the Audit Committee to allow both candidates to sit on the Committee.

MOTION by Marsala, second by Carlson to bring expansion of the Audit Committee to the December Council meeting. The motion passed.

Ayes: 3 Nays: 2 (Dobbie, McKeithen) Abstain: 0 Absent: 0

Council voted by ballot to select the Audit Committee candidate. The following are results of the vote:

Bill Widmer - 4 votes (Carlson, McKeithen, Marsala, Dobbie)

Randy Lamb - 1 vote (Lewis)

MOTION by Marsala, second by Carlson to appoint Bill Widmer to complete term of Chairman Sam Goodman (who resigned) for a term which expires April 30, 2010. The motion passed.

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

22. APPOINTMENT OF EDWIN ULLMAN TO THE ARTS COMMITTEE

Report: City Manager Jerome D. Gruber

Recommendation: Appoint Edwin Ullman to the Arts Committee for a term to expire April 30, 2012

Betty Ullman spoke on behalf of her husband Edwin Ullman who is requesting to serve on the Art Committee as an official member since he has been working closely with the Arts Committee in the last year.

Jean Shaaf, Arts Committee member, was concerned about a possible Brown Act violation having a husband and a wife both serve on the same Committee.

City Attorney Wynne Furth said that the Brown Act allows less than a quorum to meet and discuss official Committee business. In this case a quorum would be three and therefore the Ullman's are not violating the Brown Act.

MOTION by Lewis, second by Carlson to appoint Edwin Ullman to the Arts Committee for a term to expire on April 30, 2012. The motion passed.

23. APPROVAL OF BLUE RIBBON TASK FORCE REPORT ON NEED FOR ADDITIONAL PUBLIC SERVICES SPACE

Report: City Manager Jerome D. Gruber

Recommendation: Accept and Approve Blue Ribbon Task Force Report on Additional Spacing Needs for Public Service and Provide Possible Future Direction or Potential Disbandment

William Grindley, Atherton resident and Blue Ribbon Task Force member, gave a Power Point presentation on the spacing needs for public service. [A copy of the presentation is available in the City Clerks office].

Grindley said that originally the Task Force was given the charge to look at the political, economic and financial feasibility of a new town center. Grindley said that the Town has buildings that do not conform to California's seismic, fire, or other codes; nor provide the space for nearly twice as many employees as in 1965 when Atherton last built a center for its police, administration and other functions.

Grindley said the Task Force estimates the town needs about 27,000 square feet (it now has about 14,000) that will conform with federal ADA and EEOC requirements; and to the specialty construction and furnishing needed to meet the State's Essential Facilities requirements, as well as an Emergency Operations Center. Grindley said that currently, no Town restroom meets ADA requirements, and the sole bathroom in the police and dispatch area serve male and female officers, suspects, witnesses as well as intoxicated and often ill individuals. Active storage, now in the attic of the 1965 building is both an earthquake and fire risk, and the 12 year old 'temporary' modules are at the end of their useful lives.

Grindley said the 70 page report reflects community ideas indicating the town center should stay near its present location, should be either contemporary or Mission style architecture (like the 1920s chambers); and be a series of linked pavilions if construction must be staged due to financial challenges. Total costs were estimated around \$15M including parking, landscaping and professional fees.

The Blue Ribbon Task Force was led by Council Members Marsala and Dobbie, and included representatives from four community organizations.

Grindley said that the Task Force does not support building extra expansion space for rent because that would cause a traffic impact.

Grindley said there has been a lot of political will in Town to do something about the inadequate Police facilities and to preserve and protect the town center.

Grindley suggested that Council move forward with putting together a finance committee to look at options for funding the new town center.

Council Member Marsala said that the Blue Ribbon Task Force did vote to recommend that Council put a bond on the ballot which would be roughly \$200 to \$300 per household.

Vice Mayor McKeithen asked how Grindley envisions a Committee for financing options for the town center and what kind of time table does he expect. Grindley said the Committee will need experts who know what options and ideas are best for financing the town center. Grindley added that there has been controversy with library donor funds and stated for the record that the Blue Ribbon Task Force voted down using any library donor funds for financing the town center.

Marsala said the Task Force had very heated conversations and not all of the votes were unanimous. Marsala added that there was controversy with the library funds and that Council gave clarification that the library funds could be used if recommended. Marsala concluded that Council should work with the residents on either renovating the library or expanding it to the Council Chambers. Marsala said the Task Force voted for this at one point and then against it and felt that more outreach to the public for their opinion should be done.

Council Member Dobbie thanked the Blue Ribbon Task Force members for their work and said everyone did a great job. Dobbie said that his opinion is there are two option to finance a new town center with one being bonds and one being mortgages. He recommended Council appoint a finance committee specifically for this purpose.

Council Member Lewis commended the Blue Ribbon Task Force who were very instrumental in finalizing the report through lots of oppositions, opinions and setbacks. Lewis said Council should look at creating a two-prong approach which would consist of a public outreach campaign and a finance committee.

Mayor Carlson thanked Grindley for his help in putting together the report and presenting it to Council. Carlson said the Heritage artifacts are a library type situation where they library could possibly dedicate a room to the Heritage Foundation. Carlson concluded that a mortgage or bond could be a possibility for financing a new town center.

Carol Flaherty, Atherton resident, stated that \$15 million dollars to build a new town center at 27,000 square feet would cost approximately \$550 per square foot.

Bill Widmer, Atherton resident, said that there are other ways to finance a new town center besides bonds, mortgages and taxes. He added that the United States Parks Association does some funding for historical building renovations. Widmer concluded that beginning with architectural studies, public outreach, and grant development which can be completed in 12 months is a start then move onto financing options.

Kimberly Sweidy, Atherton resident, suggested that Council look at what the mission of the Town is and find out how they can best serve their residents before they ask the residents to fund a new town center.

Marsala said that the Task Force researched potential donors and felt that the finance committee should test waters with people interested in private donations. Lewis reiterated that two Committees should be formed, one for public outreach and one for finance options of a new town center.

MOTION by McKeithen, second by Carlson to accept the Blue Ribbon Task Force Report on Additional Spacing Needs for Public Service and direct the formation of a finance committee to look at finance options for a new town center in which Council will submit names to the City Manager and direct the finance committee to explore a potential public outreach

Committee or any other Committee which needs to be formed for the purpose of a new town center. The motion passed.

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

24. DRAINAGE CRITERIA UPDATE

Report: Public Works Director Duncan Jones

Recommendation: Receive information and give direction to staff for future actions to update the Drainage Criteria and to modify the Grading, Erosion and Sediment Control ordinance.

Public Works Director Duncan Jones gave a Power Point presentation on the Drainage Criteria. [A copy of the presentation is available in the City Clerks Office.]

Jones said the drainage criteria was first studied in 2006 when several public workshops were held and the ordinance was modified, the criteria was adopted effective at the end of 2007 calendar year. Jones said the primary goal of the drainage criteria is to protect the downstream neighbors of any project that is being done. Jones said the drainage criteria methodology to do this comes from the Regional Water Quality Control Boards manual which is to mimic site's predevelopment hydrology and protect property from 100 years flow.

Jones reviewed the requirements of provisions C.3 which is promulgated by the Regional Water Quality Control Board who were mandated to promulgate the requirement by the Federal Environmental Protection Agency. The provision is to prevent pollution. Jones concluded that Atherton's provision is to prevent flooding downstream. [Further information regarding the C.3 provision and drainage criteria is included in the presentation and staff report].

Council Member Dobbie departed the meeting at 10:41 p.m.

Mayor Carlson opened up for public comment.

Gustavo Edelstyn, Atherton resident, asked what method the Town is using for streets that need improvements.

Jones said the Town is currently implementing projects that have retention to include pipes in the street. He added that in the future Town streets will need more elaborate detention systems. Jones concluded that the streets that are being resurfaced or reconstructed are not covered by the C.3 requirements.

Colleen Anderson, Atherton resident, stated that a young boy had an accident and did not survive in the Town's drains back in the 1960's.

Jon Venverloh, Atherton resident, said his Civil Engineer is still confused by these requirements. Venverloh said provisions require that each system on an individual homeowners property handle the rain water in a 25-year flood whereas provisions in C.3 say that these systems need to be required to handle a typical flood. Venverloh asked how many years it will take before all homes in Atherton have this system in place, will future generations of Atherton have to deal with this, and how will the Town prevent water from uphill properties from using privately funded systems.

Jon Venverloh read a letter for the record written by Ned Patchett, a certified Arborist in Moss Beach, California.

Carol Flaherty, Atherton resident, said detention ponds are good for properties with a lot of land. She added that the issue is the magnitude of what is being asked.

Walter Sleeth, Atherton resident, said he is amazed at what some residents have had to go through to meet the requirements of these systems and doesn't understand the science behind it.

Kimberly Sweidy, Atherton resident, said that she spoke with Town staff about the requirements and still does not understand them. Sweidy added that she has a retention system that does not drain and she is impacting all the oaks because her property is flooding. Sweidy said somebody needs to bring a mandate to handle these situations the right way.

Loren Gruner, Atherton resident, said she is concerned with the amounts of money being spent to engineer the system. Gruner suggested looking at ways to fix this and make the requirements less detrimental to property owners

Jeff Wise, Atherton resident, said the presentation did not deal with the Ordinance put in place covering the drainage criteria and felt that Council should look into this and find something that is less restrictive and more reasonable for Atherton residents.

Joe Comartin, Atherton resident, said from his experience with building these retention systems they do not work well in the Town of Atherton because most properties are characterized by very dense clay soil. Comartin concluded that the maintenance agreement is onerous and unreasonable and should be revised.

Denise Kupperman, Atherton resident, thanked Duncan for the presentation. Kupperman added that the drainage channel was built in the 1950's to handle the Town's drainage system and there was no system put into place to drain from the properties. The amount of development has changed over time and now we must decide if it is the individual property owner's responsibility or the Town's and are the Town's requirements overly onerous.

Mayor Carlson closed the public comment.

25. PRESENTATION OF THE RESULTS OF ATHERTON'S GOVERNMENT OPERATIONS EMISSIONS INVENTORY

Report: Kathy Hughes Anderson

Recommendation: No Action Required

This item was tabled to a Special City Council meeting.

26. COUNCIL OF CITIES DECEMBER MEETING – COUNCIL GUIDANCE ON VOTING MATTERS

Report: City Manager Jerome D. Gruber

Recommendation: Council to give guidance direction to San Mateo County Council of Cities representative (Vice Mayor McKeithen) and alternate representative (Council Member Lewis) on voting matters at the December 18, 2009 annual holiday dinner

This item was tabled to a Special City Council meeting.

27. APPROVAL OF RESOLUTION RESCINDING RESOLUTION 05-34 AND DIRECTING REFUND OF FEES PAID ON OR AFTER AUGUST 20, 2009

Report: City Attorney Wynne Furth

Recommendation: Adopt Resolution 09-50 Rescinding Resolution No. 05-34 (Establishing a Road Impact Fee) and Directing Refund of Fees Paid on or after August 20, 2009

This item was tabled to a Special City Council meeting.

28. COUNCIL REPORTS

Nothing further to add to written reports.

29. FUTURE AGENDA ITEMS

Council Member Marsala asked that review of the seismic upgrades and concerns be added to a future agenda.

Council Member Lewis requested that expansion of the Finance Committee be added to a future agenda.

Mayor Carlson suggested that these items be discussed at the 2010 strategic planning workshop. Council concurred.

30. PUBLIC COMMENTS

None.

31. ADJOURN

Mayor Carlson adjourned the meeting at 11:31 p.m.

Respectfully submitted,

Theresa DellaSanta
Deputy City Clerk

TOWN OF ATHERTON
CLAIMS LIST NOVEMBER 2009

	11/06/09	11/20/09	Amt
Payroll Checks #	14156-14166	14226-14231	\$ 6,892
Direct Deposit	14167-14225	14232-14288	294,903
Electronic Transfer			107,189
A/P Checks #	29442-29587		705,718
		NOVEMBER 09 TOTAL	\$1,114,702

I, Jerome D. Gruber, City Manager of the Town of Atherton, do hereby certify under penalty of perjury that the demands listed above, check numbers 14156-14288 (payroll), 29442-29587 (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to \$1,114,702 are true and correct, and that there are sufficient funds for payment.

Jerome D. Gruber
City Manager

The above claims, check numbers 14156-14288 (payroll), 29442-29587 (accounts payable), and electronic transfers for employees direct deposits, federal payroll taxes and fees, inclusive, amount to \$1,114,702 are true and correct, and are authorized for payment.

Jerry Carlson
Mayor, Town of Atherton

SOURCE OF FUNDS

101	General Fund	\$1,037,271
105	Tennis	1,337
201	Special Parcel Tax	510
210	Road Construction Impact Fees	43,981
213	Library	1233
403	Atherton Channel District	2190
614	Worker's Compensation	16,873
616	Employee Benefits	11,212
740	Tree Committee	95
	TOTAL	\$1,114,702

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
29442	11/05/09	JOHN & CAROL FLAHERTY	11/05/09	11.05.09	NON-DEPARTMENTAL Non-Department	Road Impact Fee Settlement Exp	42,199.00 7,500.00	SETTLEMENT AGREEMENT-FLAHERTY SETTLEMENT AGREEMENT-FLAHERTY
						Check Totals	49,699.00	
29443	11/12/09	SCOTT BONAGOFISKY, ATTORNEY	11/12/09	11.12.09	Non-Department	Settlement Exp	230,000.00	SETTLEMENT AGREEMENT
						Check Totals	230,000.00	
029445	11/17/09	A-A LOCK & ALARM INC	10/22/09	200954	Building	Equipment Maint	315.00	SERVICE CALL TO OPEN JAMMED DRAWER 10/8/
						Check Totals	315.00	
029446	11/17/09	JOSEPH AIELLO	11/01/09	10.26.09	Building	Safety Supplies	161.23	WORK SAFETY BOOTS - J.AIELLO
						Check Totals	161.23	
029447	11/17/09	ALHAMBRA & SIERRA SPRINGS	10/21/09	100927993914	Police	DISASTER/EMERGE	207.02	COOLER RENTAL & WATER DELIVERY OCT 09
						Check Totals	207.02	
029448	11/17/09	ALLEGRA PRINT & IMAGING DEA	10/30/09	42000	Police	Other Supplies	70.16	BUS. CARDS-J.ENBERG
						Check Totals	70.16	
029449	11/17/09	AT&T CALNET 2	10/20/09	928609	Police	Communication (	56.64	2372528343 9/20-10/19/09
029449	11/17/09	AT&T CALNET 2	10/20/09	928607	DPW - Park Program	Communication (	84.20	2332511053 9/20-10/19/09
029449	11/17/09	AT&T CALNET 2	10/27/09	942702	Non-Department	Communication (	495.06	6507528099 9/27-10/26/09
029449	11/17/09	AT&T CALNET 2	10/27/09	942701	Non-Department	Communication (	111.38	6507520600 9/27-10/26/09
029449	11/17/09	AT&T CALNET 2	11/01/09	954044	City Manager	Communication (	15.74	6503274866 10/1-10/31/09
029449	11/17/09	AT&T CALNET 2	11/01/09	954042	Non-Department	Communication (	15.58	6503273232 10/1-10/31/09
029449	11/17/09	AT&T CALNET 2	11/01/09	954043	DPW - Park Program	Communication (	55.27	6503274859 10/1-10/31/09
029449	11/17/09	AT&T CALNET 2	10/27/09	942700	Police	Communication (	210.86	6505660280 DISASTER LINES 9/27-10/26/09
029449	11/17/09	AT&T CALNET 2	10/27/09	942699	Police	Communication (	15.60	6503300686 ALARM LINE-POLICE SHED 9/27-1
029449	11/17/09	AT&T CALNET 2	10/25/09	940700	Police	Communication (	15.59	6503228691 RECORDS ROOM 9/25-10/24/09
						Check Totals	1,075.92	
029450	11/17/09	THERESA BAEZ	11/02/09	10.04.09	NON-DEPARTMENTAL	Park Deposits	1,000.00	PARK DEPOSIT REFUND 10/4/09

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
029451	11/17/09	BMI IMAGING SYSTEMS	10/19/09	285990	Building	Check Totals	1,000.00	
						Microfilms	4,502.18	MICROFILMING DOCUMENTS 10/19/09 BLDG DEP
						Check Totals	4,502.18	
029452	11/17/09	CA STATE DISBURSEMENT UNIT	11/06/09	11/06/09	NON-DEPARTMENTAL	Payroll Deducti	271.84	C/S W/H 10/18-10/31/09
						Check Totals	271.84	
029453	11/17/09	ARTEMIS CURUSIS	11/02/09	10.17.09	NON-DEPARTMENTAL	Park Deposits	1,000.00	PARK DEPOSIT REFUND 10/17/09
						Check Totals	1,000.00	
029454	11/17/09	DAILY JOURNAL CORPORATION	11/12/09	B1726899	City Manager	Advertising/Pub	88.20	MASTER FEE HEARING NOTICE 11/18/09
029454	11/17/09	DAILY JOURNAL CORPORATION	10/30/09	B1718010	City Manager	Advertising/Pub	112.85	ABAG PUBLIC NOTICE DISASTER PREP NOTICE
						Check Totals	201.05	
029455	11/17/09	DELL MARKETING L.P. C/O DEL	10/22/09	XDFD8KT5	Police	Other Supplies	30.58	AX510 BLACK SOUND BAR, S. PARDORLA
029455	11/17/09	DELL MARKETING L.P. C/O DEL	10/28/09	XDFW611J1	Police	Computer Equipm	1,394.23	DELL OPTLEX 760 CORE2, 3GB MEM, 22 INCH
						Check Totals	1,424.81	
029456	11/17/09	DOUGLAS PRINTERS	10/20/09	8184	City Manager	Office Supplies	79.75	BUSINESS CARDS 10/20/09-M.BRABENEC
					City Manager	Office Supplies	1,014.93	POST CARDS COMMUNITY MTG NBS - 10/20/09
						Check Totals	1,094.68	
029457	11/17/09	GODBY CONSTRUCTION	10/29/09	55 SHEARER	DPW - Engineering	DPW Deposit Pay	2,500.00	ROAD BOND REFUND 3/18/09 55 SHEARER DR
						Check Totals	2,500.00	
029458	11/17/09	STEPHEN GRUNDMEIER	11/02/09	10.24.09	NON-DEPARTMENTAL	Park Deposits	1,000.00	PARK DEPOSIT REFUND 10/24/09
						Check Totals	1,000.00	
029459	11/17/09	HOFBRAU CATERING MARIO RADD	10/26/09	43436	Police	Training & Work	217.63	LUNCHES FOR IN-HOUSE POLICE TRAINING 10/

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029459	11/17/09	HOFBRAU CATERING MARIO RADD	10/26/09	43437	Police	Training & Work	187.04	BREAKFAST FOR IN-HOUSE POLICE TRAINING -
029459	11/17/09	HOFBRAU CATERING MARIO RADD	10/27/09	43438	Police	Training & Work	242.10	LUNCHES FOR IN-HOUSE POLICE TRAINING 10/
029459	11/17/09	HOFBRAU CATERING MARIO RADD	10/27/09	43439	Police	Training & Work	207.68	BREAKFAST FOR IN-HOUSE TRAINING 10/27/09
029459	11/17/09	HOFBRAU CATERING MARIO RADD	10/29/09	43447	Police	Training & Work	197.36	BREAKFAST UP FOR IN-HOUSE POLICE TRAININ
029459	11/17/09	HOFBRAU CATERING MARIO RADD	10/29/09	43450	Police	Training & Work	248.43	LUNCHES FOR IN-HOUSE TRAINING FOR POLICE
						Check Totals	1,300.24	
029460	11/17/09	TOWN OF ATHERTON	10/17/09	10/17/09	NON-DEPARTMENTAL	Conferences	50.00	CARRIAGE HOUSE RENTAL FOR TREE COMMITTEE
						Check Totals	50.00	
029461	11/17/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	4324	City Manager	Bus Meeting & M	30.02	LUNCH J GRUBER & MIKE GARVEY - 10/2/09
					Non-Department	IT Support	15.00	CONSTANT CONTACT OCT 09
029461	11/17/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	4832	City Manager	Office Supplies	16.92	INK ROLLER REFILL FOR DATE STAMP 9/30/09
					City Manager	Special Events	54.69	EQ - DRINKS, GIFT CERTIFICATE 10/14/09
029461	11/17/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	0612	Police	Other Supplies	259.70	LAP TOP GPS UNITS - J.MATTES
029461	11/17/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	0596	Police	Other Supplies	98.31	65 WATT AUTO/AIR AC ADAPTER FOR PATROL V
029461	11/17/09	I.M.P.A.C. GOVERNMENT SERVI	09/22/09	5465	Police	Conferences	26.40	COFFEE FOR LEGAL ADVISORS MTG -SGT.WADE
					Police	Office Supplies	620.78	OFFICE SUPPLIES & TONER 8/26/09
					Police	Other Supplies	79.10	EVIDENCE BARCODING LABELS 9/1/09
					Police	Office Supplies	94.80	STAMPS FOR DISPATCH/RECORDS 9/3 & 9/10/0
					Police	Other Supplies	124.15	COFFEE FOR TOWN 9/10/09
					Police	Equipment Maint	535.31	SECURITY SYSTEM -S.HALL 9/9/09
					Police	Equipment Maint	120.00	MONTHLY FEE FOR SECURITY SYSTEM - S.HALL
					Police	Equipment Maint	276.00	EQUIP.MAINT - WADE 9/19/09
					Police	Computer Equipm	36.95	EXT.CABLE FOR CAMERA @FREDERICKS/GREEN O
						Check Totals	2,388.13	
029462	11/17/09	IEDA, INC.	11/01/09	15735	City Manager	Labor Relations	1,000.00	LABOR RELATION CONSULTING SVR 11/1-11/30
						Check Totals	1,000.00	
029463	11/17/09	IMAGE SOURCE	10/17/09	78	NON-DEPARTMENTAL	Other Contract	45.00	RENTAL OF PROJECTION SCREEN FOR TREE COM
						Check Totals	45.00	
029464	11/17/09	ANDREW KESSLER	10/29/09	69	CATALPA D Building	Building Deposi	3,230.63	RECYCLING DEPOSIT REFUND 8/3/09 69 CATAL

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029465	11/17/09	LASER TECHNOLOGY INC	10/26/09	110130	Police NON-DEPARTMENTAL	Check Totals Machinery & Equ Sales/User Use	3,230.63 3,279.25 -277.00	1 ULTRALYTE 200LR (HAND HELD LASER) SALES TAX PAYABLE
029466	11/17/09	LOS GATOS OLD TOWN ROOFING	11/04/09	8 KNOLL VIST	Building	Check Totals Building Deposi	3,002.25 500.00	RECYC. DEPOSIT REFUND 08/28/09 8 KNOLL V
029467	11/17/09	NEAL MARTIN & ASSOCIATES	09/30/09	1006	Planning Department	Check Totals	500.00	
029467	11/17/09	NEAL MARTIN & ASSOCIATES	09/30/09	1005	Planning Department	GENERAL PLAN UP	768.75	GENERAL PLAN UPDATE - RECYCLING SEPT 200
029467	11/17/09	NEAL MARTIN & ASSOCIATES	09/30/09	1004-1	Planning Department	HOUSING ELEMENT	3,789.75	HOUSING ELEMENT SERVICES SEPT 2009
029467	11/17/09	NEAL MARTIN & ASSOCIATES	09/30/09	1004-2	NON-DEPARTMENTAL	Contract Planne PLANNING DEPOSI	14,437.35 277.00	CONTRACT PLANNING SERVICES SEPT 2009 150 Valparasio & Sacred Heart
029468	11/17/09	MID-PENINSULA ANIMAL HOSPIT	10/12/09	417062	Police	Check Totals	19,272.85	
029469	11/17/09	THOMAS MUELLER	11/02/09	10.03.09	NON-DEPARTMENTAL	K-9 Expenses	176.55	VACCINES, MEDICINES - ZAR 10/12/09
029470	11/17/09	MUNI SERVICES LLC	11/03/09	CZECH MAN TR	NON-DEPARTMENTAL	Check Totals	176.55	
029470	11/17/09	MUNI SERVICES LLC	10/24/09	VALLEY TREE	NON-DEPARTMENTAL	Park Deposits	1,000.00	PARK DEPOSIT REFUND 10/3/09
029471	11/17/09	OFFICE DEPOT	10/21/09	494121100001	City Manager	Check Totals	1,000.00	
029471	11/17/09	OFFICE DEPOT	10/20/09	493942206001	City Manager	Business Licens	125.00	BUS. LIC. FEE THE CZECH MAN TREE SERVICE
029472	11/17/09	PARAVATI CONSTRUCTION MIKE	11/06/09	133 ATHERTON	Building NON-DEPARTMENTAL	Business Licens	125.00	BUS. LIC. FEE - VALLEY TREE CARE
029471	11/17/09	OFFICE DEPOT	10/21/09	494121100001	City Manager	Check Totals	250.00	
029471	11/17/09	OFFICE DEPOT	10/20/09	493942206001	City Manager	Office Supplies	128.43	HP BLACK LASER TONER CARTRIDGE M.BRABENE
029472	11/17/09	PARAVATI CONSTRUCTION MIKE	11/06/09	133 ATHERTON	Building NON-DEPARTMENTAL	Office Supplies	8.95	CALENDER 10/19/09
029472	11/17/09	PARAVATI CONSTRUCTION MIKE	11/06/09	133 ATHERTON	Building NON-DEPARTMENTAL	Check Totals	137.38	
029472	11/17/09	PARAVATI CONSTRUCTION MIKE	11/06/09	133 ATHERTON	Building NON-DEPARTMENTAL	Building Permit Road Impact Fee	1,453.56 1,753.70	CANCELLED PERMIT FEE 133 ATHERTON AVE CANCELLED ROAD IMPACT FEE 133 ATHERTON A

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					NON-DEPARTMENTAL	Business Licens	889.20	CANCELLED BUS.LIC.FEE 133 ATHERTON AVE
						Check Totals	4,096.46	
029473	11/17/09	PAW PRINTS	10/23/09	21765	Police	Other Contract	109.25	ALUMINIUM ALARM SIGNS - J.FREW 10/23/09
						Check Totals	109.25	
029474	11/17/09	PENINSULA UNIFORMS & EQUIPM	11/01/09	46085	Police	Safety Supplies	710.07	BODY ARMOR LEVEL 111 H.TAM
						Check Totals	710.07	
029475	11/17/09	S.M. CO CITY MGR'S ASSOC. C	11/10/09	12.04.09	City Manager	Bus Meeting & M	45.00	CITY MGR'S ANNUAL HOLIDAY LUNCHEON 12/4/
						Check Totals	45.00	
029476	11/17/09	SHAMS III	11/06/09	274 OAK GROV	DPW - Engineering	DPW Deposit Pay	2,500.00	ENCROACH.PERMIT BOND REFUND 274 OAK GROV
						Check Totals	2,500.00	
029477	11/17/09	SHELTON ROOFING COMPANY, IN	10/29/09	49 TUSCALOOS	Building	Building Deposi	500.00	RECYCLING DPOSIT REFUND 9/29/09 49 TUSCA
						Check Totals	500.00	
029478	11/17/09	SILVERCREEK DEVELOPMENT COM	11/04/09	210 ATHERTON	Building	Building Deposi	1,000.00	RECYCLING DEPOSIT REFUND 11/4/09 210 ATH
						Check Totals	1,000.00	
029479	11/17/09	SPRINT	10/29/09	130538811-02	Police	Communication (	394.50	MOBILE COMPUTERS 9/26-10/25/09
						Check Totals	394.50	
029480	11/17/09	TEAMSTERS UNION LOCAL 856	11/06/09	11/06/09	NON-DEPARTMENTAL	Payroll Deducti	401.55	DUES W/H 10/18-10/31/09
						Check Totals	401.55	
029481	11/17/09	VERIZON WIRELESS	11/04/09	0809176557	City Manager	Communication (	45.03	MODEM 279-2351 10/22-11/21/09
					Building	Communication (	133.47	CELL PHONE BLDG. DEPT 10/22-11/21/09
					Police	Communication (	515.65	CELL PHONES P.D 10/22-11/21/09

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					DPW - Engineering	Communication (	124.77	CELL PHONES ENG. 10/22-11/21/09
					DPW - Street Mainten	Communication (	220.17	CELL PHONES - STREET MAINT. 10/22-11/21/
					DPW - Park Maintenance	Communication (	88.37	CELL PHONES PARKS 10/22-11/21/09
					DPW - Park Program	Communication (	36.32	CELL PHONES PARK PROGRAMS 10/22-11/21/09
					Check Totals		1,163.78	
029482	11/17/09	VOYAGER	10/24/09	869016477910	Police	Gas & Oil	93.41	FUEL FOR MOTORCYCLES OCT 09
					Check Totals		93.41	
029483	11/17/09	KATHY WOO	11/01/09	10.10.09	NON-DEPARTMENTAL	Park Deposits	1,000.00	PARK DEPOSIT REFUND 10/10/09
					Check Totals		1,000.00	
029485	11/23/09	ABAG POWER PURCHASING POOL	11/01/09	8002464	DPW - Park Program	Utilities - Elec	179.18	LEVELIZED GAS 150 WATKINS 9/25-10/23/09
					DPW - Building Maint	Utilities - Elec	67.19	LEVELIZED GAS 160 WATKINS 10/1-10/23/09
					Police	Utilities - Elec	63.97	LEVELIZED GAS 91 ASHFIELD 9/24-10/22/09
					City Manager	Utilities - Elec	36.82	LEVELIZED GAS 91 ASHFIELD 9/24-10/22/09
					Planning Department	Utilities - Elec	8.96	LEVELIZED GAS STATION LN 9/24-10/22/09
					Building	Utilities - Elec	53.75	LEVELIZED GAS TOWN HALL 9/24-10/22/09
					DPW - Engineering	Utilities - Elec	26.88	LEVELIZED GAS STATION LN 9/24-10/22/09
					NON-DEPARTMENTAL	Utilities - Elec	44.80	LEVELIZED GAS LIBRARY 9/24-10/22/09
					DPW - Street Mainten	Utilities - Elec	78.39	LEVELIZED GAS CORP YARD 9/24-10/22/09
					Check Totals		559.94	
029486	11/23/09	ACCUENTEMS FILE 73484	11/02/09	30141764	Finance	Other Contract	522.88	ACCOUNTANT-S.CHOLLAMPAT 10/26-10/30/09
029486	11/23/09	ACCUENTEMS FILE 73484	10/26/09	30106655	Finance	Other Contract	653.60	ACCOUNTANT - S.CHOLLAMPAT 10/19-10/23/09
					Check Totals		1,176.48	
029487	11/23/09	ALHAMBRA & SIERRA SPRINGS	10/21/09	81889 10/21/	City Manager	Office Supplies	47.76	WATER DELIVERY SERVICE OCT 09
					Check Totals		47.76	
029488	11/23/09	AT&T CALNET 2	11/01/09	954041	Police	Communication (	55.57	6503245396 PD ESL SERVICE LINE 10/1-10/3
029488	11/23/09	AT&T CALNET 2	11/10/09	968974	Police	Communication (	15.58	6503236452 VOICE PRINT PD-10/10-11/09/09
029488	11/23/09	AT&T CALNET 2	11/10/09	968976	Police	Communication (	156.03	6503268014 POICE TRAILER - 10/10-11/09/0

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029488	11/23/09	AT&T CALNET 2	11/10/09	968978	Police	Communication (	16.59	6504739743 DIRECT CONNECT FAX LINE 10/10
029488	11/23/09	AT&T CALNET 2	11/10/09	968970	Police	Communication (	14.29	6503231801 PD -10/10-11/09/09
029488	11/23/09	AT&T CALNET 2	11/10/09	968971	Police	Communication (	45.80	6503231802 - PD - 10/10-11/09/09
029488	11/23/09	AT&T CALNET 2	11/11/09	970656	Police	Communication (	24.89	6504621470 -DINKELSPIEL PAY PHONE -10/11
029488	11/23/09	AT&T CALNET 2	11/10/09	968969	Police	Communication (	29.83	6503231014 ANALOG LINE PD 10/10-11/09/09
029488	11/23/09	AT&T CALNET 2	11/10/09	968975	Police	Communication (	29.09	6503237653 POLICE FAX REQUEST SERVICE 10
029488	11/23/09	AT&T CALNET 2	11/10/09	968977	Police	Communication (	29.96	6503283220 - PD FAX-ADMIN - 10/10-11/09/
029488	11/23/09	AT&T CALNET 2	11/10/09	968331	Police	Communication (	15.59	6502899297 DINKELSPIEL ALARM LN - 10/10-
029488	11/23/09	AT&T CALNET 2	11/10/09	968972	Police	Communication (	30.10	6503233612 TELEMINDER LOOP LINE 10/10-11
029488	11/23/09	AT&T CALNET 2	11/10/09	968973	Police	Communication (	113.67	6503236131 EMERGENCY LINE 10/10-11/09/09
						Check Totals	576.99	
029489	11/23/09	ATKINSON-FARASYN	10/01/09	10/1/09	City Attorney	Attorney - Othe	415.11	LITIGATION CHARGES - SEPT 2009
						Check Totals	415.11	
029490	11/23/09	CA STATE DISBURSEMENT UNIT	11/20/09	0750106244-0	NON-DEPARTMENTAL	Payroll Deducti	271.84	CS W/H 11/1-11/14/09
						Check Totals	271.84	
029491	11/23/09	CALIF STATE AUTO ASSOCIATIO	11/11/09	126205	Police	Equipment Maint	56.00	SPEEDCHECK SPEEDOMETER TEST-11/5/09
						Check Totals	56.00	
029492	11/23/09	CHRISTOPHER A JOSEPH & ASSO	11/06/09	600912	NON-DEPARTMENTAL	PLANNING DEPOSI	3,141.25	ENVIRONMENTAL PLANNING & RESEARCH -10/1-
						Check Totals	3,141.25	
029493	11/23/09	CMTA DIVISION 7 Mary Asturi	11/18/09	11/18/09	Finance	Conferences	70.00	REGISTRATION FOR CMTA LUNCH MTG -L.HO 12
						Check Totals	70.00	
029494	11/23/09	COUNTY OF SAN MATEO INFORMA	11/09/09	1YAT10910	Police	Technical Servi	1,313.42	MICROWAVE & MESSAGE SWITCH OCT 2009
						Check Totals	1,313.42	
029495	11/23/09	CSG CONSULTANTS, INC.	11/12/09	017090	Non-Department	Code enforcemen	3,439.72	CODE ENFORCEMENT \$103.00/HR 8 HR WEEKLY

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029496	11/23/09	DAILY JOURNAL CORPORATION	11/09/09	B1731849	City Manager	Check Totals	3,439.72	
						Advertising/Pub	86.80	MASTER FEE SCHEDULE HEARING ELEC. NOTICE
						Check Totals	86.80	
029497	11/23/09	DEPARTMENT OF JUSTICE ACCOU	11/05/09	762274	Finance	Other Contract	32.00	FINGER PRINTING- S.CHOLLAMPAT -OCT 2009
					Police	Other Contract	32.00	FINGER PRINTING - J.FISHER -OCT 2009
						Check Totals	64.00	
029498	11/23/09	DUNBAR ARMORED INC.	11/01/09	2636084	Finance	Bank Service Ch	171.90	ARMORED CAR SERVICES NOV 09
					Non-Department	Post Office Exp	15.30	CAS PROCESS & MAINT FEE NOV 09
						Check Totals	187.20	
029499	11/23/09	FIRST CHOICE	11/10/09	656909	City Manager	Office Supplies	30.08	COFFEE NOV 2009 ADMIN
						Check Totals	30.08	
029500	11/23/09	JOSE TOMAS FLORES	11/15/09	09.26.09	NON-DEPARTMENTAL	Park Deposits	1,000.00	REFUND PARK DEPOSIT 09.06.09
						Check Totals	1,000.00	
029501	11/23/09	GALLS	11/20/09	510196475	Police	Office Supplies	32.52	FINGERPRINT PAD -S.PARDOLA-10/28/09
						Check Totals	32.52	
029502	11/23/09	HARRIS COMPUTER SYSTEMS	10/31/09	MN002378	Finance	Technical Servi	1,634.65	TECHNICAL SOFTWARE ASSISTANCE -DEC 2009
						Check Totals	1,634.65	
029503	11/23/09	HOFBRAU CATERING MARIO RADD	10/30/09	43453	Police	Training & Work	187.04	POLICE TRAINING - BREAKFAST-10/30/09
029503	11/23/09	HOFBRAU CATERING MARIO RADD	10/30/09	43454	Police	Training & Work	235.11	POLICE TRAINING - LUNCH-10/30/09
						Check Totals	422.15	
029504	11/23/09	HOUSTON COMMUNICATIONS, INC	11/12/09	10/13/09	Police	Machinery & Equ	175.29	BATTRIES - PATROL RADIOS

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
					NON-DEPARTMENTAL	Sales/User Use	-14.84	SALES TAX PAYABLE
						Check Totals	160.45	
029505	11/23/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	5440	10/22/0	Police	88.95	Intersect PD Monthly Agreement Sept 2009
						Machinery & Equ	291.04	Computer Equipment
029505	11/23/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	7190	10/22/0	Finance	275.00	2009 CALPERS EDUCATIONAL FORUM - L.HO 10
						Finance	50.00	GAAFR REVIEW NEWSLETTER 12/1/09-11/30/10
029505	11/23/09	I.M.P.A.C. GOVERNMENT SERVI	10/22/09	5432	10/22/0	Police	19.83	STAFF MTG. BREAKFAST ITEMS -9/29/09
						Police	452.00	TRAINING -POST-OIS-A.KOCKLER&K.NICHOLS -
						Police	250.00	TRAINING - POST -PUBLIC RECORDS -1 CSO-
						Police	395.00	TRAINING -POST - FIREARMS INST.G.DERE 10
						Police	121.87	COPY PAPER, COLOR & BLACK INK -10/12/09
						Check Totals	1,943.69	
029506	11/23/09	INTERNATIONAL PUBLIC MGMT A	10/29/09	24158540		City Manager	145.00	MEMBERSHIP DUES - E.WILKERSON 01/01-12/3
						Membership/Dues		
						Check Totals	145.00	
029507	11/23/09	IRS	11/02/09	CP215		Non-Department	480.00	LATE FEE FOR 2006 1099'S
						Other Supplies		
						Check Totals	480.00	
029508	11/23/09	IZMIRIAN ROOFING	11/03/09	90	BROADACRE	NON-DEPARTMENTAL	61.20	BATCH #34 REFUND #45
			11/03/09	99	SOMERSET	NON-DEPARTMENTAL	248.40	BATCH # 34 REFUND #45
						Check Totals	309.60	
029509	11/23/09	DR. PAUL JEMELIAN	11/17/09	11/17/09		City Manager	87.29	REIMB.COMPUTER FOR HAM RADIO - 11/13/09
						DISASTER PREPAR		
						Check Totals	87.29	
029510	11/23/09	KIKUCHI & ASSOCIATES	11/05/09	11.05.09		NON-DEPARTMENTAL	510.00	CONSTRUCTION ADMIN HP PARK WATER TOWER L
						Other Contract		
						Check Totals	510.00	
029511	11/23/09	LIEBERT CASSIDY WHITMORE IN	11/05/09	11/05/09		City Manager	14.00	REGISTRATION FEE J.GRUBER MANAGING PERFO
						Police	14.00	REGISTRATION FEE M.GURERRA MANAGING PERF

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
029511	11/23/09	LIEBERT CASSIDY WHITMORE IN	11/06/09	11.10.09	City Manager Police	Training & Work Training & Work	14.00 14.00	REGISTRATION FEE E.WILKERSON ADVANCED F REGISTRATION FEE M.GUERRA ADVANCED FLA
						Check Totals	56.00	
029512	11/23/09	TIM LYNCH	11/12/09	11/12/09	Police Police	Gas & Oil Training & Work	15.69 10.96	FUEL REIMB-PAS TRAINING 11/9/09 MEALS REIMB - PAS TRAINING 11/9/09
						Check Totals	26.65	
029513	11/23/09	STEVE MARSHALL	11/12/09	11/12/09	Police	Gas & Oil	29.06	FUEL REIMB. - DRAEGER TRAINING - 11/6/09
						Check Totals	29.06	
029514	11/23/09	NEAL MARTIN & ASSOCIATES	10/31/09	1013	Planning Department	Contract Planne	10,882.88	CONTRACT PLANNING SERVICES 10/1-10/31/09
029514	11/23/09	NEAL MARTIN & ASSOCIATES	10/31/09	1013-10/31/0	Planning Department	PLANNING DEPOSI	2,295.13	DEPOSIT ACCOUNT -10/1-10/31/09
029514	11/23/09	NEAL MARTIN & ASSOCIATES	10/31/09	1015	Planning Department	GENERAL PLAN UP	1,742.50	GENERAL PLAN UPDATE 10/1-10/31/09
029514	11/23/09	NEAL MARTIN & ASSOCIATES	10/31/09	1014	Planning Department	HOUSING ELEMENT	526.75	HOUSING ELEMENT SERVICES - 10/1-10/31/09
						Check Totals	15,447.26	
029515	11/23/09	MAZE & ASSOCIATES CERTIFIED	11/11/09	23554	Finance NON-DEPARTMENTAL	Audit & Financi Audit & Financi	5,350.00 2,190.00	INDEPENDENT AUDITOR FOR TOWN'S FINANCIAL SPECIAL DISTRICT FINANCIAL REPORT FOR FY
029515	11/23/09	MAZE & ASSOCIATES CERTIFIED	11/18/09	23603	Finance	Audit & Financi	6,000.00	INDEPENDENT AUDITOR FOR TOWN'S FINANCIAL
						Check Totals	13,540.00	
029516	11/23/09	MBIA MISC GENERAL POST OFFI	11/15/09	12404A	Finance	Other Contract	1,000.00	INVESTMENT ADVISORY SERVICES - MONTHLY F
						Check Totals	1,000.00	
029517	11/23/09	KATHLEEN MCKEITHEN	11/07/09	11/7/09	City Council	Mileage Reimbur	57.20	REIMB.MILEAGE - MTGS- LIB.9/14,11/2/09,
						Check Totals	57.20	
029518	11/23/09	MIGUEL TAPIA ROOFING	11/04/09	2 FERNWOOD 11/04/09 142 ALMENDRA 11/04/09 140 SELBY	NON-DEPARTMENTAL	Bus Lic Refund	355.68	BATCH #35 REFUND # 46

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
029519	11/23/09	MIR DEVELOPMENT	11/10/09	377 STOCKBR	NON-DEPARTMENTAL	Check Totals	355.68	
						Bus Lic Refund	8,203.70	BATCH # 37 REFUND # 48
						Check Totals	8,203.70	
029520	11/23/09	MUNI SERVICES LLC	11/09/09	U-SAVE ROOT	NON-DEPARTMENTAL	Business Licens	175.00	BUS.LIC.FEE U-SAVE ROOT REMOVAL
029520	11/23/09	MUNI SERVICES LLC	11/13/09	H.K-AVERY	NON-DEPARTMENTAL	Business Licens	175.00	BUS.LIC.FEE H.K-AVERY CONSTRUCTION.
						Check Totals	350.00	
029521	11/23/09	NBS	10/29/09	S10290912-JH	Non-Department	Other Contract	2,020.19	PROFESSIONAL/CONSULTING SERVICE FOR A CO
					Non-Department	Other Contract	788.63	AMENDMENT #1 ADDITIONAL SERVICES - OCT 20
					Non-Department	Other Contract	621.18	AMENDMENT #2 ADDITIONAL COMMUNITY OUTREA
						Check Totals	3,430.00	
029522	11/23/09	OFFICE DEPOT	11/05/09	495926758001	City Manager	Office Supplies	135.79	HP CATRIDGE FOR PRINTER
029522	11/23/09	OFFICE DEPOT	11/02/09	495246824001	Non-Department	Computer Suppli	97.22	UPS BATTERY BACK UP 10/29/09
						Check Totals	233.01	
029523	11/23/09	PUBLIC EMPLOYEES RETIREMENT	11/06/09	11/6/09	NON-DEPARTMENTAL	Payroll Deducti	3,067.77	PERS 10/18-10/31/09
					NON-DEPARTMENTAL	Payroll Benefit	48,719.16	PERS 10/18-10/31/09
						Check Totals	51,786.93	
029524	11/23/09	PETTY CASH	11/16/09	11/16/09	Police	Machinery & Equ	4.36	REIMB. EXPENSE MIRRORS-EXPEDITION -T.LYN
					Police	Office Supplies	5.44	REIMB.EXPENSE FOLDES-SGT REPORT-T.LYNCH
					Police	Other Supplies	10.00	REIMB. NOTARY FEE- R-ENBERG 7/27/09
					Police	Training & Work	5.98	REIMB.MEALS - STRATEGIC MTG-J.FREW 9/14/
					Police	Training & Work	18.00	REIMB.EXP-SANDWICH & WATER- FIRE-51 HAWT
					Police	Training - POST	18.78	REIMB.GAS - WLE CONF- K.NICHOLS 11/4/09
					Police	Gas & Oil	20.00	REIMB. GAS TOWN VEHICLE-G.NIELSEN 11/12/
						Check Totals	82.56	
029525	11/23/09	PUBLIC TREASURY INSTITUTE	11/18/09	11/18/09	Finance	Training & Work	65.00	REGISTRATION FOR FIXED INCOME BOOT CAMP-

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
						Check Totals	65.00	
029526	11/23/09	RECALL SECURE DESTRUCTION S	10/24/09	2303033917	Police	Other Contract	121.44	SECURE DESTRUCTION SERVICES-9/18-10/22/0
						Check Totals	121.44	
029527	11/23/09	RED WING SHOE-REDWOOD CITY	11/02/09	152000000418	DPW - Street Mainten	Uniforms	148.57	SAFETY BOOTS, T.HENDERSON
						Check Totals	148.57	
029528	11/23/09	CITY OF REDWOOD CITY INFORM	10/31/09	BR23810	Non-Department	IT Support	2,262.00	INFORMATION TECHNOLOGY SERVICES 10/1-10/
						Check Totals	2,262.00	
029529	11/23/09	SAN MATEO CO SHERIFF'S OFFI	10/31/09	CL02242	Police	Technical Servi	711.00	FINGERPRINTING & NARCOTIC ID
						Check Totals	711.00	
029530	11/23/09	SAN MATEO COUNTY SHERIFF'S	11/05/09	8278	Finance	Other Contract	18.00	LIVE SCAN - S.CHOLLAMPAT OCT 2009
						Check Totals	18.00	
029531	11/23/09	S M CO SHERIFF'S OFFICE TRA	11/12/09	11/12/09	Police	Training - POST	900.00	TRAINING - POST- VEHICLE OPERATIONS - H.
						Check Totals	900.00	
029532	11/23/09	SAN MATEO COUNTY/LAFCO ATTN	11/04/09	11/4/09	Non-Department	Membership/Dues	1,023.00	LAFCO APPORTIONMENT FY 2009-2010
						Check Totals	1,023.00	
029533	11/23/09	COUNTY OF SANTA CLARA EMPLO	11/09/09	11/9/09	City Manager	Labor Relations	490.00	COMPENSATION SURVEY CLASSES-10/2/09
						Check Totals	490.00	
029534	11/23/09	STUBBS & LEONE	11/06/09	11/6/09	City Attorney	City Attorney -	128.24	GENERAL MATTERS -OCT 2009
029534	11/23/09	STUBBS & LEONE	11/06/09	11.06.09	City Attorney	City Attorney -	130.00	LEGAL FEES OCT 09

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
						Check Totals	258.24	
029535	11/23/09	TEAMSTERS UNION LOCAL 856	11/20/09	11/20/09	NON-DEPARTMENTAL	Payroll Deducti	401.55	DUES W/H 11/1-11/14/09
						Check Totals	401.55	
029536	11/23/09	TURBO DATA SYSTEMS INC.	10/31/09	16006	Police	Citations Proce	39.66	CITATION PROCESSING -OCT 2009
						Check Totals	39.66	
029537	11/23/09	DAVID WILKINSON	11/12/09	36 IRVING	NON-DEPARTMENTAL	PLANNING DEPOSI	2,000.00	TREE DEPOSIT REFUND 36 IRVING
						Check Totals	2,000.00	
029538	11/23/09	WILLIAMS SCOTSMAN	10/29/09	94130331	Police	Rent - Faciliti	729.97	RENT TRAILER & LIC.FEES 10/29-11/28/09
						Check Totals	729.97	
029539	11/23/09	WITMER-TYSON IMPORTS, INC.	11/03/09	17575	Police	K-9 Expenses	673.33	MONTH.K-9 TRAINING-OCT 2009, FOOD, BATH
						Check Totals	673.33	
029542	11/30/09	A-A-A RENTALS INC	10/15/09	516198	DPW - Street Mainten	Machinery & Equ	690.09	CHAINS AW 10/15/09
						Check Totals	690.09	
029543	11/30/09	ACCOUNTemps FILE 73484	11/12/09	30208398	Finance	Other Contract	261.44	ACCOUNTANT - S.CHOLLAMPAT 11/2-11/6/09
029543	11/30/09	ACCOUNTemps FILE 73484	11/16/09	30212571	Finance	Other Contract	261.44	ACCOUNTNAT - S.CHOLLAMPAT 11/9-11/13/09
						Check Totals	522.88	
029544	11/30/09	AFLAC ATTN: REMITTANCE PROC	11/12/09	578114	NON-DEPARTMENTAL	Payroll Deducti	1,573.48	NOV 2009 PREMIUMS
						Check Totals	1,573.48	
029545	11/30/09	MICHAEL ANDERSON	11/17/09	11/17/09	DPW - Building Maint	Construction Ma	246.58	REIM.-LIGHT SENSOR FOR PLAYGROUND RESTRO

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
							246.58	
Check Totals								
029546	11/30/09	AT&T CALNET 2	11/10/09	969357	Non-Department	Communication (	26.33	6503252677 10/10-11/09/09
029546	11/30/09	AT&T CALNET 2	11/10/09	968979	Non-Department	Communication (	620.58	6506886500 10/10-11/09/09
Check Totals							646.91	
029547	11/30/09	ATKINSON-FARASYN	11/20/09	11/20/09	City Attorney	Attorney - Othe	137.50	LEGAL SERVICES- OCT 2009
Check Totals							137.50	
029548	11/30/09	VANCE BROWN INC.	11/23/09	164 ELENA	NON-DEPARTMENTAL	Bus Lic Refund	7,155.20	BATCH # 42 REFUND # 43
Check Totals							225.00	BATCH # 42 REFUND # 43
Check Totals							7,380.20	
029549	11/30/09	CALIFORNIA WATER SERVICE	11/04/09	9293092358/1	DPW - Street Mainten	Utilities - Wat	43.47	99 ASHFIELD 10/3-11/3/09
029549	11/30/09	CALIFORNIA WATER SERVICE	11/04/09	686127445/11	DPW - Street Mainten	Utilities - Wat	572.00	STATION LN 10/3-11/3/09
029549	11/30/09	CALIFORNIA WATER SERVICE	11/01/09	4726166666-1	City Council	Utilities - Wat	63.53	94 ASHFIELD 9/3-10/2/09
							51.71	91 ASHFIELD 9/3-10/2/09
							32.37	MAPLE LN 9/3-10/2/09
							194.24	MAPLE 9/3-10/2/09
							33.10	83 ASHFIELDL 9/3-10/2/09
							97.12	MAPLE 9/25-10/26/09
							19.19	FIRE PROTECTION 10/01/09-10/31/09
							69.11	ALAMEDA /ATHERTON 09/03/09-10/02/09
							146.26	EL CAMINO REAL 09/25/09-10/02/09
							93.04	EL CAMINO REAL 09/25/09-10/26/09
							143.60	150 WATKINS 09/25/09-10/26/09
							33.09	2 STATION LN 09/03/09-10/02/09
Check Totals							1,591.83	
029550	11/30/09	CALPERS HEALTH BENEFITS DIV	11/15/09	385	NON-DEPARTMENTAL	Payroll Benefit	40,569.81	EMPLOYEE DISBURSEMENT 12/09
							219.07	ADMIN FEES 12/09
							0.01	RETIREE MED 12/09
							2,387.13	RETIREE MED 12/09
							238.15	RETIREE MED 12/09

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
					DPW - Park Maintenance	Retiree Health	0.01	RETIREE MED 12/09
					Finance	Retiree Health	476.48	RETIREE MED 12/09
					Police	Retiree Health	6,208.46	RETIREE MED 12/09
						Check Totals	50,099.12	
029551	11/30/09	THE CITIES GROUP A JOINT PO	11/20/09	11.20.09	NON-DEPARTMENTAL	Workers Compens	13,180.25	WORKER'S COMP-ASSESSMENT -7/1/09-12/31/0
					NON-DEPARTMENTAL	Safety/Complian	3,693.20	SAFETY/COMPLIANCE ASSESSMENT - 7/1/09-12
						Check Totals	16,873.45	
029552	11/30/09	CLEAN SOURCE	10/15/09	1923025-01	DPW - Park Program	Building Suppli	18.78	22" STRIP WASHER - 10/15/09
						Check Totals	18.78	
029553	11/30/09	COMCAST	10/23/09	10/23/09	DPW - Park Program	Communication (	254.25	HIGH SPEED INTERNET 11/2-12/01/09
						Check Totals	254.25	
029554	11/30/09	CONTRACT SWEEPING SERVICES	10/28/09	INV000005531	DPW - Street Mainten	Other Contract	992.70	MONTHLY SWEEPING SERVICE OCT 09
						Check Totals	992.70	
029555	11/30/09	DAILY JOURNAL CORPORATION	11/16/09	B1721236	City Manager	Advertising/Pub	110.43	NOV.5 COMMUN.MTG. NOTICE OF HEARING - 10
						Check Totals	110.43	
029556	11/30/09	DIVERSIFIED MAINTENANCE SER	11/01/09	RC-D060705	DPW - Building Maint	Custodial Servi	308.17	NOV.2009 BLDG-MAINT. TOWNHALL/POLICE DEP
					DPW - Building Maint	Custodial Servi	417.85	NOV.2009 BLDG-MAINT. POLICE MODULAR
					DPW - Building Maint	Custodial Servi	115.08	NOV.2009 BLDG-MAINT. PD MODULAR
					DPW - Building Maint	Custodial Servi	145.98	NOV.2009 BLDG-MAINT.ADDITION MODULAR
					DPW - Building Maint	Custodial Servi	193.09	NOV.2009 BLDG-MAINT. 99 STATION LN
					NON-DEPARTMENTAL	Custodial Servi	445.59	NOV.2009 BLDG. MAINT.LIBRARY
						Check Totals	1,625.76	
029557	11/30/09	DMV RENEWAL	11/30/09	11/30/09	DPW - Street Mainten	Equipment Maint	10.00	PERMANENT TRAILER ID 2004 BIGTE UTILITY

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
						Check Totals	10.00	
029558	11/30/09	JACK DOHENY RENTALS	11/04/09	R20773	DPW - Street Mainten	Rent - Tools &	9,013.13	RENTAL - VACTOR COMBINATION UNIT-MIDSIZE
						Check Totals	9,013.13	
029559	11/30/09	DOUGLAS PRINTERS	11/09/09	8174	DPW - Engineering	Office Supplies	167.97	BUSINESS CARDS - S.TYLER,J.BELLMONT 10/1
					Non-Department	Office Supplies	55.99	BUSINESS CARDS BLDG-CODE ENFORC. R.CUSHI
						Check Totals	223.96	
029560	11/30/09	EMPLOYMENT DEVELOPMENT DEPT	11/06/09	944-0625-3	Police	Unemployment In	624.00	OSHEA 7/1-9/30/09
					DPW - Park Maintenanc	Unemployment In	1,278.00	VALENCIA 7/1-9/30/09
						Check Totals	1,902.00	
029561	11/30/09	JUDITH ENGEL	11/10/09	35 RALSTON R	Building	Building Permit	77.80	REFUND CANCELLED-PERMIT FEE 35 RALSTON R
					NON-DEPARTMENTAL	Road Impact Fee	28.40	REFUND CANCELLED -RD IMPACT FEE 35 RALST
						Check Totals	106.20	
029562	11/30/09	H.T. HARVEY & ASSOCIATES	10/30/09	27511	DPW - Engineering	Contract Engine	1,312.25	ENVIRON.CONSULTING UPP.ATHERT.CHANNEL YR
						Check Totals	1,312.25	
029563	11/30/09	LOUISE HO	11/23/09	11/23/09	Finance	Mileage Reimbur	45.00	CALPERS EDUC. FORUM MTG.-L.HO 10/26&10/2
						Check Totals	45.00	
029564	11/30/09	I.M.P.-A.C. GOVERNMENT SERVI	10/22/09	4954-10/22/0	DPW - Park Program	Rent - Faciliti	382.38	POD STORAGE- OCT 2009
						Check Totals	382.38	
029565	11/30/09	IMAGE SOURCE	11/05/09	89	City Council	Other Supplies	235.00	11/5/09 RENTAL-PA SYST, MICROPHONE, TAPE
029565	11/30/09	IMAGE SOURCE	11/18/09	97	City Council	Other Supplies	545.00	RENTAL MIXER/AMPLIFIER, SPEAKER,MICROPHO
						Check Totals	780.00	

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
029566	11/30/09	INTERMOUNTAIN ELECTRIC COMP	09/21/09	013810	DPW - Building Maint	Facility Repair	1,325.00	REPAIR-COUNCIL CHAMBER LIGHT FIXT. REPAI
						Check Totals	1,325.00	
029567	11/30/09	INTERSTATE TRAFFIC CONTROL	11/03/09	124429	DPW - Street Mainten	Equipment Maint	82.10	SWIVEL/COUPLER & INSTALL/RELOCATE -11/3/
						Check Totals	82.10	
029568	11/30/09	LIEBERT CASSIDY WHITMORE IN	11/23/09	11/23/09	DPW - Engineering	Training & Work	100.00	HARRASSMENT TRAINING - 12/3/09-D.JONES
						Check Totals	100.00	
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	11/23/09	217326/11-23	NON-DEPARTMENTAL	PLANNING DEPOSI	468.00	CITY ATTY LEGAL SERVICES MENLO SCHOOL OC
					NON-DEPARTMENTAL	PLANNING DEPOSI	374.40	CITY ATTY LEGAL SERVICES SACRED HEART OC
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	10/30/09	21689-1	City Attorney	City Attorney R	10,758.00	CITY ATTORNEY RETAINER FOR SEPT 09
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	10/30/09	21689-2	City Attorney	City Attorney -	1,539.20	CITY ATTORNEY - PLANNING SEPT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	10/30/09	21689-3	City Attorney	City Attorney -	1,307.80	CITY ATTORNEY - PUBLIC WORK SEPT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	10/30/09	21689-4	City Attorney	City Attorney -	20,910.16	CITY ATTORNEY - OTHER SERVICE SEPT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	10/30/09	21689-5	NON-DEPARTMENTAL	PLANNING DEPOSI	152.88	CITY ATTORNEY LEGAL SERVICES -SEPT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	11/23/09	217326	City Attorney	City Attorney R	11,814.00	CITY ATTORNEY RETAINER FOR OCTOBER 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	11/23/09	217326-11/23	City Attorney	City Attorney -	1,060.80	CITY ATTORNEY - PLANNING OCT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	11/23/09	217326/11.23	City Attorney	City Attorney -	2,106.00	CITY ATTORNEY - PUBLIC WORK OCT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	11/23/09	217326-11.23	City Attorney	City Attorney -	715.00	CITY ATTORNEY - BUILDING OCT 2009
029569	11/30/09	MCDONOUGH, HOLLAND & ALLEN	11/23/09	217326/10-09	City Attorney	City Attorney -	20,809.24	CITY ATTORNEY - OTHER SERVICE OCT 2009
						Check Totals	72,015.48	
029570	11/30/09	MUNI SERVICES LLC	11/04/09	AMATEL INC	NON-DEPARTMENTAL	Business Licens	175.00	BUS.LIC. FEE AMATEL, INC.
029570	11/30/09	MUNI SERVICES LLC	11/23/09	MARK KELLEY	NON-DEPARTMENTAL	Business Licens	275.00	BUSINESS LICENSE MARK KELLEY CONSTRUCTIO
						Check Totals	450.00	
029571	11/30/09	NBS	06/30/09	S06300927-H	Non-Department	Other Contract	2,064.37	PROFESSIONAL/CONSULTING SERVICE FOR A CO
					Non-Department	Other Contract	805.87	AMENDMENT #1 ADDITIONAL SERVICES-6/25/09
					Non-Department	Other Contract	634.76	AMENDMENT #2 ADDITIONAL COMMUNITY OUTREA
						Check Totals	3,505.00	
029572	11/30/09	NORTHERN CALIFORNIA ROOFING	11/23/09	228 ATHERTON	NON-DEPARTMENTAL	Bus Lic Refund	6.82	BATCH # 40, REFUND # 51

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
						Check Totals	6.82	
029573	11/30/09	OFFICE DEPOT	11/10/09	497194030001	City Manager	Office Supplies	51.83	CARTRIDGE -11/9/09
029573	11/30/09	OFFICE DEPOT	11/16/09	497694454001	Non-Department	Computer Suppli	291.66	BACKUP BATTERIES -11/12/09
						Check Totals	343.49	
029574	11/30/09	PUBLIC EMPLOYEES RETIREMENT	11/14/09	11.14.09	NON-DEPARTMENTAL	Payroll Deducti	3,181.85	PERS W/H 11/01-11/14/09
					NON-DEPARTMENTAL	Payroll Benefit	50,874.41	PERS 11/01-11/14/09
						Check Totals	54,056.26	
029575	11/30/09	PG & E	10/29/09	597831191-0/	Building	Utilities - Elec	111.23	STATION LN BLDG. 10/1-10/22/09
			10/23/09	9166302556-6	DPW - Engineering	Utilities - Elec	55.61	STATION LN BLDG. 10/1-10/22/09
			10/23/09	9531312943-9	DPW - Street Mainten	Utilities - Elec	5,525.78	STREET LIGHTS 10/1-10/29/09
			10/22/09	3457969588-2	DPW - Park Maintenanc	Utilities - Elec	255.30	150 WATKINS, PUMP-10/1/10/23/09
			10/23/09	9291302548-9	DPW - Park Program	Utilities - Elec	1,010.25	ACTIVITY & MODULAR BLDG, 150 WATKINS-558
					NON-DEPARTMENTAL	Utilities - Elec	709.20	LIBRARY 9/24-10/22/09
					Non-Department	Utilities - Elec	398.59	91 ASHFIELD/TOWN HALL 10/1-10/22/09
					Planning Department	Utilities - Elec	18.55	STATION LN 10/01/-10/22/09
						Check Totals	8,084.51	
029576	11/30/09	PITNEY BOWES INC.	11/16/09	548240	Non-Department	Post Office Exp	330.00	PSD 1M00-RENTAL CHARGES -12/16/09-3/15/2
						Check Totals	330.00	
029577	11/30/09	PROFESSIONAL TREE CARE COMP	06/15/09	13985	DPW - Park Maintenanc	Tree Maintenance	300.00	BARK TRACING - 6/12/09
						Check Totals	300.00	
029578	11/30/09	PURCHASE POWER	11/16/09	2882-11/16/0	Non-Department	Postage	1,018.99	POSTAGE & SUPPLIES
					Non-Department	Postage	262.20	METER RENTAL-PCN S/N 1A00 11/16/09-2/15/
						Check Totals	1,281.19	
029579	11/30/09	REPUBLIC ITS	11/11/09	0910534	DPW - Street Mainten	Traffic Mainten	314.01	TRAFFIC SIGNAL MAINT.-OCT 2009

Check Disbursement by Vendor for the Check Dates 11/01/2009 through 11/30/2009

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
						Check Totals	314.01	
029580	11/30/09	CITY OF SAN JOSE	02/19/08	132365	Police	Other Contract	174.54	FORENSIC ART SERVICE 1/19/08
						Check Totals	174.54	
029581	11/30/09	COUNTY OF SAN MATEO AIRPORT	09/24/09	09.24.09	City Council	Membership/Dues	1,500.00	ANNUAL CONTRIBUTION 2009/2010
						Check Totals	1,500.00	
029582	11/30/09	SHELTON ROOFING COMPANY, IN	11/11/09	3226	DPW - Building Maint	Facility Repair	544.00	REPAIR TO FLAT ROOF ADMIN BLDG -11/11/09
						Check Totals	544.00	
029583	11/30/09	RAYMOND STATA & KIMBERLY SW	11/23/09	93 BROADACRE	NON-DEPARTMENTAL	Bus Lic Refund	126.00	REFUND #55 BATCH #44A
					NON-DEPARTMENTAL	Bus Lic Refund	266.40	REFUND #55 BATCH #44A
						Check Totals	392.40	
029584	11/30/09	TIFFANY TELLES	11/23/09	11/23/09	Planning Department	Settlement Exp	356.00	CLAIM SETTLEMENT-STOLEN PURSE & CONTENTS
						Check Totals	356.00	
029585	11/30/09	UNIFIRST CORP.	10/28/09	380 0343528	DPW - Street Mainten	Uniforms	56.48	LAUNDRY SERVICES -10/28/09
029585	11/30/09	UNIFIRST CORP.	10/21/09	380 0342528	DPW - Park Maintenance	Uniforms	45.72	LAUNDRY SERVICES 10/21/09
029585	11/30/09	UNIFIRST CORP.	11/04/09	380 0344489	DPW - Street Maintenance	Uniforms	56.48	LAUNDRY SERVICES - 11/04/09
029585	11/30/09	UNIFIRST CORP.	10/21/09	380 0342527	DPW - Park Program	Custodial Servi	170.30	MOPS AND MATS 10/21/09
					DPW - Park Program	Uniforms	53.98	LAUNDRY SERVICES - 10/21/09
029585	11/30/09	UNIFIRST CORP.	10/28/09	380 0343529	DPW - Park Program	Custodial Servi	27.11	MATS & MOPS - 10/28/09
					DPW - Park Program	Uniforms	32.46	LAUNDRY SERVICES - 10/28/09
029585	11/30/09	UNIFIRST CORP.	11/18/09	380 0346456	DPW - Park Program	Custodial Servi	170.30	MATS & MOPS - 11/18/09
					DPW - Park Maintenance	Uniforms	53.98	LAUNDRY SERVICES - 11/18/09
029585	11/30/09	UNIFIRST CORP.	11/04/09	380 0344490	DPW - Park Program	Custodial Servi	13.60	MATS&MOPS -11/4/09
					DPW - Park Program	Uniforms	32.12	LAUNDRY SERVICES -11/4/09
029585	11/30/09	UNIFIRST CORP.	11/11/09	380 0345466	DPW - Park Program	Custodial Servi	16.68	MATS& MOPS - 11/11/09
					DPW - Park Program	Uniforms	32.15	LAUNDRY SERVICES - 11/11/09

Check Disbursement by Vendor for the Check Dates 11/01/2009 through 11/30/2009

Check#	Check Dt	Vendor Name	Inv Date	Inv #	Department	GL Account	Amounts	Detail Description
029586	11/30/09	AGI PUBLISHING DBA: VALLEY	11/01/09	998221-11/1/	DPW - Park Program	Advertising/Pub	761.36	ADVERTISING-HP PARK OCT 2009
						Check Totals	970.00	
						Check Totals	970.00	
029587	11/30/09	VISION SERVICE PLAN ATTN: A	11/18/09	DEC.09	NON-DEPARTMENTAL	Payroll Benefit	795.59	VISION INSURANCE - DEC 2009
						Check Totals	795.59	
						Grand Totals	705,718.32	



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JEROME GRUBER, CITY MANAGER**

FROM: LOUISE HO, FINANCE DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: FINANCIAL REPORT FOR THE FIVE MONTHS ENDED NOVEMBER
30, 2009**

RECOMMENDATION

Receive the General Fund Financial Report for the five months ended November 30, 2009.

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 in order to more accurately reflect the actual data. For the five months ended November 30, 2009, if revenues and expenditures are assumed to be distributed evenly, 41.7% of the annual FY 2009-10 Budget (5/12) should be earned or incurred.

The accrual amounts only reflect data up to December 9, 2009.

General Fund Revenues

For the five months ended November 30, 2009, the General Fund reported revenues of \$1,852,267 which is 18.9% of the annual revenue budget for FY 2009-10. The low percentage was due to major revenues such as property taxes and franchise fees are not paid to the Town on a monthly basis. A 5% advance payment for secured property tax was received in November 2009.

General Fund Expenditures

As to the expenditures for the five months ended November 30, 2009, the General Fund reported \$4,872,658, which is 47.2% of the annual expenditure budget for FY 2009-10

To better explain the variance in revenues and expenditures, staff is providing variance explanation for material items.

FISCAL IMPACT

None

Prepared by:

Approved by:

/s/ Louise Ho

Louise Ho
Finance Director

Jerome D. Gruber
City Manager

Attachment: Financial Report
Variance Explanation

Town of Atherton											
General Fund											
Financial Report for the Five Months Ended November 30, 2009											
(Excl. Encumbrances)											
Dept	Description	Adjusted Budget FY09/10	5/12 of Budget	Actual July 09 to Nov. 09	Accrual	Adj. Actual July 09 to Nov. 09	% of 5/12 Budget	Year-To- Date Variance	% of Annual Budget	Actual July 08 to Nov. 08	
			41.7%								
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)	
	Revenues										
	Secured	4,540,000	1,891,667	239,804		239,804	12.7%	4,300,196	5.3%	224,307	
	Unsecured	250,000	104,167	298,475		298,475	286.5%	(48,475)	119.4%	268,806	
	SB813 Redemption	90,000	37,500	9,523		9,523	25.4%	80,477	10.6%	20,380	
	Home Owners Prop Tax Re	31,500	13,125			-	0.0%	31,500	0.0%		
	Local Sales & Use Tax	90,000	37,500	16,356		16,356	43.6%	73,644	18.2%	25,249	
	Public Safety Sales Tax	65,000	27,083	18,630		18,630	68.8%	46,370	28.7%	10,674	
	IN LIEU SALES TAX/TRIPLE FLIP	60,000	25,000			-	0.0%	60,000	0.0%		
	Franchise Taxes-PG&E	220,000	91,667			-	0.0%	220,000	0.0%		
	Franchise Tax-Cal Water	73,000	30,417			-	0.0%	73,000	0.0%		
	Franchise Tax-BFI	175,000	72,917	40,337		40,337	55.3%	134,663	23.0%	37,007	
	Franchise Taxes-Cable	102,000	42,500	24,407		24,407	57.4%	77,593	23.9%	49,597	
	Document Trsf Tax	125,000	52,083	122,376		122,376	235.0%	2,624	97.9%	77,565	A
	Motor Vehicle In-Lieu	625,000	260,417			-	0.0%	625,000	0.0%		
	Motor Veh. Lic Fees (MVLf)	20,000	8,333	5,002		5,002	60.0%	14,998	25.0%	9,386	
	Business Licenses	150,000	62,500	68,418		68,418	109.5%	81,582	45.6%	130,261	
	Bus Lic Refund -FY 06/07	-	-	-		-	0.0%	-	0.0%		
	Bus Lic Refund -FY 07/08	-	-	-		-	0.0%	-	0.0%		
	Bus Lic Refund -FY 08/09	-	-	-	-	-	0.0%	-	0.0%		
	Home Occupation	2,500	1,042	200		200	19.2%	2,300	8.0%	1,600	
	Building Permit	600,000	250,000	184,335		184,335	73.7%	415,665	30.7%	241,702	
	Encroachment	125,000	52,083	35,540		35,540	68.2%	89,460	28.4%	108,582	
	Grading & Drainage	88,500	36,875	20,000		20,000	54.2%	68,500	22.6%		
	Other Licenses & Permit	500	208	250		250	120.0%	250	50.0%	350	
	Landscape Fee	-	-			-	0.0%	-	0.0%	(5,000)	
	Vehicle Code Fines	11,000	4,583	2,629		2,629	57.4%	8,371	23.9%	5,396	
	Other Fines & Forfeit	8,525	3,552	10,279		10,279	289.4%	(1,754)	120.6%	8,201	
	ERAF Subvention	530,000	220,833			-	0.0%	530,000	0.0%		
	POST Reimb	8,000	3,333	2,124		2,124	63.7%	5,877	26.5%	4,537	
	CALNENA Reimbursement	3,000	1,250			-	0.0%	3,000	0.0%		
	CLEARs Reimbursement	395	165			-	0.0%	395	0.0%		
	DOJ Grant (vest)	1,500	625			-	0.0%	1,500	0.0%		

Town of Atherton											
General Fund											
Financial Report for the Five Months Ended November 30, 2009											
(Excl. Encumbrances)											
Dept	Description	Adjusted Budget FY09/10	5/12 of Budget	Actual July 09 to Nov. 09	Accrual	Adj. Actual July 09 to Nov. 09	% of 5/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Nov. 08	
			41.7%								
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)	
	DOC Grant	5,000	2,083			-	0.0%	5,000	0.0%		
	ABAG Grant	10,000	4,167			-	0.0%	10,000	0.0%		
	Other Reimbursements	-	-	35,700		35,700	100.0%	(35,700)	100.0%	16,400	B
	SB 90 reimbursement	-	-	1,219		1,219	100.0%	(1,219)	100.0%		
	Grants	-	-	8,244		8,244	100.0%	(8,244)	100.0%	7,530	
	React Task Force Reimb	-	-			-	0.0%	-	0.0%	27,485	
	NARCOTICS Task Force	-	-			-	0.0%	-	0.0%		
	Elections Processing Fee	-	-			-	0.0%	-	0.0%	2,000	
	Document/Research Fee	-	-			-	0.0%	-	0.0%		
	Photocopy Fee	6,000	2,500	3,113		3,113	124.5%	2,887	51.9%	2,788	
	Alarm Sign Fees	600	250	420		420	168.0%	180	70.0%	90	
	Vehicle Release	1,000	417	360		360	86.4%	640	36.0%	1,040	
	Fingerprinting Fee	-	-	42		42	100.0%	(42)	100.0%	15	
	Affidavit of Cost	2,000	833	200		200	24.0%	1,800	10.0%		
	Police Report	2,500	1,042	1,970		1,970	189.1%	530	78.8%	1,000	
	Special Service Fee	525	219	132		132	60.4%	393	25.2%	372	
	DUI Recovery (Enforcement)	1,200	500			-	0.0%	1,200	0.0%		
	Post Office	51,768	21,570	21,568		21,568	100.0%	30,201	41.7%	21,568	
	Solicitor's Permit	400	167	27		27	16.2%	373	6.8%		
	Application Fee	-	-	650		650	100.0%	(650)	100.0%	9,225	
	Zoning & Planning Fees	75,000	31,250	15,800		15,800	50.6%	59,200	21.1%	20,250	
	Plan Check	320,000	133,333	133,183		133,183	99.9%	186,817	41.6%	152,743	
	Social Fees	60,000	25,000	23,475		23,475	93.9%	36,525	39.1%	74,043	
	Meeting Fees	60,000	25,000	31,675		31,675	126.7%	28,325	52.8%	23,594	
	Class Fees	15,000	6,250	7,570		7,570	121.1%	7,430	50.5%	5,116	
	Weddings	140,000	58,333	57,500		57,500	98.6%	82,500	41.1%	38,273	
	Misc. Use Fee	1,400	583	1,160		1,160	198.9%	240	82.9%	349	
	Interest Income	150,000	62,500	11,936		11,936	19.1%	138,064	8.0%	61,710	C
	Cellular One	36,000	15,000	18,676		18,676	124.5%	17,324	51.9%	14,894	
	Property Rental-Playscl	77,580	32,325	32,323		32,323	100.0%	45,257	41.7%	26,119	
	Sale of Property	-	-	501		501	100.0%	(501)	100.0%	2,246	
	Donations/Contributions	14,286	5,953	14,361		14,361	241.3%	(75)	100.5%	1,086	

Town of Atherton										
General Fund										
Financial Report for the Five Months Ended November 30, 2009										
(Excl. Encumbrances)										
Dept	Description	Adjusted Budget FY09/10	5/12 of Budget	Actual July 09 to Nov. 09	Accrual	Adj. Actual July 09 to Nov. 09	% of 5/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Nov. 08
			41.7%							
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)
	Miscellaneous Income	10,000	4,167	6,418		6,418	154.0%	3,582	64.2%	6,846
	Trsf in from Spec Parcel Tax	780,863	325,360	325,360		325,360	100.0%	455,503	41.7%	
	Transfers in from Gas Tax	-	-			-	0.0%	-	0.0%	
	Transfers in from GFCIP	-	-			-	0.0%	-	0.0%	
	Total Revenues	9,816,542	4,090,226	1,852,267	-	1,852,267	45.3%	7,964,275	18.9%	1,735,381
	EXPENDITURES									
City Council	Advertising/Publishing	2,000	833	-		-	0.0%	2,000	0.0%	
	Other Contract Services		-			-	0.0%	-	0.0%	80
	Office Supplies	1,950	813	1,379	8	1,387	170.8%	563	71.1%	1,299
	Membership/Dues	8,407	3,503	4,447		4,447	127.0%	3,960	52.9%	9,447
	Utilities-Electricity & Water	625	260	64		64	24.4%	561	10.2%	
	Conferences	5,000	2,083	1,208		1,208	58.0%	3,792	24.2%	1,571
	Mileage Reimbursement	1,300	542	57		57	10.6%	1,243	4.4%	
	Bus Meeting & Meal	1,100	458			-	0.0%	1,100	0.0%	
	Boards & Commissions	2,000	833			-	0.0%	2,000	0.0%	
	Special Events & Awards	-	-			-	0.0%	-	0.0%	119
	Office Machines & Furniture	7,000	2,917			-	0.0%	7,000	0.0%	
	Administrative Services		-			-	0.0%	-	0.0%	159
	Computer Services Charge		-			-	0.0%	-	0.0%	332
	City Council Totals:	29,382	12,243	7,155	8	7,163	58.5%	22,219	24.4%	13,007
Administration (CM, CC, HR)	Salaries & Benefits	721,747	300,728	266,417	40,936	307,353	102.2%	414,394	42.6%	182,183
	Contract Services	27,968	11,653	11,004	1,384	12,388	106.3%	15,580	44.3%	112,734
	Supplies & Materials	3,800	1,583	2,942	571	3,513	221.9%	287	92.5%	4,335
	General Expenses	41,045	17,102	11,704	741	12,446	72.8%	28,600	30.3%	25,381
	Facility & Equipment	3,500	1,458	1,094		1,094	75.0%	2,406	31.3%	
	Reimbursements	-	-	60		60	100.0%	(60)	0.0%	12,631
	Administration Totals:	798,060	332,525	293,222	43,632	336,854	101.3%	461,206	42.2%	337,264
City Attorney	Contract Services	423,000	176,250	150,764	30,325	181,089	102.7%	241,911	42.8%	93,923
	General Expenses	-	-			-	0.0%	-	0.0%	

Town of Atherton										
General Fund										
Financial Report for the Five Months Ended November 30, 2009										
(Excl. Encumbrances)										
Dept	Description	Adjusted Budget FY09/10	5/12 of Budget	Actual July 09 to Nov. 09	Accrual	Adj. Actual July 09 to Nov. 09	% of 5/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Nov. 08
			41.7%							
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)
	Supplies & Materials	-	-	-	-	-	0.0%	-	0.0%	
	Reimbursements	-	-	-	-	-	0.0%	-	0.0%	2,595
	City Attorney Totals:	423,000	176,250	150,764	30,325	181,089	102.7%	241,911	42.8%	96,518
Finance	Salaries & Benefits	413,524	172,302	155,975	14,543	170,518	99.0%	243,006	41.2%	134,346
	Contract Services	87,205	36,335	48,036	1,137	49,173	135.3%	38,032	56.4%	2,929
	Supplies & Materials	4,250	1,771	500	445	945	53.4%	3,305	22.2%	3,357
	General Expenses	16,605	6,919	2,616	-	2,616	37.8%	13,989	15.8%	526
	Rents & Leases	-	-	-	-	-	0.0%	-	0.0%	590
	Facility & Equipment	3,000	1,250	-	-	-	0.0%	3,000	0.0%	-
	Reimbursements	10,000	4,167	4,167	-	4,167	100.0%	5,833	41.7%	8,173
	Finance Totals:	534,584	222,743	211,294	16,126	227,419	102.1%	307,165	42.5%	149,921
Planning	Contract Services	191,327	79,720	67,085	12,403	79,487	99.7%	111,840	41.5%	78,844
	Supplies & Materials	2,000	833	267	3	269	32.3%	1,731	13.5%	53
	General Expenses	2,930	1,221	514	-	514	42.1%	-	17.6%	-
	Planning Totals:	196,257	81,774	67,866	12,405	80,271	98.2%	113,570	40.9%	78,896
Building	Salaries & Benefits	957,142	398,809	378,697	38,855	417,553	104.7%	539,589	43.6%	271,812
	Contract Services	16,240	6,767	10,896	925	11,821	174.7%	4,419	72.8%	43,228
	Supplies & Materials	20,790	8,663	5,695	228	5,923	68.4%	14,867	28.5%	24,096
	General Expenses	8,375	3,490	1,641	-	1,641	47.0%	6,734	19.6%	2,737
	Facility & Equipment	4,500	1,875	-	-	-	0.0%	4,500	0.0%	-
	Reimbursements	10,000	4,167	4,167	-	4,167	100.0%	5,833	41.7%	20,149
	Building Totals:	1,017,047	423,770	401,096	40,008	441,104	104.1%	575,943	43.4%	362,021
Non-Dept	Retiree Health Care	-	-	-	-	-	0.0%	-	0.0%	-
	Contract Services	126,539	52,725	47,061	2,300	49,361	93.6%	77,178	39.0%	-
	Supplies & Materials	11,300	4,708	10,964	293	11,256	239.1%	44	99.6%	-
	General Expenses	295,638	123,183	247,706	-	247,706	201.1%	47,932	83.8%	-
	Settlement Expense	-	-	7,500	-	7,500	100.0%	(7,500)	100.0%	-
	Non-Dept. Totals:	433,477	180,615	313,231	2,593	315,824	174.9%	117,653	72.9%	-

Town of Atherton										
General Fund										
Financial Report for the Five Months Ended November 30, 2009										
(Excl. Encumbrances)										
Dept	Description	Adjusted Budget FY09/10	5/12 of Budget	Actual July 09 to Nov. 09	Accrual	Adj. Actual July 09 to Nov. 09	% of 5/12 Budget	Year-To-Date Variance	% of Annual Budget	Actual July 08 to Nov. 08
			41.7%							
		(a)	(b)	(c)	(d)	(e)	(e/b)	(a-e)	(e/a)	(f)
Police	Salaries & Benefits	4,517,313	1,882,214	1,748,821	319,539	2,068,360	109.9%	2,448,953	45.8%	1,549,339
	Contract Services	221,033	92,097	94,914	61,797	156,710	170.2%	64,323	70.9%	94,439
	Supplies & Materials	147,665	61,527	26,559	13,312	39,871	64.8%	107,794	27.0%	46,827
	General Expenses	76,238	31,766	21,553	19,162	40,714	128.2%	35,524	53.4%	32,542
	Rent & lease	8,590	3,579	3,622	850	4,471	124.9%	4,119	52.1%	
	Facility & Equipment	44,671	18,613	11,555	971	12,526	67.3%	32,145	28.0%	21,887
	Reimbursement	69,800	29,083	29,083		29,083	100.0%	40,717	41.7%	59,119
	Settlement Expense			230,000		230,000	100.0%	(230,000)	100.0%	
	Police Totals:	5,085,310	2,118,879	2,166,105	415,631	2,581,736	121.8%	2,503,574	50.8%	1,804,154
										G
Public Works (& Parks)	Salaries & Benefits	1,270,341	529,309	473,532	54,489	528,021	99.8%	742,320	41.6%	581,604
	Contract Services	288,000	120,000	60,239	6,228	66,468	55.4%	221,532	23.1%	131,474
	Supplies & Materials	70,800	29,500	15,472	4,506	19,978	67.7%	50,822	28.2%	21,290
	General Expenses	107,393	44,747	48,392	10,102	58,494	130.7%	48,899	54.5%	42,831
	Rent & Leases	27,000	11,250	17,071	-	17,071	151.7%	9,929	63.2%	14,730
	Facility & Equipment	16,000	6,667	2,704	172	2,876	43.1%	13,124	18.0%	-
	Reimbursements	19,892	8,288	8,288	-	8,288	100.0%	11,604	41.7%	24,685
	Public Works Totals:	1,799,426	749,761	625,699	75,497	701,196	93.5%	1,098,230	39.0%	816,614
	Total Expenditures	10,316,543	4,298,560	4,236,433	636,225	4,872,658	113.4%	5,441,470	47.2%	3,658,395
	Excess (Deficiency) of Revenues over Expenditures	(500,001)	(208,334)	(2,384,166)	(636,225)	(3,020,391)	1449.8%	2,522,806	604.1%	(1,923,014)
	Beg. Fund Balance	7,203,277				7,203,277				
	Proj. Ending Fund Balance	6,703,276				4,182,886				

Town of Atherton
Financial Report for the Five Months Ended November 30, 2009

Revenue Variance Explanation

A. Documentary Transfer Tax

The amount included two missing payments of \$26,000 from FY 2008-09 and revenue from July 2009 to October 2009.

B. Other Reimbursements

\$35,700 was reimbursement from Caltrans for highway maintenance for FY 2008-09.

C. Interest Income

The amount included interest earned from July to September 2009. Adjustment will be proposed during mid-year budget review to reflect the current low interest rate environment.

Expenditures Variance Explanation

D. Finance Department

The Administrative Services Fund (an internal service fund) was closed out in FY 2008-09. Salaries expense previously allocated to this fund is now allocated to the Finance Department.

E. Building Department

The salaries and benefits were higher in current year because one additional building inspector was hired in November 2008.

F. Non-Department

This department showed 72.9% spent was due to one lump sum payment of insurance premiums and the purchase of software licensing that was not budgeted.

G. Police Department

Due to the payout to the retired Chief and legal settlement, a mid-year budget adjustment will need to be made to account for the unbudgeted items.



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JEROME GRUBER, CITY MANAGER**

FROM: LOUISE HO, FINANCE DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: TREASURER'S REPORT FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2009**

RECOMMENDATION

Accept the Treasurer's Report for the First Quarter Ended September 30, 2009.

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 MBIA in January 2009 to provide non-discretionary investment advisory services. Due to the current economic climate, MBIA 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 \$7,558,158 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:

Approved by:

Louise Ho, Finance Director

Jerome Gruber, City Manager

Attachment: Treasurer's Report for First Quarter Ended September 30, 2009

Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
September 30, 2009

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	352,357	352,357	352,357	2.2%
Investments (Schedule B)	15,847,697	15,860,654	15,843,337	97.8%
Total Cash and Investments	16,200,054	16,213,011	16,195,694	100%

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

12/7/09

Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
September 30, 2009

Schedule A

Name of Depository	Investment Type	Reconciled Bank Balance
Comerica Bank	Checking - Operating	354,414
Comerica Bank	Checking - Payroll	(7,800)
Wells Fargo	Wells Fargo Adv Treasury Plus MMF	5,744
Total		<u>352,357</u>

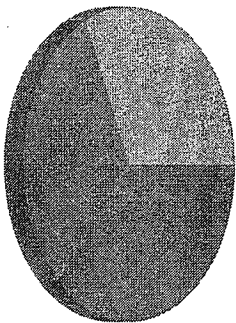
**Town of Atherton
Recap of Securities Held
September 30, 2009**

Schedule B

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Maturity (Days) Final	Weighted Average Effective Maturity (Days)	% Portfolio/ Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	10,847,696.76	10,847,696.76	10,847,696.76	0.00	1	1	68.47	0.93	0.00
U.S. Treasury	1,992,880.70	1,997,025.01	1,999,016.50	1,991.49	115	115	12.58	0.47	0.31
U.S. Instrumentality	3,002,759.70	2,999,973.51	3,013,941.00	13,967.49	547	254	18.95	1.35	0.69
TOTAL	15,843,337.16	15,844,695.28	15,860,654.26	15,958.98	119	63	100.00	0.95	0.17

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

Portfolio / Segment Diversification



Town of Atherton
Activity and Performance Summary
for the period September 1, 2009 - September 30, 2009

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	18,144,425.46
Additions	
Contributions	0.00
Interest Received	0.00
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	0.00
Deductions	
Withdrawals	2,299,583.62
Fees Paid	416.38
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(2,300,000.00)
Accretion (Amortization) for the Period	269.82
Ending Amortized Cost Value	15,844,695.28
Ending Fair Value	15,860,654.26
Unrealized Gain (Loss)	15,958.98

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	8,984.87	0.00	0.00	8,984.87
U.S. Treasury	0.00	762.50	0.00	762.50
U.S. Instrumentality	3,881.24	(492.68)	0.00	3,388.56
Total	12,866.11	269.82	0.00	13,135.93

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.26%	0.17%	0.15%
Overnight Repo	0.15%	0.10%	0.07%
3 Month T-Bill	0.21%	0.17%	0.12%
6 Month T-Bill	0.43%	0.29%	0.21%
1 Year T-Note	0.63%	0.48%	0.40%
2 Year T-Note	1.04%	1.02%	0.91%
5 Year T-Note	2.16%	2.35%	2.37%

<u>Summary of Amortized Cost Basis Return for the Period</u>			
	Total Portfolio	Excl. Cash Eq.	
Interest Earned	12,866.11	3,881.24	
Accretion (Amortization)	269.82	269.82	
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>	
Total Income on Portfolio	13,135.93	4,151.06	
Average Daily Historical Cost	16,574,301.05	4,996,604.29	
Annualized Return	0.96%	1.01%	
Annualized Return Net of Fees	0.93%	0.91%	
Annualized Return Year to Date Net of Fees	2.07%	0.85%	
Weighted Average Effective Maturity in Days	63	198	

Town of Atherton
Activity and Performance Summary
for the period September 1, 2009 - September 30, 2009

<u>Fair Value Basis Activity Summary</u>			
Beginning Fair Value			18,159,454.76
Additions			
Contributions	0.00		
Interest Received	0.00		
Accrued Interest Sold	0.00		
Total Additions		0.00	
Deductions			
Withdrawals	2,299,583.62		
Fees Paid	416.38		
Accrued Interest Purchased	0.00		
Total Deductions		(2,300,000.00)	
Change in Fair Value for the Period		1,199.50	
Ending Fair Value		15,860,654.26	

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	8,984.87	0.00	8,984.87
U.S. Treasury	0.00	906.00	906.00
U.S. Instrumentality	3,881.24	293.50	4,174.74
Total	12,866.11	1,199.50	14,065.61

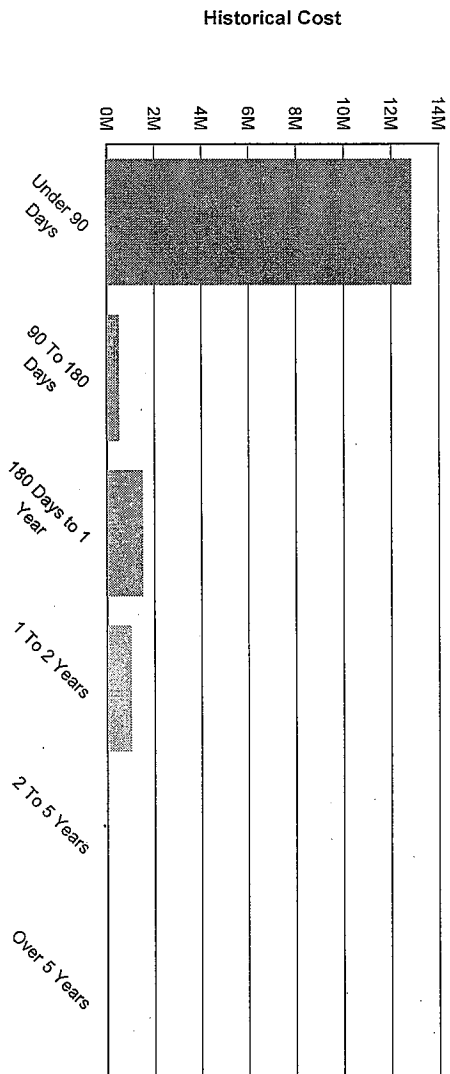
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.26%	0.17%	0.15%
Overnight Repo	0.15%	0.10%	0.07%
3 Month T-Bill	0.46%	0.28%	0.36%
6 Month T-Bill	1.57%	0.72%	0.73%
1 Year T-Note	2.29%	1.18%	1.22%
2 Year T-Note	4.28%	1.46%	2.68%
5 Year T-Note	7.59%	(2.43%)	7.91%

<u>Summary of Fair Value Basis Return for the Period</u>			
	Total Portfolio	Excl. Cash Eq.	
Interest Earned	12,866.11	3,881.24	
Change in Fair Value	1,199.50	1,199.50	
Total Income on Portfolio	14,065.61	5,080.74	
Average Daily Historical Cost	16,574,301.05	4,996,604.29	
Annualized Return	1.03%	1.24%	
Annualized Return Net of Fees	1.00%	1.14%	
Annualized Return Year to Date Net of Fees	2.25%	1.67%	
Weighted Average Effective Maturity in Days	63	198	

Town of Atherton
Maturity Distribution of Securities Held
September 30, 2009

Maturity	Historical Cost	Percent
Under 90 Days	12,844,024.82	81.07%
90 To 180 Days	497,739.58	3.14%
180 Days to 1 Year	1,505,990.56	9.51%
1 To 2 Years	995,582.20	6.28%
2 To 5 Years	0.00	0.00%
Over 5 Years	0.00	0.00%
	15,843,337.16	100.00%

Maturity Distribution



**Town of Atherton
Securities Held
September 30, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
LAIF	09/30/09	0.925 V		7,454,574.82	7,454,574.82	0.00	7,454,574.82	0.00	0.00	5,838.06	20,938.57	47.05	0.93
					0.00		0.00						
San Mateo County Pool	09/30/09	0.925 V		3,393,121.94	3,393,121.94	0.00	3,393,121.94	0.00	0.00	3,146.81	15,615.06	21.42	0.93
					0.00		0.00						
TOTAL				10,847,696.76	10,847,696.76	0.00	10,847,696.76	0.00	0.00	8,984.87	36,553.63	68.47	
U.S. Treasury													
912795P54 T-Bill	04/07/09	0.000	10/01/09	500,000.00	499,041.25	500,000.00	500,000.00	0.00	0.00	0.00	0.00	3.15	0.40
					0.00	162.50	41.50						
912795S69 T-Bill	04/07/09	0.000	12/17/09	500,000.00	498,324.31	499,492.02	499,912.50	420.48	0.00	0.00	0.00	3.15	0.48
					0.00	197.92	150.50						
912795T27 T-Bill	04/07/09	0.000	02/11/10	500,000.00	497,739.58	499,030.21	499,774.50	744.29	0.00	0.00	0.00	3.14	0.53
					0.00	218.75	250.00						
912795U58 T-Bill	06/04/09	0.000	06/03/10	500,000.00	497,775.56	498,502.78	499,329.50	826.72	0.00	0.00	0.00	3.14	0.45
					0.00	183.33	464.00						
TOTAL				2,000,000.00	1,992,880.70	1,997,025.01	1,999,016.50	1,991.49	0.00	0.00	0.00	12.58	
U.S. Instrumentality													
31398APV8 FNMA	04/24/09	2.375	05/20/10	500,000.00	508,340.00	504,927.21	506,519.50	1,592.29	0.00	989.58	4,321.18	3.21	0.81
					0.00	(639.90)	(572.50)						
3133XTT3 FHLB	08/10/09	0.850	12/03/10	500,000.00	499,215.00	499,300.04	501,032.00	1,731.96	0.00	354.17	1,393.06	3.15	0.97
					790.97	49.06	183.00						
3128XWC2 FHLMC	04/20/09	1.750	04/20/11	500,000.00	499,875.00	499,903.08	503,365.00	3,461.92	0.00	729.16	3,913.19	3.16	1.76
					0.00	5.13	(56.00)						
3133XTV45 FHLB	06/08/09	1.125	06/03/11	500,000.00	496,367.20	496,943.44	502,616.50	5,673.06	0.00	468.75	1,828.13	3.13	1.50
					62.50	150.33	1,080.00						
3128X83S9 FHLMC	07/22/09	1.625	07/22/11	500,000.00	500,312.50	500,071.33	500,313.00	241.67	0.00	677.08	1,557.29	3.16	1.38
					0.00	(101.90)	(354.00)						
3133GWS4 FFCB	06/03/09	1.590	11/28/11	500,000.00	498,650.00	498,828.41	500,095.00	1,266.59	0.00	662.50	2,716.25	3.15	1.70
					110.42	44.60	13.00						
TOTAL				3,000,000.00	3,002,759.70	2,999,973.51	3,013,941.00	13,967.49	0.00	3,881.24	15,729.10	18.95	
					963.89	(492.68)	293.50						

**Town of Atherton
Securities Held
September 30, 2009**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/Accretion (Amortization)	Fair Value/ Change in Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
GRAND TOTAL				15,847,696.76	15,843,337.16 963.89	15,844,695.28 269.82	15,860,654.26 1,199.50	15,958.98	0.00	12,866.11	52,282.73	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, 2009**

Fund No.	Fund Name	September Balance
101	General Fund	6,498,874
105	Tennis Fund	25,148
610	Equipment Replacement Fund	409,893
614	Worker's Compensation	387,142
615	General Liability	144,312
616	Employee Benefits	92,790
Total Non-Restricted		7,558,158
201	Special Tax Fund	2,122,986
202	County Measure A Fund	498
203	Gas Tax Fund	22,428
208	Police on the Street Fund	1,078
209	SLES/COPS Grant	7,301
210	Road Constructions Impact Fee	542,854
211	State Grants	(25,420)
213	Library Fund	4,024,282
220	Traffic Congest. Relief	63,709
401	GF Projects	(253,462)
402	Storm Drainage	37,085
403	Atherton Channel Drainage District	116,430
406	Facilities Construction	1,833,802
715	Evans Estate	112,341
730	H-P Park Improvement	5,842
740	Tree Committee	25,783
Total Restricted		8,637,537
Total Cash & Investments		16,195,694



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JERRY GRUBER, CITY MANAGER**

FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

SUBJECT: APPROVE A CONSULTANT SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR TRAFFIC ENGINEERING DESIGN SERVICES FOR THE ENCINAL/MIDDLEFIELD TRAFFIC SIGNAL PROJECT, IN AN AMOUNT NOT TO EXCEED \$64,350 PLUS A TEN PERCENT CONTINGENCY, FOR A TOTAL AUTHORIZATION OF \$70,785.

RECOMMENDATION:

Accept the proposal and authorize the City Manager to sign a Consultant Services Agreement with Kimley-Horn and Associates, Inc. to provide traffic engineering design services for the Encinal/Middlefield Traffic Signal Project in an amount not exceed \$64,350, plus a 10% contingency, for a total authorization of \$70,785.

BACKGROUND:

The Town of Atherton and the City of Menlo Park hired traffic engineering consultants (DKS) to study the signals on Middlefield Road from Ringwood Avenue to Marsh Road. A signal at Encinal Avenue was an alternative considered by the DKS study. The study found that the Encinal Avenue intersection is currently operating at level of service F during the AM, afternoon and PM peak hours, with an average delay exceeding 60 seconds. The intersection currently meets standard warrants for installation of a traffic signal.

The Menlo Park School District (MPSD) is expanding the Encinal Elementary School campus to accommodate an increase in enrollment from the current level of approximately 395 students to a new capacity of 704 students. As a part of the traffic studies, MPSD determined that the

intersection of Middlefield Road and Encinal Avenue would be significantly degraded by the increased vehicle and pedestrian traffic to and from the school. Traffic projections indicate an increase in peak trips to and from the school of 115 in the AM (115 in/120 out) and 90 (93 in/90 out) in the afternoon. The result is an increase in average delay per vehicle at the Encinal/Middlefield intersection from 28.6 seconds (Level of Service D) to 50.4 seconds (Level of Service F) in the AM. The mid-afternoon peak trips do not coincide with other peak trips, so the level of service at the intersection remains at B, with delay only increasing from 11.5 seconds to 13 seconds.

The City of Menlo Park has several developments on and near El Camino Real that are projected to increase traffic on Middlefield Road, Encinal Avenue and other streets leading to Middlefield Road. Several of these developments have been or will be charged traffic impact fees. Menlo Park has indicated preliminarily that a portion of these impact fees could be assigned to mitigating traffic impacts on Middlefield Road by contributing towards a signal at Encinal Avenue, and that the City may participate in other ways because the signal would benefit Menlo Park residents.

It is clear from the traffic studies that the intersection is already operating at a substandard level of service and would benefit greatly from signalization. The school expansion and the Menlo Park developments will impact this intersection, further degrading the level of service. The school and the residents of both Menlo Park and Atherton would benefit from the installation of a traffic signal at the intersection.

Not only would a signal allow traffic to move in and out of Encinal Avenue much easier, the signal would create traffic platoons in the currently unsignalized one-mile section of Middlefield Road from Oak Grove Avenue to Marsh Road. These platoons would provide gaps in traffic allowing easier movements at other intersections such as Watkins Avenue, Lane Place, James Avenue, Prior Lane, Surrey Lane, Glenwood Avenue and Linden Avenue. These gaps would benefit Lindenwood residents and Atherton and Menlo Park residents west of Middlefield Road.

This is very similar in concept to the signal installed in 2003 on Valparaiso Avenue at University Avenue. That signal had the dual purpose of improving access to Menlo School and platooning vehicles on Valparaiso Avenue to provide improved access to and from Emilie Avenue and other side streets. The Town of Atherton, the City of Menlo Park, Menlo School and Sacred Heart Academy shared in the cost of installing that signal.

ANALYSIS:

The Town's on-call consultant Kimley-Horn prepared a proposal to design the traffic signal. Staff evaluated the proposal and determined that the scope and fee were reasonable.

Staff recommends approval at the December meeting so that the signal can be designed and out for bid in March and awarded in April so that signal equipment can be ordered and ready to begin construction when school is out for the summer break in June.

FISCAL IMPACT:

Parcel Tax funds in the amount of \$126,667 are budgeted for this project in FY 2009-10. The Menlo Park School District has already committed \$187,167 towards the project. The City of Menlo Park is expected to approve a Memorandum of Understanding which will commit another \$126,667 to the project at their December Council meeting. Each of these funds includes a share of the design costs.

The Scope of Services and Fee Estimate were negotiated with the selected firm. The final negotiated fee estimate is \$64,350. A 10% contingency of \$6,435 would bring the total authorization to \$70,785, which is within the approved budget.

Prepared By:

Approved:

/s/ *Duncan L. Jones*

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

Jerome D. Gruber
City Manager

Attachments: Consultant Services Agreement

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is entered into as of the _____ day of December, 2009 by and between the TOWN OF ATHERTON, herein called the "Town", and KIMLEY-HORN AND ASSOCIATES, INC., herein called the "Consultant".

Recitals

WHEREAS, Town desires to obtain TRAFFIC ENGINEERING DESIGN SERVICES services in connection with the Encinal/Middlefield Traffic Signal Project; and

WHEREAS, Consultant hereby warrants to the Town that Consultant is skilled and able to provide such services described in Section 3 of this Agreement; and

WHEREAS, Town desires to retain Consultant pursuant to this Agreement to provide the services described in Section 3 of this Agreement.

Agreement

NOW, THEREFORE, in consideration of their mutual covenants, the parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

2. Project Coordination.

A. Town. The City Manager or his/her designee, shall represent Town for all purposes under this Agreement. The City Manager or designee is hereby designated as the Project Manager. The Project Manager shall supervise the progress and execution of this Agreement.

B. Consultant. The Consultant shall assign Paul J. Krupka to have overall responsibility for the progress and execution of this Agreement for Consultant.

3. Scope and Performance of Services

A. Scope of Services. Subject to such policy direction and approvals as the Town through its staff may determine from time to time, Consultant shall perform the services set out in the "Scope of Work" attached hereto as Exhibit A and incorporated herein by reference.

B. Time of Performance. The services of Consultant are to be completed not later than March 15, 2010. Consultant shall perform its services in accordance with the schedule attached hereto as Exhibit B, and incorporated herein by reference. Any changes to these dates in either this Section 3 or Exhibit B must be approved in writing by the Project Manager.

C. Standard of Quality. Town relies upon the professional ability of Consultant as a material inducement to entering into this Agreement. All work performed by Consultant under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

4. Compensation and Method of Payment.

A. Compensation. The compensation to be paid to Consultant, including both payment for professional services and reimbursable expenses, shall be at the rate and schedules attached hereto as Exhibit C, and incorporated herein by reference. However, in no event shall the amount Town pays Consultant exceed sixty-four thousand three hundred and fifty dollars (\$64,350). Payment by Town under this Agreement shall not be deemed a waiver of unsatisfactory work, even if such defects were known to the Town at the time of payment.

B. Timing of Payment. Progress payments will be tied to completion of tasks so that all payments are proportional to the work completed. A copy of the progress payment schedule is attached to the rate and schedules set forth in Exhibit C.

C. Changes in Compensation. Consultant will not undertake any work that will incur costs in excess of the amount set forth in Paragraph 4(A) without prior written amendment to this Agreement.

D. Taxes. Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

E. No Overtime or Premium Pay. Consultant shall receive no premium or enhanced pay for work normally understood as overtime, i.e., hours that exceed forty (40) hours per work week, or work performed during non-standard business hours, such as in the evenings or on weekends. Consultant shall not receive a premium or enhanced pay for work performed on a recognized holiday. Consultant shall not receive paid time off for days not worked, whether it be in the form of sick leave, administrative leave, or for any other form of absence.

F. Litigation Support. Consultant agrees to testify at Town's request if litigation is brought against Town in connection with Consultant's work product. Unless the action is brought by Consultant or is based upon Consultant's negligence, Town will compensate Consultant for the preparation and the testimony at Consultant's standard hourly rates, if requested by Town and not part of the litigation brought by Town against Consultant.

5. Amendment to Scope of Work. Town shall have the right to amend the Scope of Work within the Agreement by written notification to the Consultant. In such event, the compensation and time of performance shall be subject to renegotiation upon written demand of either party to the Agreement. Consultant shall not commence any work exceeding the Scope of Work without prior written authorization from the Town. Failure of the Consultant to secure Town's written authorization for extra or changed work shall constitute a waiver of any and all

right to adjustment in the contract price or time due, whether by way of compensation, restitution, quantum meruit, etc. for work done without the appropriate Town authorization.

6. Term. This Agreement shall commence upon its execution and shall continue in full force and effect until completed, amended pursuant to Section 21, or otherwise terminated as provided herein.

7. Inspection. Consultant shall furnish Town with every reasonable opportunity for Town to ascertain that the services of Consultant are being performed in accordance with the requirements and intentions of this Agreement. All work done and all materials furnished, if any, shall be subject to the Project Manager's inspection and approval. The inspection of such work shall not relieve Consultant of any of its obligations to fulfill the Agreement as prescribed.

8. Ownership of Documents. Title to all plans, specifications, maps, estimates, reports, manuscripts, drawings, descriptions and other final work products compiled by the Consultant under the Agreement shall be vested in Town, none of which shall be used in any manner whatsoever, by any person, firm, corporation, or agency without the expressed written consent of the Town. Basic survey notes and sketches, charts, computations, and other data prepared or obtained under the Agreement shall be made available, upon request, to Town without restriction or limitations on their use. Consultant may retain copies of the above-described information but agrees not to disclose or discuss any information gathered, discussed or generated in any way through this Agreement without the written permission of Town during the term of this Agreement, unless required by law.

9. Employment of Other Consultants, Specialists or Experts. Consultant will not employ or otherwise incur an obligation to pay other consultants, specialists, or experts for services in connection with this Agreement without the prior written approval of the Town.

10. Conflict of Interest.

A. Consultant covenants and represents that neither it, nor any officer or principal of its firm, has, or shall acquire any investment, income, business entity, interest in real property, or other interest, directly or indirectly, which would conflict in any manner with the interests of Town, hinder Consultant's performance of services under this Agreement, or be affected in any manner or degree by performance of Consultant's services hereunder. Consultant further covenants that in the performance of the Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the Town. Consultant agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the Town in the performance of the Agreement.

B. Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

(1) will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the Town or of any Town official, other than normal contract monitoring; and

(2) possesses no authority with respect to any Town decision beyond the rendition of information, advice, recommendation, or counsel. (2 Cal. Code Regs. § 18700(a)(2).)

11. Liability of Members and Employees of Town. No member of the Town and no other officer, employee or agent of the Town shall be personally liable to Consultant or otherwise in the event of any default or breach of the Town, or for any amount which may become due to Consultant or any successor in interest, or for any obligations directly or indirectly incurred under the terms of this Agreement.

12. Indemnity. To the fullest extent permitted by law, Consultant hereby agrees to defend (by counsel reasonably satisfactory to the Town), indemnify, and hold harmless the Town, its officers, agents, employees, volunteers, and servants, from and against any and all claims, demands, damages, costs, liabilities, or obligations brought on account of or arising out of any acts, errors, or omissions of Consultant, its officers, employees, agents, and subcontractors undertaken pursuant to this Agreement excepting liabilities due to the sole negligence or willful misconduct of Town. The Town has no liability or responsibility for any accident, loss, or damage to any work performed under this Agreement whether prior to its completion and acceptance or otherwise. Consultant's duty to indemnify and hold harmless, as set forth herein, shall include the duty to defend as set forth in California Civil Code § 2778. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for Consultant under Worker's Compensation, disability or other employee benefit acts or the terms, applicability or limitations of any insurance held or provided by Consultant and shall continue to bind the parties after termination/completion of this agreement.

13. Consultant Not an Agent of Town. Consultant, its officers, employees and agents shall not have any power to bind or commit the Town to any decision.

14. Independent Contractor. It is expressly agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent contractor and not an agent or employee of Town; and as an independent contractor, Consultant shall obtain no rights to retirement benefits or other benefits which accrue to Town's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

15. Compliance with Laws.

A. General. Consultant shall use the standard of care in its profession to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations. Consultant represents and warrants to Town that it has and shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for Consultant to practice its profession. Consultant shall maintain a Town business license. The Town is not responsible or liable for Consultant's failure to comply with any or all of the requirements contained in this paragraph.

B. Workers' Compensation. Consultant certifies that it is aware of the provisions of the California Labor Code which require every employee to be insured against

liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Consultant certifies that it will comply with such provisions before commencing performance of the Agreement and at all times in the performance of the Agreement.

C. Prevailing Wage. Consultant and Consultant's subconsultants (if any) shall, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates to workers and professionals as determined by the Director of Industrial Relations of the State of California pursuant to California Labor Code, Part 7, Chapter 1, Article 2. Copies of the applicable wage determination are on file at the Town's Public Works Department office.

D. Injury and Illness Prevention Program. Consultant certifies that it is aware of and has complied with the provisions of California Labor Code § 6401.7, which requires every employer to adopt a written injury and illness prevention program.

E. Town Not Responsible. Town is not responsible or liable for Consultant's failure to comply with any and all of its requirements under this section and Agreement.

F. Waiver of Subrogation. Consultant and Consultant's insurance company agree to waive all rights of subrogation against Town, its elected or appointed officials, officers, agents, employees, and volunteers for losses paid under Consultant's workers' compensation insurance policy which arise from the work performed by Consultant for the Town.

16. Confidential Information. All data, documents, discussions or other information developed or received by or for Consultant in performance of this Agreement are confidential and not to be disclosed to any person except as authorized by the Town, or as required by law.

17. Assignment; Subcontractors; Employees

A. Assignment. Consultant shall not assign, delegate, transfer, or convey its duties, responsibilities, or interests in this Agreement or any right, title, obligation, or interest in or to the same or any part thereof without the Town's prior written consent. Any assignment without such approval shall be void and, at the Town's option, shall immediately cause this Agreement to terminate.

B. Subcontractors; Employees. Consultant shall be responsible for employing or engaging all persons necessary to perform the services of Consultant hereunder. No subcontractor of Consultant shall be recognized by the Town as such; rather, all subcontractors are deemed to be employees of the Consultant, and Consultant agrees to be responsible for their performance. Consultant shall give its personal attention to the fulfillment of the provisions of this Agreement by all of its employees and subcontractors, if any, and shall keep the work under its control. If any employee or subcontractor of Consultant fails or refuses to carry out the provisions of this Agreement or appears to be incompetent or to act in a disorderly or improper manner, it shall be discharged immediately from the work under this Agreement on demand of the Project Manager.

18. Insurance.

A. Minimum Scope of Insurance.

(1) Consultant agrees to have and maintain, for the duration of this Agreement, a General Liability insurance policy insuring it and its firm to an amount not less than \$2,000,000 (Two Million Dollars) combined single limit per occurrence and in the aggregate for bodily injury, personal injury, and property damage.

(2) Consultant agrees to have and maintain, for the duration of this Agreement, an Automobile Liability insurance policy insuring it and its staff to an amount not less than \$1,000,000 (One Million Dollars) combined single limit per accident for bodily injury and property damage.

(3) Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors, or omissions which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant or by its employees, subcontractors, or subconsultants. The amount of this insurance shall not be less than \$1,000,000 (One Million Dollars) on a claims-made annual aggregate basis.

(4) A Workers' Compensation and Employers' Liability policy written in accordance with the laws of the State of California and providing coverage for any and all employees of Consultant:

(a) This policy shall provide coverage for Workers' Compensation (Coverage A).

(b) This policy shall also provide required coverage for Employers' Liability (Coverage B).

(5) All of the following endorsements are required to be made a part of each of the required policies, except for the Professional Liability and Workers' Compensation and Employers' Liability policies, as stipulated below:

(a) "The Town of Atherton, its officials, officers, agents, employees, and volunteers are hereby added as additional insureds, but only as respects work done by, for, or on behalf of the named insured."

(b) "This policy shall be considered primary insurance as respects any other valid and collectible insurance the Town may possess, including any self-insured retention the Town may have, and any other insurance the Town does possess shall be considered excess insurance only and shall not contribute with it."

(c) "This insurance shall act for each insured and additional insured as though a separate policy had been written for each. This, however, will not act to increase the limit of liability of the insuring company."

(6) Consultant shall provide to Town all certificates of insurance with original endorsements effecting coverage required by this paragraph. Certificates of such

insurance shall be filed with Town on or before commencement of performance of this Agreement. Town reserves the right to require complete, certified copies of all required insurance policies at any time.

(7) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Town, its officials, officers, agents, employees, and volunteers.

(8) Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

B. All Coverages. Each insurance policy required shall provide that coverage shall not be canceled, except after 30-days' prior written notice by certified mail, return receipt requested, has been given to Town. Current certification of such insurance shall be kept on file with the City Manager at all times during the term of this Agreement.

C. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Town. At the Town's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

E. Verification of Coverage. Consultant shall furnish the Town with original Certificate(s) of Insurance verifying Consultant's receipt of the insurance coverage required herein.

19. Termination of Agreement; Default.

A. This Agreement and all obligations hereunder may be terminated at any time, with or without cause, by the Town upon 5-days' written notice to Consultant.

B. If Consultant fails to perform any of its obligations under this Agreement within the time and in the manner herein provided or otherwise violate any of the terms of this Agreement, in addition to all other remedies provided by law, Town may terminate this Agreement immediately upon written notice. In such event, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total fee; provided, however, that the Town shall deduct from such amount the amount of damages, if any, sustained by Town by virtue of the breach of the Agreement by consultant.

C. In the event this Agreement is terminated by Town without cause, Consultant shall be entitled to any compensation owing to it hereunder up to the time of such termination, it being understood that any payments are full compensation for services rendered prior to the time of payment.

D. Upon termination of this Agreement with or without cause, Consultant shall turn over to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by Consultant or its subcontractors, if any, or given to Consultant or its subcontractors, if any, in connection with this Agreement. Such materials shall become the permanent property of the Town. Consultant, however, shall not be liable for the Town's use of incomplete materials nor for the Town's use of complete documents if used for other than the project contemplated by this Agreement.

20. Suspension. The Town shall have the authority to suspend this Agreement and the services contemplated herein, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of the Consultant to perform any provision of this Agreement. Consultant will be paid for satisfactory Services performed through the date of temporary suspension.

21. Merger; Amendment. This Agreement constitutes the complete and exclusive statement of the agreement between the Town and Consultant and shall supersede all prior negotiations, representations, or agreements, either written or oral. This document may be amended only by written instrument, signed by both the Town and Consultant. All provisions of this Agreement are expressly made conditions.

22. Interpretation. This Agreement shall be interpreted as though it was a product of a joint drafting effort and no provisions shall be interpreted against a party on the ground that said party was solely or primarily responsible for drafting the language to be interpreted.

23. Litigation Costs. If either party becomes involved in litigation arising out of this Agreement or the performance thereof, the court in such litigation shall award reasonable costs and expenses, including attorneys' fees, to the prevailing party. In awarding attorneys' fees, the court will not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorneys' fees paid or incurred in good faith.

24. Time of the Essence. Time is of the essence of this Agreement.

25. Written Notification. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail. Any such notice, demand, etc. shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 72 hours from the time of mailing if mailed as provided in this section.

If to Town: City Clerk
Town of Atherton - Town Hall
91 Ashfield Road
Atherton, CA 94027

If to Consultant: Paul J. Krupka
Kimley-Horn and Associates, inc.
6130 Stoneridge Mall Road, Suite 370

26. Consultant's Books and Records.

A. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to the Town and all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

B. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to the Town for inspection when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

C. The Town may, by written request by any of the above-named officers, require that custody of the records be given to the Town and that the records and documents be maintained in the City Manager's office.

27. Agreement Binding. The terms, covenants, and conditions of this Agreement shall apply to, and shall bind, the heirs, successors, executors, administrators, assigns, and subcontractors of both parties.

28. Equal Employment Opportunity. Consultant is an equal opportunity employer and agrees to comply with all applicable state and federal regulations governing equal employment opportunity. Consultant will not discriminate against any employee or applicant for employment because of race, age, sex, creed, color, sexual orientation, marital status or national origin. Consultant will take affirmative action to ensure that applicants are treated during such employment without regard to race, age, sex, creed, color, sexual orientation, marital status, or national origin. Such action shall include, but shall not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-offs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Consultant further agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

29. Town Not Obligated to Third Parties. The Town shall not be obligated or liable for payment hereunder to any party other than the Consultant.

30. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

31. Severability. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or

provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

32. Exhibits. The following exhibits are attached to this Agreement and incorporated herein by this reference:

- A. Exhibit A: Scope of Work
- B. Exhibit B: Schedule of Performance
- C. Exhibit C: Compensation

33. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

34. News Releases/Interviews. All Consultant and subconsultant news releases, media interviews, testimony at hearings and public comment shall be prohibited unless expressly authorized by the Town.

35. Applicable Law; Venue. This Agreement shall be construed and interpreted according to California law. In the event that suit shall be brought by either party hereunder, the parties agree that trial of such action shall be held exclusively in a state court in the County of San Mateo, California.

36. Authority. Each individual executing this Agreement on behalf of one of the parties represents that he or she is duly authorized to sign and deliver the Agreement on behalf of such party and that this Agreement is binding on such party in accordance with its terms.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement as of the date first above written.

TOWN OF ATHERTON

CONSULTANT

By: _____
City Manager

By: _____
Title: _____

Date:

Date:

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

By: _____
City Clerk

EXHIBIT A
SCOPE OF SERVICES
MIDDLEFIELD ROAD/ENCINAL AVENUE INTERSECTION IMPROVEMENTS

Kimley-Horn and Associates, Inc. (KHA) will provide engineering services for the design of a new traffic signal at Middlefield Road and Encinal Avenue, new and extended turn lanes on all three approaches to this T-intersection, and removal of the existing mid-block crosswalk and pedestrian traffic signal on Middlefield Road north of Encinal Avenue. This document summarizes Construction Scope, Assumptions Regarding Scope of Design, Design Tasks, Estimated Design Schedule and Estimated Design Budget.

CONSTRUCTION SCOPE

The scope of construction described below was based upon conceptual layout assumptions defined by the Menlo Park City School District in documentation and attached supportive traffic analysis by Crane Transportation Group (contained in letters dated October 15, 2007 and September 6, 2007 from Kenneth Ranella to Glen Rojas). A field visit by KHA was conducted to review the layout and existing conditions.

- Roadway Widening
 - Middlefield Road
 - Extend northbound left turn lane 175' (150' to 325') plus 125' taper
 - New southbound right turn lane 160' plus 125' taper
 - Encinal Avenue
 - New eastbound right turn lane 160' plus 125' taper
- Signing and Pavement Delineation
 - Remove or relocate signage
 - Remove and replace pavement delineation
- Utility Relocation and Service
 - Drainage across Encinal at Middlefield (now carried by two buried pipes)
 - Fire hydrant at northwest corner of Middlefield/Encinal intersection
 - Drainage facilities
 - Inlets (2)
 - northwest corner of Middlefield/Encinal intersection
 - west side of Middlefield north of Encinal
 - Pipe to connect the relocated inlets
 - PG&E Electrical Service
 - Disconnect existing at pedestrian signal
 - Provide new service for new traffic signal system
 - AT&T poles (3 – two north and one south of Encinal, west side of Middlefield)
 - By AT&T

- Traffic Signalization
 - Remove and salvage pedestrian signal equipment
 - Install new traffic signal system at Middlefield/Encinal (turn on, set initial timing, test)

ASSUMPTIONS REGARDING SCOPE OF DESIGN

The following points summarize the assumptions underlying the design tasks, schedule and budgetary estimate.

- AutoCAD base map suitable for design is available from Town of Atherton
- Recent ground survey data and documentation available in AutoCAD and includes vertical and horizontal data suitable for construction control
- Supplemental ground survey will be required to tie in construction control, determine storm drain grades, and locate surface improvements not included on the existing survey.
- No high-risk underground utilities will be affected by the improvements contemplated
- Right-of-way is available for roadway widening
- The project will not affect an existing accessible route and therefore will not require ADA-compliant improvements
- Specifications will be based on Town of Atherton documents provided in WORD files; special provisions will be modified by KHA for this project
- Design will involve four phases:
 - Conceptual definition of construction scope (assumes two layout variations will be studied)
 - 65% complete plans, specifications and estimates (PS&E)
 - 100% complete PS&E
 - Final PS&E ready for advertising
- Town of Atherton will be responsible for the following activities:
 - Coordination of and applications for AT&T relocations and PG&E service
 - Public noticing, advertising and award of construction contract, and administration of construction contract
 - Coordination with City of Menlo Park, Menlo Park City School District, and other agencies involved in project funding
 - Traffic signal turn on and operational/timing implementation
- KHA will provide limited services during construction to confirm intent of design documents

DESIGN TASKS

The following tasks will be conducted.

Task 1 – Project Management and Meetings: This task includes project management related tasks and meetings related to monitoring of scope, schedule and budget, preparation of invoices and general project coordination. KHA will coordinate with the Town of Atherton to finalize the project requirements, project schedule, and to collect any additional data available (as-built plans, survey data, base mapping, right-of-way information, among other) for the design.

Two design review meetings, to review the Conceptual Definition and the 65% PS&E, are included in this task.

Task 2 – Field Review and Data Collection: KHA will conduct a field review of the project area to collect information for project design. In addition, KHA will contact the utility companies to request existing utility information for the subject intersection. The utility information will be shown on the base plans.

KHA will engage a land surveying firm to conduct a limited ground topographic survey of the project area, based on the City's horizontal and vertical control, to establish construction control in the form of centerline stationing on the two streets tied to existing vertical and horizontal datum as defined in the existing survey. The survey will define grades of the storm drainage system in the project area and locate the existing surface features, equipment and signage not shown on the existing survey. A base plan will be prepared from data and plans obtained from the City and integrate the results of the survey described above. Approximate right-of-way limits will be shown on the plans based upon record information provided by the City.

Task 3 – Conceptual Definition of Construction Scope: KHA will prepare a single-sheet conceptual sketch showing the proposed layout of the signal equipment, striping, and civil improvements at a scale of 1"=50' in imperial units. Based on field observations compared to the conceptual layout presented by the Menlo Park City School District, it may be required to define and assess alternative cross sections along Middlefield Road and Encinal Avenue that may be necessary to address the project objectives. Of special concern are the availability of sufficient pavement width for the extension of the left-turn lane on Middlefield Road and the location and edge improvements required for the right-turn lane on Encinal Avenue adjacent to residential property.

KHA will prepare a conceptual opinion of probable construction costs for the concept and alternative.

KHA will define conceptual electrical service requirements for the Town's application to PG&E, and define the AT&T poles that will require relocation.

KHA will submit the results of this task to the Town for review and comments.

Task 4 – Prepare 65% PS&E: Based on compiled (by the Town) written comments on the Conceptual Definition, KHA will prepare 65% PS&E. The plans will include roadway

improvements and typical sections, drainage modifications, traffic signal installation, and signing and pavement delineation modifications. A total of 11 sheets are proposed as listed below.

- Title (1 Sheet)
- General Notes, Abbreviations, and Legend (1 sheet)
- Typical Sections (1 Sheet)
- Removal and Relocation Plan (1 Sheet) (1"=50')
- Drainage Plan and Profile (1 Sheet) (1"=20')
- Construction Plan (2 Sheets) (1"=20')
- Signalization Plan and Schedules (2 Sheets) (layout at 1"=20')
- Signing and Pavement Delineation Plan (1 Sheet) (1"=50')
- Construction Details (1 Sheet)

KHA will prepare special provisions for construction according to Town standards, based on an acceptable example and WORD files provided by the Town. KHA will prepare construction specifications using the Town's "boiler plate" specifications. KHA will prepare a preliminary opinion of probable construction cost.

KHA will submit six (6) sets of the 65% PS&E to the Town for distribution and review. In addition, KHA will submit the 65% plans to the utility companies to confirm utility locations.

Task 5 – Prepare 100% PS&E: Based on compiled (by the Town) written comments on the 65% PS&E, KHA will advance the construction documents to the 100% level of design. KHA will submit six (6) sets of PS&E to the Town for distribution and review.

Task 6 – Prepare Final PS&E: Based on compiled (by the Town) written comments, KHA will advance the construction documents to Final. The final submittal will consist of the following:

- Final Plan(s) in 22"x 34" standard Town of Atherton format on Mylar. Plans will be signed and sealed by a State of California registered civil engineer. Plans will be provided to the City electronically in AutoCAD 2007 format.
- Final Technical Specifications in electronic and hardcopy formats.
- Final Opinion of Probable Construction Cost in hardcopy format and electronically.

Task 7 – Provide Design Services During Construction: KHA will be available to assist the Town of Atherton during the construction phase, including conducting the following kinds of services, all as requested by the Town.:

- Provide clarifications of construction documents and respond to Contractor requests for information.
- Review of "shop drawings" and submittals specified in Contract Documents dealing specifically with design elements.
- Be present during signal turn on.

The budgetary estimate for this work assumes a total of 20 professional hours will be dedicated to Task 7.

EXHIBIT B
SCHEDULE OF PERFORMANCE
MIDDLEFIELD ROAD/ENCINAL AVENUE INTERSECTION IMPROVEMENTS

ESTIMATED DESIGN SCHEDULE

KHA is prepared to begin work immediately upon receipt of a fully-executed contract and will endeavor to meet the Town's desired schedule needs. Highlights of the proposed schedule for the project are as follows.

PRODUCT/ACTIVITY	ESTIMATED DURATION	ESTIMATED DELIVERY
Conceptual Definition	2 weeks	End of week 2
Review	1 week	End of week 3
65% PS&E	2 weeks	End of week 5
Review	1 week	End of week 6
100% PS&E	1 week	End of week 7
Review	1 week	End of week 8
Final PS&E	1 week	End of week 9

**EXHIBIT C
COMPENSATION
MIDDLEFIELD ROAD/ENCINAL AVENUE INTERSECTION IMPROVEMENTS**

ESTIMATED DESIGN BUDGET

KHA will provide the services contained herein for a Lump Sum budgetary estimate of \$64,350. This amount includes labor cost, indirect expenses, and direct expenses incurred in performing these services. The table below details the budgetary estimate by task.

Services other than those set forth in the Scope of Services shall constitute additional services, and shall be performed only with prior written authorization based on mutually accepted scope, schedule and budgetary terms. Any requested changes to the scope of construction after the 65% level plan approval or approval of subsequent submittals will be identified as potential additional services and discussed with the Town of Atherton prior to proceeding.

Fees will be invoiced monthly based upon the percentage of the services completed as of the invoice date. Payment will be due and payable within 25 days of invoice date.

ESTIMATED DESIGN BUDGET BY TASK

Task	PM	Engineer	Analyst	Support	Total
	P7	P5	P3	N5	
Task 1 - Project Management and Meetings	48			10	58
Task 2 - Field Review and Data Collection	4	8	8		20
Task 3 - Conceptual Definition of Construction Scope	8	16	16	4	44
Task 4 - Prepare 65% PS&E	16	40	40	16	112
Task 5 - Prepare 100% PS&E	4	12	12	8	36
Task 6 - Prepare Final PS&E	4	8	8	4	24
Task 7 - Provide Design Services During Construction	4	12		4	20
					0
					0
Total Hours	88	96	84	46	314
Billing Rate	\$245	\$185	\$140	\$105	
Labor	\$21,560	\$17,760	\$11,760	\$4,830	\$55,910
Land Surveying (Estimated Two Days of Two-Person Crew plus Office Data Reduction)					\$4,000
Indirect Expenses (Mileage, Telephone, Postage, Computer, etc)					\$3,440
Direct Expenses (Outside Reproductions, Plotting, Parcel Express, etc.)					\$1,000
Total					\$64,350



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JERRY GRUBER, CITY MANAGER**

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: APPROVAL OF PLANS AND SPECIFICATIONS AND
AUTHORIZATION TO ADVERTISE THE FLETCHER RIDGEVIEW
DRAINAGE AND STREET PROJECT NUMBER 08-010**

RECOMMENDATION:

Approve the plans and specifications and authorize advertisement for bids for the Fletcher Ridgeview Drainage and Street Project, Project No. 08-010.

INTRODUCTION:

The FY 2008-09 adopted Capital Improvement Program included funds for constructing the Fletcher Ridgeview Drainage Project. The project was postponed in order to incorporate value engineering recommendations to reduce cost and impacts to neighboring properties. Wilsey Ham prepared the design for the project. The project was re-budgeted in FY 2009-10 and the plans are now ready for bidding.

The need for the drainage project resulted from the 2000 Townwide Drainage Study (the Nolte Study). When the 2008 Pavement Condition Report came out, it was determined that Ridgeview Drive is the fifth worst street in the Town with a PCI of 39. This PCI, in the fair condition category, makes Ridgeview a candidate for reconstruction.

Fletcher Drive, which has a PCI of 71 (normally just a slurry seal candidate), has several trench cuts across the streets at angles from a previous water and sewer replacement projects, and will have additional cuts from the storm drain project. In addition, both streets, especially Fletcher Drive, have irregular street widths and geometry. For these reasons, staff recommends that both streets be reconstructed as a part of the storm drain project.

ANALYSIS:

The Fletcher Ridgeview Drainage and Street Project will construct a storm drainage system from the corner of Fletcher Drive and Alta Vista Drive, down Fletcher Drive to Ridgeview Drive , and down Ridgeview Drive to Sutherland Drive, where it will connect to the existing outfall to the Atherton Channel. In order to not exceed the capacity of the outfall, and to avoid an increase in flow in the Atherton Channel, a detention structure will be constructed south of the Ridgeview/Sutherland intersection.

Both streets will be reconstructed using the normal Town standards of milling and full depth asphalt paving. Failed sections of valley gutter will be replaced. Locations currently with no valley gutter will have valley gutter installed, with the runoff directed via catch basins into the drainage system. Ditches and asphalt berms along the roadside will thus be eliminated, creating a safer walking and driving environment.

FISCAL IMPACT:

Parcel Tax funds in the amount of \$1,000,000 are budgeted for the drainage portion of the project in FY 2009-10. Road Impact Fee Funds in the amount of \$500,000 are budgeted for the street portion of the project in FY 2009-10. However, due to the uncertainty of Road Impact Fee funding, staff recommends that funds be reallocated to the project from Parcel Tax funds and not use Road Impact Fee funds. The Street Reconstruction 7 project is currently budget for \$341,000 in Parcel Tax funds. The remaining funding needed, based on the bid received, can be reallocated from the lowest priority drainage projects budgeted for \$350,000. The total available to be reallocated for the project would therefore be \$1,691,000. In the event Road Impact Fee funds remain to be spent, they can be reallocated to the Street Reconstruction 7 project.

For the FY 2009-10 budget, the Town was not able to make a special adjustment to the Gann Limit calculation for the special tax assessed. To ensure that the Town met the appropriations limit as set by Article XIII B of the California Constitution, the Town budgeted \$1,984,667 as qualified budget outlay to exclude this amount from the proceeds from taxes. This project is one of the projects identified as "Qualified Capital Outlay" in the Gann Limit calculation. With the FY 2009-10 audit, Maze & Associates (external auditor) will be testing and confirming that the Town meets the exclusion as stated in the attached Gann Limit calculation. In order to meet the Gann Limit at audit, this project needs to be constructed.

The Engineer's Estimate for the Fletcher Ridgeview Project is \$1,462,839. In addition, a 10% construction contingency of \$146,284 would bring the total estimate to \$1,609,123. The project is scheduled to receive bids in late January 2010 and award the contract at the February 2010 City Council meeting.

Prepared By:

Approved:

/s/ *Duncan L. Jones*

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

Jerome D. Gruber
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JERRY GRUBER, CITY MANAGER**

FROM: DUNCAN JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: AWARD OF CONTRACT TO NORTHERN CALIFORNIA FENCE
FOR THE TENNIS COURT FENCE FABRIC REPLACEMENT
PROJECT NUMBER 09-013 IN AN AMOUNT NOT TO EXCEED
\$22,900 PLUS A TEN PERCENT CONSTRUCTION
CONTINGENCY, FOR A TOTAL AUTHORIZATION OF
\$25,190.00.**

RECOMMENDATION:

Pass a motion to award the contract for the tennis court fence fabric replacement, project number 09-013 to Northern California Fence, the low bidder, for \$22,900.00, with a 10% construction contingency of \$2,290.00, for a total authorization of \$25,190.00; and to authorize the City Manager to sign the contract on behalf of the Town.

INTRODUCTION:

It has been noted in the past several park walk-throughs with the Park and Recreation Commission that the fencing fabric at the tennis courts was aging and becoming very sharp to the touch. Many people likened the weathered texture to that of a cheese grater. Tennis players advised of instances where people had run into the fence during the course of play, and received minor injuries (cuts and scratches) from the texture. This fence condition is not localized to small areas, but is throughout the entire tennis court facility.

It was decided that staff would look into replacing the fence fabric, only leaving the metal "skeleton" intact.

Staff scoped out the necessary work to remedy the condition as follows;

- 1) Remove and dispose of 1500' lineal feet of current chain link fabric.

- 2) Replace in kind with new, 9 foot high, black vinyl coated, 11 gauge chain link fabric including all necessary ties and fittings.
- 3) All current metal fence “skeleton” and gates are to remain intact.

ANALYSIS:

3 bids were received for the Tennis Court Fence Fabric Replacement Project as follows:

CONTRACTOR	LOCATION	BID
AAA Fence Co.	Santa Clara	\$23,124.00
North American Fence	Oakland	\$29,428.00
Northern California Fence	Redwood City	\$22,900.00

Informal bidding procedures were used in accordance with 3.16.120 Public projects – Exemption and informal bidding procedure.

FISCAL IMPACT:

Parcel Tax funds in the amount of \$27,000.00 are budgeted for this project in FY 2009-10. Northern California Fence of Redwood City was the low bidder at \$22,900.00. A 10% construction contingency of \$2,290.00 would bring the total authorization to \$25,190.00, which is \$1,810.00 (6.7%) below the FY 2009-10 budget.

Prepared By:

/s/ *Duncan L. Jones*

Approved:

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

Jerome D. Gruber
City Manager



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JERRY GRUBER, CITY MANAGER**

FROM: DUNCAN L. JONES, PUBLIC WORKS DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH MARK
THOMAS & COMPANY, INC. FOR SURVEYING SERVICES FOR THE
STREET RECONSTRUCTION PHASE 7 PROJECT, IN AN AMOUNT
NOT TO EXCEED \$68,190 PLUS A TEN PERCENT CONTINGENCY,
FOR A TOTAL AUTHORIZATION OF \$75,009.**

RECOMMENDATION:

Accept the proposal and authorize the City Manager to sign a Professional Services Agreement with Mark Thomas & Company, Inc. to provide Surveying services for the Street Reconstruction Phase 7 Project in an amount not exceed \$68,190, plus a 10% contingency, for a total authorization of \$75,009.

BACKGROUND:

There are two streets to be included in the Street Reconstruction Phase 7 project that have not been surveyed. They are:

Park Lane (from Camino al Lago to Elena Avenue)
Polhemus Avenue (from Alameda de Las Pulgas to Euclid Avenue)

Staff developed a Request For Proposals (RFP) to solicit proposals for on-call surveying in 2007. Mark Thomas was the selected firm.

ANALYSIS:

Mark Thomas did a good professional job with the surveys prepared last year. Staff reviewed the proposal presented by Mark Thomas for this year's work and determined it was reasonable. This proposal includes significant right of way research because it is already known that the Park Lane right of way is irregular and that the existing street may not be within the right of way.

FISCAL IMPACT:

Funds in the amount of \$341,000 in Parcel Tax funds are budgeted for this project in FY 2009-10. The Scope of Services and Fee Estimate were negotiated with the selected firm. The final negotiated fee estimate is \$68,190. A 10% contingency of \$6,819 would bring the total authorization to \$75,009, which is within the approved budget.

Prepared By:

/s/ *Duncan L. Jones*

Approved:

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

Jerome D. Gruber
City Manager

Attachments: Professional Services Agreement

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is entered into as of the 13th day of November 2009, by and between the TOWN OF ATHERTON, herein called the "Town" and Mark Thomas and Company, herein called the "Consultant."

Recitals

WHEREAS, Town desires to obtain professional land surveying services in connection with Park Lane and Polhemus Avenue Project, and

WHEREAS, Consultant hereby represents to the Town that Consultant is skilled and able to provide such services described in Section 3 of this Agreement; and

WHEREAS, Town desires to retain Consultant pursuant to this Agreement to provide the services described in Section 3 of this Agreement.

Agreement

NOW, THEREFORE, in consideration of their mutual covenants, the parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

2. Project Coordination.

A. Town. The City Manager or his/her designee, shall represent Town for all purposes under this Agreement. The City Manager or designee is hereby designated as the Project Manager. The Project Manager shall supervise the progress and execution of this Agreement.

B. Consultant. The Consultant shall assign Julia MacRory, Project Manager, to have overall responsibility for the progress and execution of this Agreement for Consultant.

3. Scope and Performance of Services

A. Scope of Services. Subject to such policy direction and approvals as the Town through its staff may determine from time to time, Consultant shall perform the services set out in the "Scope of Work" attached hereto as Exhibit A and incorporated herein by reference.

B. Time of Performance. The services of Consultant are to commence no sooner than January 1, 2010, and be completed not later than April 15, 2010. Consultant shall perform its services in accordance with the schedule attached hereto as Exhibit B, and incorporated herein by reference. Any changes to these dates in either this Section 3 or Exhibit B must be approved in writing by the Project Manager.

C. Standard of Quality. Town relies upon the professional ability of Consultant as a material inducement to entering into this Agreement. All work performed by Consultant under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

4. Compensation and Method of Payment.

A. Compensation. The compensation to be paid to Consultant, including both payment for professional services and reimbursable expenses, shall be at the rate and schedules attached hereto as Exhibit C, and incorporated herein by reference. However, in no event shall the amount Town pays Consultant exceed Sixty-Eight Thousand One Hundred Ninety Dollars (\$68,190.00). Payment by Town under this Agreement shall not be deemed a waiver of unsatisfactory work, even if such defects were known to the Town at the time of payment.

B. Timing of Payment. Consultant shall submit itemized monthly statements for work performed. Town shall make payment, in full, within thirty (30) days after approval of the invoice by the Project Manager.

C. Changes in Compensation. Consultant will not undertake any work that will incur costs in excess of the amount set forth in Paragraph 4(A) without prior written amendment to this Agreement.

D. Taxes. Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

E. No Overtime or Premium Pay. Consultant shall receive no premium or enhanced pay for work normally understood as overtime, i.e., hours that exceed forty (40) hours per work week, or work performed during non-standard business hours, such as in the evenings or on weekends. Consultant shall not receive a premium or enhanced pay for work performed on a recognized holiday. Consultant shall not receive paid time off for days not worked, whether it be in the form of sick leave, administrative leave, or for any other form of absence.

F. Litigation Support. Consultant agrees to testify at Town's request if litigation is brought against Town in connection with Consultant's work product. Unless the action is brought by Consultant or is based upon Consultant's negligence, Town will compensate Consultant for the preparation and the testimony at Consultant's standard hourly rates, if requested by Town and not part of the litigation brought by Town against Consultant.

5. Amendment to Scope of Work. Town shall have the right to amend the Scope of Work within the Agreement by written notification to the Consultant. In such event, the compensation and time of performance shall be subject to renegotiation upon written demand of either party to the Agreement. Consultant shall not commence any work exceeding the Scope of Work without prior written authorization from the Town. Failure of the Consultant to secure Town's written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the contract price or time due, whether by way of compensation, restitution, quantum meruit, etc. for work done without the appropriate Town authorization.

6. Term. This Agreement shall commence upon its execution and shall continue in full force and effect until completed, amended pursuant to Section 21, or otherwise terminated as provided herein.

7. Inspection. Consultant shall furnish Town with every reasonable opportunity for Town to ascertain that the services of Consultant are being performed in accordance with the requirements and intentions of this Agreement. All work done and all materials furnished, if any, shall be subject to the Project Manager's inspection and approval. The inspection of such work shall not relieve Consultant of any of its obligations to fulfill the Agreement as prescribed.

8. Ownership of Documents. Title to all plans, specifications, maps, estimates, reports, manuscripts, drawings, descriptions and other final work products compiled by the Consultant under the Agreement shall be vested in Town, none of which shall be used in any manner whatsoever, by any person, firm, corporation, or agency without the expressed written consent of the Town. Basic survey notes and sketches, charts, computations, and other data prepared or obtained under the Agreement shall be made available, upon request, to Town without restriction or limitations on their use. Consultant may retain copies of the above-described information but agrees not to disclose or discuss any information gathered, discussed or generated in any way through this Agreement without the written permission of Town during the term of this Agreement, unless required by law.

9. Employment of Other Consultants, Specialists or Experts. Consultant will not employ or otherwise incur an obligation to pay other consultants, specialists, or

experts for services in connection with this Agreement without the prior written approval of the Town.

10. Conflict of Interest.

A. Consultant covenants and represents that neither it, nor any officer or principal of its firm, has, or shall acquire any investment, income, business entity, interest in real property, or other interest, directly or indirectly, which would conflict in any manner with the interests of Town, hinder Consultant's performance of services under this Agreement, or be affected in any manner or degree by performance of Consultant's services hereunder. Consultant further covenants that in the performance of the Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the Town. Consultant agrees to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the Town in the performance of the Agreement.

B. Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

(1) will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the Town or of any Town official, other than normal contract monitoring; and

(2) possesses no authority with respect to any Town decision beyond the rendition of information, advice, recommendation, or counsel. (2 Cal. Code Regs. § 18700(a)(2).)

11. Liability of Members and Employees of Town. No member of the Town and no other officer, employee or agent of the Town shall be personally liable to Consultant or otherwise in the event of any default or breach of the Town, or for any amount which may become due to Consultant or any successor in interest, or for any obligations directly or indirectly incurred under the terms of this Agreement.

12. Indemnity. To the fullest extent permitted by law, Consultant hereby agrees to defend (by counsel reasonably satisfactory to the Town), indemnify, and hold harmless the Town, its officers, agents, employees, from and against any and all claims, damages, and liabilities, but only to the extent actually caused by the negligent acts, errors, or omissions of Consultant, its officers and employees undertaken pursuant to this Agreement excepting liabilities due to the negligence or willful misconduct of Town. Consultant's duty to indemnify and hold harmless, as set forth herein, shall include the duty to defend as set forth in California Civil Code § 2778. This indemnification obligation is not limited in any way by any limitation on the amount or

type of damages or compensation payable by or for Consultant under Workers' Compensation, disability or other employee benefit acts or the terms, applicability or limitations of any insurance held or provided by Consultant and shall continue to bind the parties after termination/completion of this agreement.

13. Consultant Not an Agent of Town. Consultant, its officers, employees and agents shall not have any power to bind or commit the Town to any decision.

14. Independent Contractor. It is expressly agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent contractor and not an agent or employee of Town; and as an independent contractor, Consultant shall obtain no rights to retirement benefits or other benefits which accrue to Town's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

15. Compliance with Laws.

A. General. Consultant shall use the standard of care in its profession to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations. Consultant represents Town that it has and shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for Consultant to practice its profession. Consultant shall maintain a Town business license. The Town is not responsible or liable for Consultant's failure to comply with any or all of the requirements contained in this paragraph.

B. Workers' Compensation. Consultant certifies that it is aware of the provisions of the California Labor Code which require every employee to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Consultant certifies that it will comply with such provisions before commencing performance of the Agreement and at all times in the performance of the Agreement.

C. Prevailing Wage. Consultant and Consultant's subconsultants (if any) shall, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates to workers and professionals as determined by the Director of Industrial Relations of the State of California pursuant to California Labor Code, Part 7, Chapter 1, Article 2. Copies of the applicable wage determination are on file at the Town's Public Works Department office.

D. Injury and Illness Prevention Program. Consultant certifies that it is aware of and has complied with the provisions of California Labor Code § 6401.7, which requires every employer to adopt a written injury and illness prevention program.

E. Town Not Responsible. Town is not responsible or liable for Consultant's failure to comply with any and all of its requirements under this section and Agreement.

F. Waiver of Subrogation. Consultant and Consultant's insurance company agree to waive all rights of subrogation against Town, its elected or appointed officials, officers, agents, employees, and volunteers for losses paid under Consultant's workers' compensation insurance policy which arise from the work performed by Consultant for the Town.

16. Confidential Information. All data, documents, discussions or other information developed or received by or for Consultant in performance of this Agreement are confidential and not to be disclosed to any person except as authorized by the Town, or as required by law.

17. Assignment; Subcontractors; Employees

A. Assignment. Consultant shall not assign, delegate, transfer, or convey its duties, responsibilities, or interests in this Agreement or any right, title, obligation, or interest in or to the same or any part thereof without the Town's prior written consent. Any assignment without such approval shall be void and, at the Town's option, shall immediately cause this Agreement to terminate.

18. Insurance.

A. Minimum Scope of Insurance.

(1) Consultant agrees to have and maintain, for the duration of this Agreement, a General Liability insurance policy insuring it and its firm to an amount not less than \$2,000,000 (Two Million Dollars) combined single limit per occurrence and in the aggregate for bodily injury, personal injury, and property damage.

(2) Consultant agrees to have and maintain, for the duration of this Agreement, an Automobile Liability insurance policy insuring it and its staff to an amount not less than \$1,000,000 (One Million Dollars) combined single limit per accident for bodily injury and property damage.

(3) Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors, or omissions which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant or by its employees, subcontractors, or subconsultants. The amount of this insurance shall not be less than \$1,000,000 (One Million Dollars) on a claims-made annual aggregate basis.

(4) A Workers' Compensation and Employers' Liability policy written in accordance with the laws of the State of California and providing coverage for any and all employees of Consultant:

(a) This policy shall provide coverage for Workers' Compensation (Coverage A).

(b) This policy shall also provide required coverage for Employers' Liability (Coverage B).

(5) All of the following endorsements are required to be made a part of each of the required policies, except for the Professional Liability and Workers' Compensation and Employers' Liability policies, as stipulated below:

(a) The Town of Atherton, its officials, officers, agents, employees, and volunteers are hereby added as additional insureds, but only as respects work done by, for, or on behalf of the named insured."

(b) "This policy shall be considered primary insurance as respects any other valid and collectible insurance the Town may possess, including any self-insured retention the Town may have, and any other insurance the Town does possess shall be considered excess insurance only and shall not contribute with it."

(c) "This insurance shall act for each insured and additional insured as though a separate policy had been written for each. This, however, will not act to increase the limit of liability of the insuring company."

(6) Consultant shall provide to Town all certificates of insurance with original endorsements effecting coverage required by this paragraph. Certificates of such insurance shall be filed with Town on or before commencement of performance of this Agreement. Town reserves the right to require complete, certified copies of all required insurance policies at any time.

(7) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Town, its officials, officers, agents, employees, and volunteers.

(8) Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

B. All Coverages. Each insurance policy required shall provide that coverage shall not be canceled, except after 30-days' prior written notice by certified mail, return receipt requested, has been given to Town. Current certification of such

insurance shall be kept on file with the City Manager at all times during the term of this Agreement.

C. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Town. At the Town's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

E. Verification of Coverage. Consultant shall furnish the Town with original Certificate(s) of Insurance verifying Consultant's receipt of the insurance coverage required herein.

19. Termination of Agreement; Default.

A. This Agreement and all obligations hereunder may be terminated at any time, with or without cause, by the Town upon 5-days' written notice to Consultant.

B. If Consultant fails to perform any of its obligations under this Agreement within the time and in the manner herein provided or otherwise violate any of the terms of this Agreement, in addition to all other remedies provided by law, Town may terminate this Agreement immediately upon written notice. In such event, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total fee.

C. In the event this Agreement is terminated by Town without cause, Consultant shall be entitled to any compensation owing to it hereunder up to the time of such termination, it being understood that any payments are full compensation for services rendered prior to the time of payment.

D. Upon termination of this Agreement with or without cause, Consultant, after final payment, shall turn over to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by Consultant or its subcontractors, if any, or given to Consultant or its subcontractors, if any, in connection with this Agreement. Such materials shall become the permanent property of the Town. Consultant, however, shall not be liable for the Town's use of incomplete materials nor for the Town's use of complete documents if used for other than the project contemplated by this Agreement.

20. Suspension. The Town shall have the authority to suspend this Agreement and the services contemplated herein, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of the Consultant to perform any provision of this Agreement. Consultant will be paid for satisfactory Services performed through the date of temporary suspension.

21. Merger; Amendment. This Agreement constitutes the complete and exclusive statement of the agreement between the Town and Consultant and shall supersede all prior negotiations, representations, or agreements, either written or oral. This document may be amended only by written instrument, signed by both the Town and Consultant. All provisions of this Agreement are expressly made conditions.

22. Interpretation. This Agreement shall be interpreted as though it was a product of a joint drafting effort and no provisions shall be interpreted against a party on the ground that said party was solely or primarily responsible for drafting the language to be interpreted.

23. Litigation Costs. If either party becomes involved in litigation arising out of this Agreement or the performance thereof, the court in such litigation shall award reasonable costs and expenses, including attorneys' fees, to the prevailing party. In awarding attorneys' fees, the court will not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorneys' fees paid or incurred in good faith.

24. Written Notification. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail. Any such notice, demand, etc. shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 72 hours from the time of mailing if mailed as provided in this section.

If to Town: City Clerk
Town of Atherton - Town Hall
91 Ashfield Road
Atherton, CA 94027

If to Consultant: Richard Tanaka, President
Mark Thomas and Company
1960 Zanker Road
San Jose, CA 95112

25. Consultant's Books and Records.

A. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to the Town and all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

B. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to the Town for inspection when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

C. The Town may, by written request by any of the above-named officers, require that custody of the records be given to the Town and that the records and documents be maintained in the City Manager's office.

26. Agreement Binding. The terms, covenants, and conditions of this Agreement shall apply to, and shall bind, the heirs, successors, executors, administrators, assigns, and subcontractors of both parties.

27. Equal Employment Opportunity. Consultant is an equal opportunity employer and agrees to comply with all applicable state and federal regulations governing equal employment opportunity. Consultant will not discriminate against any employee or applicant for employment because of race, age, sex, creed, color, sexual orientation, marital status or national origin. Consultant will take affirmative action to ensure that applicants are treated during such employment without regard to race, age, sex, creed, color, sexual orientation, marital status, or national origin. Such action shall include, but shall not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-offs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Consultant further agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

28. Town Not Obligated to Third Parties. The Town shall not be obligated or liable for payment hereunder to any party other than the Consultant.

29. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

30. Severability. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

31. Exhibits. The following exhibits are attached to this Agreement and incorporated herein by this reference:

- A. Exhibit A: Scope of Work
- B. Exhibit B: Schedule of Performance
- C. Exhibit C: Compensation

32. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

33. News Releases/Interviews. All Consultant and subconsultant news releases, media interviews, testimony at hearings and public comment shall be prohibited unless expressly authorized by the Town.

34. Applicable Law; Venue. This Agreement shall be construed and interpreted according to California law. In the event that suit shall be brought by either party hereunder, the parties agree that trial of such action shall be held exclusively in a state court in the County of San Mateo, California.

35. Authority. Each individual executing this Agreement on behalf of one of the parties represents that he or she is duly authorized to sign and deliver the Agreement on behalf of such party and that this Agreement is binding on such party in accordance with its terms.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement as of the date first above written.

TOWN OF ATHERTON

CONSULTANT

By: _____
City Manager

By: _____
Title: _____

Date:

Date:

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

By: _____
City Clerk

EXHIBIT A

Scope of Work

[to be inserted]

EXHIBIT B

Schedule of Performance

[to be inserted]

EXHIBIT C

Compensation

[to be inserted]



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CHIEF MICHAEL GUERRA

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: ADOPTION OF RESOLUTION ACCEPTING THE 2009/2010
SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND
(SLESF) CITIZEN'S OPTION FOR PUBLIC SAFETY (COPS)
GRANT**

RECOMMENDATION:

Staff recommends that Council adopt a resolution accepting the recommended expenditures of the remaining balance of FY 2009-10 Supplemental Law Enforcement Services Fund (SLESF), Citizen's Option for Public Safety (COPS) Grant in the amount of \$106,468.19 in accordance with state requirements. The funds must be expended by June 30, 2011.

INTRODUCTION:

Over the past several years monies have been available through the State of California to local entities in the form of Citizen's Option for Public Safety (COPS) Grant. This year the Atherton PD will receive \$106,468.19. The grant restricts money to front line law enforcement purposes. On behalf of the State, the County of San Mateo manages the program at the local level. The County will issue the grant funds once they receive a resolution adopted by Council and the planned distribution of funds are approved by their Law Enforcement Oversight Committee.

ANALYSIS:

In FY 1996-1997, the California State Legislature created the Citizen's Option for Public Safety (COPS) Program. Under this program, cities and counties receive state funds to

augment public safety expenditures. This is a non-competitive grant program. Effective September 8, 2000, cities are guaranteed a minimum grant award of \$100,000. The program has continued every year since its inception, and the Atherton PD anticipates receiving COPS funds on an annual basis.

The funds must be used for frontline municipal police services and must supplement and non-supplant existing funding. Council is required to hold a public hearing, apart from its usual budget hearings to consider the written request of the Chief of Police for use of funds.

Each city must create a Supplemental Law Enforcement Services Fund (SLESF) for the COPS grant money. The funds cannot be used for administrative overhead costs in excess of 0.5 percent of the total allocation. The allocation may not be used to fund the costs of any capital project or construction project that does not directly support frontline law enforcement.

PD will use State COPS funds to supplement the funding for a police officer position.

FISCAL IMPACT:

The fiscal impact is the Town will receive \$106,468.19. The FY 2009-2010 COPS Grant total is \$106,468.19.

Prepared By:

Approved:

Michael Guerra
Chief of Police

Jerome D. Gruber
City Manager

RESOLUTION 09-51

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
TO ACCEPT A \$106,468.19 STATE COPS GRANT FROM THE STATE OF
CALIFORNIA AND APPROVE USE OF THE FUNDS**

WHEREAS, the FY 2008/09 State Budget includes funding the State COPS program which includes \$106,468.19 to the Town of Atherton Police Department for Fiscal Year 2009/10; and

WHEREAS, the Legislature mandated this money to be spent for the front line law enforcement purposes; and

WHEREAS, the Atherton Police Department wishes to spend the grant to place a Police Officer on the streets; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton, California does hereby approve the use of the \$106,468.19 for the State COPS Grant for the Atherton Police Department to place a Police Officer on the streets.

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 16th day of December 2009 by the following vote:

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

ATTEST:

Jerry Carlson, MAYOR
TOWN OF ATHERTON

Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

Wynne S. Furth, City Attorney

TOWN OF ATHERTON

**TO: HONORABLE MAYOR AND CITY COUNCIL
CITY MANAGER, JERRY GRUBER**

FROM: KATHY HUGHES ANDERSON, TOWN ARBORIST

DATE: FOR THE REGULAR MEETING OF NOVEMBER 18, 2009

**SUBJECT: PRESENTATION OF THE RESULTS OF ATHERTON'S GOVERNMENT
OPERATIONS EMISSIONS INVENTORY**

RECOMMENDATION:

This item is informational and does not require any action by the City Council. The City Council may wish to direct staff or the EPC to review the recommendations made by ICLEI to develop a policy for implementing changes that would result in a decrease in government operations emissions and increased efficiencies.

BACKGROUND:

The City County Association of Governments (C/CAG) approved the expenditure of funds to assist local jurisdictions for the cost of preparing baseline inventories. In April 2008, the City Council approved a request to C/CAG for a \$13,000 grant for the Town's government operation greenhouse gas emissions inventory. We partnered with ICLEI and Sustainable Silicon Valley (SSV), along with twenty local jurisdictions in San Mateo County and Santa Clara County, in order to share the cost of having ICLEI prepare government operations emissions inventory reports. Participating organizations received a volume discount that SSV helped negotiate with ICLEI. ICLEI and SSV estimated a total cost of approximately \$260,000 to develop 20 local government inventories. The cost for each jurisdiction is \$13,000. ICLEI's normal fee is \$20,000 - \$25,000 to perform the inventory for a city. The Joint Venture Silicon Valley Network (JVSVN) executed the contracts with local jurisdictions in order to maximize service delivery efficiency and reduce costs.

ANALYSIS

The scope of work for each jurisdiction included data specification, data collection, data conditioning, data input and analysis using Clean Air and Climate Protection (CACP) software, analysis of data results, report development and provision of backup source data and CACP software data. From June 2008 to June 2009, ICLEI staff and I worked together to collect the data.

Sources of emissions were identified and the raw data collected, including natural gas and electricity usage from PG&E for all town operated facilities, employee commute, vehicle fleet, streetlights and waste generation. ICLEI staff completed the inventory in June 2009. Their contract with SSV and C/CAG did not include making evening presentations to City Councils. They were able to make a presentation to the EPC in July 2009. The EPC and staff are presenting the results of the government operations inventory to the City Council for your consideration. The City Council may wish to use the information for future policy making decisions and to set emission reduction goals.

FISCAL IMPACT:

There is no fiscal impact at this time. There could be future fiscal impact if the City Council wishes to implement any of the recommendations made to reduce emissions. It is possible that there will be long term savings to the Town by improved efficiency of government operations as a result of implementing the recommended changes.

Prepared by:

/s/ Kathy Hughes Anderson

Kathy Hughes Anderson

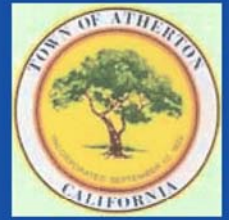
Reviewed by:

Jerome D. Gruber, City Manager

Attachments:

1. ICLEI Power Point Presentation – ***Available in the City Clerks Office and online in the November 18, 2009 Agenda Packets***

Town of Atherton 2005 Government Operations Greenhouse Gas Emissions Inventory



Credits and Acknowledgements

Atherton

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Steve Tyler, Public Works Superintendent

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This report was prepared by Alison Culpén and Justus Stewart, Program Associates at ICLEI-Local Governments for Sustainability USA. The authors gratefully acknowledge the dedication of the staff of Atherton, who provided much of the insight and local information necessary for the completion of this report. Thanks also to the San Mateo City/County Association of Governments, which provided funds to local governments in San Mateo County for the completion of this inventory.

Joint Venture: Silicon Valley Network



Russell Hancock, President and Chief Executive Officer

Established in 1993, Joint Venture provides analysis and action on issues affecting the Silicon Valley economy and quality of life. The organization brings together established and emerging leaders—from business, government, academia, labor, and the broader community—to spotlight issues, launch projects, and work toward innovative solutions.

<http://www.jointventure.org>

Sustainable Silicon Valley

Marianna Grossman, Executive Director



Sustainable Silicon Valley (SSV) is a collaboration of businesses, governments, and non-governmental organizations that are identifying and addressing environmental and resource pressures in the Valley. As its first initiative, SSV is engaging prominent Valley organizations to work toward self-imposed goals of reducing regional carbon dioxide (CO₂) emissions. The SSV approach is to facilitate strategies to reduce CO₂ emissions through increased energy and fuel efficiency and through the use of renewable sources of energy. SSV envisions a thriving Silicon Valley with a healthy environment, a vibrant economy, and a socially equitable community. Sustainable Silicon Valley's mission is to lead the Silicon Valley community to create a more sustainable future by engaging and collaborating with local government agencies, businesses, and community organizations to identify and help address the highest priority environmental issues in the Valley.

<http://www.sustainablesiliconvalley.org>

ICLEI-Local Governments for Sustainability USA

Michelle Wyman, Executive Director



ICLEI-Local Governments for Sustainability is a membership association of more than 1,000 local governments worldwide—more than 500 in the United States—committed to advancing climate protection and sustainability. Through technical expertise, direct network engagement, and the innovation and evolution of tools, ICLEI strives to empower local governments to set and achieve their emissions reduction and sustainability goals.

<http://www.icleiusa.org>



Town of Atherton

April 6, 2009

Dear Atherton Community:

I am proud to present you with Atherton's Local Government Operations Greenhouse Gas Emissions Inventory Report for the year 2005. This report, which presents the emissions from Atherton's operations, represents a culmination of a year of hard work by our staff in concert with ICLEI-Local Governments for Sustainability USA. This report illustrates the comprehensive efforts of our community to advance climate protection and make our community a more sustainable place to live and work.

Atherton has committed to reduce emissions from our operations, and this report represents an important first step in that process. The information from this report will help us to identify the sources of emissions from our operations, and will serve as the benchmark from which we can gauge our progress toward reducing those emissions. While we have made great strides in addressing our impact on the environment, climate change remains a significant challenge for our community. Meeting our emissions reduction goals means making changes in all areas of our government operations – from reducing natural gas and electricity usage to purchasing recycled content products. As we reduce emissions from our operations, we will be providing leadership to our community, increasing the efficiency of our operations, and saving scarce resources.

In addition to our individual actions, Atherton is proud to participate in the regional collaborations occurring in San Mateo County and in the larger San Francisco Bay Area. This inventory, for example, was conducted as part of a partnership of 27 local governments in San Mateo, Santa Clara, and Santa Cruz Counties. We will continue to engage in this and other partnerships in the future as we seek to improve the sustainability and livability of our communities and our region.

Moving forward, Atherton will continue to examine our operations to identify areas where further emissions reductions can be implemented. However, in order to have a more comprehensive response to climate change, the community's involvement is essential. We encourage every citizen to examine their own activities and search for ways that they can reduce their personal greenhouse gas emissions at home, work, school or while commuting. Working together, Atherton can demonstrate our leadership and be an inspiration for others in the region, state and across the country.

Sincerely,

Jerry Carlson
Mayor

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Executive Summary

Atherton has recognized that human-caused climate change is a reality, with potentially disruptive effects to Atherton's residents and businesses. Atherton also recognizes that local governments play a leading role in both reducing greenhouse gas emissions and mitigating the potential impacts of climate change. Local governments can dramatically reduce the emissions from their government operations by such measures as increasing energy efficiency in facilities and vehicle fleets, utilizing renewable energy sources, sustainable purchasing, waste reduction, and supporting alternative modes of transportation for employees. The co-benefits of these measures may include lower energy bills, improved air quality, and more efficient government operations.

Atherton has begun its efforts to address the causes and effects of climate change with the assistance of the partners in the Silicon Valley Climate Protection Partnership. These partners include Joint Venture: Silicon Valley Network; Sustainable Silicon Valley; local governments in San Mateo, Santa Clara, and Santa Cruz counties, and ICLEI-Local Governments for Sustainability USA.

This greenhouse gas emissions inventory represents completion of an important first step in Atherton's climate protection initiative. As advised by ICLEI, it is essential to first quantify emissions to establish:

- A baseline emissions inventory, against which to measure future progress.
- An understanding of the scale of emissions from the various sources within government operations.

Presented here are estimates of greenhouse gas emissions in 2005 resulting from Atherton's government operations. With one exception,¹ all emissions estimates in this report refer to emissions generated from sources over which Atherton has direct operational control, exclusive of physical location.² This includes all government-operated facilities, streetlights, and other stationary sources; vehicle fleet and off-road equipment; and waste generated by

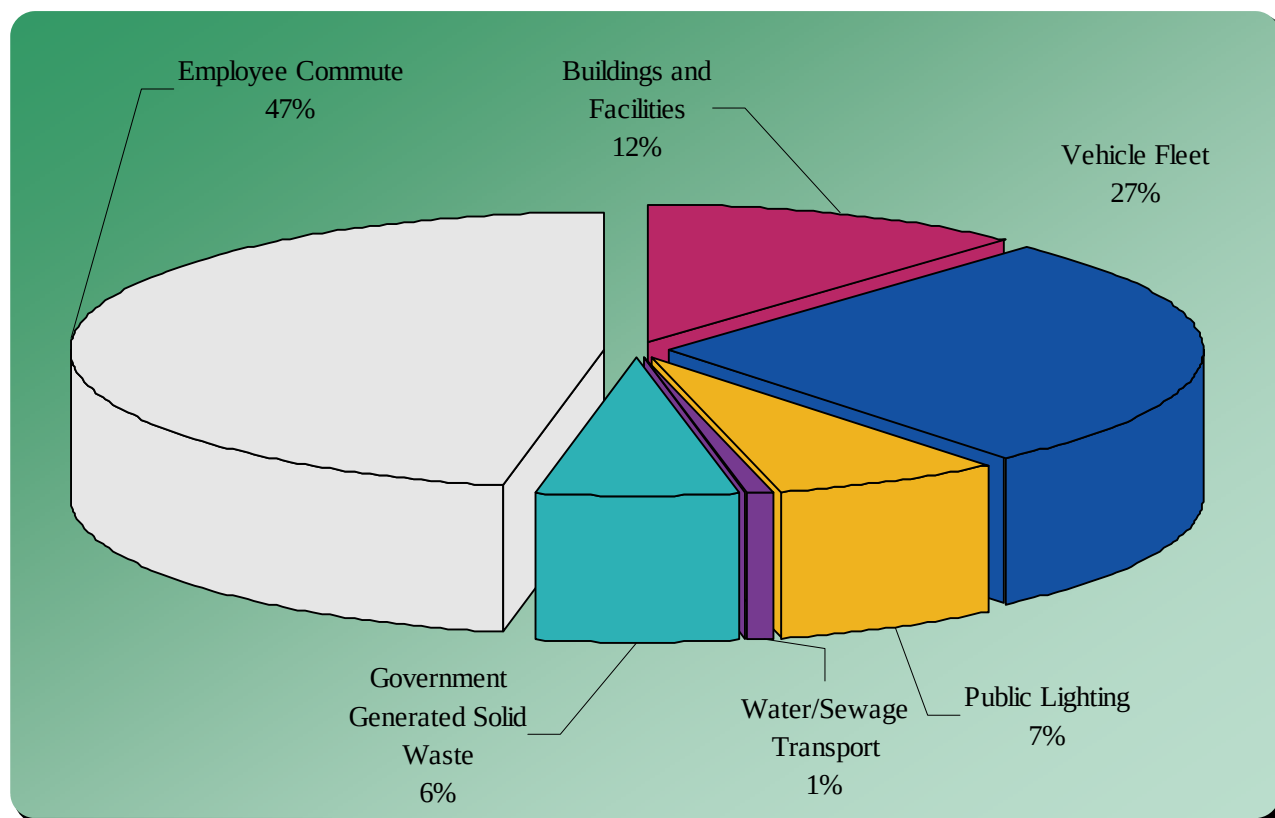
¹ The exception is emissions from employee-owned vehicles that are used by employees during commuting.

² Facilities, vehicles, or other operations wholly or partially owned by, but not operated by, Atherton are not included in this inventory. See Appendix A for more details on the boundaries of the inventory.

government operations. The inventory *does not* estimate emissions from the larger community—these were addressed in the community-scale greenhouse gas emissions inventory. Therefore, this inventory should be considered to be an independent analysis relevant only to Atherton’s internal operations.

This inventory is one of the first inventories to use a new national standard developed and adopted by the California Air Resources Board (ARB) in conjunction with ICLEI, the California Climate Action Registry, and The Climate Registry. This standard, called the Local Government Operations Protocol (LGOP), provides standard accounting principles, boundaries, quantification methods, and procedures for reporting greenhouse gas emissions from local government operations. To that end, LGOP represents a strong step forward in standardizing how inventories are conducted and reported, providing a common national framework for all local governments to establish their emissions baseline. This and all emissions inventories represent an estimate of emissions using the best available data and calculation methodologies. Emissions estimates are subject to change as better data and calculation methodologies become available in the future. Regardless, the findings of this inventory analysis provide a solid base against which Atherton can begin planning and taking action to reduce its greenhouse gas emissions.

Figure ES.1 2005 Atherton Government Operations CO₂e Emissions



Inventory Results

In 2005, Atherton's direct emissions, emissions from electricity consumption, and select indirect sources totaled 639 metric tons of CO₂e.³ Of the total emissions accounted for in this inventory, emissions from employee commute were the largest (47 percent as shown in Figure ES.1 and Table ES.1). The second largest source of emissions was the vehicle fleet, which accounted for 27 percent of total emissions. These two sources alone produced 74 percent of Atherton's emissions in 2005.

Cumulatively, Atherton spent approximately \$131,312 on energy (electricity, natural gas, diesel and gasoline) for government operations in 2005. Of this total, 64 percent of these energy expenses (\$83,200) resulted from electricity consumption, and four percent from natural gas purchases from PG&E (\$5,192). Fuel purchases (gasoline, diesel) for the vehicle fleet and mobile equipment totaled \$42,920, or 32 percent of total costs included in this inventory. Beyond reducing greenhouse gases, any future reductions in municipal energy consumption will have the potential to reduce these costs, enabling Atherton to reallocate limited funds toward other municipal services or create a revolving energy loan fund to support future climate protection activities.

Table ES.1 2005 Government Operations Emissions by Sector

Sector	Greenhouse Gas Emissions
Employee Commute	300
Vehicle Fleet	175
Buildings and Facilities	75
Public Lighting	45
Government Generated Solid Waste	40
Water/Sewage Transport	4

All units are in metric tons CO₂e

Key Findings

- The greatest source of greenhouse gas emissions from government operations in 2005 came from employee commute (300 metric tons of CO₂e), followed by emissions from vehicle fleet (175 metric tons of CO₂e).
- Cumulatively, Atherton spent approximately \$131,312 on energy (electricity, natural gas, gasoline and diesel) for its buildings, streetlights, and vehicles in 2005.
- Vehicles emissions from both the Town's vehicle fleet and employee commutes equaled 74 percent of total emissions.

³ This number represents a "roll-up" of emissions, and is not intended to represent a complete picture of emissions from Atherton's operations. This roll-up number should not be used for comparison with other local government roll-up numbers without a detailed analysis of the basis for this total.

Section One: Introduction





Introduction

Local governments play a fundamental role in addressing the causes and effects of human-caused climate change through their actions at both the community and government operations levels. While local governments cannot solve the problems of climate change by themselves, their policies can dramatically reduce greenhouse gas emissions from a range of sources and can prepare their communities for the potential impacts of climate change.

Within the context of government operations, local governments have direct control over their emissions-generating activities. They can reduce energy consumption in buildings and facilities, reduce fuel consumption by fleet vehicles and equipment, reduce the amount of government-generated solid waste that is sent to a landfill, and increase the amount of energy that is obtained through alternative energy sources. By quantifying the emissions coming from its operations, this report will enable Atherton to choose the most effective approach to reducing its contribution to climate change.

1.1 Climate Change Background

A balance of naturally occurring gases dispersed in the Earth's atmosphere determines its climate by trapping solar radiation. This phenomenon is known as the greenhouse effect. Overwhelming evidence suggests that modern human activity is artificially intensifying the greenhouse gas effect, causing global average surface temperatures to rise. This intensification is caused by activities that release carbon dioxide and other greenhouse gases into the atmosphere—most notably the burning of fossil fuels for transportation, electricity, and heat generation.

Rising temperatures affect local and global climate patterns, and these changes are forecasted to manifest themselves in a number of ways that might impact Atherton. For example, the San Francisco Bay may experience rising sea levels and the Sacramento Delta may experience changes in salinity, affecting land uses, water sources, and agricultural activity. Changing temperatures will also likely result in more frequent and damaging storms

accompanied by flooding and landslides. Reduced snow pack in the Sierra Nevada Mountains may lead to water shortages, and the disruption of ecosystems and habitats is likely to occur.

In response to this threat, many communities in the United States are taking responsibility for addressing climate change at the local level. Since many of the major sources of greenhouse gas emissions are directly or indirectly controlled through local policies, local governments have a strong role to play in reducing greenhouse gas emissions within their boundaries. Through proactive measures around sustainable land use patterns, transportation demand management, energy efficiency, green building, and waste diversion, local governments can dramatically reduce emissions in their communities. In addition, local governments are primarily responsible for the provision of emergency services and the mitigation of natural disaster impacts. As the effects of climate change become more common and severe, local government adaptation policies will be fundamental in preserving the welfare of residents and businesses.

1.2 Purpose of Inventory

The objective of this greenhouse gas emissions inventory is to identify the sources and quantities of greenhouse gas emissions resulting from government operations in Atherton in 2005. This inventory is a necessary first step in addressing greenhouse gas emissions, serving two purposes:

- It creates an emissions baseline against which Atherton can set emissions reductions targets and measure future progress.
- It allows local governments to understand the scale of emissions from the various sources within their operations.

While Atherton has already begun to reduce greenhouse gas emissions through its actions (See Section 1.4 for more detail), this inventory represents the first step in a systems approach to reducing Atherton's emissions. This system, developed by ICLEI, is called the Five Milestones for Climate Mitigation. This Five-Milestone process involves the following steps:

Milestone One: Conduct a baseline emissions inventory and forecast

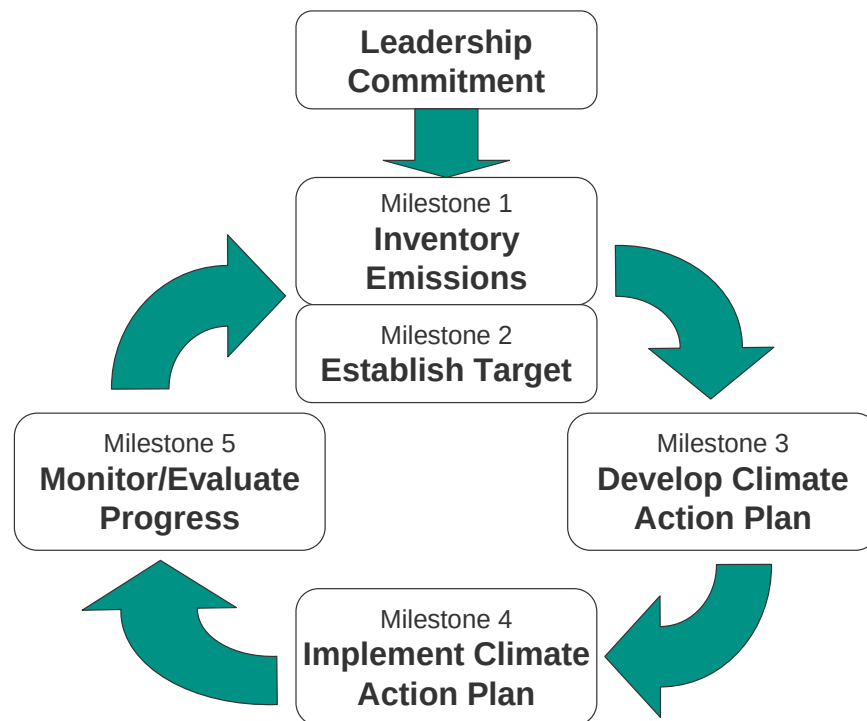
Milestone Two: Adopt an emissions reduction target for the forecast year

Milestone Three: Develop a local climate action plan

Milestone Four: Implement the climate action plan

Milestone Five: Monitor progress and report results

Figure 1.1 The Five-Milestone Process



1.3 Climate Change Mitigation Activities in California

Beginning in 2005, the State of California has responded to growing concerns over the effects of climate change by adopting a comprehensive approach to addressing emissions in the public and private sectors. This approach was officially initiated with the passage of the Global Warming Solutions Act of 2006 (AB 32), which required the state to reduce its greenhouse gas emissions to 1990 levels by 2020. It also required the California Air Resources Board (ARB) to regularly inventory emissions at the state level and to create a plan for reducing these emissions. The bill authorized ARB to adopt and enforce regulations targeted at greenhouse gas emissions reductions in the public and private sectors.

The resulting AB 32 Scoping Plan was adopted by ARB in December 2008. It established the following measures that the State will take to meet the greenhouse gas emissions reduction targets:

- Develop a California cap-and-trade program
- Expand energy efficiency programs
- Establish and seek to achieve reduction targets for transportation-related GHG emissions
- Support implementation of a high-speed rail system
- Expand the use of green building practices

- Increase waste diversion, composting, and commercial recycling toward zero-waste
- Continue water efficiency programs and use cleaner energy sources to move and treat water
- Implement the Million Solar Roofs Programs
- Achieve a statewide renewable energy mix of 33 percent
- Develop and adopt the low-carbon fuel standard
- Implement vehicle efficiency measures for light-, medium-, and heavy-duty vehicles
- Adopt measures to reduce high global warming potential gases
- Reduce methane emissions at landfills
- Preserve forest sequestration and encourage the use of forest biomass for sustainable energy generation
- Capture of methane through use of manure digester systems at dairies

Other measures taken by the state have included mandating stronger vehicle emissions standards (AB 1493, 2002), establishing a low-carbon fuel standard (EO # S-01-07, 2007), mandating a climate adaptation plan for the state (S-EO # 13-08, 2008), establishing a Green Collar Job Council, and establishing a renewable energy portfolio standard for power generation or purchase in the state. The state also has made a number of changes that will likely have potentially large effects on local governments:

- SB 97 (2007) required the Office of Planning and Research to create greenhouse gas planning guidelines for the California Environmental Quality Act (CEQA). In addition, ARB is tasked with creating energy-use and transportation thresholds in CEQA reviews, which may require local governments to account for greenhouse gas emissions when reviewing project applications.
- AB 811 (2007) authorized all local governments in California to establish special districts that can be used to finance solar or other renewable energy improvements to homes and businesses in their jurisdiction.
- SB 732 (2008) established a Strategic Growth Council charged with coordinating policies across state agencies to support a unified vision for land use development in the state. This vision will serve as a reference point for local land use policies.
- SB 375 (2008) mandated the creation of regional sustainable community strategies (SCS) by regional planning agencies. The SCS links regional housing and transportation planning processes in an attempt to meet regional greenhouse gas emissions targets.

1.4 Climate Change Mitigation Activities in Atherton

In addition to completing this government operations emissions inventory, the following are other key climate change mitigation activities that Atherton has undertaken:

- Atherton completed a community-wide greenhouse gas emissions inventory in 2008.
- The Environmental Programs Committee (EPC) formed a sub-committee, The Thinking Green Think Tank, to make recommendations to the City Council and to come up with a climate action plan. Currently they are focusing on two areas, developing a green building ordinance and residential energy efficiency.
- Atherton is working on getting stimulus money from the American Recovery and Reinvestment Act of 2009 to conduct home energy audits in the community in partnership with other cities in the area.
- The Town is also talking to Acterra about expanding and customizing its Green at Home program for homes in Atherton.
- The EPC just concluded their Green Start 2009 competition, a program Atherton launched in ten schools earlier this spring that focuses the efforts of approximately 10,000 students on home energy efficiency.
- The Town also had a Green Start Fair in March 2009, and recently concluded the program with an awards presentation which gave out \$5,000 in prizes to students and schools.
- After completing this government operations greenhouse gas emissions inventory, Atherton plans to work with San Mateo County's Energy Watch program to identify actions that can be done to reduce emissions in government facilities.

1.5 The Silicon Valley Climate Protection Partnership

The Silicon Valley Climate Protection Partnership is a joint effort between Joint Venture: Silicon Valley Network (JV:SVN); Sustainable Silicon Valley (SSV); local governments in San Mateo, Santa Clara and Santa Cruz counties (hereby referred to as the “Silicon Valley area”); and ICLEI. The Partnership was initiated in 2008 to provide a solid regional platform for local governments to follow ICLEI’s Five-Milestone process (described in Section 1.2), as well as a shared learning experience.

In early 2008, JV:SVN contracted with ICLEI to conduct government operations emissions inventories for participating local governments, using the standards outlined in the then soon-to-be-released Local Government Operations Protocol (LGOP—see Appendix A for details). For this project, 27 local governments have signed on to this contract. SSV joined the Partnership to provide additional educational and other services to facilitate more rapid progress by participating governments through the Five Milestones. While ICLEI created these inventories

concurrently using the same tools and methods, each inventory was conducted independently using data specific to each local government's operations. For this reason, inventories from different jurisdictions will involve different sources of data and emissions calculation methods.

Alongside the activities of the Partnership, JV:SVN and SSV have been facilitating regional climate dialogues to further emissions reductions goals in the Silicon Valley area. JV:SVN supports the work of the Climate Protection Task Force, a group that includes staff members from 44 jurisdictions in the Silicon Valley area, including cities, counties, and special districts. In this neutral forum, the partners learn from each other and from expert guests about climate protection programs. They then work to develop effective, collaborative programs for the reduction of greenhouse gas emissions from public agency operations. SSV holds quarterly conferences and monthly meetings that discuss specific approaches to addressing climate change, including the pros and cons of regional climate planning. SSV also puts out annual reports highlighting successes of businesses and local governments that have voluntarily pledged to set and work toward their own carbon dioxide reduction goals. JV:SVN and SSV, along with ICLEI, the San Mateo City/County Association of Governments, and the Bay Area Air Quality Management District⁴, have dramatically pushed forward the pace and scale of climate actions by local governments in the Silicon Valley area.

⁴ C/CAG and the Air Quality District have provided funding which have allowed a number of these inventories to occur and have been strong players in pushing forward local and regional actions on climate change.

Section Two: Methodology





Methodology

This greenhouse gas emissions inventory follows the standard methodology outlined in LGOP, which was adopted in 2008 by ARB and serves as the national standard for quantifying and reporting greenhouse emissions from local government operations. By participating in the Silicon Valley Climate Protection Partnership, Atherton has the opportunity to be one of the first in the nation to follow LGOP when inventorying emissions from government operations.

This chapter outlines the basic methodology utilized in the development of this inventory to provide clarity to how the inventory results were reported. Specifically, this section reviews:

- What greenhouse gases were measured in this inventory.
- What general methods were used to estimate emissions.
- How emissions estimates can be reported (the scopes framework, roll-up numbers).
- How emissions estimates were reported in this inventory.

A more detailed account of LGOP and the methodology used in this inventory can be found in Appendices A and B.

2.1 Greenhouse Gases

According to LGOP, local governments should assess emissions of all six internationally recognized greenhouse gases regulated under the Kyoto Protocol. These gases are outlined in Table 2.1, which includes the sources of these gases and their global warming potential (GWP).⁵

⁵ Global warming potential (GWP) is a measure of the amount of warming a greenhouse gas may cause, measured against the amount of warming caused by carbon dioxide.

Table 2.1 Greenhouse Gases

Gas	Chemical Formula	Activity	Global Warming Potential (CO ₂ e)
Carbon Dioxide	CO ₂	Combustion	1
Methane	CH ₄	Combustion, Anaerobic Decomposition of Organic Waste (Landfills, Wastewater), Fuel Handling	21
Nitrous Oxide	N ₂ O	Combustion, Wastewater Treatment	310
Hydrofluorocarbons	Various	Leaked Refrigerants, Fire Suppressants	12–11,700
Perfluorocarbons	Various	Aluminum Production, Semiconductor Manufacturing, HVAC Equipment Manufacturing	6,500–9,000
Sulfur Hexafluoride	SF ₆	Transmission and Distribution of Power	23,900

2.2 Calculating Emissions

LGOP outlines specific methods for quantifying emissions from local government activities. What methods a local government can use to quantify emissions vary largely by how it gathers data, and therefore what data were available. In general, emissions can be quantified in two ways.

1. Measurement-based methodologies refer to the direct measurement of greenhouse gas emissions from a monitoring system. Emissions measured this way may include those emitted from a flue of a power plant, wastewater treatment plant, landfill, or industrial facility. This method is the most accurate way of inventorying emissions from a given source, but is generally available for only a few sources of emissions.

2. Calculation-based methodologies refer to an estimate of emissions calculated based upon some measurable activity data and emission factors. Table 2.2 demonstrates some examples of common emissions calculations in this report. For a detailed explanation of the methods and emissions factors used in this inventory, see Appendix B.

Table 2.2 Basic Emissions Calculations

Activity Data	Emissions Factor	Emissions
Electricity Consumption (kilowatt hours)	CO ₂ emitted/kWh	CO ₂ emitted
Natural Gas Consumption (therms)	CO ₂ emitted/therm	CO ₂ emitted
Gasoline/Diesel Consumption (gallons)	CO ₂ emitted /gallon	CO ₂ emitted
Waste Generated by Government Operations (tons)	CH ₄ emitted/ton of waste	CH ₄ emitted

2.3 Reporting Emissions

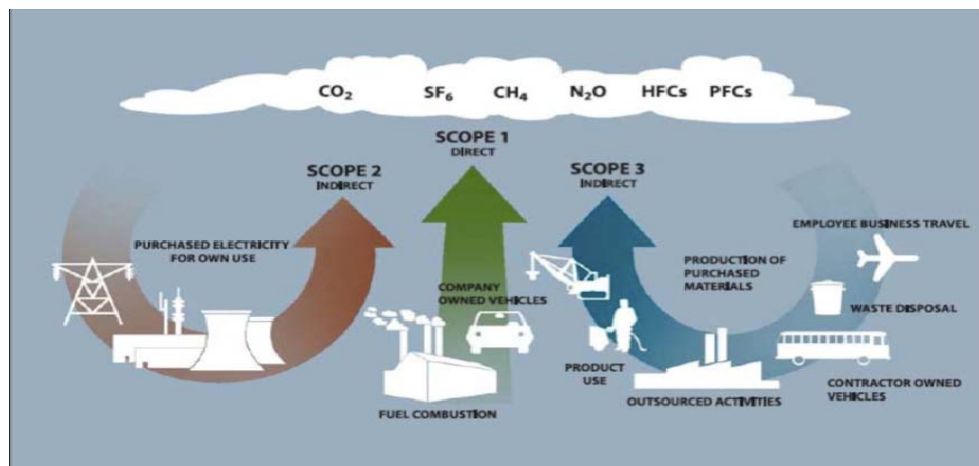
LGOP provides two reporting frameworks: reporting by scope and reporting by sector. This section defines the two reporting frameworks and discusses how they are used in this inventory. It also discusses the concept of “rolling up” emissions into a single number. This can assist local governments in communicating the results of the inventory and using the inventory to formulate emissions reductions policies.

2.3.1 The Scopes Framework

For local government operations, LGOP categorizes emissions according to what degree of control local governments have over the emissions sources. These categorizations (developed by the World Resources Institute and the World Business Council for Sustainable Development) are called *emissions scopes*. The scopes framework helps local governments to:

- Determine which emissions should be inventoried.
- Organize emissions by degree of control and therefore the potential for reduction of these emissions.
- Avoid “double counting” of emissions, i.e., summing up of different emissions sources that may result in reporting these emissions twice.

Figure 2.1 Emissions Scopes



Source: WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition), Chapter 4.

The emissions scopes are defined as follows:

Scope 1: Direct emissions from sources within a local government’s operations that it owns and/or controls. This includes stationary combustion to produce electricity, steam, heat, and power equipment; mobile combustion of fuels; process emissions from physical or chemical processing; fugitive emissions that result from production, processing, transmission, storage and use of fuels; leaked refrigerants, and other sources.

Scope 2: Indirect emissions associated with the consumption of electricity, steam, heating, or cooling that are purchased from an outside utility.

Scope 3: All other emissions sources that hold policy relevance to the local government that can be measured and reported. This includes all indirect emissions not covered in Scope 2 that occur as a result of activities within the operations of the local government. Sources over which the local government does not have any financial or operational control over would be accounted for here. Scope 3 emission sources include (but are not limited to) tailpipe emissions from employee commutes, employee business travel, and emissions resulting from the decomposition of government-generated solid waste.

Table 2.3 Inventoried Emission Sources by Scope⁶

Scope 1	Scope 2	Scope 3
Fuel consumed to heat/cool all facilities	Electricity consumed by facilities	Solid waste generated by government operations
Fuel consumed for vehicles and mobile equipment	Electricity consumed by electric vehicles	Fuel consumed for employee vehicles used for commuting
Fuel consumed to generate electricity	Steam heating or cooling for facilities	
Leaked refrigerants from facilities and vehicles		
Leaked/deployed fire suppressants		
Wastewater decomposition and treatment		
Solid waste in government landfills		

2.3.2 Double Counting and Rolling Up Scopes

Many local governments find it useful for public awareness and policymaking to use a single number (a “roll-up” number) to represent emissions in its reports, target setting, and action plan. A roll-up number allows local governments to determine the relative proportions of emissions from various sectors (e.g., 30 percent of rolled up emissions came from the vehicle fleet). This can help policymakers and staff identify priority actions for reducing emissions from their operations.

For these reasons, this report includes a roll-up number as the basis of the emissions analysis in this inventory. This roll-up number is composed of direct emissions (Scope 1), all emissions from purchased electricity (Scope 2), and indirect emissions from employee commutes and government-generated solid waste (Scope 3).

⁶ This only represents a list of emissions that were inventoried for the Silicon Valley Climate Protection Partnership inventories. This is not meant to be a complete list of all emissions that can be inventoried in a government operations inventory.

While this report uses a standard roll-up number, these numbers should be used with caution, as they can be problematic for three reasons:

First, a roll-up number does not represent all emissions from Atherton's operations, only a summation of inventoried emissions using available estimation methods. Reporting a roll-up number can be misleading and encourage citizens, staff, and policymakers to think of this number as the local government's "total" emissions. Therefore, when communicating a roll-up number it is important to represent it only as a sum of inventoried emissions, not as a comprehensive total.

Second, rolling up emissions may not simply involve adding emissions from all sectors, as emissions from different scopes can be double-counted when they are reported as one number. For example, if a local government operates a municipal utility that provides electricity to government facilities, these are emissions from both the power generation and facilities sectors. If these sectors are rolled up into a single number, these emissions are double counted, or reported twice. For these reasons, it is important to be cautious when creating a roll-up number to avoid double counting; the roll-up number used in this report was created specifically to avoid any possible double counting.

Third, local governments often wish to compare their emissions to those of other local governments. But it is very difficult to use a roll-up number as a common measure between local governments, for a number of reasons. First, as of now there is no national or international standard for reporting emissions as a single roll-up number. In addition, local governments provide different services to their citizens, and the scale of the services (and thus the emissions) is highly dependent upon the size of the jurisdiction. For these reasons, comparisons between local government roll-up numbers should not be made without significant analysis of the basis of the roll-up number and the services provided by the local governments being compared.

2.3.3 Emissions Sectors

ICLEI recommends that local governments examine their emissions in the context of the part of their operations (sector) that is responsible for those emissions. This is helpful from a policy perspective, and will assist local governments in formulating sector-specific reduction measures and climate action plans. This inventory uses LGOP sectors as a main reporting framework, including the following sectors:

- Buildings and other facilities
- Streetlights, traffic signals, and other public lighting
- Water delivery facilities
- Vehicle fleet and mobile equipment
- Government-generated solid waste
- Emissions from employee commutes

Section Three: Inventory Results





Inventory Results

This chapter provides a detailed description of the Town of Atherton's emissions from government operations in 2005, rolling up and comparing emissions across sectors and sources as appropriate. This chapter also provides details on the greenhouse gas emissions from each sector, including a breakdown of emissions types and, where possible, an analysis of emissions by department. This information identifies more specific sources of emissions (such as a particular building) that can help staff and policymakers in Atherton to best target emissions reduction activities in the future.

For a report of emissions by scope, and a detailed description of the methodology and emission factors used in calculating the emissions from Atherton's operations, please see Appendix B: LGOP Standard Report.

In 2005, Atherton's direct emissions, emissions from electricity consumption and select indirect sources totaled 639 metric tons of CO₂e.⁷ In this report, this number is the basis for comparing emissions across sectors and sources (fuel types), and is the aggregate of all emissions estimates used in this inventory.

3.1 Summary by Sector

Reporting emissions by sector provides a useful way to understand the sources of Atherton's emissions. By better understanding the relative scale of emissions from each of the sectors, Atherton can more effectively focus emissions reductions strategies to achieve the greatest emissions reductions.⁸

⁷ This number represents a roll-up of emissions, and is not intended to represent a complete picture of emissions from Atherton's operations. This roll-up number should not be used for comparison with other local government roll-up numbers without a detailed analysis of the basis for this total. See section 2.3.2 for more detail.

⁸ The sectors with the largest scale of emissions do not necessarily represent the best opportunity for emissions reductions. Cost, administration, and other concerns may affect Atherton's ability to reduce emissions from any one sector.

Figure 3.1 2005 Atherton Government Operations Emissions by Sector

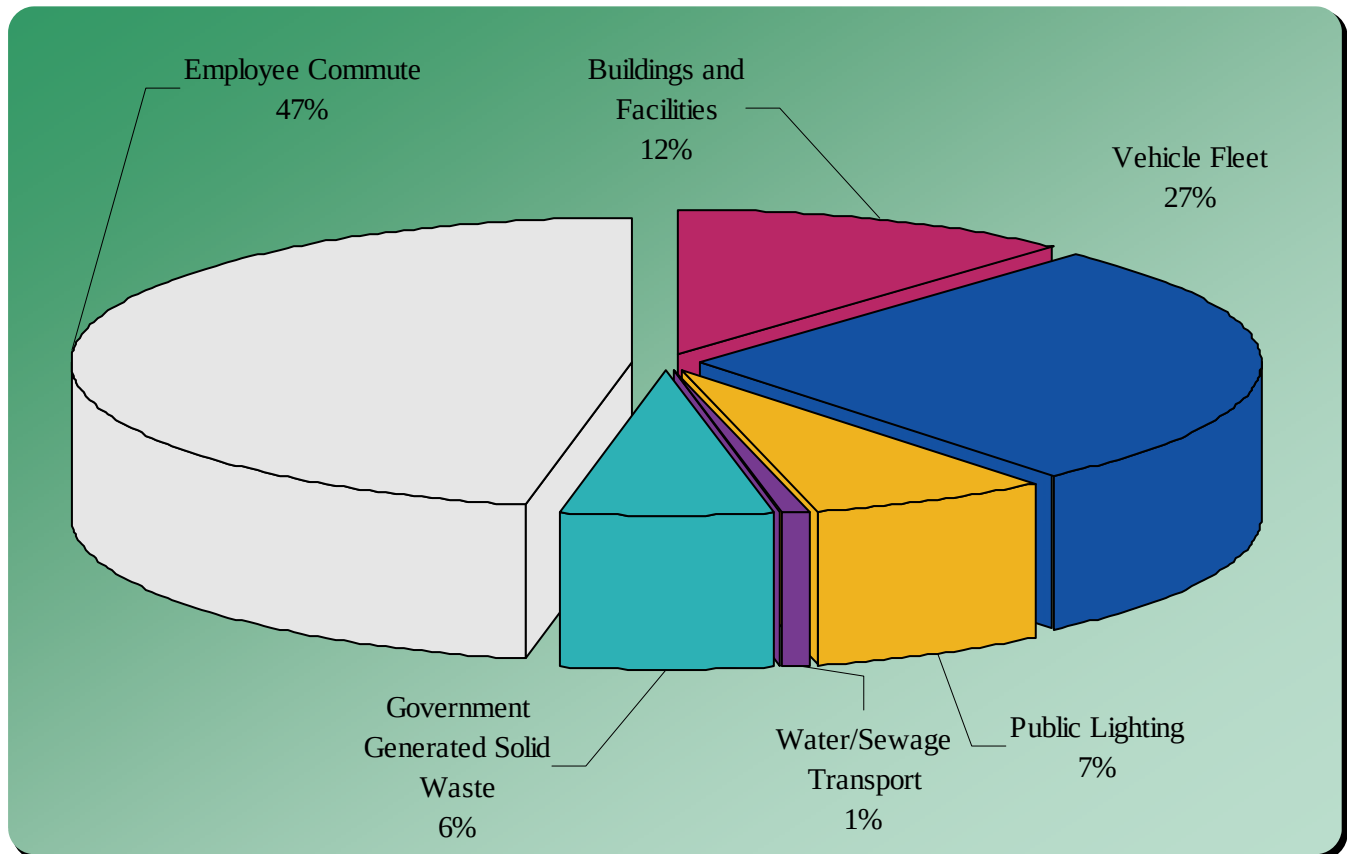


Table 3.1 2005 Atherton Government Operations Emissions by Sector

Sector	Greenhouse Gas Emissions
Employee Commute	300
Vehicle Fleet	175
Buildings and Facilities	75
Public Lighting	45
Government Generated Solid Waste	40
Water/Sewage Transport	4

All units are in metric tons CO₂e

As visible in Figure 3.1, employee commute was the largest emitter (300 metric tons CO₂e) in 2005. Emissions from the Town's vehicle fleet produced the second highest quantity of emissions, resulting in 175 metric tons of CO₂e. Atherton's buildings and facilities produced 75 metric tons of CO₂e of total emissions, with the remainder coming from public lighting, government-generated solid waste, and water transport.

3.2 Summary by Source

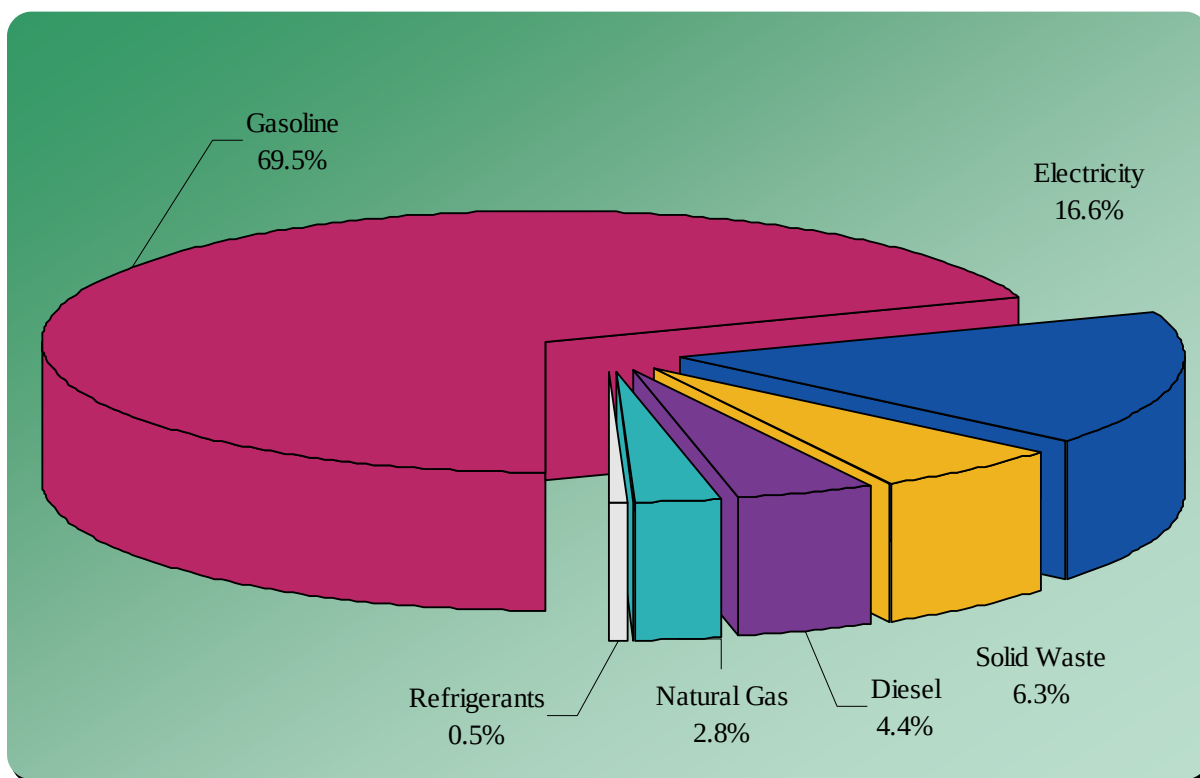
When considering how to reduce emissions, it is helpful to look not only at which sectors are generating emissions, but also at the specific raw resources and materials (gasoline, diesel, electricity, natural gas, solid waste, etc.) whose use and generation directly result in the release of greenhouse gases. This analysis can help target resource management in a way that will successfully reduce greenhouse gas emissions. Figure 3.2 and Table 3.2 provide a summary of Atherton's government operations 2005 greenhouse gas emissions by fuel type or material.

Table 3.2 2005 Atherton Government Operations Emissions by Source

Fuel/Source	Greenhouse Gas Emissions
Gasoline	444
Electricity	106
Solid Waste	40
Diesel	28
Natural Gas	18
Refrigerants	3

All units are in metric tons CO₂e

Figure 3.2 2005 Atherton Government Operations Emissions by Source



3.3 Summary of Energy-Related Costs

In addition to tracking energy consumption and generating estimates on emissions per sector, ICLEI has calculated the basic energy costs of various government operations. During 2005, Atherton spent approximately \$131,312 on energy (electricity, natural gas, gasoline, and diesel) for its operations. Sixty-six percent of these energy expenses (\$88,392) are the result of electricity and natural gas purchases from PG&E. Atherton spent approximately \$42,920 on gasoline and diesel for the municipal fleet (34 percent of total costs). Beyond reducing harmful greenhouse gases, any future reductions in energy use will have the potential to reduce these costs, enabling Atherton to reallocate limited funds toward other municipal services or create a revolving energy loan fund to support future climate protection activities.

Table 3.3 2005 Atherton Energy Costs by Sector

Activity	Costs (\$)
Buildings and Facilities	\$41,856
Vehicle Fleet	\$42,920
Public Lighting	\$44,612
Water Transport	\$1,924
TOTAL	\$131,312

3.4 Detailed Sector Analyses

3.4.1 Buildings and Other Facilities

Through their use of energy for heating, cooling, lighting, and other purposes, buildings and other facilities operated by local governments constitute a significant amount of their greenhouse gas emissions. Atherton operates seven facilities, including the police station, council chambers, and the Town's public library. Facility operations contribute to greenhouse gas emissions in two major ways. First, facilities consume electricity and fuels such as natural gas and diesel, and this consumption contributes the majority of greenhouse gas emissions from facilities. In addition, fire suppression, air conditioning, and refrigeration equipment in buildings can emit hydrofluorocarbons (HFCs) and other greenhouse gases when these systems leak refrigerants or fire suppressants.

In 2005, the operation of Atherton's facilities produced approximately 75 metric tons of CO₂e from the above sources. Figure 3.3 depicts 2005 emissions per facility, and Table 3.4 shows estimated costs associated with the activities that generated these emissions. Of total facility emissions, 75 percent came from the consumption of electricity, 24 percent came from the combustion of natural gas, and much of the remaining 1 percent came from the combustion of other fuels (see Figure 3.4). Atherton spent approximately \$41,857 in 2005 on the fuels and electricity that were the cause of these emissions.

Table 3.4: Energy Use and Emissions from Major Facilities

Facility	Greenhouse Gas Emissions (metric tons CO ₂ e)	Percent Emissions of All Facilities	Electricity Use (kWh)	Natural Gas Use (therms)	Total Energy Cost*
Police Station	32	43%	130,240	627	\$18,614
150 Watkins	18	24%	66,880	583	\$11,852
Council Chambers	9	12%	11,081	1,125	\$3,026
93 & 99 Dinklespiel Station Lane	6	8%	11,484	740	\$2,791
Administration Building	7	9%	31,417	0	\$5,136
Library	2	3%	0	308	\$438
TOTAL*	74	100%	251,102	3,383	\$41,856

*Does not include emissions from diesel generators (1 metric ton CO₂e)

Figure 3.3: Emissions from Major Facilities

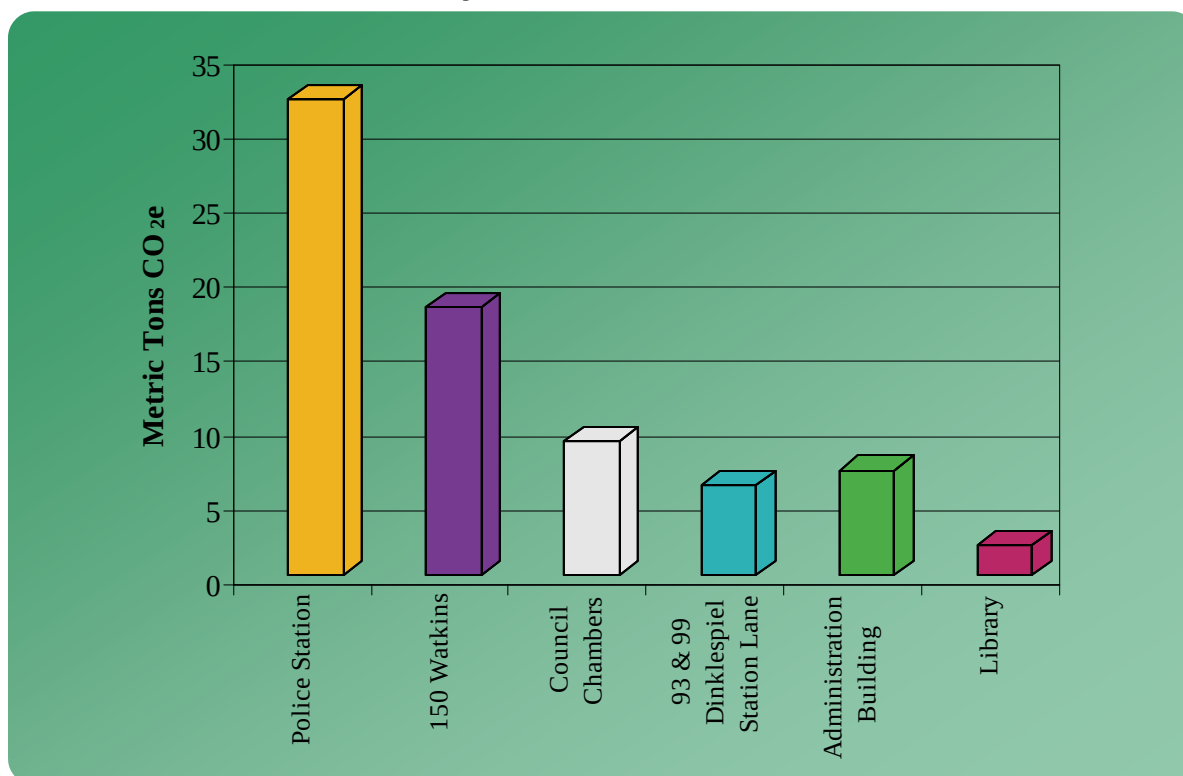
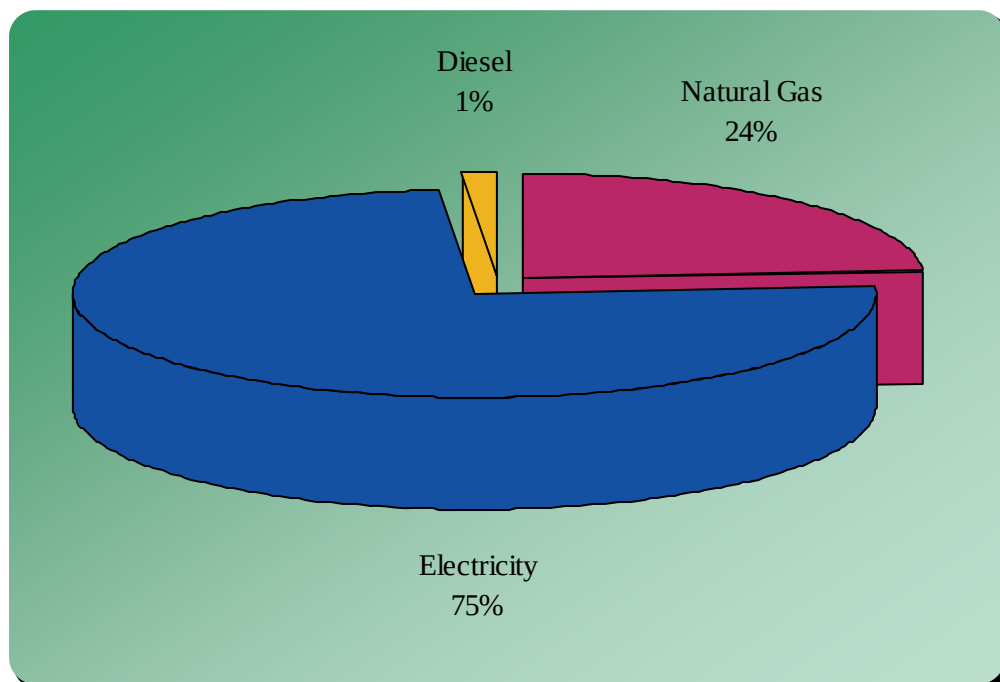


Figure 3.4: Emissions from Major Facilities by Source



3.4.2 Streetlights, Traffic Signals, and Other Public Lighting

Like most local governments, Atherton operates a range of public lighting, including traffic signals and streetlights. Electricity consumed in the operation of this infrastructure is a significant source of greenhouse gas emissions.

In 2005, public lighting in Atherton consumed a total of 201,194 kilowatt hours of electricity, producing approximately 45 metric tons CO₂e. Table 3.5 lists 2005 emissions per lighting type and estimated electricity consumption and costs associated with the activities that generated these emissions. Atherton spent approximately \$44,612 in 2005 on the fuels and electricity that were the cause of these emissions.

Table 3.5: Energy Use and CO₂e Emissions from Public Lighting

Source	Greenhouse Gas Emissions (metric tons CO ₂ e)	Percent Emissions of All Lighting	Electricity Use (kWh)	Cost
Traffic Signals/Controllers	3	7%	13,067	\$2,090
Streetlights	42	93%	188,127	\$42,522
TOTAL	45	100%	201,194	\$44,612

3.4.3 Water and Wastewater Transport

This section addresses any equipment used for the distribution of water, stormwater, and wastewater. Typical systems included in this section are water pumps/lifts and sprinkler and other irrigation controls. Atherton operates

the pumps used to deliver water to residents. Electricity consumption is the only source of greenhouse gas emissions from the operation of the Town's water transport equipment.

In 2005, the operation of these water delivery pumps produced approximately 4 metric tons of CO₂e from the electricity used. Table 3.6 depicts 2005 emissions per equipment type and shows estimated activities and costs associated with the operation of this equipment. Atherton spent approximately \$1,924 in 2005 on the electricity that was the cause of these emissions.

Table 3.6: Energy Use and CO₂e Emissions from Water/Wastewater Transport Equipment

Source	Greenhouse Gas Emissions (metric tons CO ₂ e)	Percent Emissions of Water Transport Equipment	Electricity Use (kWh)	Cost
Water Delivery Pumps	4	100%	20,668	\$1,924
TOTAL	4	100%	20,668	\$1,924

3.4.4 Vehicle Fleet and Mobile Equipment

The majority of local governments use vehicles and other mobile equipment as an integral part of their daily operations—from maintenance trucks used for parks and recreation to police cruisers and fire trucks. These vehicles and equipment burn gasoline, diesel, and other fuels, which results in greenhouse gas emissions. In addition, vehicles with air conditioning or refrigeration equipment use refrigerants that can leak from the vehicle. Emissions from vehicles and mobile equipment compose a significant portion of emissions within most local governments.

Table 3.7: Vehicle Fleet and Mobile Equipment Emissions⁹

Function	GHG Emissions (metric tons CO ₂ e)	Percent of All Mobile Emissions	Gasoline Consumption (gal)	Diesel Consumption (gal)	Cost
Police Department	133	77%	14,933	500	\$31,891
Public Works Department	39	22%	4,343		\$11,029
TOTAL*	172	100%	18,776	500	\$42,920

*This total does not include 3 metric tons CO₂e from leaked mobile refrigerants

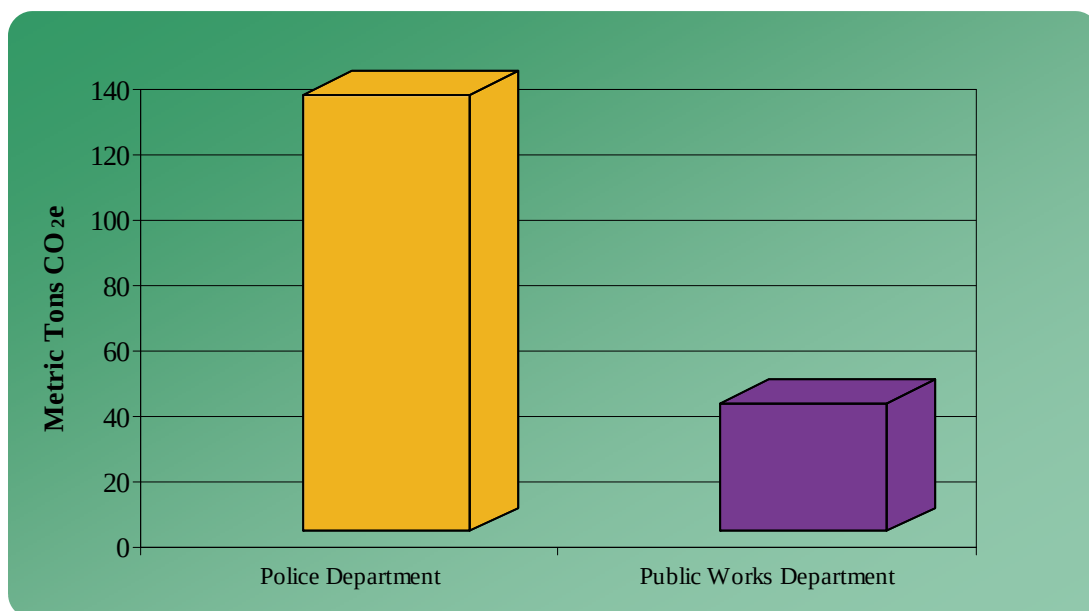
In 2005, Atherton operated a vehicle fleet with 24 cars and trucks. The Town's vehicle fleet performed a number of essential services, from police services to street and park maintenance. In 2005, the majority of vehicles and mobile

⁹ The numbers reported here include emissions from fuel consumption only-emissions from leaked refrigerants are reported separately.

equipment used gasoline (77 percent). Of all mobile emissions calculated, emissions from the vehicle fleet made up 92 percent of total emissions, while emissions from mobile equipment made up seven percent of total emissions, and leaked refrigerants made up 1 percent of total emissions.¹⁰

In 2005, Atherton emitted approximately a total of 172 metric tons of CO₂e as a result of the combustion of diesel and gasoline to power the Town's vehicle fleet. Figure 3.5 depicts 2005 emissions per department, and Table 3.7 shows estimated costs associated with the activities that generated these emissions. Across departments, the vehicles and mobile equipment used by the police department were the largest emitters of greenhouse gases, representing 77 percent of total vehicle fleet emissions. Atherton spent approximately \$42,920 in 2005 on the fuels that were the cause of these emissions.

Figure 3.5: Emissions from Mobile Sources



3.4.5 Government-Generated Solid Waste

Many local government operations generate solid waste, much of which is eventually sent to a landfill. Typical sources of waste in local government operations include paper and food waste from offices and facilities, construction waste from public works, and plant debris from parks departments. Organic materials in government-generated solid waste (including paper, food scraps, plant debris, textiles, wood waste, etc.) generate methane as they decay in the anaerobic environment of a landfill. An estimated 75 percent of this methane is routinely captured

¹⁰ Emissions from leaked mobile refrigerants were estimated using the default method outlined in the LGOP. The resulting emissions number is likely a significant overestimate, but in line with LGOP methods.

via landfill gas collection systems;¹¹ however, a portion escapes into the atmosphere, contributing to the greenhouse effect. As such, estimating emissions from waste generated by government operations is an important component of a comprehensive emissions inventory.

Inventorying emissions from government-generated solid waste is considered optional by LGOP for two reasons. First, the emissions do not result at the point of waste generation (as with fuel combustion), but in a landfill located outside of Atherton's jurisdictional boundaries. In addition, the emissions are not generated in the same year that the waste is disposed, but over a lengthy decomposition period. Since inventorying these emissions is considered optional, LGOP does not provide guidance on recommended methods for quantifying these types of emissions. ICLEI therefore devised data collection and calculation methods based upon previous experience and national standards. See Appendix D for more information for more detail on quantifying emissions from government-generated solid waste.

It is estimated that the waste disposed by government facilities in 2005 will cumulatively produce approximately 2 metric tons of methane gas, or 40 metric tons CO₂e. Please see Table 3.8 for a breakdown of emissions per facility.

Table 3.8: Emissions from Government-Generated Solid Waste

Source	Greenhouse Gas Emissions (metric tons CO ₂ e)	Estimated Landfilled Waste (Tons)
JPA	25	99
Holbrook Palmer Park	8	30
Police Department	5	20
Corporation Yard	3	10
TOTAL	40	159

3.4.6 Employee Commute

Another important source of indirect emissions resulting from Atherton's operations comes from employees commuting in vehicles to and from work. Similar to the vehicle fleet, these vehicles use gasoline and other fuels which, when burned, generate greenhouse gas emissions. Emissions from employee commutes are considered optional to inventory by LGOP because the vehicles are owned and operated privately by the employees. Atherton therefore maintains only indirect control over how employees commute to and from work. LGOP encourages reporting these emissions, however, because local governments can influence how their employees commute to

¹¹ This is a default methane collection rate per LGOP. This rate can vary from 0 to 99 percent based upon the presence and extent of a landfill gas collection system at the landfill/s where the waste is disposed. Most commonly, captured methane gas is flared into the atmosphere, which converts the methane gas to CO₂ and effectively negates the human-caused global warming impact of the methane. Increasingly, landfill methane is being used to power gas-fired turbines as a carbon-neutral means of generating electricity.

work and therefore reduce emissions from this sector. For this reason, employee commute emissions were included in this report as an area where Atherton can make significant progress towards greenhouse gas emissions reductions.

To calculate emissions, Atherton administered a survey to all of its employees regarding their commute patterns and preferences. ICLEI then extrapolated the results of the survey to represent emissions from all employees. See Appendix C for a detailed description of the survey and methods used to calculate emissions.

In 2005, employees commuting in vehicles to and from their jobs at Atherton emitted an estimated 300 metric tons of CO₂e. See Table 3.9 for a breakdown of estimated emissions from all employee commutes, as well as the total and average miles traveled to work by employees.

Table 3.9: Emissions from Employee Commutes

	Greenhouse Gas Emissions (metric tons CO ₂ e)	Estimated Vehicle Miles Traveled to Work	Average Estimated Vehicle Miles Traveled to Work
All Employees (Estimated)	300	558,430	10,950

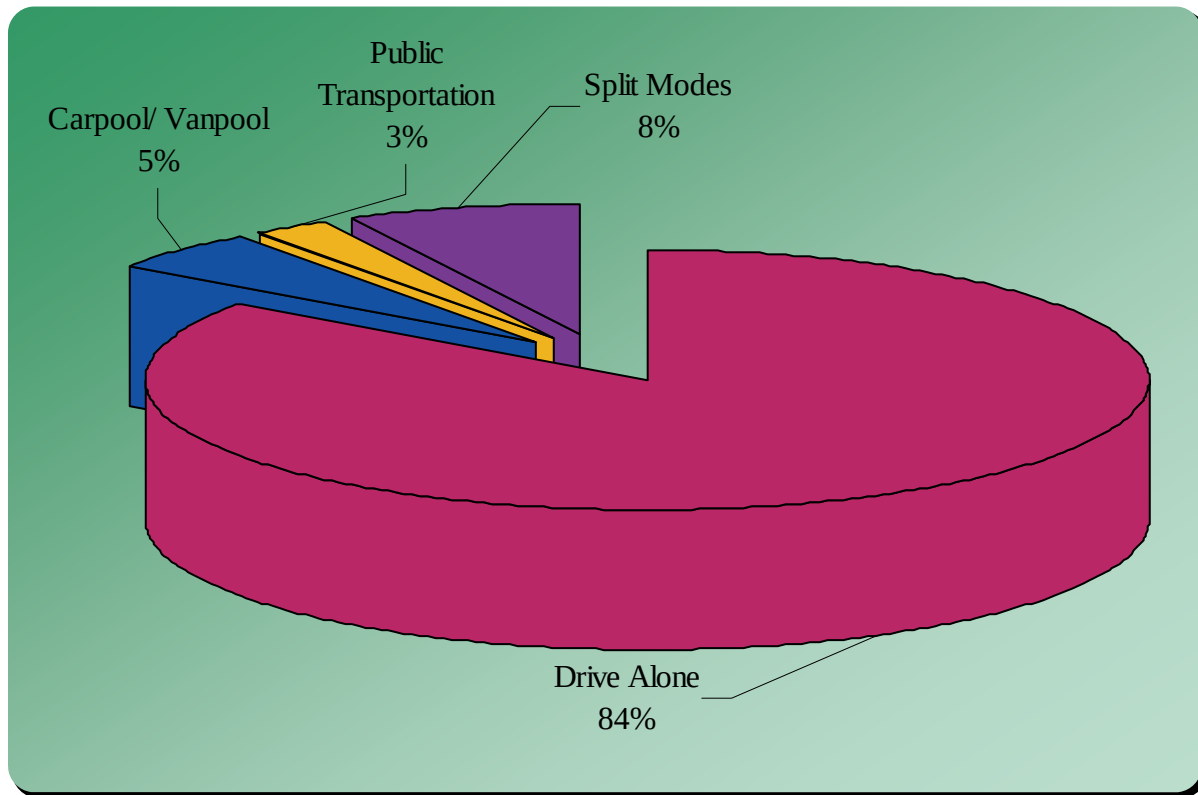
3.4.6.1 Employee Commute Indicators

In addition to estimating greenhouse gas emissions resulting from employee commute, ICLEI examined other policy-relevant information that was extracted from the employee commute survey—in this way Atherton staff can develop the most effective policies to reduce emissions from employee commutes. These measures often have co-benefits including increased productivity, reduced commute times and costs, and improvement in the quality of life for employees. No extrapolation was done with the following data; analyses were done using data from respondents only.

Commute Modes

In 2005, the majority (84 percent) of respondents commuted to work as single-occupant drivers. Eight percent of all respondents used some form of alternative transportation (public transit, carpool/vanpool) to commute to work, with car or vanpooling being the most used form of alternative transportation (five percent of total respondents). Another eight percent of respondents split several modes of travel on their commute. Two of the categories in the survey – biking and walking – were removed from the results because no respondents reported using them for their commute. See Figure 3.6 for an analysis of the most common commute mode for employees who responded to the survey.

Figure 3.6: Employee Commute Modes



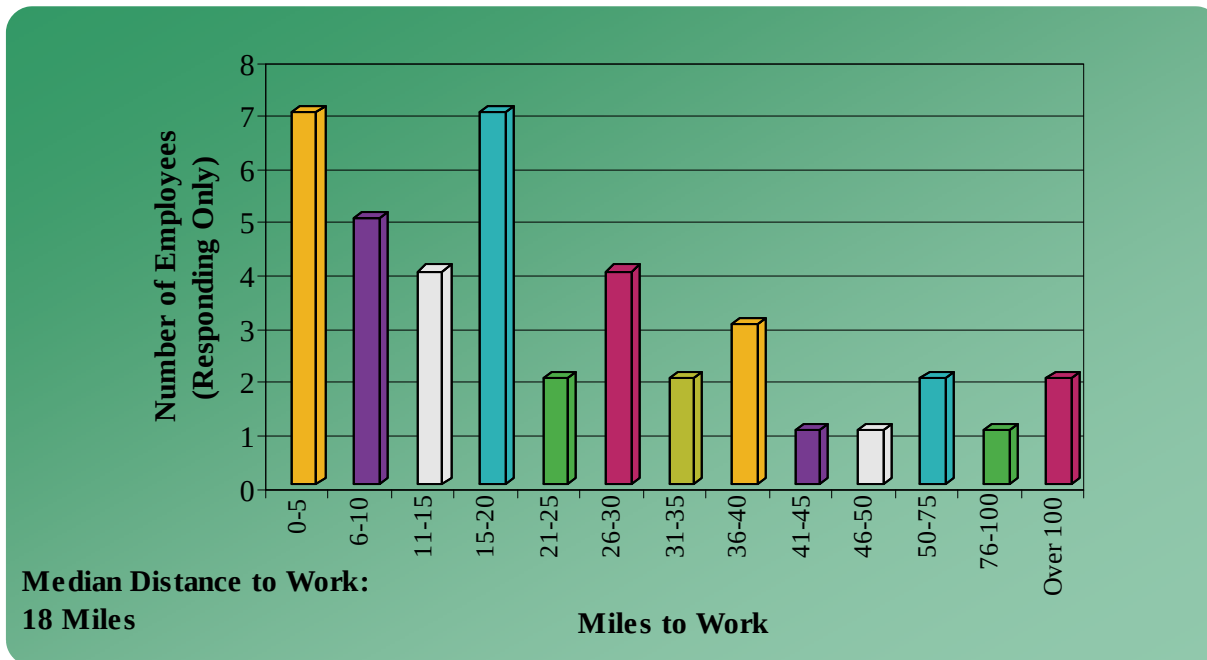
Commute Time and Costs

Table 3.10 shows associated time and costs for employee commute by mode of travel. Figure 3.7 shows that the majority of employees live within 18 miles, and this suggests that there may be good opportunities for Atherton to promote effective carpooling or shuttle programs, or promote other alternative transit modes. Encouraging telecommuting, if feasible, is also viable option for Atherton. By encouraging employees to take public transit through incentives, Atherton could not only save employees money and time, but allow their work days to be more efficient.

Table 3.10: Distance and Time to Work and Cost of Employee Commutes (Responding Employees)

	Median Time to Work (daily minutes)	Median Cost of Commute (weekly)	Median Distance To Work (daily miles)
	30	\$47	18

Figure 3.7: Employee Commute Distance to Work



Commuter Preferences

When asked if employees would consider taking a list of alternative transportation modes (Figure 3.8), 30 percent of respondents indicated they would be interested in carpooling, with public transit following at 23 percent. Interest in biking to work was almost as high, at 21 percent. Fourteen percent of respondents indicated that they had no interest in converting to an alternative mode of transportation. In addition, 70 percent of respondents indicated that there was no transit route available which they could take to and from work (see Figure 3.9).

Respondents also indicated that they would be more encouraged to take other modes of transportation if Atherton offered carpool or vanpool incentives (35 percent), improved transit options (26 percent), and telecommuting (23 percent). See Figure 3.10 for a detailed breakdown of employee responses.

Figure 3.8: Interest in Alternative Commute Modes

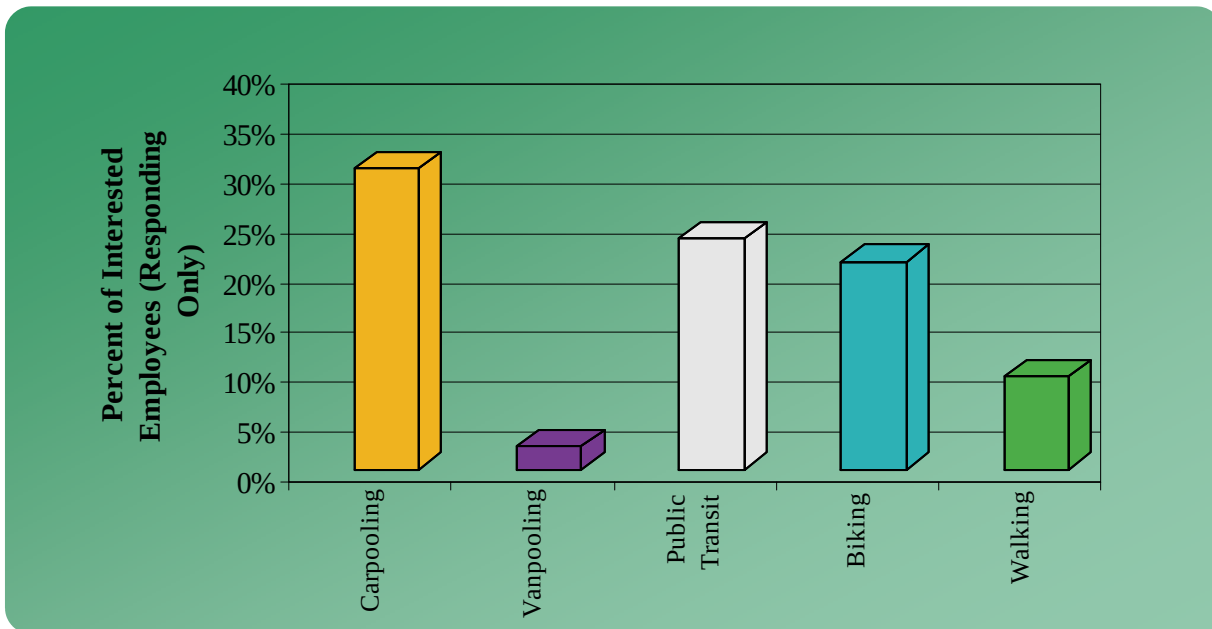


Figure 3.9: Employees with Available “Usable” Transit Route to Work

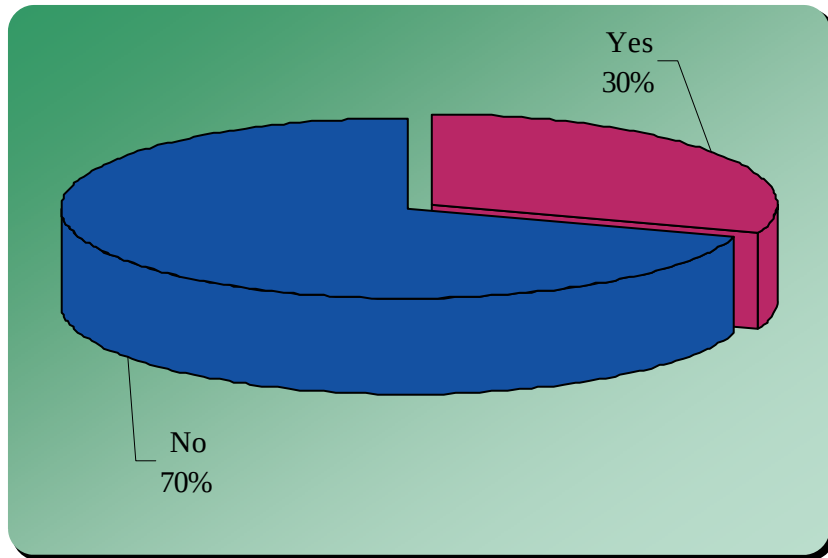
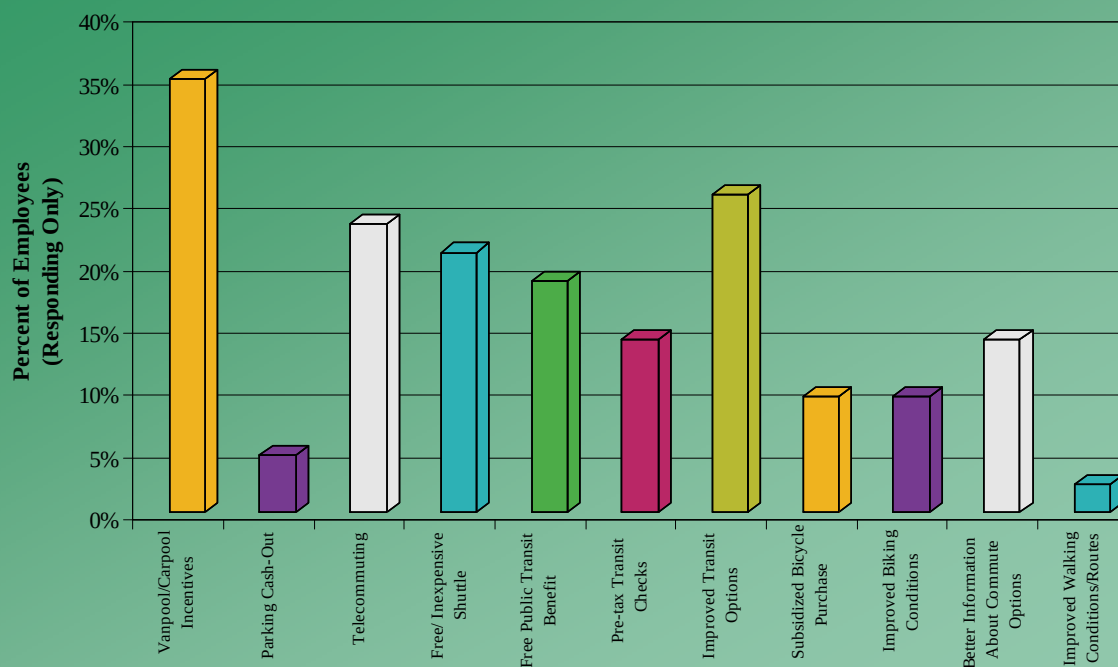


Figure 3.10: Employee Interest in Commute Benefits



Section Four: Conclusion





Conclusion

By committing itself to the Silicon Valley Climate Protection Partnership and through its previous actions on sustainability, the Town of Atherton has taken bold steps toward reducing its impacts on the environment. Staff and policymakers have chosen to take a leadership role in addressing climate change, and this leadership will allow the Town to make tough decisions to create and implement innovative approaches to reduce its emissions. With increasing guidance and support from the state and the federal governments, Atherton should be increasingly empowered to make the necessary changes to promote its vision for a more sustainable future.

This inventory provides an important foundation for Atherton's comprehensive approach to reducing the greenhouse gas emissions from its operations. Specifically, this inventory serves to:

- Establish a baseline for setting emissions reductions targets.
- Identify the largest sources of emissions from local government operations.

This conclusion discusses the inventory as a baseline for emissions targets and suggests steps for Atherton to move forward to reduce emissions from its internal operations.

4.1 Toward Setting Emissions Reduction Targets

This inventory provides an emissions baseline against which Atherton can move forward to Milestone Two of ICLEI's Five Milestone process—setting emissions reduction targets for its municipal operations. The greenhouse gas emissions reduction target represents the percentage by which Atherton plans to reduce total greenhouse gas emissions in its government operations below base year levels by a chosen future target year. An example target might be a 30 percent reduction in emissions below 2005 levels by 2020. A target provides an objective toward which to strive and against which to measure progress. It allows a local government to quantify its commitment to fighting global warming—demonstrating that the Atherton is serious about its commitment and systematic in its approach.

In selecting a target, it is important to strike a balance between scientific necessity, ambition, and what is realistically achievable. Atherton will want to give itself enough time to implement chosen emissions reduction

measures—but note that the farther out the target year is, the more that the Town should pledge to reduce. ICLEI recommends that regardless of Atherton’s chosen long-term emissions reduction target (e.g., 15-year, 40-year), it should establish interim targets for every two- to three-year period. Near-term targets facilitate additional support and accountability, and help to ensure continued momentum around the Town’s local climate protection efforts.

4.1.1 The Long-Term Goal

ICLEI recommends that the Atherton’s near-term climate work should be guided by the long-term goal of reducing its emissions by 80 percent to 95 percent from the 2005 baseline level by the year 2050. By referencing a long-term goal that is in accordance with current scientific understanding, Atherton can demonstrate that it intends to do its part towards addressing greenhouse gas emissions from its internal operations.

It is important to keep in mind that it will be next to impossible for local governments to reduce emissions by 80 to 95 percent without the assistance of state and federal policy changes that create new incentives and new sources of funding for emissions reduction projects and programs. However, in the next 15 years, there is much that local governments can do to reduce emissions independently. It is also important that Atherton works to reduce its emissions sooner, rather than later: the sooner a stable level of greenhouse gases in the atmosphere is achieved, the less likely we are to face some of the most dire climate change scenarios.

4.1.2 State of California Targets and Guidance

An integral component of the State of California’s climate approach has been establishing three core emissions reduction targets at the community level. While these targets are specific to the community-scale, they can be used to inform emissions targets for government operations as well. Figure 4.1 highlights adopted emissions targets for the State. The AB 32 Scoping Plan also provides further guidance on establishing targets for local governments; specifically the Plan suggests creating an emissions reduction goal of 15 percent below “current” levels by 2020. This target has informed many local government’s emission reduction targets for municipal operations—most local governments in California with adopted targets have targets of 15 to 25 percent reductions under 2005 levels by 2020.

Figure 4.1: California Greenhouse Gas Reduction Targets

On June 1, 2005, California Governor Schwarzenegger signed Executive Order S-3-05 establishing climate change emission reductions targets for the State of California. The California targets are an example of near-, mid- and long-term targets:

Reduce emissions to 2000 levels by 2010
Reduce emissions to 1990 levels by 2020
Reduce emissions to 80 percent below 1990 levels by 2050

4.1.3 Department Targets

If possible, ICLEI recommends that Atherton consider department-specific targets for each of the departments that generate emissions within its operations. This allows Atherton staff to do a more in-depth analysis of what is achievable in each sector in the near, mid and long-term, and also encourages each department head to consider their department's impact on the climate and institute a climate-conscious culture in its operations.

4.2 Creating an Emissions Reductions Strategy

This inventory identifies the major sources of emissions from Atherton's operations and, therefore, where staff and policymakers will need to target emissions reductions activities if they are to make significant progress toward adopted targets. For example, since employee commuting was a major source of emissions from Atherton's operations, it is possible that Atherton could meet near-term targets simply by implementing a few major actions to reduce employees commuting in single-occupancy vehicles. In addition, medium-term targets could be met by focusing emissions reduction actions on the Town's vehicle fleet and facilities; the long term (2050) target will not be achievable without major reductions in all of those sectors.

Given the results of the inventory, ICLEI recommends that Atherton focus on the following tasks in order to significantly reduce emissions from its government operations:

- Offer increased telecommuting options and vanpool/carpool incentives to eligible employees
- Continue to convert fleet to more fuel-efficient vehicles on a replacement basis
- Install energy efficient equipment in Town buildings and facilities
- Adopt a green building ordinance
- Weatherize Town facilities
- Replace streetlights with more energy efficient LED models
- Foster solid waste reduction by promoting a reuse program to educate citizens on the benefits of reusing products

Using these strategies as a basis for a more detailed emissions reductions strategy, Atherton should be able to reduce and reverse its impact upon global warming. In the process, it may also be able to improve the quality of its services, become more efficient with energy, and reduce long-term costs.

Appendices





The Local Government Operations Protocol

This inventory follows the standard outlined in the Local Government Operations Protocol, which was adopted in 2008 by the California Air Resources Board (ARB) and serves as the national standard for quantifying and reporting greenhouse emissions from local government operations. This and the other inventories conducted for the Silicon Valley Climate Protection partnership are the first to follow LGOP, representing a strong step toward standardizing how inventories are conducted and reported.

A.1 Local Government Operations Protocol

A.1.1 Background

In 2008, ICLEI, ARB, and the California Climate Action Registry (CCAR) released LGOP to serve as a U.S. supplement to the International Emissions Analysis Protocol. The purpose of LGOP is to provide the principles, approach, methodology, and procedures needed to develop a local government operations greenhouse gas emissions inventory. It leads participants through the process of accurately quantifying and reporting emissions, including providing calculation methodologies and reporting guidance. LGOP guidance is divided into three main parts: identifying emissions to be included in the inventory, quantifying emissions using best available estimation methods, and reporting emissions.

The overarching goal of LGOP is to allow local governments to develop emissions inventories using standards that are consistent, comparable, transparent, and recognized nationally, ultimately enabling the measurement of emissions over time. LGOP adopted five overarching accounting and reporting principles toward this end: relevance, completeness, consistency, transparency and accuracy. Methodologies that did not adhere to these principles were either left out of LGOP or included as Scope 3 emissions. LGOP was created solely to standardize how emissions inventories are conducted and reported; as such it represents a currently accepted standard for inventorying emissions but does not contain any legislative or program-specific requirements. Mandates by the

State of California or any other legislative body, while possibly using LGOP as a standard, do not currently exist, and California local governments are not currently required to inventory their emissions. Program-specific requirements, such as ICLEI's Milestones or CCAR's reporting protocol, are addressed in LGOP but should not be confused with LGOP itself.

Also, while LGOP standardizes inventories from government operations, it does not seek to be a wholly accurate inventory of all emissions sources, as certain sources are currently excluded or otherwise impossible to accurately estimate. This and all emissions inventories therefore represent a best estimate of emissions using best available data and calculation methodologies; it does not provide a complete picture of all emissions resulting from Atherton's operations, and emissions estimates are subject to change as better data and calculation methodologies become available in the future.

A.1.2 Organizational Boundaries

Setting an organizational boundary for greenhouse gas emissions accounting and reporting is an important first step in the inventory process. The organizational boundary for the inventory determines which aspects of operations are included in the emissions inventory, and which are not. Under LGOP, two control approaches are used for reporting emissions: operational control or financial control. A local government has operational control over an operation if it has full authority to introduce and implement its operating policies at the operation. A local government has financial control if the operation is fully consolidated in financial accounts. If a local government has joint control over an operation, the contractual agreement will have to be examined to see who has authority over operating policies and implementation, and thus the responsibility to report emissions under operational control.¹² Local governments must choose which approach is the most applicable and apply this approach consistently throughout the inventory.

While both control approaches are acceptable, there may be some instances in which the choice may determine whether a source falls inside or outside of a local government's boundary. LGOP strongly encourages local governments to utilize operational control as the organization boundary for a government operations emissions inventory. Operational control is believed to most accurately represent the emissions sources that local governments can most directly influence, and this boundary is consistent with other environmental and air quality reporting program requirements. For this reason, all inventories in the Silicon Valley Climate Protection Partnership are being conducted according to the operational control framework.

¹² Please see Local Government Operations Protocol for more detail on defining your organizational boundary: <http://www.icleiusa.org/programs/climate/ghg-protocol>

A.1.3 Types of Emissions

The greenhouse gases inventoried in this report are described in Section 2.1 As described in LGOP, emissions from each of the greenhouse gases can come in a number of forms:

Stationary or mobile combustion: These are emissions resulting from on-site combustion of fuels (natural gas, diesel, gasoline, etc.) to generate heat, electricity, or to power vehicles and mobile equipment.

Purchased electricity: These are emissions produced by the generation of power from utilities outside of the jurisdiction.

Fugitive emissions: Emissions that result from the unintentional release of greenhouse gases into the atmosphere (e.g., leaked refrigerants, methane from waste decomposition, etc.).

Process emissions: Emissions from physical or chemical processing of a material (e.g., wastewater treatment).

A1.4 Quantifying Emissions

Emissions can be quantified two ways:

Measurement-based methodologies refer to the direct measurement of greenhouse gas emissions (from a monitoring system) emitted from a flue of a power plant, wastewater treatment plant, landfill, or industrial facility. This methodology is not generally available for most types of emissions and will only apply to a few local governments that have these monitoring systems.

The majority of the emissions recorded in the inventory can be and will be estimated using **calculation-based methodologies** to calculate their emissions using activity data and emission factors. To calculate emissions, the equation below is used:

Activity Data x Emission Factor = Emissions

Activity data refer to the relevant measurement of energy use or other greenhouse gas-generating processes such as fuel consumption by fuel type, metered annual energy consumption, and annual vehicle mileage by vehicle type. Emissions factors are calculated ratios relating emissions to a proxy measure of activity at an emissions source (e.g., CO₂ generated/kWh consumed). For a list of common emissions calculations see Table 2.2.

The guidelines in LGOP are meant to provide a common method for local governments to quantify and report greenhouse gas emissions by using comparable activity data and emissions factors. However, LGOP recognizes that local governments differ in how they collect data concerning their operations and that many are not able to meet the data needs of a given estimation method. Therefore, LGOP outlines both “recommended” and “alternative” methods

to estimate emissions from a given source. In this system, recommended methods are the preferred method for estimating emissions, as they will result in the most accurate estimate for a given emission source. Alternative methods often require less intensive data collection, but are likely to be less accurate. This approach allows local governments to estimate emissions based on the data currently available to them. It also allows local governments that are unable to meet the recommended methods to begin developing internal systems to collect the data needed to meet these methods.

This inventory has used the recommended activity data and emissions factors wherever possible, using alternative methods where necessary. For details on the methodologies used for each sector, see Appendix B.

A.1.5 Reporting Emissions

A.1.5.1 Significance Thresholds

Within any local government's own operations there will be emission sources that fall within Scope 1 and Scope 2 that are minimal in magnitude and difficult to accurately measure. Within the context of local government operations, emissions from leaked refrigerants, backup generators and other septic tanks may be common sources of these types of emissions. For these small, difficult to quantify emission sources, LGOP specifies that up to 5 percent of total emissions can be reported using estimation methods not outlined in LGOP.¹³

In this report, the following emissions fell under the significance threshold and were reported using best available methods:

- Scope 1 fugitive emissions from leaked refrigerants from HV/AC and refrigeration equipment
- Scope 1 fugitive emissions from leaked refrigerants in fleet vehicles
- Scope 1 CH₄ and N₂O emissions from vehicle fleet

A.1.5.2 Units Used in Reporting Emissions

LGOP requires reporting of individual gas emissions, and this reporting is included in Appendix B. In this narrative report, emissions from all gases released by an emissions source (e.g., stationary combustion of natural gas in facilities) are combined and reported in metric tons of carbon dioxide equivalent (CO₂e). This standard is based on the global warming potential (GWP) of each gas, which is a measure of the amount of warming a greenhouse gas may cause, measured against the amount of warming caused by carbon dioxide. For the GWPs of reported greenhouse gases, see Table 2.1.

¹³ In the context of registering emissions with an independent registry (such as the California Climate Action Registry), emissions that fall under the significance threshold are called *de minimis*. This term, however, is not used in LGOP and was not used in this inventory.

A.1.5.3 Information Items

Information items are emissions sources that, for a variety of reasons, are not included as Scope 1, 2, or 3 emissions in the inventory. In order to provide a more complete picture of emissions from Atherton's operations, however, these emissions should be quantified and reported.

In this report, the following emissions are included as information items (emission quantities are reported in Appendix B):

- Ozone depleting chemicals used as refrigerants (R-22)

A common emission that is categorized as an information item is carbon dioxide released by the combustion of biogenic fuels. Local governments will often burn fuels that are of biogenic origin (wood, landfill gas, organic solid waste, biofuels, etc.) to generate power. Common sources of biogenic emissions are the combustion of landfill gas from landfills or biogas from wastewater treatment plants, as well as the incineration of organic municipal solid waste at incinerators.

Carbon dioxide emissions from the combustion of biogenic fuels are not included in Scope 1 based on established international principles.¹⁴ These principles indicate that biogenic fuels (e.g., wood, biodiesel), if left to decompose in the natural environment, would release CO₂ into the atmosphere, where it would then enter back into the natural carbon cycle. Therefore, when wood or another biogenic fuel is combusted, the resulting CO₂ emissions are akin to natural emissions and should therefore not be considered as human activity-generated emissions. The CH₄ and N₂O emissions, however, would not have occurred naturally and are therefore included as Scope 1 emissions.

A.2 Baseline Years

Part of the local government operations emissions inventory process requires selecting a “performance datum” with which to compare current emissions, or a base year. Local governments should examine the range of data they have over time and select a year that has the most accurate and complete data for all key emission sources. It is also preferable to establish a base year several years in the past to be able to account for the emissions benefits of recent actions. A local government's emissions inventory should comprise all greenhouse gas emissions occurring during a selected *calendar* year.

For the Silicon Valley Climate Protection Partnership inventories, 2005 was chosen as the baseline year, since this year is increasingly becoming the standard for such inventories; the 1990 baseline year for California is usually difficult for most local governments to meet and would not produce the most accurate inventory.

¹⁴ Methane and nitrous oxide emissions from biogenic fuels are considered Scope 1 stationary combustion emissions and are included in the stationary combustion sections for the appropriate facilities.

After setting a base year and conducting an emissions inventory for that year, local governments should make it a practice to complete a comprehensive emissions inventory on a regular basis to compare to the baseline year. ICLEI recommends conducting an emissions inventory at least every five years.



LGOP Standard Report

Local Government Operations Standard Inventory Report

1. Local Government Profile

Jurisdiction Name:	Atherton
Street Address:	91 Ashfield Road
City, State, ZIP, Country:	Atherton, CA 94027
Website Address:	http://www.ci.atherton.ca.us
Size (sq. miles):	5
Population:	7194
Annual Budget:	\$16,938,487
Employees (Full Time Equivalent):	51
Climate Zone:	CA Climate Zone 3 *
Annual Heating Degree Days:	3649**
Annual Cooling Degree Days:	292**
Lead Inventory Contact Name:	Kathy Anderson
Title:	Town Arborist
Department:	Building
Email:	kanderson@ci.atherton.ca.us
Phone Number:	(650) 752-0527

* www.energycodes.gov/implem/pdfs/climate_paper_review_draft_rev.pdf

** www7.ncdc.noaa.gov/CDO/CDODivisionalSelect.jsp#

Services Provided:

☐ Water treatment	☐ Mass transit (buses)	☐ Hospitals	☐ Natural gas utility
☒ Water distribution	☐ Mass transit (light rail)	☐ Airport	☐ Other (Specify below)
☐ Wastewater treatment	☐ Mass transit (ferries)	☐ Seaport/shipping terminal	
☐ Wastewater collection	☐ Schools (primary/secondary)	☐ Marina	
☐ Electric utility	☐ Schools (colleges/universities)	☐ Stadiums/sports venues	
☐ Fire Protection	☐ Solid waste collection	☐ Convention center	
☐ Police	☐ Solid waste disposal	☒ Street lighting and traffic signals	

Local Government Description:

Atherton is located on the peninsula nestled between the San Francisco Bay and the Pacific Ocean. The Town begins in the flatlands then moves westward to the hills, until it reaches Highway 280. Beautiful foliage, elegant gardens and heritage trees dominate this quiet small community.

The Town of Atherton desires, insofar as possible, to preserve its character as a scenic, rural, thickly-wooded, residential area, with abundant open space with streets designed primarily as scenic routes rather than for speed of travel.

2. GHG Inventory Details

Reporting Year:	2005
Protocol Used:	Local Government Operations Protocol, Version 1.0 (September 2008)
Control Approach:	Operational Control

GHG Emissions Summary (All Units in Metric Tons Unless Stated Otherwise)

Note: CO₂e totals listed here are summed totals of the estimated emissions of each inventoried gas based upon their global warming potentials (Appendix E of LGOP)

BUILDINGS & OTHER FACILITIES

		CO ₂ e	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆
SCOPE 1	Stationary Combustion	18.914	18.863	0.002	0.000			
	Fugitive Emissions							
	Total Direct Emissions from Buildings & Facilities	18.914	18.863	0.002	0.000	0.000	0.000	0.000
SCOPE 2	Purchased Electricity	56.172	55.714	0.003	0.001			
	Purchased Steam							
	District Heating & Cooling							
	Total Indirect Emissions from Buildings & Facilities	56.172	55.714	0.003	0.001			
SCOPE 3		CO ₂ e						
See list at bottom for some examples								
INDICATORS	Operating Hours							
	Square Footage							
	Number of Employees							

STREETLIGHTS AND TRAFFIC SIGNALS

		CO ₂ e	CO ₂	CH ₄	N ₂ O
SCOPE 2	Purchased Electricity	45.008	44.641	0.003	0.001
	Total Indirect Emissions from Streetlights and Traffic Signals	45.008	44.641	0.003	0.001
SCOPE 3		CO ₂ e			
See list at bottom for some examples					
INDICATORS					

WATER DELIVERY FACILITIES

		CO ₂ e	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆
SCOPE 1	Stationary Combustion							
	Total Direct Emissions from Water Delivery Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SCOPE 2	Purchased Electricity	4.623	4.586	0.000	0.000			
	Purchased Steam							
	District Heating & Cooling							
	Total Indirect Emissions from Water Delivery Facilities	4.623	4.586	0.000	0.000			
SCOPE 3		CO ₂ e						
See list at bottom for some examples								
INDICATORS	Gallons of Drinking Water Treated							
	Gallons of Water Transported							

VEHICLE FLEET

		CO ₂ e	CO ₂	CH ₄	N ₂ O	HFCs	PFCs
SCOPE 1	Mobile Combustion	172.146	170.402	0.007	0.005		
	Fugitive Emissions	2.600	2.600			2.600	
	Total Direct Emissions from Vehicle Fleet	174.746	173.002	0.007	0.005	2.600	0.000
SCOPE 2	Purchased Electricity for Electric Vehicles						
	Total Indirect Emissions from Vehicle Fleet	0.000	0.000	0.000	0.000		
SCOPE 3		CO ₂ e					
See list at bottom for some examples							
INDICATORS	Number of Vehicles	24					
	Vehicle Miles Traveled	201,413					

WASTE GENERATION

		CO ₂ e
SCOPE 3	Waste All Facilities	40.257
INDICATORS	Short tons of solid waste accepted for disposal	159
	Short tons of recyclable materials accepted for processing	

EMPLOYEE COMMUTE			
SCOPE 3		CO ₂ e	
	Mobile Combustion		299.183
INDICATORS	Vehicle Miles Traveled		
	Number of Vehicles		

INFORMATION ITEMS			
		CO ₂ e	
	Information Item R-22		39.866
	Total Information Items		39.866

Total Emissions							
		CO ₂ e	CO ₂	CH ₄	N ₂ O	HFCs	PF ₆ s
SCOPE 1		193.661	191.865	0.009	0.005	2.600	0.000
SCOPE 2		105.803	104.941	0.006	0.002	0.000	0.000
SCOPE 3		339.440					
INFORMATION ITEMS		39.866					

POSSIBLE SOURCES OF OPTIONAL SCOPE 3 EMISSIONS	
	Employee Commute
	Employee Business Travel
	Emissions From Contracted Services
	Upstream Production of Materials and Fuels
	Upstream and Downstream Transportation of Materials and Fuels
	Waste Related Scope 3 Emissions
	Purchase of Electricity Sold to an End User
	Transmission and Distribution Losses from Consumed Electricity
	Other Scope 3

POSSIBLE INFORMATION ITEMS	
	Biogenic CO ₂ from Combustion
	Carbon Offsets Purchased
	Carbon Offsets Sold
	Renewable Energy Credits (Green Power) Purchased
	Renewable Energy Credits Sold (GreenPower)
	Ozone-depleting Refrigerants/Fire Suppressants not in LGOP
	Other Information Items

Local Government Operations Standard Inventory Report

3. Activity Data Disclosure

Every emission source must be accompanied by a reference for the activity data. This worksheet is meant to assist in recording activity data and the methods used to gather those data for government operations. Activity data represent the magnitude of human activity resulting in emissions; data on energy use, fuel consumption, vehicle miles traveled, and waste generation are all examples of activity data that are used to compute GHGs. Detailed disclosure should be made of the activity data used and at what quantities. This disclosure should also cite the source(s) of the data and the methodology used, including whether that methodology is a recommended method or an alternate method.

Deviations from the primary methodology should be explained in detail. All assumptions and estimations should be cited as such. Local governments may also use this space in the reporting format to discuss the rationale for the inclusion or exclusion of optional inventory components. It is good practice to include appropriate citations (such as website URL, report title, etc) and all contact information that is necessary to verify the source and accuracy of the activity data.

BUILDINGS & OTHER FACILITIES (Chapter 6)

SCOPE 1

Stationary Combustion

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Natural Gas	CO ₂ e					
	CO ₂	Primary	Known fuel use	3,383	therms	PG&E
	CH ₄	Primary	Known fuel use	3,383	therms	PG&E
	N ₂ O	Primary	Known fuel use	3,383	therms	PG&E
	HFCs					
	PFCs					
	SF ₆					
Generators	CO ₂ e					
	CO ₂	Primary	Known fuel use	90	gallons	Kathy Anderson, Town Arborist
	CH ₄	Primary	Known fuel use	90	gallons	Kathy Anderson, Town Arborist
	N ₂ O	Primary	Known fuel use	90	gallons	Kathy Anderson, Town Arborist
	HFCs					
	PFCs					
	SF ₆					

SCOPE 2

Purchased Electricity

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Electricity	CO ₂ e					
	CO ₂	Primary	Known Electricity Use	251,102	kWh	PG&E
	CH ₄	Primary	Known Electricity Use	251,102	kWh	PG&E
	N ₂ O	Primary	Known Electricity Use	251,102	kWh	PG&E
	HFCs					
	PFCs					
	SF ₆					

STREETLIGHTS AND TRAFFIC SIGNALS (Chapter 6.2)

SCOPE 2

Purchased Electricity

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Electricity	CO ₂ e					
	CO ₂	Primary	Known Electricity Use	201,194	kWh	PG&E
	CH ₄	Primary	Known Electricity Use	201,194	kWh	PG&E
	N ₂ O	Primary	Known Electricity Use	201,194	kWh	PG&E
	HFCs					
	PFCs					
	SF ₆					

WATER DELIVERY FACILITIES (Chapter 6)

SCOPE 2

Purchased Electricity

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Electricity	CO ₂ e					
	CO ₂	Primary	Known Electricity Use	20,668	kWh	PG&E
	CH ₄	Primary	Known Electricity Use	20,668	kWh	PG&E
	N ₂ O	Primary	Known Electricity Use	20,668	kWh	PG&E
	HFCs					
	PFCs					
	SF ₆					

VEHICLE FLEET (Chapter 7)**SCOPE 1****Mobile Combustion**

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Gasoline	CO ₂ e					
	CO ₂	Primary	Known Fuel Use	18,776	gallons	Kathy Anderson, Town Arborist
	CH ₄	Primary	Annual Mileage by vehicle type, model year, and fuel type	201,413	miles	Kathy Anderson, Town Arborist
	N ₂ O	Primary	Annual Mileage by vehicle type, model year, and fuel type	201,413	miles	Kathy Anderson, Town Arborist
	HFCs					
	PFCs					
	SF ₆					
Diesel	CO ₂ e					
	CO ₂	Primary	Known Fuel Use	500	gallons	Kathy Anderson, Town Arborist
	CH ₄	Primary	Known Fuel Use	500	gallons	Kathy Anderson, Town Arborist
	N ₂ O	Primary	Known Fuel Use	500	gallons	Kathy Anderson, Town Arborist
	HFCs					
	PFCs					
	SF ₆					

Fugitive Emissions

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Refrigerants	R-134a	Alternate	Estimate based upon equipment inventory and capacities	N/A	kg	Kathy Anderson, Town Arborist

WASTE GENERATION (Scope 3)**SCOPE 3**

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Generated Waste	CH ₄	Alternate	Estimated waste weight based upon volume and number of containers - 2006 proxy data used	159	tons	Jennifer Chicconi, Allied Waste

EMPLOYEE COMMUTE (Scope 3)**SCOPE 3****Stationary Combustion**

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Gasoline	CO ₂ e					
	CO ₂	Alternate	Proxy Year Estimated Fuel Use-based upon daily vehicle miles traveled for all respondents extrapolated to represent all local government employees	30,757	gallons	Online and paper surveys of all employees; see Appendix C of Narrative report for examples; Data in possession of Kathy Anderson, Town Arborist
	CH ₄	Alternate	Proxy Year Estimated Fuel Use-based upon daily vehicle miles traveled for all respondents extrapolated to represent all local government employees	30,757	gallons	Online and paper surveys of all employees; see Appendix C of Narrative report for examples; Data in possession of Kathy Anderson, Town Arborist
	N ₂ O	Alternate	Proxy Year Estimated Fuel Use-based upon daily vehicle miles traveled for all respondents extrapolated to represent all local government employees	30,757	gallons	Online and paper surveys of all employees; see Appendix C of Narrative report for examples; Data in possession of Kathy Anderson, Town Arborist
	HFCs					
	PFCs					
	SF ₆					

Diesel	CO ₂ e					
	CO ₂	Alternate	Proxy Year Estimated Fuel Use-based upon daily vehicle miles traveled for all respondents extrapolated to represent all local government employees	2,162	gallons	Online and paper surveys of all employees; see Appendix C of Narrative report for examples; Data in possession of Kathy Anderson, Town Arborist
	CH ₄	Alternate	Proxy Year Estimated Fuel Use-based upon daily vehicle miles traveled for all respondents extrapolated to represent all local government employees	2,162	gallons	Online and paper surveys of all employees; see Appendix C of Narrative report for examples; Data in possession of Kathy Anderson, Town Arborist
	N ₂ O	Alternate	Proxy Year Estimated Fuel Use-based upon daily vehicle miles traveled for all respondents extrapolated to represent all local government employees	2,162	gallons	Online and paper surveys of all employees; see Appendix C of Narrative report for examples; Data in possession of Kathy Anderson, Town Arborist
	HFCs					
	PFCs					
	SF ₆					

INFORMATION ITEMS

Stationary Combustion

Emissions Source Name	GHG	Methodology Type	Methodology Name and Description	Resource Quantity	Fuel Unit	Data Sources and References
Ozone Depleting Refrigerants	R-22	Alternate	Estimate based upon equipment inventory and capacities	N/A	kg	Steven Tyler, PW Supervisor

POSSIBLE SOURCES OF OPTIONAL SCOPE 3 EMISSIONS

Employee Commute
 Employee Business Travel
 Emissions From Contracted Services
 Upstream Production of Materials and Fuels
 Upstream and Downstream Transportation of Materials and Fuels
 Waste Related Scope 3 Emissions
 Purchase of Electricity Sold to an End User
 Transmission and Distribution Losses from Consumed Electricity
 Other Scope 3

POSSIBLE INFORMATION ITEMS

Biogenic CO₂ from Combustion
 Carbon Offsets Purchased
 Carbon Offsets Sold
 Renewable Energy Credits (Green Power) Purchased
 Renewable Energy Credits Sold (GreenPower)
 Ozone-depleting Refrigerants/Fire Suppressants not in LGOP
 Other Information Items

Local Government Operations Standard Inventory Report

4. Calculation Methodology Disclosure

In addition to activity data, every emission source must be accompanied by the emission factor used, a reference for each emission factor, and the calculation

BUILDINGS & OTHER FACILITIES (Chapter 6)

SCOPE 1

Stationary Combustion

Emissions	Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Natural Gas		CO ₂ e			
		CO ₂	Default	53.06 kg/MMBtu	LGOP v1 Table G.1
		CH ₄	Default	5 g/MMBtu	LGOP v1 Table G.3
		N ₂ O	Default	0.1 g/MMBtu	LGOP v1 Table G.3
		HFCs			
		PFCs			
		SF ₆			
Generators-Diesel		CO ₂ e			
		CO ₂	Default	73.15 kg/MMBtu	LGOP v1 Table G.1
		CH ₄	Default	11 g/MMBtu	LGOP v1 Table G.3
		N ₂ O	Default	.6 g/MMBtu	LGOP v1 Table G.3
		HFCs			
		PFCs			
		SF ₆			

SCOPE 2

Purchased Electricity

Emissions	Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Electricity		CO ₂ e			
		CO ₂	Default	489.2 lbs/MWh	PG&E (2005); LGOP v1 Table G.5
		CH ₄	Default	0.029 lbs/MWh	CA Grid Average (2004 proxy); LGOP v1 Table G.6
		N ₂ O	Default	0.011 lbs/MWh	CA Grid Average (2004 proxy); LGOP v1 Table G.6
		HFCs			
		PFCs			
		SF ₆			

STREETLIGHTS AND TRAFFIC SIGNALS (Chapter 6.2)

SCOPE 2

Purchased Electricity

Emissions	Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Electricity		CO ₂ e			
		CO ₂	Default	489.2 lbs/MWh	PG&E (2005); LGOP v1 Table G.5
		CH ₄	Default	0.029 lbs/MWh	CA Grid Average (2004 proxy); LGOP v1 Table G.6
		N ₂ O	Default	0.011 lbs/MWh	CA Grid Average (2004 proxy); LGOP v1 Table G.6
		HFCs			
		PFCs			
		SF ₆			

WATER DELIVERY FACILITIES (Chapter 6)

SCOPE 2

Purchased Electricity

Emissions	Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Electricity		CO ₂ e			
		CO ₂	Default	489.2 lbs/MWh	PG&E (2005); LGOP v1 Table G.5
		CH ₄	Default	0.029 lbs/MWh	CA Grid Average (2004 proxy); LGOP v1 Table G.6
		N ₂ O	Default	0.011 lbs/MWh	CA Grid Average (2004 proxy); LGOP v1 Table G.6
		HFCs			
		PFCs			
		SF ₆			

VEHICLE FLEET (Chapter 7)**SCOPE 1****Mobile Combustion**

Emissions Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Gasoline	CO ₂ e			
	CO ₂	Default	8.81 kg/gallon	LGOP v1 Table G.9
	CH ₄	Default	Varies by model year	LGOP v1 Table G.10; Table G.12 for other equipment
	N ₂ O	Default	Varies by model year	LGOP v1 Table G.10; Table G.12 for other equipment
	HFCs			
	PFCs			
	SF ₆			
Diesel	CO ₂ e			
	CO ₂	Default	10.15 kg/gallon	LGOP v1 Table G.9
	CH ₄	Default	Varies by model year	LGOP v1 Table G.10; Table G.12 for other equipment
	N ₂ O	Default	Varies by model year	LGOP v1 Table G.10; Table G.12 for other equipment
	HFCs			
	PFCs			
	SF ₆			

Fugitive Emissions

Emissions Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Refrigerants	R-134a	None	GWP-1300	LGOP v1 Table E.1&E.2

WASTE GENERATION (Scope 3)**SCOPE 3**

Emissions Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Generated Waste	CH ₄	Alternate	Varies by waste type	EPA Waste Reduction Model http://www.epa.gov/climatechange/wycd/waste/calculators/Warm_home.html ; Public Administration waste characterization provided by CIWMB

EMPLOYEE COMMUTE (Scope 3)**SCOPE 3****Stationary Combustion**

Emissions Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Gasoline	CO ₂ e			
	CO ₂	Default	8.81 kg/gallon	LGOP v1 Table G.9
	CH ₄	Default	0.02990 g/mi (cars)	LGOP v1 Table G.13
	N ₂ O	Default	.03413 g/mi (cars)	LGOP v1 Table G.13
	HFCs			
	PFCs			
	SF ₆			
Diesel	CO ₂ e			
	CO ₂	Default	10.15 kg/gallon	LGOP v1 Table G.9
	CH ₄	Default	0.0005 g/mi (cars)	LGOP v1 Table G.13
	N ₂ O	Default	.001 g/mi (cars)	LGOP v1 Table G.13
	HFCs			
	PFCs			
	SF ₆			

INFORMATION ITEMS**Stationary Combustion**

Emissions Source Name	GHG	Default/Alternate	Emission Factor	Emission Factor Sources and References
Ozone Depleting Refrigerants	R-22	None	GWP-1700	http://www.epa.gov/ozone/science/ods/classone.html

POSSIBLE SOURCES OF OPTIONAL SCOPE 3 EMISSIONS**POSSIBLE INFORMATION ITEMS**

Employee Commute
Employee Business Travel
Emissions From Contracted Services
Upstream Production of Materials and Fuels
Upstream and Downstream Transportation of Materials and Fuels
Waste Related Scope 3 Emissions
Purchase of Electricity Sold to an End User
Transmission and Distribution Losses from Consumed Electricity
Other Scope 3

Biogenic CO₂ from Combustion
Carbon Offsets Purchased
Carbon Offsets Sold
Renewable Energy Credits (Green Power) Purchased
Renewable Energy Credits Sold (GreenPower)
Ozone-depleting Refrigerants/Fire Suppressants not in LGOP
Other Information Items



Employee Commute

Emissions from employee commutes make up an important optional source of emissions from any local government's operations. The scale of emissions from employee commutes is often large in comparison with many other facets of local government operations, and local governments can affect how their employees get to and from work through a variety of incentives. For this reason, ICLEI recommends estimating emissions from employee commutes as part of a complete government operations greenhouse gas emissions inventory.

To assist in the data collection process, ICLEI provided the jurisdictions with both an online and a paper copy of an employee commute survey.¹⁵ The questions in the survey were aimed at finding three categories of information:

- **Activity data** to calculate emissions from employee commute (vehicles miles traveled, vehicle type, vehicle model year) both current and in 2005.
- **Indicator data** to help Atherton understand how much time and money employees spend as they commute, as well as how many employees use alternative modes of transportation to get to work.
- **Policy data** that will serve as guidance for Atherton as it adopts policies aimed at reducing emissions from employee commutes. These questions asked employees for their interest in alternative modes of transportation as well as what policies would be most effective in allowing them to switch modes of transportation away from driving alone.

This section provides the emissions estimation methodology and both surveys. Individual survey results are in the possession of Atherton staff.

¹⁵ The paper survey was administered only to employees that do not have access to a computer. The survey asked slightly different questions but was aimed at garnering the same emissions and policy-relevant data as the electronic survey.

C.1 Methodology Summary

The methodology for estimating the employee commute emissions portion of the inventory is similar to the mobile emissions methodology outlined in the mobile emissions section of Appendix B. Atherton administered the employee commute survey to 51 current employees working for the City, and 43 employees responded to the survey (a response rate of 84 percent). The survey was administered in 2008 and current data was used as a proxy for 2005 data. Both full time and part-time employee data were included.

To calculate emissions, the survey collected the following information:

- The number of days and number of miles employees drive alone to work (one-way) in an average week
- The number of days they carpooled and how often they drove the carpool in an average week
- The vehicle type of their vehicle and the type of fuel consumed

These weekly data were then converted into annual VMT estimates by the following equation:

Number of days driven to work/week x to-work commute distance x 2 x 48 weeks worked/year

Actual CO₂e emissions from respondents' vehicles were calculated by converting vehicle miles traveled per week by responding employees into annual fuel consumption by fuel type (gasoline, diesel). The VMT data collected were converted to fuel consumption estimates using fuel economy of each vehicle type.¹⁶

ICLEI then extrapolated estimated fuel consumption to represent all 51 of Atherton's employees in 2005. This was a simple extrapolation, multiplying the estimated fuel consumption number by the appropriate factor to represent all current employees. For example, if 33.3 percent of employees responded, fuel consumption numbers were tripled to estimate fuel consumption for all employees. This is not a statistical analysis and no uncertainty has been calculated as there is uncertainty not only at the extrapolation point but also in the calculation of actual emissions. Therefore, the resulting calculated emissions should be seen as directional and not as statistically valid.

¹⁶ www.fueleconomy.gov

C.2 Electronic Employee Commute Survey

1. Introduction

The purpose of this survey is to gather information on your commute to work so your employer can offer the best transportation options to you while reducing the jurisdiction's impact on the environment. The survey should take no more than 15 minutes.

Unless otherwise indicated, all questions refer to a ONE-WAY commute TO WORK only. Please do not include any traveling you do during work hours (meetings, site visits, etc). Any question with an asterisk (*) next to it requires an answer in order to proceed.

Please note that this survey is completely anonymous. We will not collect or report data on any individuals who respond to the survey.

Thank you very much.

2. Workplace

Please provide the following information regarding your workplace. Click "Next" at the bottom when finished or click "Prev" to go back.

*1. What local government do you currently work for?

Atherton
Belmont
Brisbane
Burlingame
Campbell
Colma
Cupertino
Daly City
East Palo Alto
Foster City
Gilroy
Half Moon Bay
Los Altos
Los Gatos
Milpitas
Mountain View
Pacifica
Portola Valley
Redwood City
San Bruno
San Carlos
San Mateo County
Santa Clara
Santa Clara County
Santa Cruz County
Saratoga
South San Francisco
Woodside

*2. What department do you work in?

3. Commuter Background Information

Please provide the following information regarding your background. Click "Next" at the bottom when finished or click "Prev" to go back.

*1. What city/town do you live in?

*2. How many miles do you live from your place of work?
(please enter a whole number)

3. How many minutes does your commute to work typically take?
(please enter a whole number)

4. In a typical week, how much money do you spend on your ROUND TRIP commute? (transit fees, gas, tolls, etc-please enter a number)

5. If you drive to work, what type of vehicle do you usually drive?

Full-size auto

Mid-size auto

Compact/hybrid

Light truck/SUV/Pickup

Van

Heavy Truck

Motorcycle/scooter

6. What year is your vehicle?
(please enter a four digit year)

7. What type of fuel does your vehicle use?

Gas

Diesel

Biodiesel (B20)

Biodeisel (B99 or B100)

Electric

Other (please specify-if Ethanol please indicate grade)

4. Employment Information

Please provide the following information regarding your employment. Click "Next" at the bottom when finished or click "Prev" to go back.

1. Do you typically travel to work between 6-9 am Monday-Friday?

Yes

No

If No, please specify what time of day you commute:

2. Does your position allow you to have flexible hours or to telecommute?

Yes

No

*3. Are you a full time employee or part time employee?

Full

Part

5. Part Time Employees

Please provide the following information regarding your part time employment. Click "Next" at the bottom when finished or click "Prev" to go back.

*1. What is the average number of days you work per week?
(please enter a number)

6. Current Daily Commute

Please provide the following information regarding your current daily commute. Click "Next" at the bottom when finished or click "Prev" to go back.

*1. In a typical week, do you drive to work alone at least once?

Yes

No

7. Drive Alone

Click "Next" at the bottom when finished or click "Prev" to go back.

*1. How many DAYS a week do you drive alone to work?

(please enter a number)

*2. How many MILES PER DAY do you drive TO WORK ONLY?

(please enter a number)

8. Carpool

Click "Next" at the bottom when finished or click "Prev" to go back.

*1. In a typical week, do you carpool to work at least once?

Yes

No

9. Carpool

*1. How many DAYS a week do you carpool?

(please enter a number)

*2. How many MILES do you drive TO WORK ONLY when you carpool?

(please enter a number)

3. How many PEOPLE are in your carpool?

(please enter a number)

*4. How many DAYS a week are you the driver of the carpool?

(please enter a number)

10. Public Transit

*1. In a typical week, do you take public transit to work at least once?

Yes

No

11. Public Transit

*1. How many DAYS a week do you take public transit TO WORK?

(please enter a number)

2. What type of public transit do you take TO WORK?

SamTrans

BART

Caltrain

VTA Bus

VTA Rail

ACE Train

Capitol Corridor

City Operated Transit

Paratransit

Other (please specify)

12. Bike/Walk

*1. In a typical week, do you bike or walk to work at least once?

Yes

No

13. Bike/Walk

1. How many DAYS a week do you bike to work?
(please enter a number)

2. How many DAYS a week do you walk to work?
(please enter a number)

14. Telecommute

1. If you telecommute:
How many DAYS do you telecommute in a typical week?
(please enter a number)
If you do not telecommute, leave this question blank.

15. Commute in Base Year

Please provide the following information regarding your commute in 2005.

*1. Did you work for us in 2005?
Yes
No

16. Commute in Base Year

Please provide the following information regarding your commute in your base year.

*1. In 2005, did you typically commute by the same mode(s) as you do now?
Yes
No

17. Commute in Base Year

Please provide the following information regarding your commute change.

1. Why did you change your commute mode?

18. 2005 Daily Commute

Please provide the following information regarding your 2005 daily commute.

*1. In 2005, did you typically drive to work alone at least once a week?
Yes
No

19. Drive Alone

*1. In 2005, how many DAYS a week did you typically drive alone?
(please enter a number)

*2. In 2005, how many MILES a day did you typically drive TO WORK ONLY?
(please enter a number)

20. Carpool

*1. In 2005, did you carpool at least once in a typical week?
Yes
No

21. Carpool

*1. In 2005, how many DAYS did you typically carpool in a week?
(please enter a number)

*2. In 2005, how many MILES did you typically drive TO WORK when you carpooled?
(please enter a number)

*3. In 2005, how many DAYS in a typical week were you the driver of your carpool?
(please enter a number)

22. Public Transit

*1. In 2005, did you typically take public transit to work at least once a week?

Yes

No

23. Public Transit

*1. In 2005, how many days in a typical week did you take public transit TO WORK?
(please enter a number)

2. In 2005, what type of public transit did you take TO WORK?

SamTrans

BART

VTA Bus

VTA Rail

ACE Train

Capitol Corridor

City Operated Transit

Paratransit

Other (please specify)

24. Bike/Walk

*1. In 2005, did you typically bike or walk to work at least once a week?

Yes

No

25. Bike/Walk

1. In 2005, how many DAYS did you typically bike to work in a week?
(please enter a number)

2. In 2005, how many DAYS did you typically walk to work in a week?
(please enter a number)

26. Telecommute

1. If you telecommuted in 2005:

How many DAYS in a typical week in 2005 did you telecommute?

(please enter a number)

If you did not telecommute in 2005, leave this question blank.

27. Commute Preference Information

Please answer the following questions regarding your CURRENT commute.

1. Why have you chosen your current commute mode?

2. Would you consider taking any of the following transportation modes? (check all that apply):

Public Transportation

Carpooling

Vanpooling

Bicycling

Walking

Other (please specify)

*3. Is there a transit route that you would use to commute by public transit?

Yes

No

4. If no to question 3, please explain why not.

5. If you drive alone, which, if any, of the following benefits would encourage you to take alternative forms of transportation? (check all that apply)

Vanpool/carpool incentives

Pre-tax transit checks

Parking cash-out (reimbursement to give up your parking spot)

Improved transit options

Improved walking routes/conditions

Telecommuting option

Free/inexpensive shuttle

Free public transit benefit

Subsidizing bicycle purchase

Improved bike routes/conditions

Better information about my commute options

None of the above

Other (please specify)

28. Comments

1. If you have other concerns or issues related to your commute, or if something we should know about was not captured in any survey questions, please describe below.

29. Thank You

Thank you for responding to this survey!

C.3 Paper Employee Commute Survey

<Insert Logo Here>

Atherton Employee Commute Survey

<Date>:

To all of our employees:

As you may be aware, **<local government name>** is actively working to reduce its impact on the environment. As part of this effort, we are collecting information on our employee's commuting patterns and preferences. This will help us to better understand what impact our employees' commutes are having on climate change *and* to provide ways to make your commute easier and less expensive.

Please take 15 minutes to fill out this survey created by ICLEI-Local Governments for Sustainability. **Please complete the survey by <due date> and return to <name> in the <department>.**

This survey is completely anonymous. We will not be collecting or reporting any individual responses.

If you have any questions regarding the survey, please feel free to contact me at **<phone number>**.

Thank you very much,

<Your name>

Atherton Employee Commute Survey

Unless otherwise indicated, all questions refer to a one-way commute to work only. Please do not include any traveling you do during work hours (e.g., meetings, site visits, etc). Asterisks (*) indicate questions that require an answer.

A. Commuter Background Information

1. About how many miles do you live from work?

2. What city/town do you live in?

- * 3. If you drive to work, what type of vehicle do you usually drive? (check one) If you don't drive to work, skip to Section B.

☐ Full size auto	☐ Compact/hybrid	☐ Heavy truck
☐ Mid size auto	☐ SUV/Pickup	☐
Other _____		
- * 4. What year was your vehicle manufactured?

- * 5. What type of fuel does your vehicle use? (if biodiesel or ethanol, specify grade) _____

B. Estimate Your Current Commute for a typical work week.

- * 1. Please enter below the number of days per week you use each type of commute mode and the number of miles you travel each day **to work only** in a typical week:

Commute Mode	Drive Alone	Carpool	Vanpool	Public Transit	Bike	Walk	Other (specify)
Days per week you travel to work by this mode (max 7)							
Miles Traveled to work per day in this mode							

2. How much does your **round trip** commute cost per week?
\$ _____
3. How many minutes does your commute to work typically take?

4. If you take public transit, what transit agency do you use?

- *5. If you carpool to work, how many days in a typical week are you the driver?

6. How many days do you telecommute in a typical week?

C. Employment Information (check one answer for each question)

1. Are you a full time or part time employee? ☐ Full ☐ Part
2. Do you typically travel to work between 6-9 a.m.? ☐ Y ☐ N
3. Does your position allow you to have flexible hours or to telecommute? ☐ Y ☐ N
4. What department do you work for?

5. D. Your Commute in 2005

- *1. Did you work for us in 2005? ☐ Y ☐ N
- *2. If yes to Q.1, did you typically commute by the same mode(s) as you do now? ☐ Y ☐ N
- *3. If no to Q.2, please enter the number of miles you traveled (*to work only*) in a typical week in 2005 below:

Commute Mode	Drive Alone	Carpool	Vanpool	Public Transit	Bike	Walk	Other
Days per Week (max 7)							
Miles Traveled to Work per Day							

If you commute differently now than in 2005, why did you change your commute mode?

E. Current Commute Preference Information

1. Why have you chosen your current commute mode?
- _____
2. Would you consider taking any of the following transportation modes?(check all that apply):
☐ Carpooling ☐ Vanpooling ☐ Bicycling
☐ Public transit ☐ Walking ☐ Other _____
 3. a. Is there a transit route that you would use to commute by public transit? ☐ Y ☐ N

b. If not, please explain:

4. If you drive alone, which, if any, of the following benefits would encourage you to take alternative forms of transportation? (check all that apply)

☐ Vanpool/carpool incentives

☐ Free/inexpensive shuttle

☐ Pre-tax transit checks

☐ Free public transit benefit

☐ Parking cash-out
(reimbursement to give up your parking spot)

☐ Subsidized bicycle purchase

☐ Improved transit options

☐ Improved bike routes/conditions

☐ Improved walking routes/conditions

☐ Better information about my
commute options

☐ Telecommuting option

☐ Other _____

5. Other comments?



Government-Generated Solid Waste Methodology

Emissions from the waste sector are an estimate of methane generation that will result from the anaerobic decomposition of all organic waste sent to landfill in the base year. It is important to note that although these emissions are attributed to the inventory year in which the waste is generated, the emissions themselves will occur over the 100+ year timeframe that the waste will decompose. This frontloading of emissions is the approach taken by EPA's Waste Reduction Model (WARM). Attributing all future emissions to the year in which the waste was generated incorporates all emissions from actions taken during the inventory year into that year's greenhouse gas release. This facilitates comparisons of the impacts of actions taken between inventory years and between jurisdictions. It also simplifies the analysis of the impact of actions taken to reduce waste generation or divert it from landfills.

D.1 Estimating Waste Tonnages from Atherton's Operations

Like most local governments, Atherton does not directly track the amount of waste generated from its operations. Therefore, to estimate the amount of waste generated, ICLEI worked with Allied Waste, Inc. the hauler of waste for Atherton in 2005. The amount of waste was estimated by compiling pick-up accounts owned by Atherton. Garbage trucks do not weigh waste at each pick-up, therefore, it is not possible to directly track disposal figures in mass per facility. Mass of waste generation was estimated using volumetric container size (gallons, yards, etc.) data, along with pick-up frequency and average fill of containers. These data produced a comprehensive annual volumetric figure, which was then converted to mass using standard conversion factors supplied by the California Integrated Waste Management Board (CIWMB). Estimated waste *generation* was converted to final *disposal* (quantity sent to landfill) by applying average waste diversion percentages for each account. Where applicable, self-haul waste (waste brought directly from the local government to landfills) was included as part of this total.

D.2 Emissions Calculation Methods

As some types of waste (e.g., paper, plant debris, food scraps, etc.) generate methane within the anaerobic environment of a landfill and others do not (e.g., metal, glass, etc.), it is important to characterize the various components of the waste stream. Waste characterization for government-generated solid waste was estimated using the CIWMB's 2004 statewide waste characterization study.¹⁷

Most landfills in the Bay Area capture methane emissions either for energy generation or for flaring. EPA estimates that 60 percent to 80 percent¹⁸ of total methane emissions are recovered at the landfills to which Atherton sends its waste. Following the recommendation of LGOP, ICLEI adopted a 75 percent methane recovery factor.

Recycling and composting programs are reflected in the emissions calculations as reduced total tonnage of waste going to the landfills. The model, however, does not capture the associated emissions reductions in “upstream” energy use from recycling as part of the inventory.¹⁹ This is in-line with the “end-user” or “tailpipe” approach taken throughout the development of this inventory. It is important to note that, recycling and composting programs can have a significant impact on greenhouse gas emissions when a full lifecycle approach is taken. Manufacturing products with recycled materials avoids emissions from the energy that would have been used during extraction, transporting and processing of virgin material.

D.2.1 Methane Commitment Method

CO₂e emissions from waste disposal were calculated using the methane commitment method outlined in the EPA WARM model. This model has the following general formula:

$$\text{CO}_2\text{e} = W_t * (1-R)A$$

Where:

W_t is the quantify of waste type “t”

R is the methane recovery factor,

A is the CO₂e emissions of methane per metric ton of waste at the disposal site (the methane factor)

¹⁷ CIWMB Waste Characterization Study-Public Administration Group available at <http://www.ciwmb.ca.gov/WasteChar/BizGrpCp.aspx>.

¹⁸ AP 42, section 2.4 Municipal Solid Waste, 2.4-6, <http://www.epa.gov/ttn/chief/ap42/index.html>

¹⁹ “Upstream” emissions include emissions that may not occur in your jurisdiction resulting from manufacturing or harvesting virgin materials and transportation of them.

While the WARM model often calculates upstream emissions, as well as carbon sequestration in the landfill, these dimensions of the model were omitted for this particular study for two reasons:

This inventory functions on an end-use analysis, rather than a life-cycle analysis, which would calculate upstream emissions), and this inventory solely identifies emissions sources, and no potential sequestration “sinks.”



Conducting a Monitoring Inventory

The purpose of this appendix is to assist Atherton staff in conducting a monitoring inventory to measure progress against the baseline established in this inventory report. Conducting such an inventory represents milestone five of the Five- Milestone Process, and allows a local government to assess how well it is progressing toward achieving its emissions reduction targets.

This inventory was conducted by ICLEI in conjunction with Kathy Anderson, Town Arborist, at Atherton, who served as the lead data gathering coordinator for the inventory. To facilitate a monitoring inventory, ICLEI has documented all of the raw data, data sources, and calculation methods used in this inventory. Future inventories should seek to replicate or improve upon the data and methods used in this inventory. Wherever possible, however, ICLEI strongly recommends institutionalizing internal data collection in order to be able to meet the recommended methods outlined in LGOP.

E.1 ICLEI Tools for Local Governments

ICLEI has created a number of tools for Atherton to use to assist them in future monitoring inventories. These tools were designed specifically for the Silicon Valley Climate Protection Partnership, and comply with the methods outlined in LGOP. These tools are designed to work in conjunction with LGOP, which is, and will remain, the primary reference document for conducting an emissions inventory. These tools include:

- A “master data sheet” that contains most or all of the raw data (including emails), data sources, emissions calculations, data templates, notes on inclusions and exclusions, and reporting tools (charts and graphs and the excel version of LGOP reporting tool).
- A copy of all electronic raw data, such as finance records or Excel spreadsheets.

- LGOP reporting tool (included in the master data sheet and in Appendix B) that has all activity data, emissions factors, and methods used to calculate emissions for this inventory.
- Sector-specific instructions that discuss the types of emissions, emissions calculations methods, and data required to calculate emissions from each sector, as well as instructions for using the data collection tools and calculators in the master data sheet.
- The appendices in this report include detailed methodologies for calculating emissions from Scope 3 employee commute and government-generated solid waste, as well as two versions of the employee commute survey.

It is also important to note that all ICLEI members receive on-demand technical assistance from their ICLEI liaison, which local staff should feel free to contact at any point during this process.

E.2 Relationship to Other Silicon Valley Climate Protection Partnership Inventories

While the emissions inventories for the 27 participating local governments were conducted simultaneously using the same tools, a local government operations inventory is based on data specific to each local government's operations. For this reason, data must be collected internally within each local government, and the availability of data (and thus emissions estimation methods) will vary between local governments.

That said, local governments in the Silicon Valley Climate Protection Partnership may benefit by cooperating during the re-inventorying process. For example, by coordinating inventories, they may be able to hire a team of interns to collectively perform the inventories – saving money in the process. In addition, local staff may be able to learn from each other during the process or conduct group training sessions if necessary. As a whole, the Silicon Valley Climate Protection Partnership provides the basis for a continuing regional platform for climate actions, and ICLEI recommends taking advantage of this opportunity during all climate actions, including conducting future greenhouse gas emissions inventories.

E.3 Improving Emissions Estimates

One of the benefits of a local government operations inventory is that local government staff can identify areas in their current data collection systems where data collection can be improved. For example, a local government may not directly track fuel consumption by each vehicle and instead will rely upon estimates based upon VMT or purchased fuel to calculate emissions. This affects both the accuracy of the emissions estimate and may have other implications for government operations as a whole.

During the inventory process, ICLEI and local government staff identified the following gaps in data that, if resolved, would allow Atherton to meet the recommended methods outlined in LGOP in future inventories.

- Direct tracking of refrigerants recharged into HVAC and refrigeration equipment
- Direct tracking of fire suppressants recharged into fire suppression equipment
- Fuel consumption by mobile equipment
- Direct tracking of fuel consumption by diesel and other generators
- Refrigerants recharged into vehicles in the vehicle fleet

ICLEI encourages staff to review the areas of missing data and establish data collection systems for this data as part of normal operations. In this way, when staff are ready to re-inventory for a future year, they will have the proper data to make a more accurate emissions estimate.

E.4 Conducting the Inventory

ICLEI recommends the following approach for Silicon Valley Partnership local governments that wish to conduct a monitoring inventory:

Step 1: Identify a Climate Steward

This steward will be responsible for the Atherton's climate actions as a whole and could serve as an ICLEI liaison in all future climate work. In the context of a monitoring inventory, the steward will be responsible for initiating discussions on a new inventory.

Step 2: Determine which Sectors to Inventory

There are many ways to determine which sectors apply to a local government's operations, but the easiest to review will be LGOP Standard Report, which is located both in Appendix B and in the master data sheet. This document clearly delineates which sectors will need to be inventoried within a local government's operations and which LGOP sectors do not apply to a jurisdiction.

Step 3: Gather Support: Identify Data Gathering Team and Leads

Coordination and acceptance among all participating departments is an important factor in coordinating a successful inventory. To that end, the inventory coordinator should work with the city/town/county administrator to identify all staff who will need to be part of the inventory. To facilitate this process, ICLEI has documented all people associated with the inventory in the master data sheet—these names are located in the final completed data form for each sector. Once this team has been identified, the inventory coordinator should hold a kickoff meeting with the administrator, all necessary staff, and relevant department heads which clearly communicates the priority of the inventory in relationship to competing demands. At this meeting, the roles of each person, including the inventory coordinator, should be established.

Step 4: Review Types of Emissions and Available Methodologies for Applicable Sectors

Local staff should then review LGOP and the instructions documents provided through this inventory to better understand the types of emissions for each sector (for example, within Mobile Emissions, CO₂ emissions and CH₄/N₂O emissions represent two different data requirements and emissions calculations methodologies). Each emissions type may have more than one possible estimation methodology, and it is important that the inventory coordinator understands all possible methodologies and be able to communicate this to all parties assisting in the data gathering.

Step 5: Review Methodologies Used for the 2005 Inventory to Determine Data to Collect

In order to duplicate or improve upon the methods used in this inventory, local staff should again review the methods used for this inventory—these methods are again located in Appendix B—and within the master data sheet. These methods reflect the data limitations for each local government (as many local governments could not obtain data necessary to meet the recommended methods in LGOP). Wherever possible, these methods should be duplicated or, if it is possible, replaced with the recommended methods outlined in LGOP. Using these methodologies, staff will determine what data needs to be collected and communicate this effectively to the data gathering team.

Step 6: Begin Data Collection

With the exception of electricity and natural gas for stationary sources, all data collection will be internal. To obtain stationary source energy consumption data, staff will need to contact the ICLEI representative to determine who the contact is for PG&E data (other utilities will need to be contacted directly).

Step 7: Use the Data Forms as a Resource During Data Gathering

A number of questions will come up during the data gathering process that may be difficult to answer. ICLEI has attempted to capture all of the questions that arose during the 2005 inventory and how they were addressed through the master data sheet. Within the master data sheet, staff should review the raw data, working data, and completed data forms to review how raw data was converted to final data, and also to review any notes taken by ICLEI staff during the 2005 inventory process.

For example, reviewing the stationary sources PG&E data within the master data sheet will allow local staff to review how individual accounts were separated into each category and which counts may have been excluded from the inventory.

Step 8: Use Emissions Software to Calculate Emissions

ICLEI has provided the staff lead on the 2005 inventory with a backup of the software used to calculate many of the emissions included in this report. Staff should use this (or more current ICLEI software) to calculate emissions by inputting the activity data into the software. ICLEI staff and ICLEI trainings are available to assist local government staff in calculating emissions.

Step 9: Report Emissions

The master data sheet also contains the LGOP Standard Reporting Template, which is the template adopted by ARB as the official reporting template for government operations emissions inventory. This tool, as well as the charts and graphs tool provided by ICLEI can be used to report emissions from government operations. Also, local government staff should utilize this narrative report as guide for a narrative report if they so choose.

Step 10: Standardize and Compare to Base Year

Conducting a monitoring inventory is meant to serve as a measuring point against the baseline year represented in this report. In order to make a more accurate comparison, it is necessary to standardize emissions from stationary sources based upon heating and cooling degree days (staff can use a ratio of heating /cooling degree days to standardize across years).

In addition, it is important, when comparing emissions across years, to clearly understand where emissions levels may have changed due to a change in methodology or due to excluding an emissions source. For example, if the default method was used to estimate refrigerant leakage in 2005 (this method highly overestimates these emissions), and the recommended method was available in a monitoring year, this would appear as a dramatic reduction in these emissions even though actual leaked refrigerants may be similar to the base year. Changes such as these should not be seen as progress toward or away from an emissions reduction target, but emissions estimates should be adjusted to create as much of an apples-to-apples comparison as possible. If such an adjustment is not possible, staff should clearly note the change in methodology between years when comparing emissions.



Item No. 21

CITY COUNCIL STAFF REPORT

Town of Atherton

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: EILEEN M. WILKERSON, ASSISTANT CITY MANAGER

DATE: CITY COUNCIL MEETING OF DECEMBER 16, 2009

SUBJECT: REJECT CLAIM OF D.C. EXPRESS AND DEEPAK CHAND

RECOMMENDATION

Adopt Resolution 09-52 rejecting claim of D.C. Express, Inc. and Deepak Chand.

BACKGROUND

The Town received a claim filed by D.C. Express, Inc. to seek indemnity for potential liability resulting from an incident involving a tree on April 29, 2009 and May 9, 2009.

ABAG has recommended that the Town reject the claim of D.C. Express, Inc. and Deepak Chand.

FISCAL IMPACT

No fiscal impact.

Attachment: Resolution 09-52 rejecting the claim of D.C. Express Inc. and Deepak Chand

Prepared By:

Approved:

/s/ Eileen Wilkerson

/s/ Jerome D. Gruber

Eileen Wilkerson
Assistant City Manager

Jerome D. Gruber
City Manager

RESOLUTION 09-52

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON REJECTING
THE CLAIM OF

D.C. Express and Deepak Chand

[Re: Indemnity for potential liability resulting from an incident that occurred on April 29, 2009
and May 9, 2009]

BE IT RESOLVED by the City Council of the Town of Atherton that the Claim for indemnity
for potential liability resulting from alleged damages on April 29, 2009 and May 9, 2009 and
received November 12, 2009, is hereby rejected.

DULY AND REGULARLY ADOPTED this 16th day of December, 2009.

TOWN OF ATHERTON

Jerry Carlson, Mayor

ATTEST

Theresa N. DellaSanta, Deputy City Clerk

Resolution 09-36
Adopted December 16, 2009



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Eileen M. Wilkerson, Assistant City Manager

DATE: FOR THE MEETING OF DECEMBER 16, 2009

SUBJECT: PROCLAMATION APPROVING A WORKING RELATIONSHIP AGREEMENT WITH THE COUNTY OF SAN MATEO CENSUS 2010

RECOMMENDATION:

Approve the attached proclamation approving agreement with the County of San Mateo Census 2010.

INTRODUCTION:

This staff report and proclamation to enter into an agreement with the County of San Mateo Census Bureau will help to raise overall awareness and assist in ensuring an accurate 2010 Census count in the Atherton community.

Every ten years, the federal government is constitutionally required to conduct a census of the population. Specifically, this activity is performed by the U.S. Census Bureau, which is part of the Department of Commerce. In addition to recording the number of individuals in the country, the Census Bureau also collects other information, including, but not limited to: age, gender, race, ethnicity, housing status, and income. This data provides the denominators for population statistics.

An accurate census count is important to the Town of Atherton in a number of ways. Census data ensures fair Congressional representation by determining how many seats each state will have in the U.S. House of Representatives as well as the redistricting of state legislatures, county supervisors, city councils, and voting districts. In addition, federal and state funding is allocated to states and local communities based on census data. Furthermore, census data is used to determine where to locate schools, day-care centers, roads and public transportation, hospitals and other facilities.

Conducting the 2010 Census is a multi-year effort. Town staff initially became involved with the 2010 Census in September of 2009, by taking part in the Local Update of Census Addresses (LUCA) program. As part of the LUCA program, local jurisdictions contribute to the complete

enumeration of their communities by updating the list of housing unit and group quarters addresses that the U.S. Census Bureau will use to mail or deliver census questionnaires.

Contributing to the LUCA program is important in order to provide the Census Bureau with an accurate address list; however, a complete count for Census 2010 will still be extremely difficult, and significantly more expensive without the participation of local governments who educate residents on the importance of the census and encourage them to respond to their questionnaires. Thus, the Census Bureau establishes partnerships with local jurisdictions that assist with education and outreach for the census.

ANALYSIS:

By approving this proclamation, the Council will form a working relationship with the Census Bureau to support and disseminate 2010 Census information, and to encourage optimal community participation. The City will further this effort by:

- Displaying 2010 Census Materials on the Town Web site under “In the Spotlight”
- Distributing Census 2010 materials through a mass email
- Issuing a Press Release
- Publishing an article in the Town’s winter issue of the “*Athertonian*”
- Coordinating with local schools to ensure an accurate count of all campus residents.
- Allow training of Census workers in the Town’s Council Chambers or other appropriate venue
- Distributing Census 2010 materials at the Administration Office, Permit Center and Park

FISCAL IMPACT

Staff time to coordinate meetings and/or to disseminate information is estimated at no more than twenty hours. Staff believes that the potential benefits of a complete census count would far outweigh the costs of staff time to the Town.

Prepared By:

/s/ *Eileen M. Wilkerson*

Eileen M. Wilkerson
Assistant City Manager

Approved by:

Jerome D. Gruber
City Manager

Attachments:

Proclamation

PROCLAMATION

Of the Town of Atherton City Council

For a 2010 Census Agreement

WHEREAS an accurate census count is vital to our community and residents' well-being by helping planners determine where to locate schools, day care centers, roads and public transportation, hospitals and other facilities, and achieving an accurate and complete count of the nation's growing and changing population;

WHEREAS more than \$400 billion per year in federal and state funding is allocated to states and communities based, in part, on census data;

WHEREAS census data help determine how many seats each state will have in the U.S. House of Representatives and often is used for the redistricting of state legislatures, county and city councils and voting districts;

WHEREAS the 2010 Census creates jobs that stimulate economic growth and increase employment;

WHEREAS the information collected by the census is confidential and protected by law;

Now, therefore, we PROCLAIM that the Town of Atherton is committed to working with the U.S. Census Bureau to help ensure a full and accurate count in 2010.

As a 2010 Census partner, we will:

1. Support the goals and ideals for the 2010 Census and disseminate 2010 Census information to encourage those in our community to participate.
2. Encourage people in our community to place an emphasis on the 2010 Census and participate in events and initiatives that will raise overall awareness and ensure a full and accurate census.
3. Support census takers as they help our community complete an accurate count.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Atherton to be affixed this 16th day of December, 2009.

**Jerry Carlson, MAYOR
Town of Atherton**



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

**FROM: MIKE WASMANN, BUILDING OFFICIAL
LOUISE HO, FINANCE DIRECTOR**

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: APPROVAL OF THE CONSULTANT SERVICES AMENDMENT
WITH CRW FOR PROGRAMMING THE PROPOSED MASTER
FEE SCHEDULE AND FOR INTERFACE WITH SPRINGBROOK
FINANCIAL SOFTWARE IN AN AMOUNT NOT TO EXCEED
\$8,000 PLUS A TEN PERCENT CONTINGENCY, FOR A TOTAL
AUTHORIZATION OF \$8,800.**

RECOMMENDATION:

Approve the consultant services amendment with CRW for programming the adopted master fee schedule and for interface with Springbrook financial software; authorize City Manager to execute the agreement in an amount not to exceed \$8,800.

DISCUSSION:

The Town of Atherton utilizes the services of CRW for permit tracking software. Staff requested a proposal from CRW to implement the Town's new Master Fee Schedule as well as interface with the Town's new financial software, Springbrook. The original CRW proposal to complete this work was \$22,475 (Exhibit A).

The City Council at its September 16, 2009 meeting approved a portion of the CRW original proposal in the amount of \$6,700 (Exhibit B) and requested the original proposed scope of services be broken into two phases as the Master Fee Schedule had not yet been adopted. Of the \$6,700, staff was able to work with CRW to reduce it to \$6,400.

With the approval of the Master Fee Schedule (without Building fees) on November 18, 2009 staff is requesting the City Council authorize the second phase of the original CRW proposal so that CRW will be ready for full Master Fee implementation.

The cost of the second phase on the original proposal was \$10,000. Staff was able to work with CRW to reduce the amount to \$8,000 (Exhibit C).

FISCAL IMPACT:

The cost of the CRW amendment is \$8,000. Staff also recommends a 10% contingency of \$800 for a total amount of \$8,800. Staff proposes for the cost of the CRW services to be paid from the Equipment Replacement Fund as a mid year budget adjustment.

With this amendment, the total CRW contract for both phases will equal \$15,200.

Prepared By:

Approved:

Mike Wasmann
Building Official

Jerome D. Gruber
City Manager

Attachments: First Amendment
Exhibit A, B & C

**FIRST AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT BY AND
BETWEEN THE TOWN OF ATHERTON AND CRW SYSTEMS**

This First Amendment to the Professional Services Agreement by and between the Town of Atherton ("Town") and CRW Systems ("Consultant") for programming the proposed master fee schedule and for interface with Springbrook financial software ("First Amendment") is entered into as of the 16th day of December, 2009, ("Effective Date"), by and between Town and Consultant.

RECITALS

- A. Town and Consultant are parties to that certain Consultant Services Agreement dated November 24, 2009 ("Agreement").
- B. Town and Consultant now desire to enter into this First Amendment to provide for the additional services as described below.

AGREEMENT

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

- 1. Exhibit A, Scope of Work. The following additional task and compensation is added:
 - a. create and implement a new Master Fee Schedule in TRAKiT as provided by the Town of Atherton
 - b. The fee for such service shall be \$8,000.
 - c. The time for completion of this service shall be written sixty days after Council approved Master Fee Schedule for Building Department.
- 2. Agreement in Effect. The parties acknowledge and agree that the Agreement, except as amended by this First Amendment, remains unmodified and in full force and effect in accordance with its terms.
- 3. Counterpart Signatures. This First Amendment may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

IN WITNESS THEREOF, the parties have executed this First Amendment as of the Effective Date.

TOWN OF ATHERTON:

By: _____ / _____
Jerry Gruber, City Manager (Date)

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CONSULTANT:

By: _____ / _____
Name: _____ (Date)
Title: _____

By: _____ / _____
Name: _____ (Date)
Title: _____

Town of Atherton**RE: Scope of Work for Providing Technical Services and Training related to *TRAKiT* Software and Implementation of a New Financial System.****A. Custom Reports (4) four total**

1. Create a report based on "Acct180" that does not include refunds.
2. Create a new report that will display the current status for all deposits.
 - a. The purpose of the report is to provide details of all active or inactive deposits.
 - b. The report will show: City Header, Document Title, and Date of Printing.
 - c. The Details will include: Date, Description and Amount of all transactions related to the deposits as well as a total balance for all deposits.

\$2,275.00**B. Setup and Implementation of New Deposits/Fee Structure**

1. Setup Deposits in Fee Schedule, working with City Representative.
2. Remove old Deposits from setup.
3. Move current Fees as Deposits to Deposits and assist in updating.
4. Import two (2) Excel Spreadsheets that contain deposit records.
5. Provide On-Site User Training one (1) day total.

\$3450.00**C. Implementation of TimeTRAK and provide training**

1. Configure TimeTRAK for tracking time billed against Deposits.
2. Review with City Representative, Standard Reports and determine if they will fulfill reporting requirements.
 - a. Provide On-Site Administrator and User Training one (1) day total.

\$5,000.00**D. Financial Interface**

1. Test and Update Current Financial export script with NEW Financial System
 - a. Create TimeTRAK Financial Export Script.

2. Update Account Numbers in all relevant Trakit tables.

\$1,750.00

E. Implement New Master Fee Schedule

1. Create and Implement New Master Fee Schedule in Trakit as provide by Town of Atherton.

\$10,000.00

Total \$22,475.00

F. Additional Provisions

- *No custom programming is included in this proposal.*
- *Client will be responsible for any additional travel expenses due to cancellation or rescheduling by the client, provided no such costs will be incurred without prior written approval of Town.*
- *Town will provide an adequate training room.*
- *Town will be responsible for providing a copy of its current TRAKiT configuration & database.*
- *CRW will provide a computer for each individual to be trained.*
- *Class size will be limited to eight (8) students.*
- *Payment due upon completion of each item of work.*

Town of Atherton**RE: Scope of Work for Providing Technical Services and Training related to *TRAKiT* Software and Implementation of a New Financial System.****A. Custom Report (1) two total**

1. Create a new report that will display the current status for all deposits.
 - a. The purpose of the report is to provide details of all active or inactive deposits.
 - b. The report will show: City Header, Document Title, and Date of Printing.
 - c. The Details will include: Date, Description and Amount of all transactions related to the deposits as well as a total balance for all deposits.

\$1,200.00**B. Setup and Implementation of New Deposits/Fee Structure**

1. Setup Deposits in Fee Schedule, working with City Representative.
2. Remove old Deposits from setup.
3. Move current Fees as Deposits to Deposits and assist in updating.
4. Import two (2) Excel Spreadsheets that contain deposit records.

\$2,450.00**C. Implementation of TimeTRAK and provide training**

1. Configure TimeTRAK for tracking time billed against Deposits.

\$1,750.00**D. Financial Interface (Springbrook)**

1. Test and Update Current Financial export script with NEW Financial System
2. Update Account Numbers in all relevant Trakit tables.

\$1,000.00

Total \$6,400.00

E. Additional Provisions

- *Town will be responsible for providing a copy of its current TRAKiT configuration & database.*
- *No custom programming is included in this proposal.*
- *No training or onsite work is included in this proposal.*
- *Payment due upon completion of each item of work.*

EXHIBIT C**Town of Atherton****RE: Scope of Work for Providing Project Management Services for the Implementation of a Master Fee Schedule**

On behalf of CRW Systems, we are please to submit this Cost Proposal to the Town of Atherton, in response to your request for the following services:

1. Implement New Master Fee Schedule

- a. Create and implement a new Master Fee Schedule in TRAKIT as provided by the Town of Atherton.

\$8,000.00

Total \$8,000.00

Additional Provisions

- This quote supersedes all previous quotes and offers and is valid through 12/18/2009.
- No custom programming is included in this proposal.
- Client will be responsible for any additional travel expenses due to cancellation or rescheduling by the client, provided no such costs will be incurred without prior written approval.
- Town will be responsible for providing a copy of its current TRAKIT configuration and database.
- Payment due upon completion of work listed above.
- Delivery will be provided within 45 days from date of signature for this project and the delivery of the revised Fee Schedule to CRW.



ITEM NO. 24

Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JEROME D. GRUBER, CITY MANAGER

DATE: FOR THE REGULAR MEETING OF DECEMBER 16, 2009

SUBJECT: REAPPOINT SAMUEL LERNER AS TOWN TRUSTEE TO SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

RECOMMENDATION:

Reappoint Samuel Lerner as Town Trustee to San Mateo County Mosquito and Vector Control District.

BACKGROUND:

The San Mateo County Mosquito and Vector Control District is an independent special district (not part of the County or any city) that controls and monitors disease-carrying insects such as mosquitoes and ticks and other harmful pests such as yellow jackets. In addition, the District regularly tests for diseases carried by insects and small mammals and educates the public about how to protect themselves from diseases transmitted by insects and small mammals. The District is overseen by a Board of 21 Trustees from the following jurisdictions:

Atherton	Foster City	Redwood City
Belmont	Half Moon Bay	San Bruno
Brisbane	Hillsborough	San Carlos
Burlingame	Menlo Park	San Mateo
Colma	Millbrae	San Mateo County
Daly City	Pacifica	South San Francisco
East Palo Alto	Portola Valley	Woodside

Sam Lerner was first appointed as the Town Trustee in April of 2008 and his current term expires on December 31, 2009.

The Health and Safety Code outlines the process and procedures for appointing trustees under, “Article 3. Boards of Trustees and Officers.” Example: 2024.(a) Except as provided in Section 2023, the term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January.

The Town’s Appointed Trustee, Mr. Samuel Lerner was elected as the Board’s Vice President for 2010.

Prepared by:

Approved by:

Theresa DellaSanta
Deputy City Clerk

Jerome D. Gruber
City Manager

RESOLUTION NO. 09-09

Amended April 15, 2009

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON GOVERNING TOWN COMMITTEES AND COMMISSIONS

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

Section 1. Establishment of Committees. The following committees and commissions are established for the Town of Atherton:

1. Arts Committee
2. Atherton Rail Committee
3. Audit Committee
4. Environmental Programs Committee
5. Finance Committee
6. General Plan Committee
7. Park and Recreation Commission
8. Town Center Committee
9. Transportation Committee

Section 2. City Council Rules of Procedure – Staffing – Minutes - Reports.

- All committees and commissions shall follow the City Council Rules of Procedure and the provisions of the California Open Public Meeting Law (Brown Act).
- Each committee or commission shall annually select one of its members to act as Chair and one of its members to act as Vice Chair. In the event a committee or commission is unable to appoint a Chair and/or Vice Chair, the Mayor shall have the authority to make such appointment.
- The City Manager shall have the authority to appoint any Town staff member(s) to serve Town committees and commissions.
- All committees and commissions shall prepare action minutes for the City Council. Draft minutes, that is, unapproved minutes, shall be presented to the City Council as soon as possible following the meeting they report.
- Members of committees and commissions are encouraged to advocate to the City Council their position on matters under the purview of their committee or commission. Otherwise, no committee or commission or any of its members shall represent itself or themselves as speaking on behalf of the Town, City Council, and/or committee or commission without prior approval of the City Council. Statements of previously approved City Council policy may be made without additional City Council approval.
- Committees and commissions may provide educational materials to the public regarding the functions and actions of the committee or commission, but shall not engage in advocating to the public any particular position which is contrary to City Council policy.
- Upon request, an annual report shall be provided to the City Council of committee and commission activities for the preceding year.

Section 3: Appointment of Voting Members to Committees and Commissions.

Members other than City Council Members shall be appointed following approval by the City Council. All appointed members shall be registered voters in the Town. Members shall serve at the pleasure of the City Council, or until the expiration of their terms set out below. Vacancies in any committee or commission arising from any reason, including expiration of term, shall be filled by appointment of the City Council.

Section 4. Powers and Duties – Composition - Terms.

The powers and duties, along with the composition and terms of the Town's committees and commissions, shall be as described below:

- City Council representatives and any alternates on committees are selected by the Mayor and approved by the City Council to serve a one (1) year term. Alternates will participate on committees in the absence of the appointed Council Members.
- Appointed members shall serve no more than two full consecutive terms on the committee or commission to which they are appointed. A member may be reappointed to the committee or commission following a minimum two (2) years hiatus.
- Each January, an annual report shall be provided to the City Council of attendance at committee and commission meetings for the preceding calendar year.
- Unexcused absences of members, other than City Council Members, from two or more consecutively scheduled meetings shall result in the automatic vacation of the member's office.
- In the event funding for the committees or commissions is desired, a budget shall be prepared and presented to the City Council for review and approval as part of the Town's regular budget process.
- Any requests by a committee or commission for staff work, information, or assistance from Town Staff shall be made to the City Manager.
- Changes in the dates or time of meetings from the established schedule may be made by majority vote of the committee or commission.

1. Arts Committee.

The Arts Committee shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations to the City Council upon request in matters regarding art awareness including, without limitation, the following goals and objectives:
 - i. Fulfill the requirements of the Rita Corbett-Evans estate;
 - ii. Develop a unique arts program specific to the needs of Atherton and the surrounding community;
 - iii. Provide a base and focal point for arts programs in Atherton;
 - iv. Include a multi-disciplinary range of artistic endeavors including fine, performing, and literary arts as well as crafts.

The Arts Committee shall have the following composition and terms:

Consists of up to ten (10) appointed members. The term of office shall be as follows: Five (5) of the members shall be appointed to a four (4) year term commencing 2008 and ending on April 30, 2012. The remaining members' terms shall be three (3) years commencing 2008 and ending on April 30, 2011. Thereafter, each term of office shall be four (4) years. The Committee meets on the 4th Tuesday of each month at 1:00 p.m. in the Holbrook-Palmer Park Garden Room unless a special meeting in compliance with the provisions of the Brown Act is called by the committee chair.

2. Atherton Rail Committee.

The Atherton Rail Committee shall have the following powers and duties:

- a. Act in an advisory capacity to the City Council upon request in all matters pertaining to rail service in and through the Town;
- b. Research and address the specific impacts that high-speed rail and other rail improvements may have on the Town.

The Atherton Rail Committee shall have the following composition and terms:

Consists of up to twelve (12) members including two (2) Council Members and up to ten (10) appointed members. The term of office for appointed members shall be a four (4) year term commencing 2007 and ending on April 30, 2011. Thereafter, each term of office shall be four (4) years. The committee meets on the first Tuesday of every other month at 6:00 p.m. in the City Council Chambers unless a special meeting in compliance with the provisions of the Brown Act is called by the committee chair. In addition to other members, persons appointed to the Atherton Rail Committee may be appointed to represent and further the interests of Atherton homeowners and particularly those with properties on and along the Caltrain right-of-way. This declaration is made with specific recognition of the provisions of 2 California Code of Regulations Section 18707.4.

3. Audit Committee

The Audit Committee shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations to the City Council upon request in all matters pertaining to the Town's annual audit;
- b. Provide oversight of the annual audit and present and explain the audit to the City Council with recommendations as to acceptance;
- c. Advise City Council regarding appointment of outside auditors for annual audit;
- d. Review proposed audit scope with outside auditors prior to commencement of annual audit.

The Audit Committee shall have the following composition and terms:

Consists of ~~five (5)~~ 6 members, including two (2) Council Members of the Finance Committee, and ~~three (3)~~ four (4) appointed members. The term of office for all appointed members shall end on April 30, 2008. Thereafter, one term shall be for two (2) years ending in April, 2010. The remaining terms shall be for four (4) years ending in April, 2012. Thereafter, the term of office shall be four (4) years.

The committee meets as needed in the Conference Room of the Town Administrative Offices.

4. Environmental Programs Committee.

The Environmental Programs Committee shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations (programmatic and legislative) to the City Council upon request on all matters pertaining to the Town's natural and built environment and the Town's regional role and responsibilities as one of the communities on the San Francisco Bay Peninsula.
- b. Develop and propose to the City Council timely and appropriate action plans for the Town to:
 - (i) environmental issues or threats that become matters of concern for the community;
 - (ii) any regulatory statute or legislative changes or policies coming from the county, state or Federal governments on matters of environmental protection or performance; and
 - (iii) technological advancements that can help the Town address environmental issues, threats or legislative requirements. Such issues would include but not be limited to global warming and carbon dioxide emissions, green building guidelines, conservation and diversion, ABAG policies, PG&E and Allied Waste programs or services, e-waste collection and Earth Day and other environmental events.
- c. Create pro-active community engagement programs for residents, commercial and public enterprises active within the Town's jurisdiction for presentation to and consideration and approval by, the City Council.

The Environmental Programs Committee shall have the following composition and terms:

Consists of up to twelve (12) members including two (2) Council Members and ten (10) residents of the Town. The term of office shall be as follows: Five (5) of the appointed members shall be appointed to a two-year term commencing 2007 and ending April 30, 2009. The remaining members' terms shall be four (4) years commencing 2007 and ending April 30, 2011. Thereafter, each term of office shall be four (4) years. The committee meets quarterly on the first Wednesday of the month at 10:00 a.m. in the Conference Room of the Town Administrative Offices unless a special meeting in compliance with the provisions of the Brown Act is called by the committee chair.

5. Finance Committee.

The Finance Committee shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations to the City Council upon request in all matters pertaining to Town finances;

- b. Consult with the City Manager on matters pertaining to the budget, capital spending plan and the long range financial plan for the Town;

The Finance Committee shall have the following composition and terms:

Consists of two (2) Council Members. The Members also serve on the Audit Committee. The committee meets on an as needed basis in the Conference Room of the Town Administrative Offices.

6. General Plan Committee.

The General Plan Committee shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations to the City Council upon request in all matters pertaining to Town planning;
- b. Review the General Plan and make recommendations to the City Council, Planning Commission and Town staff regarding the operation of the ordinances and policies on the subject of Town planning.

The General Plan Committee shall have the following powers and duties:

Consists of two (2) Council Members, two (2) Planning Commissioners and up to five (5) appointed members who are not members of the City Council or Planning Commission. The term of office shall be four (4) years. Planning Commission representatives are selected by the Planning Commission to serve for a term of one (1) year. The committee meets quarterly or more frequently if required on the first Wednesday of the month at 6:00 p.m. in the Town Council Chambers unless a special meeting in compliance with the provisions of the Brown Act is called by the committee chair.

7. Park and Recreation Commission.

The Park and Recreation Commission shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations to the City Council upon request in all matters pertaining to parks and public recreation and to cooperate with other governmental agencies and public and private groups in the advancement of park and recreation planning and programming;
- b. Develop and maintain a master plan for parks within the Town and, annually, in the month of April, present a report to the City Council.
- c. Review the annual budget for parks and recreation during the process of its preparation and make recommendations with respect thereto to the City Council. This includes recommendations regarding the setting of fees. The budget should contain estimates and recommendations for such long-term capital outlay projects as may be necessary to provide for orderly development of park and recreation areas, buildings and facilities;
- d. Study and make recommendations on the acquisition and development of recreation areas, activities and facilities such as playgrounds, buildings, parks, open space and other centers of recreation;
- e. Assist Town staff in the planning of recreation programs for the community, and promote and stimulate public interest therein.

The Park and Recreation Commission shall have the following composition and terms:

Consists of seven (7) appointed members. One member shall be a representative of the Holbrook-Palmer Park Foundation. One member shall be a representative of the Atherton Dames. Each of the foregoing representatives shall serve a term of two (2) years. The term of office for the two (2) members ending April 30, 2008 shall be four (4) years. The term of office for the remaining members shall be four (4) years. Thereafter, each term of office shall be four (4) years. The Park and Recreation Commission meets on the first Wednesday of each month at 6:30 p.m. in Holbrook-Palmer Park unless a special meeting in compliance with the provisions of the Brown Act is called by the committee chair.

8. The Town Center Committee.

The Town Center Committee, an ad hoc committee, shall have the following powers and duties:

- a. Assist the City Council in developing a vision and goals for the Town Center which includes facilities for City Council chambers, Police, Administration, Building, Public Works, Planning and Library functions;
- b. Upon approval of the City Council, the committee may engage Town residents and outside professional services to aid in the visioning process;
- c. Upon approval of the City Council assist in obtaining funds for Town Center improvements.

The Town Center Committee, an ad hoc committee, shall have the following Composition and terms:

Consists of two (2) Council Members. The committee meets on an as needed basis in the Conference Room of the Town Administrative Offices.

9. Transportation Committee.

The Transportation Committee shall have the following powers and duties:

- a. Act in an advisory capacity and make recommendations to the City Council upon request in all matters pertaining to transportation within the Town.

The Transportation Committee shall have the following composition and terms: Consists of seven (7) members including two (2) Council Members and five appointed members. The term of office shall be four (4) years. The committee meets on the second Tuesday of every other month at 6:00 p.m. in the City Council Chambers unless a special meeting in compliance with the provisions of the Brown Act is called by the committee chair.

This Resolution shall be effective immediately upon adoption. Resolution No. 08-24 is hereby superseded and rescinded on Feb. 18, 2009. Resolution 09-09 is hereby amended on April 15, 2009

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 16th day of December, 2009, by the following vote.

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

Jerry Carlson, MAYOR
Town of Atherton

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
JEROME GRUBER, CITY MANAGER**

FROM: LOUISE HO, FINANCE DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: FISCAL YEAR 2008-09 AUDITED FINANCIAL REPORTS AND
MEMORANDUM ON INTERNAL CONTROL AND REQUIRED
COMMUNICATIONS**

RECOMMENDATION

Accept FY 2008-09 Basic Financial Statements, Report on Compliance with 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 2008-09 audit was done timely. The Town received an “unqualified” or “clean” opinion from Maze & Associates.

The Audit Committee reviewed all the attached reports on November 30, 2009, and is recommending that the City Council accept the reports. The acceptance of the audited financial reports will bring the Town into compliance with the Government Code which requires the Town to issue the annual audited financial reports within 180 days after the year ended on June 30th.

FISCAL IMPACT

None

Prepared by:

Approved by:

Louise Ho, Finance Director

Jerome D. Gruber, City Manager

Attachment: 1. FY 2008-09 Basic Financial Statements and Independent Auditor's Report
2. FY 2008-09 Report on Compliance with the San Mateo County
Measure A Funds Agreement
3. Agreed Upon Procedures Report on Compliance with Proposition 111
2009-2010 Appropriations Limit
4. Memorandum on Internal Control and Required Communications

TOWN OF ATHERTON
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Prepared by
FINANCE DEPARTMENT

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TOWN OF ATHERTON
Basic Financial Statements
For the Year Ended June 30, 2009

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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, 2009, 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. The financial statements as of June 30, 2008, were audited by other auditors whose opinion dated August 7, 2009 were unqualified.

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, 2009, and the results of its operations and the cash flows of its proprietary fund types where applicable thereof, and budgetary comparisons for major general and special revenue funds for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2009 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.

Maze & Associates

November 5, 2009

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, 2009. 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 \$45,707,241 (*net assets*). Of this amount, \$7,072,357 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$690,289. The increase is due to the special tax revenue collected for police services and streets and drainage facility repair and maintenance.
- As of the close of the current fiscal year, the Town of Atherton's governmental funds reported combined ending fund balances of \$16,787,325, an increase of \$1,234,454 in comparison with the prior year. Of this amount, approximately 62.7 percent or \$10,521,758 is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$2,742,853, or 26.7 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.

The government-wide financial statements can be found on pages 13-14 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, Spécial Tax Special Revenue Fund, Library Special Revenue Fund, and State Grant Special Revenue Fund, all of which are considered to be major funds. The Town of Atherton also elected to include Facilities Construction Capital Projects Fund as a major fund. 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, Library Special Revenue Fund, and State Grant Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund, Special Tax Special Revenue Fund, Library Special Revenue Fund, and State Grant 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, management information systems, certain administrative services functions activities, and outstanding workers' compensation claim liability. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 27-28 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 pages 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 31-47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* providing a budgetary comparison statement for General Fund, Special Tax Special Revenue Fund, Library Special Revenue Fund, and State Grant Special Revenue Fund. Required supplementary information 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 50-57 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 \$45,707,241 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	
	2009	2008
Current and other assets	\$ 20,091,291	\$ 18,544,907
Capital assets	29,067,634	29,002,562
Total assets	49,158,925	47,547,469
Current liabilities	3,052,668	1,975,896
Noncurrent liabilities	399,016	554,621
Total liabilities	3,451,684	2,530,517
Net Assets:		
Invested in capital assets, net of related debt	29,067,634	29,002,562
Restricted	9,567,250	8,140,020
Unrestricted	7,072,357	7,874,370
Total net assets	\$ 45,707,241	\$ 45,016,952

An additional portion of the Town of Atherton net assets (21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$7,072,357 may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities increased the Town of Atherton's net assets by \$690,289. The increase was due to a combination of factors including higher property tax, return of excess library (tax) fund, special parcel tax assessment for the Town's streets and drainage facility maintenance and police services.

Town of Atherton's Changes in Net Assets

	Governmental activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 2,238,843	\$ 3,425,959
Operating grants and contributions	352,275	491,996
Capital Grants and Contributions	660,101	1,391,993
General revenues:		
Taxes	9,525,485	9,648,692
Investment earnings	414,398	101,561
Other revenues	397,704	66,178
Total revenues	13,588,806	15,126,379
Expenses:		
General government	2,032,385	1,757,846
Public works	4,618,784	4,856,986
Police	4,948,898	4,907,469
Building	1,013,971	1,612,458
Planning	284,479	-
Total expenses	12,898,517	13,134,759
Change in Net Assets	690,289	1,991,620
Transfers	-	-
Net assets - Beginning	45,016,952	43,025,332
Net assets - Ending	45,707,241	45,016,952

- Charges for services decreased by \$1,187,116 (-35 percent). The decrease is primarily due to lower building department revenues of \$422,967 and \$248,031 in one-time prior years park revenue adjustment,
- Operating grants and contribution decreased by \$139,721 (-28 percent). The decrease is primarily due to lower County Measure A sales tax revenue of \$61,976.
- Capital grants and contributions decreased by \$731,892 (-53 percent) during the year. The decrease is primarily due to reduction in road impact fees revenue of \$376,268 to reflect slow down in building activities.
- Taxes decreased by \$123,207 (-1 percent) during the year. The decrease is primarily due to refund of two years of business license tax and lower current year business license revenue.
- Investment earnings increased by \$312,837 (308 percent) during the year. The increase is primarily due to investment loss from Lehman Brothers bankruptcy recorded in prior year.
- Building and Planning expense decreased by \$314,008 (20 percent) during the year. The decrease was due to one-time expense of new software in prior year and reduction in building department current year expense to reflect housing market condition.

-
- Public Works expense decreased by \$238,202 (5 percent) during the year. The decrease is mostly due to reduction of operating expenses.

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 \$16,787,325, an increase of \$1,234,454 in comparison with the prior year. Approximately 62.7 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 (\$1,595,683), 2) to maintain an emergency disaster reserve (\$1,595,683), 3) to pre-fund GASB 45 for retiree health-care unfunded liability (\$500,000), and 4) to maintain a future building inspection fee reserve (\$769,057).

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 \$2,742,853, while total fund balance reached \$7,203,276. 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 26.7 percent of the total general fund expenditures, while total fund balance represents 38 percent of that same amount.

The fund balance of the Town of Atherton's general fund decreased by \$679,575 during the current fiscal year. Key factors in this decline are as follows:

- Building Department revenue decreased by about \$500,000 due to housing and financial market crises.
- Business License revenue decreased by \$450,545. The Town refunded two years of business license tax collected.

Special Tax Special Revenue Fund has a total fund balance of \$2,466,575, 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 \$4,020,480, all of which is reserved for the library operation. Revenue was higher than prior year due to higher property tax revenue.

State Grant Special Revenue Fund has a total fund balance of \$(10,846). The negative balance was due to timing difference between cost incurred and grant reimbursement.

General Fund Budgetary Highlights

During the year there was a \$305,728 decrease in appropriations between the original and final amended budget. Following are the main components of the decrease:

- \$100,000 COPS grant to help Police Department with one officer cost.
- The remaining came from General Fund departments, except the City Attorney Department, reduced expenditures due to lower operating revenues.

During the year, the revenues budget decreased by \$1,947,691. The decrease was due to lower building department revenues of \$500,000, refunding of two years of business license tax of \$817,000; and lower business license revenue for current year of \$425,000.

Capital Assets and Debt Administration

Capital assets. The Town of Atherton's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$29,067,634 (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	
	2009	2008
Land	690,884	690,884
Construction in progress	553,959	105,319
Building	1,063,273	934,747
Other Improvements	417,488	484,669
Vehicles	352,796	193,684
Computer Equipment	145,564	25,617
Software	89,040	126,188
Furniture & Fixture	13,341	39,682
Machinery & Equipment	111,697	-
Infrastructure	25,629,592	26,401,772
Total Capital Assets	29,067,634	29,002,562

Additional information about the Town's capital assets can be found in Note. 6 on pages 41 through 42 in the financial statements.

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. On November 3, 2009, the voters of the Town approved Measure S which will continue the special parcel tax assessments for another four years (2011 to 2014) which will enable the Town to continue providing police services and implementing capital improvement projects.

The Town expects to be able to maintain its moderate and responsible fiscal policies related to operating expenditures; however, the uncertainty of State budget, rising costs of employee salary and benefits including health-care and retirement costs 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.

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, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 3)	\$19,601,468
Receivables:	
Accounts	15,049
Taxes	50,977
Grants	262,988
Interest	63,193
Other	97,616
Capital assets (Note 5):	
Non-depreciable	1,244,843
Depreciable, net	<u>27,822,791</u>
Total Capital assets	<u>29,067,634</u>
Total Assets	<u>49,158,925</u>
LIABILITIES	
Accounts payable	1,386,477
Accrued liabilities	256,223
Deposits payable	678,973
Claims payable	
Due in less than one year	302,249
Compensated absences, due in one year (Note 4E)	
Due in less than one year	428,746
Due in more than one year	<u>399,016</u>
Total Liabilities	<u>3,451,684</u>
NET ASSETS (Note 6)	
Investment in capital assets, net of related debt	29,067,634
Restricted for:	
Streets and drainage maintenance and police services	2,466,575
Library operations	4,020,480
Public facilities constructions	1,830,612
Special revenue projects	985,734
Capital projects	263,849
Unrestricted	<u>7,072,357</u>
Total Net Assets	<u><u>\$45,707,241</u></u>

See accompanying notes to financial statements

TOWN OF ATHERTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
General government	\$2,032,385	\$42,549	\$5,000		(\$1,984,836)
Public works	4,618,784	1,012,760	221,869	\$608,725	(2,775,430)
Police	4,948,898	99,360	125,406	51,376	(4,672,756)
Building	1,013,971	1,012,312			(1,659)
Planning	284,479	71,862			(212,617)
Total Governmental Activities	12,898,517	2,238,843	352,275	660,101	(9,647,298)
General revenues:					
Taxes:					
Property taxes					8,870,091
Sales taxes					179,193
Other taxes					476,201
Total Taxes					9,525,485
Investment earnings					414,398
Miscellaneous					397,704
Total general revenues					10,337,587
Change in Net Assets					690,289
Net Assets-Beginning					45,016,952
Net Assets-Ending					\$45,707,241

See accompanying notes to financial statements

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MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the Town in fiscal 2009. 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, 2009

	Major Funds						
	General Fund	Special Tax Special Revenue Fund	Library Special Revenue Fund	State Grant Special Revenue Fund	Facilities Construction Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments (Note 3)	\$8,771,105	\$2,602,026	\$4,023,640	\$31,937	\$1,830,612	\$1,443,453	\$18,702,773
Receivables:							
Accounts						15,049	15,049
Taxes	32,988					17,989	50,977
Grants				219,848		43,140	262,988
Interest	63,193						63,193
Other	92,542			5,074			97,616
Due from other funds (Note 4)	29,383						29,383
Total Assets	\$8,989,211	\$2,602,026	\$4,023,640	\$256,859	\$1,830,612	\$1,519,631	\$19,221,979
LIABILITIES							
Accounts payable	\$866,107	\$128,579	\$3,160	\$46,536		\$201,157	\$1,245,539
Accrued liabilities	227,037					\$4,856	231,893
Deposits payable	670,241	6,872		1,321		\$539	678,973
Claims payable	22,550						22,550
Due to other funds (Note 4)						29,383	29,383
Deferred Revenue				219,848		6,468	226,316
Total Liabilities	1,785,935	135,451	3,160	267,705		242,403	2,434,654
FUND BALANCES							
Fund balance (Note 6A)							
Unreserved:							
Designated for:							
Budget Stabilization	1,595,683						1,595,683
Emergency Disaster	1,595,683						1,595,683
GASB 45 Unfunded liability	500,000						500,000
Future building inspection	769,057						769,057
Undesignated							
General Fund	2,742,853						2,742,853
Special Revenue Funds		2,466,575	4,020,480	(10,846)		1,013,379	7,489,588
Capital Projects Funds					1,830,612	263,849	2,094,461
Total Fund Balances	7,203,276	2,466,575	4,020,480	(10,846)	1,830,612	1,277,228	16,787,325
Total Liabilities and Fund Balances	\$8,989,211	\$2,602,026	\$4,023,640	\$256,859	\$1,830,612	\$1,519,631	\$19,221,979

See accompanying notes to financial statements

TOWN OF ATHERTON
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET ASSETS
JUNE 30, 2009

Total fund balances reported on the governmental funds balance sheet	\$16,787,325

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.	28,569,274

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	898,695
Capital assets, net	498,360
Accounts payable and other liabilities / contracts payable	(165,268)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	226,316
Accrued liabilities	(279,699)

LONG TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Compensated absences	(827,762)

NET ASSETS OF GOVERNMENTAL ACTIVITIES

	<u>\$45,707,241</u>

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, 2009

	Major Funds						
	General Fund	Special Tax Revenue Fund	Library Special Revenue Fund	State Grant Special Revenue Fund	Facilities Construction Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$6,090,518		\$846,846			\$74,071	\$7,011,435
Special assessments		\$1,858,656					1,858,656
Sales taxes	179,193						179,193
Other taxes	792,164						792,164
Measure A grants						247,713	247,713
From other governmental agencies	127,746			\$511,656		287,710	927,112
Permit and licenses	(315,963)						(315,963)
Fines and forfeitures	42,408						42,408
Service charges	1,548,276					11,255	1,559,531
Use of money and property	384,201	34,306	66,666	(305)	\$36,590	32,488	553,946
Road Impact Fee						612,037	612,037
Miscellaneous	92,773	150,000		143,799		3,186	389,758
Total Revenues	8,941,316	2,042,962	913,512	655,150	36,590	1,268,460	13,857,990
EXPENDITURES							
Current:							
General government	1,818,590	1,478	48,310				1,868,378
Planning	284,479						284,479
Building	1,058,248						1,058,248
Police	4,772,921					108,636	4,881,557
Public Works	2,200,371	66,156		2,929	31,442	189,725	2,490,623
Capital outlay	148,313	166,572		521,782		1,253,583	2,090,250
Total Expenditures	10,282,922	234,206	48,310	524,711	31,442	1,551,944	12,673,535
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,341,606)	1,808,756	865,202	130,439	5,148	(283,484)	1,184,455
Other Financing Sources (uses):							
Transfer in (Note 4)	662,031						662,031
Transfer (out) (Note 4)		(500,000)				(112,032)	(612,032)
Total Other Financing Sources (uses)	662,031	(500,000)				(112,032)	49,999
Net change in fund balances	(679,575)	1,308,756	865,202	130,439	5,148	(395,516)	1,234,454
BEGINNING FUND BALANCES	7,882,851	1,157,819	3,155,278	(141,285)	1,825,464	1,672,744	15,552,871
ENDING FUND BALANCES	\$7,203,276	\$2,466,575	\$4,020,480	(\$10,846)	\$1,830,612	\$1,277,228	\$16,787,325

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, 2009

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	\$1,234,454

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	1,547,930
Retirements, net, are deducted from fund balance	(1,389)
Depreciation expense is deducted from the fund balance	(1,750,394)

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	(89,956)
Deferred Revenue	(243,684)
Accrued liabilities	(279,699)

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	273,027

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$690,289

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$5,840,788	\$5,861,126	\$6,090,518	\$229,392
Sales taxes	238,235	170,235	179,193	8,958
Other taxes	820,000	792,000	792,164	164
Permits and licenses	450,000	(655,000)	(315,963)	339,037
Fines and forfeitures	41,000	41,000	42,408	1,408
From other governmental agencies	254,500	115,820	127,746	11,926
Service charges	2,088,000	1,647,500	1,548,276	(99,224)
Use of money and property	566,000	366,000	384,201	18,201
Other	94,000	106,151	92,773	(13,378)
Total Revenues	<u>10,392,523</u>	<u>8,444,832</u>	<u>8,941,316</u>	<u>496,484</u>
EXPENDITURES:				
Current:				
General government				
City council	37,277	35,777	38,515	(2,738)
Administration	737,136	740,136	739,619	517
City attorney	206,228	426,228	450,924	(24,696)
Finance	442,256	439,756	437,868	1,888
Non-departmental		120,945	151,664	(30,719)
General government total	<u>1,422,897</u>	<u>1,762,842</u>	<u>1,818,590</u>	<u>(55,748)</u>
Planning		283,937	284,479	(542)
Building	1,542,253	1,154,199	1,058,248	95,951
Public works	2,517,151	2,236,051	2,200,371	35,680
Police	5,119,787	4,821,241	4,772,921	48,320
Capital outlay	<u>35,799</u>	<u>73,889</u>	<u>148,313</u>	<u>(74,424)</u>
Total Expenditures	<u>10,637,887</u>	<u>10,332,159</u>	<u>10,282,922</u>	<u>104,985</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(245,364)</u>	<u>(1,887,327)</u>	<u>(1,341,606)</u>	<u>545,721</u>
OTHER FINANCING SOURCES USES				
Transfer in (Note 4)	<u>250,000</u>	<u>600,000</u>	<u>662,031</u>	<u>(62,031)</u>
NET CHANGE IN FUND BALANCE	<u>\$4,636</u>	<u>(\$1,287,327)</u>	<u>(\$679,575)</u>	<u>607,752</u>
Fund balance, beginning of year			<u>7,882,851</u>	
Fund balance, end of year			<u>\$7,203,276</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$1,838,000	\$1,838,000	\$1,858,656	\$20,656
Use of money and property	20,000	20,000	34,306	14,306
Other Revenue			150,000	150,000
Total Revenues	<u>1,858,000</u>	<u>1,858,000</u>	<u>2,042,962</u>	<u>184,962</u>
EXPENDITURES:				
Current:				
General Government			1,478	(1,478)
Public works	65,000	65,000	66,156	(1,156)
Capital outlay	<u>2,155,000</u>	<u>2,175,000</u>	<u>166,572</u>	<u>2,008,428</u>
Total Expenditures	<u>2,220,000</u>	<u>2,240,000</u>	<u>234,206</u>	<u>2,005,794</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 4)	<u>(150,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	
Net change in fund balance	<u>(512,000)</u>	<u>(882,000)</u>	1,308,756	<u>(2,190,756)</u>
Fund Balance, beginning of year			<u>1,157,819</u>	
Fund Balance, end of year			<u>\$2,466,575</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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES:				
Property taxes	\$560,000	\$560,000	\$846,846	\$286,846
Use of money and property	<u>90,000</u>	<u>90,000</u>	<u>66,666</u>	<u>(23,334)</u>
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>913,512</u>	<u>263,512</u>
EXPENDITURES:				
Library Maintenance	<u>203,900</u>	<u>203,900</u>	<u>48,310</u>	<u>155,590</u>
Total Expenditures	<u>203,900</u>	<u>203,900</u>	<u>48,310</u>	<u>155,590</u>
NET CHANGES IN FUND BALANCE	<u>446,100</u>	<u>446,100</u>	865,202	<u>419,102</u>
BEGINNING FUND BALANCE			<u>3,155,278</u>	
ENDING FUND BALANCE			<u>4,020,480</u>	

See accompanying notes to financial statements

TOWN OF ATHERTON
STATE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
From other agencies	\$232,150	\$232,150	\$511,656	\$279,506
Use of money and property	\$1,000	1,000	(305)	(1,305)
Other revenue	<u>\$14,150</u>	<u>14,150</u>	<u>143,799</u>	<u>129,649</u>
Total Revenues	<u>247,300</u>	<u>247,300</u>	<u>655,150</u>	<u>407,850</u>
EXPENDITURES				
Current:				
Public Works			2,929	(2,929)
Capital outlay	<u>646,300</u>	<u>646,300</u>	<u>521,782</u>	<u>124,518</u>
Total Expenditures	<u>646,300</u>	<u>646,300</u>	<u>524,711</u>	<u>121,589</u>
NET CHANGE IN FUND BALANCES	<u>(\$399,000)</u>	<u>(399,000)</u>	130,439	<u>(529,439)</u>
BEGINNING FUND BALANCE			<u>(141,285)</u>	
ENDING FUND BALANCE			<u>(\$10,846)</u>	

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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, 2009

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and investments (Note 3)	\$898,695
Noncurrent Assets:	
Capital assets (Note 5):	
Depreciable	1,073,745
Less accumulated depreciation	<u>(575,385)</u>
Total capital assets	<u>498,360</u>
Total Assets	<u>1,397,055</u>
LIABILITIES	
Current:	
Accounts payable	140,938
Accrued liability	<u>24,330</u>
Total Liabilities	<u>165,268</u>
NET ASSETS (Note 6)	
Invested in capital assets	498,360
Unrestricted	<u>733,427</u>
Total Net Assets	<u><u>\$1,231,787</u></u>

See accompanying notes to financial statements

TOWN OF ATHERTON
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Service Charges	\$636,544
Total Operating Revenues	<u>636,544</u>
OPERATING EXPENSES	
Insurance	(19,859)
Supplies and Maintenance	75,020
Other Contractual Services	219,588
Depreciation	<u>55,468</u>
Total Operating Expenses	<u>330,217</u>
Operating Income	<u>306,327</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>16,699</u>
Total Nonoperating Revenues	<u>16,699</u>
Income Before Transfers	323,026
Transfers (in) (Note 4)	292,611
Transfers (out) (Note 4)	<u>(342,610)</u>
Net transfers	<u>(49,999)</u>
Change in net assets	<u>273,027</u>
BEGINNING NET ASSETS	<u>958,760</u>
ENDING NET ASSETS	<u><u>\$1,231,787</u></u>

See accompanying notes to financial statements

TOWN OF ATHERTON
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Interdepartmental charges	\$636,544
Payments to suppliers	(276,780)
	<u>359,764</u>
Cash Flows from Operating Activities	
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer in	292,611
Transfer (out)	(342,610)
	<u>(49,999)</u>
Cash Flow from Noncapital Financing Activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of fixed assets	(324,395)
	<u>(324,395)</u>
Cash Flow from Capital and Related Financing Activities	
CASH FLOWS FORM INVESTING ACTIVITIES	
Interest Income	16,699
	<u>16,699</u>
Cash Flow from Investing Activities	
Net Cash Flow	2,069
Cash and investments at beginning of period	896,626
Cash and investment at end of period	<u><u>\$898,695</u></u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities	
Operating income	\$306,327
Adjustments to reconcile operating income to cash flows from operating activities:	
Depreciation	55,468
Changes in assets and liabilities:	
Accounts payable	105,395
Accrued liabilities	24,330
Claims payable	(131,756)
	<u><u>\$359,764</u></u>
Cash Flows from Operating Activities	

See accompanying notes to financial statements

FIDUCIARY FUNDS

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, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 3)	<u>145,278</u>
Total Assets	<u><u>\$145,278</u></u>
LIABILITIES	
Accounts Payable	\$169
Deposits payable	<u>145,109</u>
Total Liabilities	<u><u>\$145,278</u></u>

See accompanying notes to financial statements

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

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 Financial Statements
For the fiscal year ended June 30, 2009

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 Financial Statements
For the fiscal year ended June 30, 2009

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 Financial Statements For the fiscal year ended June 30, 2009

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	\$737,806
Additions	505,356
Payments	<u>(415,400)</u>
Ending Balance	<u>\$827,762</u>
Current Portion	<u>\$428,746</u>

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

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

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, 2009:

Fund Name	Amount
General Fund:	
City council	\$2,738
City attorney	24,696
Non-departmental	30,719
Tennis Special Revenue Fund	4,914
Gas Tax Special Revenue Fund	4,811

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.
- Formal budgeting is employed as a management control device during the year for the general and certain special revenue funds. Police on the Street Special Revenue Fund; and Traffic Congestion Relief Special Revenue Funds are not budgeted. Facilities Construction Capital Projects Fund is not budgeted.
- 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.

Town of Atherton Notes to Financial Statements For the fiscal year ended June 30, 2009

NOTE 3 - CASH AND INVESTMENTS

The Town's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. 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.

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	\$19,601,467
<i>Fiduciary Funds</i>	
Cash and investments available for operations	<u>145,278</u>
Total Cash and Investments	<u><u>\$19,746,745</u></u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$826
Cash in Bank	1,159,751
Investments	<u>18,586,168</u>
Total Cash and Investments	<u><u>\$19,746,745</u></u>

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

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

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 Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment 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	N/A	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 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.

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

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasury Obligations	\$1,995,605			\$1,995,605
U.S. Agency Securities	1,011,045	\$498,905	\$499,375	2,009,325
Commercial Paper	499,956			499,956
San Mateo County Investment Fund	6,138,875			6,138,875
California Local Agency Investment Fund	7,436,352			7,436,352
Money Market Mutual Fund	506,055			506,055
Total Investments	17,587,888	498,905	499,375	18,586,168
Cash in Banks				1,159,751
Petty Cash				826
Total Cash				1,160,577
Total Cash and Investments	\$17,587,888	\$498,905	\$499,375	\$19,746,745

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

NOTE 3 - CASH AND INVESTMENTS (Continued)

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, 2009 are as follows:

Investment Type	AAA	A-1	AAAm	Not Rated
U.S. Treasury Obligations	\$1,995,605			
U.S. Agency Securities	2,009,325			
Commercial Paper		\$499,956		
San Mateo County Investment Fund				\$6,138,875
California Local Agency Investment Fund				7,436,352
Money Market Mutual Fund			\$506,055	
Total Investments	<u>\$4,004,930</u>	<u>\$499,956</u>	<u>\$506,055</u>	<u>\$13,575,227</u>

F. 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, 2009, these investments matured in an average of 235 days.

G. 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 City 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, 2009, these investments matured in an average of 0.9 years.

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

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. As of June 30, 2009, the Supplemental Law Enforcement Services Special Revenue Fund owed \$29,383 to General Fund.

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, 2009 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred	
General Fund	Special Tax Special Revenue Fund	\$350,000	C
	Special Tax Special Revenue Fund	150,000	B
	Gas Tax Special Revenue Fund	100,000	B
	Park Well Special Revenue Fund	12,032	D
	Administrative Service Internal Service Fund	49,999	A
Internal Service Fund Equipment Replacement	Information Technology Internal Service Fund	180,601	E
	Administrative Service Internal Service Fund	112,010	E
		<u>\$954,642</u>	

- (A) Transfer was used to fund General Fund operation
- (B) Transfer was used to fund Capital projects
- (C) Transfer was used to fund Police services
- (D) Transfer was used for reimbursement
- (E) Transfer was used to close out funds

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.

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

NOTE 5 - CAPITAL ASSETS (Continued)

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
Improvement other than buildings	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.

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance July 1, 2008	Additions	Retirements	Adjustments	Balance June 30, 2009
Governmental activities					
Capital assets not being depreciated:					
Land	\$690,884				\$690,884
Construction in progress	105,319	\$450,029	(\$1,389)		553,959
Total capital assets not being depreciated	796,203	450,029	(1,389)		1,244,843
Capital assets being depreciated:					
Buildings	1,668,094	70,039		\$105,545	1,843,678
Other improvements	1,042,015	71,242		(105,545)	1,007,712
Vehicles	676,050	202,742			878,792
Computer Equipment	60,404	121,650		12,899	194,953
Software	151,425	6,227		30,241	187,893
Furniture & Fixture	421,280			(341,968)	79,312
Machinery & Equipment		120,095		298,828	418,923
Infrastructure	49,694,701	830,299			50,525,000
Total capital assets being depreciated	53,713,969	1,422,294			55,136,263
Less accumulated depreciation for:					
Buildings	733,347	44,419		2,639	780,405
Other improvements	557,346	35,517		(2,639)	590,224
Vehicles	482,366	43,630			525,996
Computer Equipment	34,787	11,838		2,764	49,389
Software	25,237	53,321		20,295	98,853
Furniture & Fixture	381,598	2,965		(318,592)	65,971
Machinery & Equipment		11,693		295,533	307,226
Infrastructure	23,292,929	1,602,479			24,895,408
Total accumulated depreciation	25,507,610	1,805,862			27,313,472
Net capital assets being depreciated	28,206,359	(383,568)			27,822,791
Governmental activity capital assets, net	\$29,002,562	\$66,461	(\$1,389)		\$29,067,634

Town of Atherton Notes to Financial Statements For the fiscal year ended June 30, 2009

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	\$66,532
Public Works	1,665,790
Police	18,072
Government activities - Internal Service Fund	<u>55,468</u>
	<u>\$1,805,862</u>

NOTE 6 - 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.

**Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009**

NOTE 6 - FUND BALANCES AND NET ASSETS (Continued)

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, 2009, 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.

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 GASB 45 unfunded liability represents the portions of fund balance set aside for unfunded retiree healthcare costs.

Designated for future building inspection is represents the portions of fund balance set aside for building code inspection activities.

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.

The State Grant Special Revenue Fund had deficit fund balance of \$10,846 which is expected to be eliminated by future grant revenue.

Town of Atherton Notes to Financial Statements For the fiscal year ended June 30, 2009

NOTE 7 – PENSION PLAN

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, 2009 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%	1.426-2.418%
Required employee contribution rates	9%	7%
Required employer contribution rates	32.162%	13.201%

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:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<i>Safety & Miscellaneous Plan</i>			
June 30, 2007	\$927,301	100%	\$0
June 30, 2008	946,555	100%	0
June 30, 2009	1,238,268	100%	0

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

NOTE 7 – PENSION PLAN (Continued)

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 3.0%. Annual salary increases are assumed to vary by duration of service, and annual retirement benefit increases are assumed to be 3.25%. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over 11 and 8 years for the Miscellaneous Plan and the Safety Plan, respectively. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

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 \$883,683 at June 30, 2009, which will be repaid over the next 11 years. The balance of the Safety Plan's Side Fund was \$1,886,651 at June 30, 2009, which will be repaid over the next 8 years.

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
2005	\$6,367,049,264	\$5,295,150,375	\$1,071,898,889	83.2%	\$664,147,796	161.4%
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%

The Town's Safety Plan represents approximately 0.24%, 0.25%, and 0.22% of the State-wide pool for the years ended June 30, 2007, 2006, and 2005, respectively, based on covered projected payroll of \$1,988,531, \$1,857,339, and \$1,797,132 for those years.

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
2005	\$2,891,460,651	\$2,588,713,000	\$302,747,651	89.5%	\$755,046,679	40.1%
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%

Town of Atherton Notes to Financial Statements For the fiscal year ended June 30, 2009

NOTE 7 – PENSION PLAN (Continued)

The Town's Miscellaneous Plan represents approximately 0.38%, 0.36%, and 0.36% of the State-wide pool for the years ended June 30, 2007, 2006, and 2005, respectively, based on covered projected payroll of \$2,530,293; \$2,511,241 and \$2,406,839 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.

NOTE 8 - 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 \$10,000 for auto / vehicle damage. ABAG is governed by a board consisting of representatives from member municipalities. The board controls the operations of ABAG, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

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

The Cities Group covers workers' compensation claims up to \$750,000 each and has coverage above that limit to a maximum of \$12,400,000. 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:

	2009	2008
Beginning balance	\$154,306	\$33,421
Net change in claims liabilities	147,943	117,979
Claims paid	<u> </u>	<u>2,906</u>
Ending balance	<u>\$302,249</u>	<u>\$154,306</u>
Claims liabilities due within a year	<u>\$302,249</u>	<u>\$154,306</u>

For the years ended June 30, 2009, 2008, 2007, the amount of settlements did not exceed insurance coverage.

Town of Atherton
Notes to Financial Statements
For the fiscal year ended June 30, 2009

NOTE 9 – 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, 2009. Financial statements may be obtained by mailing a request to the City San Carlos, 600 Elm Street, San Carlos, CA 94070.

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

The Authority is a joint powers agreement formed on October 13, 1999 for the purpose of joint ownership, financing and administration of the San Carlos Transfer Station and the San Mateo Recylery; and the planning, administration, review, monitoring, enforcement and reporting of solid waste and recyclable material within the Authority service area. Members of Authority include 11 municipalities located on the mid and lower Peninsula as well as certain unincorporated areas within the County. The Authority is controlled by a 12-member board consisting of one representative from each community. Through the operation of franchise agreements, 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 Financial Statements
For the fiscal year ended June 30, 2009

NOTE 9 – 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 10 - 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.

A. *Business license Claims*

The Town collected business license tax at the time of issuance of a building permit based on a percent formula. The Atherton Municipal Code authorizes collection of a business license tax up to the amount \$250 each year from general contractor, \$150 each year from each sub-contractor with two or more employees, and \$100 from each sole operator sub-contractor. A decision was made by the City Council in December 2008 to authorize claims for refunds for businesses license tax paid between December 17, 2006 through December 17, 2008, and retained MuniServices LLC to work with the building and finance departments to determine the amount of refund.

The business license tax to be refunded is estimated to be approximately \$817,000. During the fiscal year ending June 30, 2009, the Town began to refund business license tax. As of June 30, 2009, the Town recorded \$207,495 of accrued liabilities representing the remaining projected amount of refund to be disbursed by June 2010.

The Town is continuing to process business license refund claims submitted for business license taxes paid between December 17, 2006 and December 17, 2008. The last date to file a claim ends on December 16, 2009.

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**MAJOR GOVERNMENTAL FUNDS OTHER THAN THE GENERAL FUND AND
SPECIAL REVENUE FUNDS**

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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 accounts for funds received from Proposition 42 for transportation congestion relief program.

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.

PARKS WELL FUND accounts for construction of a well in the Holbrook-Palmer Park.

TOWN OF ATHERTON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2009

	SPECIAL REVENUE FUNDS				
	Tennis	County Measure A	Gas Tax	Supplemental Law Enforcement Services/ COPS Grant	Police on the Street
ASSETS					
Cash and Investment	\$27,645	\$139,234	\$26,310		\$4,226
Receivables					
Accounts					
Taxes		17,914			
Grants				\$43,140	
Total Assets	\$27,645	\$157,148	\$26,310	\$43,140	\$4,226
LIABILITIES					
Accounts payable		\$18,426			\$3,150
Accrued liabilities		4,856			
Due to Other Funds				\$29,383	
Deposit Payable		\$539			
Deferred Revenue				6,468	
Total Liabilities		23,821		35,851	3,150
FUND EQUITY					
Fund balances					
Unreserved, undesignated:					
Special Revenue Fund	\$27,645	133,327	\$26,310	\$7,289	1,076
Capital Projects Fund					
Total Fund Balances	27,645	133,327	26,310	7,289	1,076
Total Liabilities and Fund Balances	\$27,645	\$157,148	\$26,310	\$43,140	\$4,226

TOWN OF ATHERTON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2009

<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECT FUNDS</u>				
Road Construction	Traffic Congestion Relief	Capital Improvement	Strom Drainage	Channel Drainage District	Parks Well	Total Nonmajor Governmental Funds
\$919,197	\$48,549	\$100,926	\$37,020	\$140,346		\$1,443,453
	15,049					15,049
				75		17,989
						43,140
<u>\$919,197</u>	<u>\$63,598</u>	<u>\$100,926</u>	<u>\$37,020</u>	<u>\$140,421</u>		<u>\$1,519,631</u>
\$165,063				\$14,518		\$201,157
						4,856
						29,383
						539
						6,468
<u>165,063</u>				<u>14,518</u>		<u>242,403</u>
754,134	\$63,598					1,013,379
		\$100,926	\$37,020	\$125,903		263,849
<u>754,134</u>	<u>63,598</u>	<u>100,926</u>	<u>37,020</u>	<u>125,903</u>		<u>1,277,228</u>
<u>\$919,197</u>	<u>\$63,598</u>	<u>\$100,926</u>	<u>\$37,020</u>	<u>\$140,421</u>		<u>\$1,519,631</u>

TOWN OF ATHERTON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	SPECIAL REVENUE FUNDS				
	<u>Tennis</u>	<u>County Measure A</u>	<u>Gas Tax</u>	<u>Supplemental Law Enforcement Services / COPS Grant</u>	<u>Police on the Street</u>
REVENUES					
Property taxes					
Measure A Grants		\$247,713			
From Other Agencies			\$130,944	\$93,532	
Service Charge	\$11,255				
Use of money and property	633	2,150	394	472	\$91
Road Impact Fees					
Other revenues					
Total Revenues	<u>11,888</u>	<u>249,863</u>	<u>131,338</u>	<u>94,004</u>	<u>91</u>
EXPENDITURES					
Current					
Police				100,000	3,514
Public Works	25,942	54,844	5,710		
Capital Outlay		200,838	174,101		
Total Expenditures	<u>25,942</u>	<u>255,682</u>	<u>179,811</u>	<u>100,000</u>	<u>3,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,054)</u>	<u>(5,819)</u>	<u>(48,473)</u>	<u>(5,996)</u>	<u>(3,423)</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)			(100,000)		
Total other financing sources and uses			<u>(100,000)</u>		
NET CHANGE IN FUND BALANCES	<u>(14,054)</u>	<u>(5,819)</u>	<u>(148,473)</u>	<u>(5,996)</u>	<u>(3,423)</u>
BEGINNING FUND BALANCES	<u>41,699</u>	<u>139,146</u>	<u>174,783</u>	<u>13,285</u>	<u>4,499</u>
ENDING FUND BALANCES	<u>\$27,645</u>	<u>\$133,327</u>	<u>\$26,310</u>	<u>\$7,289</u>	<u>\$1,076</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS				Total Nonmajor Governmental Funds
Road Construction	Traffic Congestion Relief	Capital Improvement	Storm Drainage	Channel Drainage District	Parks Well	
				\$74,071		\$74,071
	\$63,234					247,713
						287,710
						11,255
\$22,698	364	\$2,815	\$761	1,913	\$197	32,488
612,037						612,037
3,186						3,186
637,921	63,598	2,815	761	75,984	197	1,268,460
5,122						108,636
65,000			3,600	34,629		189,725
800,405		78,239				1,253,583
870,527		78,239	3,600	34,629		1,551,944
(232,606)	63,598	(75,424)	(2,839)	41,355	197	(283,484)
					(12,032)	(112,032)
					(12,032)	(112,032)
(232,606)	63,598	(75,424)	(2,839)	41,355	(11,835)	(395,516)
986,740		176,350	39,859	84,548	11,835	1,672,744
\$754,134	\$63,598	\$100,926	\$37,020	\$125,903		\$1,277,228

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, 2009

	SPECIAL REVENUE FUNDS					
	Tennis			County Measure A		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Measure A Grants				\$275,000	\$247,713	(\$27,287)
From other agencies						
Service Charges	\$7,000	\$11,255	\$4,255			
Use of money and property	1,000	633	(367)	5,000	2,150	(2,850)
Road Impact Fee						
Other Revenue						
Total Revenues	8,000	11,888	3,888	280,000	249,863	(30,137)
EXPENDITURES						
Current						
Police						
Public Works	21,028	25,942	(4,914)	30,000	54,844	(24,844)
Capital Outlay				434,845	200,838	234,007
Total Expenditures	21,028	25,942	(4,914)	464,845	255,682	209,163
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,028)	(14,054)	8,802	(184,845)	(5,819)	(239,300)
OTHER FINANCING SOURCES (USES)						
Transfers (out)						
Total other financing sources (uses)						
NET CHANGE IN FUND BALANCES	(13,028)	(14,054)	(1,026)	(184,845)	(5,819)	179,026
BEGINNING FUND BALANCES		41,699			139,146	
ENDING FUND BALANCES		\$27,645			\$133,327	

SPECIAL REVENUE FUNDS

Gas Tax			Supplemental Law Enforcement Services / COPS Grants			Road Construction		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$135,000	\$130,944	(\$4,056)	\$100,000	\$93,532	(\$6,468)			
4,000	394	(3,606)		472	472	\$1,200	\$22,698	\$21,498
						950,000	612,037	(337,963)
						313,833	3,186	(310,647)
<u>139,000</u>	<u>131,338</u>	<u>(7,662)</u>	<u>100,000</u>	<u>94,004</u>	<u>(5,996)</u>	<u>1,265,033</u>	<u>637,921</u>	<u>(627,112)</u>
			100,000	100,000			5,122	(5,122)
175,000	5,710	(5,710)				65,000	65,000	
	174,101	899				1,970,009	800,405	1,169,604
<u>175,000</u>	<u>179,811</u>	<u>(4,811)</u>	<u>100,000</u>	<u>100,000</u>		<u>2,035,009</u>	<u>870,527</u>	<u>1,164,482</u>
<u>(36,000)</u>	<u>(48,473)</u>	<u>(2,851)</u>		<u>(5,996)</u>	<u>(5,996)</u>	<u>(769,976)</u>	<u>(232,606)</u>	<u>(1,791,594)</u>
<u>(100,000)</u>	<u>(100,000)</u>							
<u>(100,000)</u>	<u>(100,000)</u>							
<u>(136,000)</u>	<u>(148,473)</u>	<u>(12,473)</u>		<u>(5,996)</u>	<u>(5,996)</u>	<u>(769,976)</u>	<u>(232,606)</u>	<u>(1,791,594)</u>
	<u>174,783</u>			<u>13,285</u>			<u>986,740</u>	
	<u>\$26,310</u>			<u>\$7,289</u>			<u>\$754,134</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, 2009

CAPITAL PROJECTS FUNDS

	Capital Improvement			Storm Drainage		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes						
Measure A Grants						
From other agencies						
Service Charges						
Use of money and property	\$1,000	\$2,815	\$1,815	\$1,000	\$761	(\$239)
Road Impact Fee						
Other Revenue	26,200		(26,200)	20,000		(20,000)
Total Revenues	27,200	2,815	(24,385)	21,000	761	(20,239)
EXPENDITURES						
Current						
Public safety - police						
Public Works				65,049	3,600	61,449
Capital Outlay	96,200	78,239	\$17,961			
Total Expenditures	96,200	78,239	17,961	65,049	3,600	61,449
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,000)	(75,424)	(42,346)	(44,049)	(2,839)	(81,688)
OTHER FINANCING SOURCES (USES)						
Transfers (out)						
Total other financing sources (uses)						
NET CHANGE IN FUND BALANCES	(69,000)	(75,424)	(42,346)	(44,049)	(2,839)	(81,688)
BEGINNING FUND BALANCES		176,350			39,859	
ENDING FUND BALANCES		<u>\$100,926</u>			<u>\$37,020</u>	

CAPITAL PROJECTS FUND

<u>Channel Drainage District</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$78,066	\$74,071	(\$3,995)
1,600	1,913	313
<u>79,666</u>	<u>75,984</u>	<u>(3,682)</u>
110,000	34,629	75,371
<u>110,000</u>	<u>34,629</u>	<u>75,371</u>
<u>(30,334)</u>	<u>41,355</u>	<u>(79,053)</u>
<u>(30,334)</u>	<u>41,355</u>	<u>(79,053)</u>
	<u>84,548</u>	
	<u>\$125,903</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.

INFORMATION TECHNOLOGY accounts for the financing of the Town's information technology needs including support.

ADMINISTRATIVE SERVICES accounts for the financing of the Town's administrative overhead costs.

WORKERS' COMPENSATION INSURANCE accounts for the financing of the Town's outstanding claim's liability.

TOWN OF ATHERTON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Equipment Replacement</u>	<u>Information Technology</u>	<u>Administrative Services</u>	<u>Workers' Compensation Insurance</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and investments	<u>\$512,227</u>			<u>\$386,468</u>	<u>\$898,695</u>
Total Current Assets	<u>512,227</u>			<u>386,468</u>	<u>898,695</u>
Non-Current Assets:					
Capital assets:					
Depreciable	<u>1,073,745</u>				<u>1,073,745</u>
Less: accumulated depreciation	<u>(575,385)</u>				<u>(575,385)</u>
Net Capital Asset	<u>498,360</u>				<u>498,360</u>
Total Assets	<u>1,010,587</u>			<u>386,468</u>	<u>1,397,055</u>
LIABILITIES					
Accounts payable	<u>140,938</u>				<u>140,938</u>
Accrued Liability	<u>24,330</u>				<u>24,330</u>
Total Liabilities	<u>165,268</u>				<u>165,268</u>
NET ASSETS					
Invested in capital assets	<u>498,360</u>				<u>498,360</u>
Unrestricted	<u>346,959</u>			<u>386,468</u>	<u>733,427</u>
Total Net Assets	<u>\$845,319</u>			<u>\$386,468</u>	<u>\$1,231,787</u>

TOWN OF ATHERTON
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Equipment Replacement	Information Technology	Administrative Services	Workers' Compensation Insurance	Total
OPERATING REVENUES					
Charges for services	\$52,352	\$106,641	\$308,024	\$169,527	\$636,544
Total Operating Revenues	52,352	106,641	308,024	169,527	636,544
OPERATING EXPENSES					
Insurance			87,342	(107,201)	(19,859)
Supplies and Maintenance	7	34,835	40,178		75,020
Other contractual services		43,868	175,720		219,588
Depreciation	43,629	6,277	5,562		55,468
Total Operating Expenses	43,636	84,980	308,802	(107,201)	330,217
Operating Income (Loss)	8,716	21,661	(778)	276,728	306,327
NONOPERATING REVENUES (EXPENSES)					
Interest income	5,845	3,033	2,892	4,929	16,699
Total Nonoperating Revenues (Expenses)	5,845	3,033	2,892	4,929	16,699
Income Before Transfers	14,561	24,694	2,114	281,657	323,026
Transfers in	292,611				292,611
Transfers (out)		(180,601)	(162,009)		(342,610)
Net Transfers	292,611	(180,601)	(162,009)		(49,999)
Change in Net Assets	307,172	(155,907)	(159,895)	281,657	273,027
BEGINNING NET ASSETS	538,147	155,907	159,895	104,811	958,760
ENDING NET ASSETS	\$845,319			\$386,468	\$1,231,787

TOWN OF ATHERTON
INTERNAL SERVICE FUND
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Equipment Replacement	Information Technology	Administrative Services	Workers' Compensation Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from other funds	\$52,352	\$106,641	\$308,024	\$169,527	\$636,544
Payments to vendors	<u>165,261</u>	<u>(96,060)</u>	<u>(332,297)</u>	<u>(13,684)</u>	<u>(276,780)</u>
Cash Flows from Operating Activities	<u>217,613</u>	<u>10,581</u>	<u>(24,273)</u>	<u>155,843</u>	<u>359,764</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	292,611				292,611
Transfers out	<u></u>	<u>(180,601)</u>	<u>(162,009)</u>	<u></u>	<u>(342,610)</u>
Cash Flows from Noncapital Financing Activities	<u>292,611</u>	<u>(180,601)</u>	<u>(162,009)</u>	<u></u>	<u>(49,999)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	<u>(348,307)</u>	<u>13,762</u>	<u>10,150</u>	<u></u>	<u>(324,395)</u>
Cash Flows from Capital and Related Financing Activities	<u>(348,307)</u>	<u>13,762</u>	<u>10,150</u>	<u></u>	<u>(324,395)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	<u>5,845</u>	<u>3,033</u>	<u>2,892</u>	<u>4,929</u>	<u>16,699</u>
Cash Flows from Investing Activities	<u>5,845</u>	<u>3,033</u>	<u>2,892</u>	<u>4,929</u>	<u>16,699</u>
Net Cash Flows	167,762	(153,225)	(173,240)	160,772	2,069
Cash and investments at beginning of period	<u>344,465</u>	<u>153,225</u>	<u>173,240</u>	<u>225,696</u>	<u>896,626</u>
Cash and investments at end of period	<u><u>\$512,227</u></u>	<u><u></u></u>	<u><u></u></u>	<u><u>\$386,468</u></u>	<u><u>\$898,695</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$8,716	\$21,661	(\$778)	\$276,728	\$306,327
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	43,629	6,277	5,562		55,468
Change in assets and liabilities:					
Accounts payable	140,938	(17,357)	(18,186)		105,395
Accrued Liability	24,330				24,330
Claims Payable	<u></u>	<u></u>	<u>(10,871)</u>	<u>(120,885)</u>	<u>(131,756)</u>
Cash Flows from Operating Activities	<u><u>\$217,613</u></u>	<u><u>\$10,581</u></u>	<u><u>(\$24,273)</u></u>	<u><u>\$155,843</u></u>	<u><u>\$359,764</u></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:

EVANS CREATIVE DESIGN FUND – Fund maintained for the Art Committee.

LINDENWOOD GATE TRUST – Fund maintained for the Lindenwood Homes Association.

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, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Evans Creative Design Fund				
ASSETS				
Cash and investments	\$120,033	\$3,993	\$7,860	\$116,166
Total assets	<u>\$120,033</u>	<u>\$3,993</u>	<u>\$7,860</u>	<u>\$116,166</u>
LIABILITIES				
Deposits payable	\$120,033	\$7,861	\$11,728	116,166
Total liabilities	<u>\$120,033</u>	<u>\$7,861</u>	<u>\$11,728</u>	<u>\$116,166</u>
Lindenwood Gate Trust				
ASSETS				
Cash and investments	\$244	\$5		249
Total assets	<u>\$244</u>	<u>\$5</u>		<u>\$249</u>
LIABILITIES				
Deposits payable	\$244	\$5		\$249
Total liabilities	<u>\$244</u>	<u>\$5</u>		<u>\$249</u>
H-P Park Improvement Fund				
ASSETS				
Cash and investments	\$5,717	\$115	\$1,876	\$3,956
Total assets	<u>\$5,717</u>	<u>\$115</u>	<u>\$1,876</u>	<u>\$3,956</u>
LIABILITIES				
Deposits payable	\$5,717	\$115	\$1,876	\$3,956
Total liabilities	<u>\$5,717</u>	<u>\$115</u>	<u>\$1,876</u>	<u>\$3,956</u>

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Tree Committee				
ASSETS				
Cash and investments	\$41,401		\$16,494	24,907
Total assets	<u>\$41,401</u>	<u></u>	<u>\$16,494</u>	<u>24,907</u>
LIABILITIES				
Accounts payable		\$169		\$169
Deposits payable	\$41,401	6,750	\$23,413	24,738
Total liabilities	<u>\$41,401</u>	<u>\$6,919</u>	<u>\$23,413</u>	<u>\$24,907</u>
All Agency Funds				
ASSET				
Cash and investments	\$167,395	\$4,113	\$26,230	\$145,278
Total assets	<u>\$167,395</u>	<u>\$4,113</u>	<u>\$26,230</u>	<u>\$145,278</u>
LIABILITIES				
Accounts payable		\$169		\$169
Deposits payable	\$167,395	14,731	\$37,017	145,109
Total liabilities	<u>\$167,395</u>	<u>\$14,900</u>	<u>\$37,017</u>	<u>\$145,278</u>

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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, 2009

ACCOUNTANCY CORPORATION
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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, 2009. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based upon our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2009.

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

November 5, 2009

TOWN OF ATHERTON
SCHEDULE OF MEASURE A FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

BALANCE SHEET

Assets:	
Cash	\$139,234
Taxes Receivable	<u>17,914</u>
Total Assets	<u><u>\$157,148</u></u>
Liabilities:	
Accounts Payable	18,426
Accrued Liability	4,856
Deposits Payable	<u>539</u>
Total Liabilities	<u>\$23,821</u>
Fund Balance:	
Unreserved, Undesignated	<u>133,327</u>
Total Fund Balance	<u>133,327</u>
Total Liabilities and Fund Balance	<u><u>\$157,148</u></u>

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

Revenues:	
Measure A Sales Tax	\$247,713
Use of Money & Property	<u>2,150</u>
Total Revenues	<u>249,863</u>
Expenditures:	
Street Reconstruction phase IV	160,000
Street Reconstruction phase V	40,492
Street Lights Project	345
Congestion Relief	24,845
Administrative Fee	<u>30,000</u>
Total Expenditures	<u>255,682</u>
Other Financing Uses: Transfers To Gas Tax Fund	<u></u>
Excess of Revenues over Expenditures	(5,819)
Fund Balance - July 1, 2008	<u>139,146</u>
Fund Balance - June 30, 2009	<u><u>\$133,327</u></u>



Town of Atherton
91 Ashfield Road
Atherton, California 94027
Phone: (650) 752-0500
Fax: (650) 688-6528

November 5, 2009

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

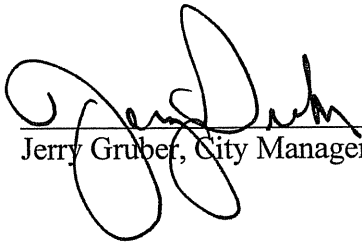
Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purpose*

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.”

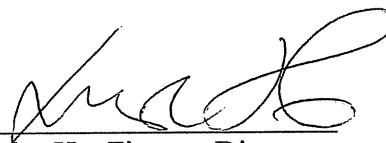
With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2009:

- 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, 2009, are in compliance with the Agreement.



Jerry Gruber, City Manager



Louise Ho, Finance Director

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**TOWN OF ATHERTON
AGREED UPON PROCEDURES REPORT ON
COMPLIANCE WITH THE PROPOSITION 111
2009-2010 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 for the year ended June 30, 2010. 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 2009-2010 Appropriations Limit amounting to \$7,456,359 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 2009-2010 Appropriations Limit by multiplying the 2008-2009 Prior Year Appropriations Limit (net of \$2,787,000 of parcel tax revenue adjustment) by the Total Growth Factor.
- C. For the Appropriations Limitation Worksheet, we agreed the Per Capita Income and County Population Factors to California State Department of Finance Worksheets.

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

Maze & Associates

October 29, 2009

TOWN OF ATHERTON
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2009

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

For the Year Ended June 30, 2009

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MEMORANDUM ON INTERNAL CONTROL

November 5, 2009

To the City Council of
the Town of Atherton, California

In planning and performing our audit of the financial statements of the Town of Atherton as of and for the year ended June 30, 2009, 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 opinion 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we noted no matters 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 auditing 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**

SCHEDULE OF OTHER MATTERS

New Pronouncements:

The following comments represent new pronouncements taking affect in the next few years. We cite them here to keep you abreast of developments:

2009-01 – Upcoming GASB Statement No. 45 - *Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*

Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, addresses how state and local governments account for postemployment healthcare and other nonpension benefits. The statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions.

Note: These new rules take affect in fiscal 2009-10 for the Town of Atherton and will require the determination of any liability (future obligation) to pay for OPEB. A funding plan will need to be determined to ensure that the Town accumulates funds to pay for these obligations. So long as the Town sets aside funds using this basis, there will be no impact on the Town's financial statements.

Management Response: The Town will implement as appropriate.

2009-02 - Upcoming GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets (Effective for fiscal 09/10) - Retroactive Application Required*

Governments have different types of intangible assets, such as easements, water rights, patents, trademarks, and computer software. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies and enhance comparability. Retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980. This statement requires the recording of capacity right assets and the Town may have contracts with other governments which may be applicable.

Management Response: The Town will implement as appropriate.

TOWN OF ATHERTON
MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2009-03 - Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments (Effective for fiscal 09/10)

This Statement is intended to improve how state and local governments report information about derivative instruments in their financial statements. Specifically, GASB 53 requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting (proprietary and entity-wide financial statements). Governments enter into derivative instruments as investments; as hedges of identified financial risks associated with assets or liabilities, or expected transactions (that is, hedgeable items); or to lower the costs of borrowings. Governments often enter into derivative instruments with the intention of effectively fixing cash flows or synthetically fixing prices. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. In addition, this standard addresses hedge accounting requirements.

Management Response: The Town will implement as appropriate.

2009-03 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.

**TOWN OF ATHERTON
MEMORANDUM ON INTERNAL CONTROL**

SCHEDULE OF OTHER MATTERS

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.

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

STATUS OF PRIOR YEAR SCHEDULE OF SIGNIFICANT DEFICIENCIES

2008-01 Finance Department Staffing

In Fiscal Years 2007 and 2008 the Town experienced major changes in key management personnel which affected the stability of the Finance Department and interrupted the Town's daily financial operations. Due to these changes, the Town was not able to close the books in a timely manner in order for the audit to take place. This created delays in the timing of the audit and release of the audited financial statements.

The Town should ensure that the Finance Department is adequately staffed. In addition, the Town should establish accounting policies and procedures for cross training staff to ensure continuation of the day to day functions of the Town's Finance Department resulting in minimal interruptions in the event of an unexpected or sudden departure of key finance personnel.

Current Status:

With the implementation of a new financial software and temporary help, the Town is continuing to evaluate the Finance Department Staffing issue.

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REQUIRED COMMUNICATIONS

November 5, 2009

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, 2009 and have issued our report thereon dated October 29, 2009. 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 2009.

TOWN OF ATHERTON
REQUIRED COMMUNICATIONS

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.

TOWN OF ATHERTON

REQUIRED COMMUNICATIONS

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.

Mare & Associates

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Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JEROME D. GRUBER, CITY MANAGER

DATE: FOR THE REGULAR MEETING OF DECEMBER 16, 2009

**SUBJECT: COUNCIL GUIDANCE ON ITEMS FOR STRATEGIC PLANNING
MEETING ON JANUARY 11, 2010**

RECOMMENDATION:

Receive Council Guidance on discussion items for Strategic Planning Workshop on January 11, 2010

BACKGROUND:

Staff would like Council to consider the following items for the Strategic Planning Workshop:

1. High Speed Rail
2. Classification Study
3. Town Environmental Philosophy/Position
4. City Council/Town Priorities
5. New Town Center
6. Revisions to Council Rules of Procedures

In order to be effective staff recommends that no more than 4 to 6 items are taken up at the Strategic Planning workshop. Staff seeks Council input and/or modifications to the list above.



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JEROME GRUBER, CITY MANAGER**

FROM: LOUISE HO, FINANCE DIRECTOR

DATE: FOR THE MEETING OF DECEMBER 16, 2009

**SUBJECT: HISTORICAL RECONCILIATION OF BUILDING DEPARTMENT
COSTS OF SERVICE**

RECOMMENDATION

Review and accept the findings of NBS on the historical reconciliation of Building Department costs of service; provide direction to staff on the NBS recommended action 2 Defer Known and Justified Fee Increases, action 3. Proceed with Known and Justified Fee Decreases, and action 4. Revisit Financial Performance in 2010/2011.

DISCUSSION

The Town engaged the service of NBS to perform a reconciliation of the historical Building Department revenues and expenditures for FY 2000-01 to FY 2008-09. After several meetings and review with staff, NBS completed the reconciliation and provided the findings with four recommended actions. Staff is recommending that the City Council review and accept the findings and provide direction to staff on the NBS recommended actions so that staff and NBS can proceed to complete the Building Department portion of the new Master Fee Schedule in time for the January 20, 2010, City Council meeting.

FISCAL IMPACT

If the City Council accepts actions 2 and 3 as recommended by NBS, there could potentially be some impact on the Building Department revenue. For FY 2009-10, NBS is projecting any impact on the Building Department revenue would be absorbed by the projected operating reserve with the Town revisiting Building Department financial performance in FY 2010-11.

Prepared by:

Approved by:

/s/ Louise Ho

Louise Ho, Finance Director

Jerome D. Gruber, City Manager

Attachment: NBS memorandum of the historical reconciliation of Building Department costs of service



MEMORANDUM

To: Louise Ho, Finance Director
Town of Atherton

From: Jeanette Hahn, Director
NBS

Date: December 9, 2009

Re: Historical Reconciliation of Building Department Costs of Service

EXECUTIVE SUMMARY

The purpose of this analysis was to evaluate the collection and proper expenditure of revenues from the Town of Atherton's Building permits and related fees to ensure: (a) The Town is optimizing the use of fee-based revenues for the complete array of obligations and operational requirements of the Building Department and (b) Collected fee-based revenues indeed are only spent on expenditures related directly and indirectly to the Building Department.

The analysis was tasked specifically to identify any unrestricted cash surplus remaining after reconciling the Building Department's historical revenue collections and departmental expenditures/obligations from Fiscal Year 2000/2001 through Fiscal Year 2008/2009. An unrestricted cash surplus from Building fees represents a resource that must be put to use for the estimated, reasonable requirements of the Building Department or returned to fee payers in the form of future fee reductions.

Findings

NBS makes the following findings as a product of this analysis:

1. From Fiscal Year 2000/2001 through the end of Fiscal Year 2008/2009, Town records indicate the Building Department collected \$11.64 million in permit and related fee revenue.

2. Over the same period, Town records indicate \$8.10 million in applicable expenditures recorded to the Building Department, including salaries and benefits, contract services, supplies and materials, general expenses, rents and leases, minor capital and equipment outlays, reimbursements, and administrative charges.
3. Over the same period, the Town Council directed Town-wide overhead charges be applied to the Building Department in the amount of \$146,000 per year. After accounting for overhead charges already recorded to the Department, complying with this directive adds nearly \$576,000 in additional applicable expenditures to those already recorded to the Department.
4. Over the same period, the Town Council directed revenues be set aside to reserve cash that may be used to fund or mitigate capital costs the Town expects to incur to replace the Town's central governmental facilities. This analysis finds that a maximum amount reasonable for collection from Building fee revenue is approximately \$153,500 per year. Collected annually from Fiscal Year 2000/2001 through Fiscal Year 2008/2009, just over \$1.38 million may be reasonably considered as set aside and dedicated specifically for the Building Department's share of future facilities.
5. Taking into account the above data comparing applicable revenues and expenditures/obligations, the Building Department accumulated annual surpluses from Fiscal Years 2000/2001 through 2005/2006. Beginning in Fiscal Year 2006/2007 and moving forward, the Department has been incurring annual deficits. (Refer to Chart 2 on Page 19 of the attached exhibits.)
6. Taking into account the above data, as of the end of Fiscal Year 2008/2009, the Building Department carried a cash surplus of nearly \$1.58 million, accumulated over a nine-year period beginning in Fiscal Year 2000/2001. (Refer to Chart 3 on Page 20 of the attached exhibits.)
7. It is reasonable for a Building Department to retain a cash operating reserve sufficient to sustain core operations for a period of 18 months in the event of revenue decline or inactivity. As of the end of Fiscal Year 2008/2009, a reserve target can be estimated at approximately \$973,000.
8. Upon restricting a portion of the cash surplus as an operating reserve, the Building Department retains an unrestricted cash surplus of roughly \$612,000 at the end of Fiscal Year 2008/2009. No additional obligations or requirements related to the Building Department have been identified that would immediately draw upon that unrestricted cash surplus. (Refer to Chart 4 on Page 21 of the attached exhibits.)

9. Referencing the adopted revenue and expenditure plan presented in the Town's Fiscal Year 2009/2010 Budget, this unrestricted cash surplus is projected be eliminated by the end of the current fiscal year. (Refer to Chart 6 on Page 23 of the attached exhibits.)

Recommended Action

Given the above-listed findings, NBS recommends the Town take the following action:

1. ***Review and Accept Findings*** – Present the enclosed findings to the Town Council for their review and deliberation. Request of the Town Council either (a) acceptance of the enclosed findings or (b) direction that would materially influence the findings of this analysis, particularly with respect to applicable historical Building Department costs of service and/or operating reserve target.
2. ***Defer Known and Justified Fee Increases*** – Assuming the substantive findings of this analysis stand upon Town Council deliberation and acceptance, adopt a plan to diminish the Building Department's calculated unrestricted cash surplus. Given that current conditions indicate *inaction* will further diminish the surplus materially within the current fiscal year, the Town Council should defer any increase to Building Department fees until at least the next fiscal year (2010/2011). Most current fees are not recovering the full cost of service, as found by the Town's separate User Fee Study and underscored by the findings of this analysis which show recent annual deficits incurred within the Department. Projected continued deficit performance will actively diminish, if not eliminate, the unrestricted cash surplus by the end of the current Fiscal Year 2009/2010.
3. ***Proceed with Known and Justified Fee Decreases*** – While deferring fee increases to a time when the unrestricted cash surplus is diminished, the Town Council should nonetheless *decrease* those individual fees which the Town's separate User Fee Study has found are exceeding the current costs of service. These decreases exist predominantly in the Plan Review fee amount for projects valued at greater than \$100,000. Additionally, the valuation bases for certain types of construction have also been proposed to decrease to differentiate in the fee amount the varying level of effort incurred to review and inspect those projects. Decreasing these fees will further accelerate the diminishment of the unrestricted cash surplus.
4. ***Revisit Financial Performance in 2010/2011*** – In the next fiscal year, the Town Council should direct Town staff to revisit the status of cash reserves attributable to the Building Department to determine the next course of action, which may include proceeding with justified fee increases and/or utilizing the operating reserve to sustain Building operations into the next Fiscal Year 2010/2011.

TOWN OF ATHERTON

Worksheet A

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Input of Raw Financial Data: Actual Receipts and Outlays Reported by the Town [a]

RECEIPTS [b]		Include? [c] (1=Y,0=N)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 13	Permits & Licenses:										
101 25 13 1310 000	Business Licenses	0	\$ (275.00)	\$ (100.00)	\$ -	\$ -	\$ -	\$ (899.12)	\$ 4.00	\$ -	\$ -
101 25 13 1310 125	Business Licenses	0	(412.50)	-	-	-	-	-	-	-	-
100 00 1320 000	Building Permit (miscode)	1	-	(27,920.05)	-	-	(7,614.12)	-	(8,276.06)	-	-
101 25 13 1320 000	Building Permit	1	1,814,515.57	1,231,164.64	1,093,472.06	1,257,775.56	1,421,786.28	1,225,425.61	1,146,974.63	1,066,837.74	640,419.79
101 25 13 1320 125	Building Permit	1	-	-	-	-	-	(17,199.32)	(5,574.80)	(14,440.36)	-
101 25 13 1335 000	Second Dwelling Permit	0	200.00	-	-	-	-	-	-	-	-
101 25 13 1345 000	Landscape Fee	1	-	-	-	-	-	-	-	6,750.00	(5,000.00)
101 25 13 1350 000	Road Impact Fee	0	-	-	(75.00)	-	-	-	-	-	-
101 25 13	Permits & Licenses		1,814,028.07	1,203,144.59	1,093,397.06	1,257,775.56	1,414,172.16	1,207,327.17	1,133,127.77	1,059,147.38	635,419.79
101 25 16	Service Charges:										
101 25 16 1611 000	Photocopy Fee	1	5,613.52	11,384.23	1,565.00	4,152.57	6,185.25	376.01	6,008.43	2,592.60	2,421.30
101 25 16 1612 000	Microfilm Fee	1	332.00	-	-	-	-	-	-	-	-
101 25 16 1640 000	SMIP Fees	0	469.40	-	-	-	-	-	1,700.08	13,099.27	1,114.89
101 25 16 1641 000	Application Fee	0	49,625.00	27,575.00	40,875.00	16,975.00	23,333.06	23,750.00	23,500.00	43,850.00	-
101 25 16 1642 000	Zoning & Planning Fees	0	1,950.00	-	-	-	-	-	-	(5,250.00)	16,250.00
101 25 16 1643 000	Inspection Fee	1	-	100.00	-	-	-	-	-	-	-
101 25 16 1644 000	Plan Check Fee	1	-	-	-	-	-	-	-	19,300.00	21,714.98
101 25 16 1644 125	Plan Check Fee	1	-	-	-	-	-	-	-	366,160.71	372,512.18
101 25 16 1645 000	Use & Occupancy Fee	0	-	-	-	-	-	-	-	-	-
101 25 16	Service Charges		57,989.92	39,059.23	42,440.00	21,127.57	29,518.31	24,126.01	31,208.51	439,752.58	414,013.35
101 25 62	Deposits Payable:										
101 25 62 6210 000	Building Deposits	0	-	-	-	-	-	-	-	3,049.50	11,713.00
101 25 62 6211 000	SMIP Fee Payable	0	-	-	-	-	-	-	-	-	(12,175.59)
101 25 62 6212 000	CBSC Fee Payable	0	-	-	-	-	-	-	-	-	(831.80)
101 25 62	Deposits Payable		-	-	-	-	-	-	-	3,049.50	(1,294.39)
TOTAL RECEIPTS			1,872,017.99	1,242,203.82	1,135,837.06	1,278,903.13	1,443,690.47	1,231,453.18	1,164,336.28	1,501,949.46	1,048,138.75
OUTLAYS [b]		(1=Y,0=N)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 30	Salaries & Benefits:										
101 25 30 3001 000	Regular Salaries	1	\$ 4.39	\$ (9,351.20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,848.77	\$ -
101 25 30 3001 125	Regular Salaries	1	224,226.87	270,874.82	292,384.41	381,682.11	465,261.11	465,496.94	369,164.83	437,253.20	555,489.70
101 25 30 3001 126	Regular Salaries	1	21,039.93	20,787.09	22,419.15	22,253.81	8,980.06	-	-	-	-
101 25 30 3005 125	Temporary Help	1	13,055.00	-	25,143.14	-	-	-	62,810.53	4,904.90	-

TOWN OF ATHERTON

Worksheet A

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Input of Raw Financial Data: Actual Receipts and Outlays Reported by the Town [a]

Include? [c]

OUTLAYS (cont.) [b]		(1=Y,0=N)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 30 3005 000	Temporary Help	1	-	-	-	-	-	-	-	-	-
101 25 30 3006 125	Overtime/Court Time	1	9,766.47	11,669.91	13,408.91	748.42	-	160.56	50.47	-	-
101 25 30 3006 000	Overtime/Court Time	1	174.69	-	-	-	-	-	-	-	-
101 25 30 3008 125	Compensation Payout	1	-	-	-	-	-	1,427.20	-	-	-
101 25 30 3010 000	Standby Pay	1	-	-	-	-	-	-	-	-	-
101 25 30 3020 000	Medicare Insurance/Tax	1	-	-	-	-	-	-	-	503.29	-
101 25 30 3020 125	Medicare Insurance/Tax	1	2,115.44	2,186.33	5,014.15	5,703.74	6,861.25	6,948.00	6,408.80	6,536.41	8,063.92
101 25 30 3020 126	Medicare Insurance/Tax	1	-	136.21	328.51	329.07	133.14	-	-	-	-
101 25 30 3025 000	FICA/Social Security	1	84.43	43.23	-	-	-	-	-	-	-
101 25 30 3025 125	FICA/Social Security	1	2,498.37	2,123.87	-	-	270.00	-	3,885.75	308.63	-
101 25 30 3025 126	FICA/Social Security	1	155.88	178.48	-	-	-	-	-	-	-
101 25 30 3030 000	PERS Retirement/-ER	1	406.95	232.62	-	-	-	-	-	7,142.97	-
101 25 30 3030 125	PERS Retirement/-ER	1	17,792.61	19,526.87	22,586.82	77,710.30	83,113.79	93,835.16	75,328.03	89,621.70	112,325.15
101 25 30 3030 126	PERS Retirement/-ER	1	783.36	1,502.22	1,554.99	2,823.72	1,603.95	-	-	-	-
101 25 30 3036 125	grp term life coverage	1	-	93.06	215.67	209.60	240.23	257.92	109.12	166.84	240.88
101 25 30 3036 126	grp term life coverage	1	-	20.46	47.45	46.15	18.69	-	-	-	-
101 25 30 3042 125	Health Insurance	1	14,530.64	19,915.82	31,000.28	40,880.76	46,694.94	52,262.36	37,343.58	61,966.46	73,627.36
101 25 30 3042 126	Health Insurance	1	507.36	1,131.90	1,530.34	1,794.80	712.60	-	-	-	-
101 25 30 3042 000	Health Insurance	1	362.51	262.88	-	-	-	-	-	3,802.10	-
101 25 30 3044 000	Dental Insurance	1	57.24	37.89	-	-	-	-	-	752.25	-
101 25 30 3044 125	Dental Insurance	1	1,617.00	3,247.38	4,341.08	5,652.83	7,058.85	6,820.40	5,767.55	6,418.80	7,738.55
101 25 30 3044 126	Dental Insurance	1	68.64	149.16	188.12	211.18	83.30	-	-	-	-
101 25 30 3045 000	Vision Insurance	1	7.97	12.01	-	-	-	-	-	75.08	-
101 25 30 3045 125	Vision Insurance	1	282.30	452.55	740.25	954.67	1,127.99	1,159.30	1,050.07	1,135.70	1,294.41
101 25 30 3045 126	Vision Insurance	1	11.04	20.96	21.59	21.40	8.01	-	-	-	-
101 25 30 3050 000	Workers Compensation	1	36.07	0.35	-	-	-	-	-	57.79	-
101 25 30 3050 125	Workers Compensation	1	1,670.81	2,575.39	7,266.69	17,564.88	22,262.34	22,176.14	16,814.35	18,849.02	23,304.54
101 25 30 3050 126	Workers Compensation	1	76.92	59.86	659.89	1,524.84	635.81	-	-	-	-
101 25 30 3051 000	Life Insurance/& ADD	1	-	-	-	-	-	-	-	120.32	-
101 25 30 3051 125	Life Insurance/& ADD	1	715.44	391.86	892.29	994.06	1,126.20	1,196.72	856.86	977.76	868.32
101 25 30 3051 126	Life Insurance/& ADD	1	-	26.56	63.79	62.67	22.60	-	-	-	-
101 25 30 3052 000	Disability Insurance/LTD	1	12.96	26.41	-	-	-	-	-	572.85	-
101 25 30 3052 125	Disability Insurance/LTD	1	2,566.02	2,605.72	5,219.20	6,188.15	7,303.41	7,552.72	5,984.00	7,094.76	8,988.36
101 25 30 3052 126	Disability Insurance/LTD	1	-	148.94	359.40	362.48	145.63	-	-	-	-
101 25 30 3060 000	Uniforms	1	-	-	-	-	-	-	-	-	-
101 25 30 3061 125	Auto Allowance	1	3,378.48	4,560.01	6,535.29	12,660.13	13,081.12	13,900.11	11,664.38	10,800.26	13,661.36

TOWN OF ATHERTON

Worksheet A

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Input of Raw Financial Data: Actual Receipts and Outlays Reported by the Town [a]

Include? [c]

OUTLAYS (cont.) [b]		(1=Y,0=N)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 30 3061 126	Auto Allowance	1	221.52	239.98	249.30	428.48	169.82	-	-	-	-
101 25 30 3061 000	Auto Allowance	1	184.62	-	-	-	-	-	-	-	-
101 25 30	Salaries & Benefits		318,411.93	355,889.60	442,170.71	580,808.25	666,914.84	673,193.53	597,238.32	693,909.86	805,602.55
101 25 31	Contract Services:										
101 25 31 3102 125	City Attorney Retainer	1	-	-	2,969.04	-	6,120.03	-	2,131.01	-	-
101 25 31 3106 126	Prog/Project Consultant	0	-	-	-	67,622.79	2,500.00	8,152.87	-	-	-
101 25 31 3108 126	Contract Planner	0	67,070.04	122,252.96	154,896.12	-	74,889.62	70,830.18	95,779.85	282,146.09	-
101 25 31 3108 125	Contract Planner	1	-	240.00	-	-	-	-	-	-	-
101 25 31 3108 125	Contract Planner (miscode)	0	-	-	-	-	-	-	24,836.79	-	-
101 25 31 3109 125	Plan Reviewer	1	115,065.37	138,265.03	104,165.02	-	19,975.00	30,195.00	63,758.88	31,885.00	-
101 25 31 3111 125	Equipment Maint Other	1	-	-	939.64	825.00	850.00	1,190.00	2,430.00	900.00	1,054.98
101 25 31 3114 126	Zoning Code Update	0	-	-	-	-	-	-	-	-	-
101 25 31 3115 126	General Plan Update	0	-	-	-	-	-	-	-	-	-
101 25 31 3116 126	Housing Element	0	-	-	-	-	-	-	-	-	-
101 25 31 3117 126	Historical Artifacts	0	-	-	-	-	-	-	-	-	-
101 25 31 3124 125	Custodial Services	1	2,079.00	2,268.00	2,268.00	2,268.00	2,268.00	2,268.00	2,283.12	2,358.72	2,188.00
101 25 31 3150 125	Advertising/Publishing	1	-	-	-	-	-	1,019.20	89.99	448.00	-
101 25 31 3162 126	Plan Review	0	-	-	-	-	-	-	-	-	-
101 25 31 3162 125	Plan Review	1	-	-	-	-	-	-	-	-	41,139.08
101 25 31 3163 125	Code Enforcement	1	-	-	-	-	-	-	-	11,594.18	33,061.42
101 25 31 3165 125	Other Contract Services	1	50,379.90	1,100.00	63,923.46	62,935.00	33,020.00	80,694.58	270,336.17	387,581.39	2,031.33
101 25 31 3165 126	Other Contract Services	0	-	-	-	-	-	-	29,140.54	100,434.66	-
101 25 31 3165 125	Other Contract Services	1	-	81,282.50	-	-	-	-	-	-	-
101 25 31 3165 127	Other Contract Services	1	-	-	-	-	-	-	-	150,881.23	-
101 25 31 3166 126	Environmental Programs	0	-	-	-	-	-	-	-	19,580.65	-
101 25 31 3166 128	Environmental Programs	0	-	-	-	-	-	-	-	-	14,249.60
101 25 31 3167 125	Building Inspection	1	-	-	-	-	-	-	-	-	74,776.50
101 25 31	Contract Services		234,594.31	345,408.49	329,161.28	133,650.79	139,622.65	194,349.83	490,786.35	987,809.92	168,500.91

TOWN OF ATHERTON

Worksheet A

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Input of Raw Financial Data: Actual Receipts and Outlays Reported by the Town [a]

OUTLAYS (cont.) [b]		Include? [c] (1=Y,0=N)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 32	Supplies & Materials:										
101 25 32 3201 125	Office Supplies	1	11,588.84	9,161.68	16,357.90	10,315.86	9,191.46	11,799.77	8,269.77	12,483.76	5,050.07
101 25 32 3201 126	Office Supplies	0	173.02	-	-	-	-	-	-	-	-
101 25 32 3201 121	Office Supplies	1	-	-	-	102.71	-	-	-	-	-
101 25 32 3201 000	Office Supplies	1	-	309.02	-	-	-	-	(0.50)	-	67.09
101 25 32 3202 000	Subscriptions	1	-	-	-	-	-	-	-	-	-
101 25 32 3202 125	Subscriptions	1	269.94	-	-	-	2,230.35	-	-	-	-
101 25 32 3203 000	Microfilms	1	-	-	-	-	-	-	-	-	-
101 25 32 3203 125	Microfilms	1	6,139.67	11,283.82	1,669.05	6,610.77	-	9,889.78	3,826.31	4,542.95	5,665.48
101 25 32 3210 000	Training & Safety	1	-	-	-	-	-	-	-	-	-
101 25 32 3210 125	Training & Safety	1	374.65	60.80	39.09	112.00	850.44	-	180.00	1,758.50	5,420.26
101 25 32 3230 000	Computer Software	1	-	-	-	-	-	-	-	-	-
101 25 32 3230 125	Computer Software	1	649.50	-	-	-	-	-	-	143.49	-
101 25 32 3244 000	Construction Matls	1	-	-	-	-	-	-	-	-	-
101 25 32 3260 000	Other Supplies & Matls	1	-	-	-	-	-	-	-	-	-
101 25 32 3260 128	Other Supplies & Matls	0	-	-	-	-	-	-	-	-	129.96
101 25 32	Supplies & Materials		19,195.62	20,815.32	18,066.04	17,141.34	12,272.25	21,689.55	12,275.58	18,928.70	16,332.86
101 25 33	General Expenses:										
101 25 33 3302 000	Membership/Dues	1	-	-	-	-	-	-	-	-	-
101 25 33 3302 125	Membership/Dues	1	-	215.00	55.00	130.00	50.00	25.00	360.00	590.00	665.00
101 25 33 3302 126	Membership/Dues	0	-	675.00	-	-	-	-	-	-	-
101 25 33 3302 128	Membership/Dues	0	-	-	-	-	-	-	-	-	6,050.00
101 25 33 3303 126	Postage	0	-	-	-	-	-	1,059.36	-	184.80	-
101 25 33 3304 000	Utilities/-Electricity	1	-	-	-	-	-	-	-	-	-
101 25 33 3304 125	Utilities/-Electricity	1	847.86	1,025.87	859.18	871.73	667.03	658.87	738.87	1,012.53	699.55
101 25 33 3305 000	Communication/(Telephone)	1	-	-	-	-	-	-	-	-	-
101 25 33 3305 125	Communication/(Telephone)	1	2,031.82	2,494.72	2,098.25	2,574.84	2,935.02	3,357.26	3,039.11	1,918.76	2,148.35
101 25 33 3306 125	Travel & Meetings	1	-	-	115.00	-	-	-	279.71	176.61	490.00
101 25 33 3307 000	Transport Expenses	1	-	-	-	-	-	-	-	-	-
101 25 33 3307 125	Transport Expenses	1	2,538.47	4,432.55	3,878.71	-	-	-	-	-	-
101 25 33 3307 126	Transport Expenses	0	-	182.82	182.82	-	-	-	-	-	-
101 25 33 3356 000	Refunds	1	-	-	-	-	-	-	-	-	-
101 25 33 3356 125	Refunds	1	6,701.43	16,846.59	-	-	(0.11)	-	-	-	-
101 25 33	General Expenses		12,119.58	25,872.55	7,188.96	3,576.57	3,651.94	5,100.49	4,417.69	3,882.70	10,052.90

TOWN OF ATHERTON

Worksheet A

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Input of Raw Financial Data: Actual Receipts and Outlays Reported by the Town [a]

OUTLAYS (cont.) [b]		Include? [c] (1=Y,0=N)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 34	Rents & Leases:										
101 25 34 3401 125	Rent - Facilities	1	21,425.94	21,427.92	21,785.04	1,785.66	-	-	-	-	-
101 25 34	Rents & Leases		21,425.94	21,427.92	21,785.04	1,785.66	-	-	-	-	-
101 25 35	Facility & Equipment										
101 25 35 3501 125	Non-Cap Off Mach & Furn	1	-	-	-	-	49.77	-	-	-	-
101 25 35 3502 000	Non-Cap Computer Equip	1	-	-	-	-	-	-	-	-	-
101 25 35 3503 125	Non-Cap Tools & Equip	1	-	-	-	-	-	-	-	-	-
101 25 35 3511 125	Machinery & Equipment	1	-	-	-	-	-	-	-	-	-
101 25 35 3513 125	Computer Equipment	1	-	1,030.00	-	-	-	4,847.87	-	-	-
101 25 35 3514 125	Office Machines & Furn	1	518.16	-	300.00	-	-	-	-	500.96	436.22
101 25 35	Facility & Equipment		518.16	1,030.00	300.00	-	49.77	4,847.87	-	500.96	436.22
101 25 39	Reimbursements:										
101 25 39 3910 125	Administrative Services	1	58,380.00	58,380.00	56,010.00	33,569.00	33,569.00	35,583.00	37,184.00	38,337.00	38,337.00
101 25 39 3910 126	Administrative Services	0	-	-	8,401.00	-	-	-	-	-	-
101 25 39 3915 125	Code Enforcement Dir Chg	1	-	-	-	50,000.00	50,000.00	51,500.00	53,818.00	55,486.00	-
101 25 39 3916 125	Town Arborist Dir Chg	1	-	-	-	46,238.00	-	-	-	-	-
101 25 39 3920 125	Computer Services Charge	1	6,981.96	6,982.00	6,982.00	8,774.00	8,774.00	9,300.00	9,719.00	10,021.00	10,020.96
101 25 39 3920 126	Computer Services Charge	0	-	-	1,536.00	-	-	-	-	-	-
101 25 39	Reimbursements		65,361.96	65,362.00	72,929.00	138,581.00	92,343.00	96,383.00	100,721.00	103,844.00	48,357.96
101 25 40	Operating Transfers Out:										
101 25 40 4047 000	Oper tsf to Facil Const	1	-	-	-	-	-	-	-	1,805,144.00	-
101 25 40	Operating Transfers Out		-	-	-	-	-	-	-	1,805,144.00	-
TOTAL OUTLAYS			671,627.50	835,805.88	891,601.03	875,543.61	914,854.45	995,564.27	1,205,438.94	3,614,020.14	1,049,283.40

Notes/Assumptions:

[a] Data Source: "Town of Atherton Financial Report for the Month Ending 13 / Fund 101 General Fund, DEPT 25 Building" for each noted fiscal year beginning FY2001/02 through FY2008/09.

[b] Receipts and outlays assigned to Building are as reported in the Town's financial report cited in Note A. No adjustments or interpretations have been made.

[c] Objects coded as 101-25-XX-XXXX-126 or -128 are excluded from this analysis on subsequent worksheets. It is assumed these items are related to Planning (126) and Environmental Programs (128) and therefore, are excluded from analysis of Building revenues and expenses. Exception: all Salaries and Benefits (101-25-30-XXXX-XXX are included per staff direction upon discussion of historical conditions versus accounting practices. (No regular personnel were on staff for Planning.)

TOWN OF ATHERTON

Worksheet B

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Summary of Financial Data: Actual Receipts and Outlays Reported by the Town [a]

GROSS RECEIPTS [b]		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 13	Permits & Licenses	\$ 1,814,028	\$ 1,203,145	\$ 1,093,397	\$ 1,257,776	\$ 1,414,172	\$ 1,207,327	\$ 1,133,128	\$ 1,059,147	\$ 635,420
101 25 16	Service Charges	57,990	39,059	42,440	21,128	29,518	24,126	31,209	439,753	414,013
101 25 62	Deposits Payable	-	-	-	-	-	-	-	3,050	(1,294)
TOTAL RECEIPTS		1,872,018	1,242,204	1,135,837	1,278,903	1,443,690	1,231,453	1,164,336	1,501,949	1,048,139

Total 2000/01-2008/09: \$ 11,918,530

GROSS OUTLAYS [b]		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 30	Salaries & Benefits	\$ 318,412	\$ 355,890	\$ 442,171	\$ 580,808	\$ 666,915	\$ 673,194	\$ 597,238	\$ 693,910	\$ 805,603
101 25 31	Contract Services	234,594	345,408	329,161	133,651	139,623	194,350	490,786	987,810	168,501
101 25 32	Supplies & Materials	19,196	20,815	18,066	17,141	12,272	21,690	12,276	18,929	16,333
101 25 33	General Expenses	12,120	25,873	7,189	3,577	3,652	5,100	4,418	3,883	10,053
101 25 34	Rents & Leases	21,426	21,428	21,785	1,786	-	-	-	-	-
101 25 35	Facility & Equipment	518	1,030	300	-	50	4,848	-	501	436
101 25 39	Reimbursements	65,362	65,362	72,929	138,581	92,343	96,383	100,721	103,844	48,358
101 25 40	Operating Transfers Out	-	-	-	-	-	-	-	1,805,144	-
TOTAL OUTLAYS		671,628	835,806	891,601	875,544	914,854	995,564	1,205,439	3,614,020	1,049,283

Total 2000/01-2008/09 including Operating Transfers Out: \$ 11,053,739

Total 2000/01-2008/09 excluding Operating Transfers Out: \$ 9,248,595

TOWN OF ATHERTON

Worksheet B

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Summary of Financial Data: Actual Receipts and Outlays Reported by the Town [a]

RECEIPTS INCLUDED IN ANALYSIS [c]		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 13	Permits & Licenses	\$ 1,814,516	\$ 1,203,245	\$ 1,093,472	\$ 1,257,776	\$ 1,414,172	\$ 1,208,226	\$ 1,133,124	\$ 1,059,147	\$ 635,420
101 25 16	Service Charges	5,946	11,484	1,565	4,153	6,185	376	6,008	388,053	396,648
101 25 62	Deposits Payable	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		1,820,461	1,214,729	1,095,037	1,261,928	1,420,357	1,208,602	1,139,132	1,447,201	1,032,068
<i>Total 2000/01-2008/09: \$ 11,639,516</i>										

OUTLAYS INCLUDED IN ANALYSIS [c]		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
101 25 30	Salaries & Benefits	\$ 318,412	\$ 355,890	\$ 442,171	\$ 580,808	\$ 666,915	\$ 673,194	\$ 597,238	\$ 693,910	\$ 805,603
101 25 31	Contract Services	167,524	223,156	174,265	66,028	62,233	115,367	341,029	585,649	154,251
101 25 32	Supplies & Materials	19,023	20,815	18,066	17,141	12,272	21,690	12,276	18,929	16,203
101 25 33	General Expenses	12,120	25,015	7,006	3,577	3,652	4,041	4,418	3,698	4,003
101 25 34	Rents & Leases	21,426	21,428	21,785	1,786	-	-	-	-	-
101 25 35	Facility & Equipment	518	1,030	300	-	50	4,848	-	501	436
101 25 39	Reimbursements	65,362	65,362	62,992	138,581	92,393	96,383	100,721	103,844	48,358
101 25 40	Operating Transfers Out	-	-	-	-	-	-	-	1,805,144	-
TOTAL OUTLAYS		604,384	712,695	726,585	807,921	837,515	915,522	1,055,682	3,211,674	1,028,854
<i>Total 2000/01-2008/09 including Operating Transfers Out: \$ 9,900,831</i>										
<i>Total 2000/01-2008/09 excluding Operating Transfers Out: \$ 8,095,687</i>										

Notes/Assumptions:

[a] Data Source: "Town of Atherton Financial Report for the Month Ending 13 / Fund 101 General Fund, DEPT 25 Building" for each noted fiscal year beginning FY2001/02 through FY2008/09.

[b] Receipts and outlays assigned to Building are as reported in the Town's financial report cited in Note A. No adjustments or interpretations have been made. Refer to Worksheet A for raw detail.

[c] Refer to Worksheet A to identify line-items excluded from subsequent analysis.

TOWN OF ATHERTON

Worksheet C

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Raw Extrapolation of Cash Flow (Excluding Refinements to Eligible Costs of Service)

CASH FLOW WITH OPERATING TRANSFER	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Beginning Balance	\$ -	\$ 1,216,077	\$ 1,718,110	\$ 2,086,562	\$ 2,540,570	\$ 3,123,412	\$ 3,416,493	\$ 3,499,943	\$ 1,735,470
Receipts to Include in Analysis: [a]									
Permits & Licenses	1,814,516	1,203,245	1,093,472	1,257,776	1,414,172	1,208,226	1,133,124	1,059,147	635,420
Service Charges	5,946	11,484	1,565	4,153	6,185	376	6,008	388,053	396,648
Deposits Payable	-	-	-	-	-	-	-	-	-
Outlays to Include in Analysis: [a]									
Salaries & Benefits	(318,412)	(355,890)	(442,171)	(580,808)	(666,915)	(673,194)	(597,238)	(693,910)	(805,603)
Contract Services	(167,524)	(223,156)	(174,265)	(66,028)	(62,233)	(115,367)	(341,029)	(585,649)	(154,251)
Supplies & Materials	(19,023)	(20,815)	(18,066)	(17,141)	(12,272)	(21,690)	(12,276)	(18,929)	(16,203)
General Expenses	(12,120)	(25,015)	(7,006)	(3,577)	(3,652)	(4,041)	(4,418)	(3,698)	(4,003)
Rents & Leases	(21,426)	(21,428)	(21,785)	(1,786)	-	-	-	-	-
Facility & Equipment	(518)	(1,030)	(300)	-	(50)	(4,848)	-	(501)	(436)
Reimbursements	(65,362)	(65,362)	(62,992)	(138,581)	(92,393)	(96,383)	(100,721)	(103,844)	(48,358)
less: Operating Transfers Out	-	-	-	-	-	-	-	(1,805,144)	-
Ending Balance [b]	1,216,077	1,718,110	2,086,562	2,540,570	3,123,412	3,416,493	3,499,943	1,735,470	1,738,685
CASH FLOW WITHOUT OPERATING TRANSFER	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Beginning Balance	\$ -	\$ 1,216,077	\$ 1,718,110	\$ 2,086,562	\$ 2,540,570	\$ 3,123,412	\$ 3,416,493	\$ 3,499,943	\$ 3,540,614
Receipts to Include in Analysis: [a]									
Permits & Licenses	1,814,516	1,203,245	1,093,472	1,257,776	1,414,172	1,208,226	1,133,124	1,059,147	635,420
Service Charges	5,946	11,484	1,565	4,153	6,185	376	6,008	388,053	396,648
Deposits Payable	-	-	-	-	-	-	-	-	-
Outlays to Include in Analysis: [a]									
Salaries & Benefits	(318,412)	(355,890)	(442,171)	(580,808)	(666,915)	(673,194)	(597,238)	(693,910)	(805,603)
Contract Services	(167,524)	(223,156)	(174,265)	(66,028)	(62,233)	(115,367)	(341,029)	(585,649)	(154,251)
Supplies & Materials	(19,023)	(20,815)	(18,066)	(17,141)	(12,272)	(21,690)	(12,276)	(18,929)	(16,203)
General Expenses	(12,120)	(25,015)	(7,006)	(3,577)	(3,652)	(4,041)	(4,418)	(3,698)	(4,003)
Rents & Leases	(21,426)	(21,428)	(21,785)	(1,786)	-	-	-	-	-
Facility & Equipment	(518)	(1,030)	(300)	-	(50)	(4,848)	-	(501)	(436)
Reimbursements	(65,362)	(65,362)	(62,992)	(138,581)	(92,393)	(96,383)	(100,721)	(103,844)	(48,358)
less: Operating Transfers Out	-	-	-	-	-	-	-	-	-
Ending Balance [b]	1,216,077	1,718,110	2,086,562	2,540,570	3,123,412	3,416,493	3,499,943	3,540,614	3,543,829
Net Cash Flow [Receipts less Outlays]	1,216,077	502,034	368,452	454,007	582,843	293,080	83,450	40,671	3,214

Notes/Assumptions:

[a] Refer to Worksheet B.

[b] Does not include interest earnings on any unused cash balance.

TOWN OF ATHERTON
HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE
Input and Analysis of Data Related to Town Center Replacement

Worksheet D

FACILITY SPACE AND COSTS

Area	Input [a] Base Cost	Input [a] 5% Expansion	Subtotal Adjusted Base	Input [a] 15% A&E	Grand Total Total Cost	Allocation [b] to Direct Areas	Allocated Total Total Cost	Amortization [c] Depreciation	Amortization [d] Debt Service
Indirect Areas:									
Town Council	\$ 878,400	\$ 43,920	\$ 922,320	\$ 138,348	\$ 1,060,668	\$ (1,060,668)	\$ -	\$ -	\$ -
Town Mgmt & Admin	1,652,800	82,640	1,735,440	260,316	1,995,756	(1,995,756)	-	-	-
Records Storage	237,900	11,895	249,795	37,469	287,264	(287,264)	-	-	-
Employee Parking	1,250,000		1,250,000	187,500	1,437,500	(1,437,500)	-	-	-
Deconstruction	500,000		500,000	75,000	575,000	(575,000)	-	-	-
Direct Areas:									
Police	4,733,600	236,680	4,970,280	745,542	5,715,822	3,399,878	9,115,700	227,892	851,030
Building	854,000	42,700	896,700	134,505	1,031,205	613,380	1,644,585	41,115	153,536
Planning	390,400	19,520	409,920	61,488	471,408	280,402	751,810	18,795	70,188
Public Works	622,200	31,110	653,310	97,997	751,307	446,891	1,198,198	29,955	111,862
Police Parking	900,000		900,000	135,000	1,035,000	615,637	1,650,637	41,266	154,101
Grand Total	12,019,300	468,465	12,487,765	1,873,165	14,360,930	-	14,360,930	359,023	1,340,718

Notes/Assumptions:

[a] Data Source: Blue Ribbon Task Force Final Report, 11/5/2009, Figure 1, Late 2008 Space & Cost Estimates for the Town of Atherton's Public Services Spaces.

[b] Assumes costs for indirect areas could be allocated to direct area in proportion to the space costs of direct areas.

[c] Assumes a 40-year useful life for the asset class (buildings), per the Town's adopted accounting policies.

[d] Assumes the total cost of facility replacement is debt-financed. Terms assumed as follows:

Issuance Cost: 2.00%
Interest Rate: 5.50%
Term: 20
Net Proceeds: \$14,360,930
plus: Issuance Cost: \$320,442
plus: Reserve Funded: \$1,340,718
Amount Financed: \$16,022,089
Annual Payment: \$1,340,718

(Above payment is total for both principal and interest; assumes level annual payments over the term. Actual debt financing conditions and repayment structure will vary.)

TOWN OF ATHERTON
HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE
Calculation of Building Operating Reserve

Worksheet E

Reserve Basis: Core Skills to be Retained in the Building Department for a Period of 18 Months in the Event of Revenue Decline/Inactivity [a,b]

STAFFING EXPENDITURES [c]

Reference Name	Position	2009/2010 Labor Cost [d]				Core Retained [a]	
		FTE	Salary	Benefits	Total Cost	Amount (FTE)	Labor Cost
Total Staffing Expenditures		7.00	580,808	271,871	852,679	4.50	589,837

TOWN OF ATHERTON
HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE
Calculation of Building Operating Reserve

Worksheet E

OPERATING EXPENDITURES

Description	2009/2010 Operating Cost [d]	Core Retained [a]		
		Amount (%)	Rationale	Operating Cost
Technical Service	\$ 8,000	0.0%	assumed to be eliminated	\$ -
3102 City Attorney Retainer	-	0.0%	assumed to be eliminated	-
3108 Contract Planner	-	0.0%	assumed to be eliminated	-
3109 Plan Reviewer	-	0.0%	assumed to be eliminated	-
3110 Vehicle Repair & Maint	600	100.0%	retained in full	600
3111 Equip Repair & Maint	2,000	100.0%	retained in full	2,000
3124 Custodial Services	-	100.0%	retained in full	-
3150 Advertising/Publishing	-	100.0%	retained in full	-
3162 Plan Review	-	0.0%	assumed to be eliminated	-
3163 Code Enforcement	-	0.0%	assumed to be eliminated	-
3165 Other Contract Services	-	0.0%	assumed to be eliminated	-
3166 Environment Programs	-	0.0%	assumed to be eliminated	-
3167 Building Inspection	-	0.0%	assumed to be eliminated	-
3171 Environ Report Service	-	0.0%	assumed to be eliminated	-
3201 Office Supplies	6,000	100.0%	retained in full	6,000
3202 Subscriptions	905	100.0%	retained in full	905
3203 Microfilms	7,500	100.0%	retained in full	7,500
3210 Safety Supplies & Matls	5,785	100.0%	retained in full	5,785
3230 Computer Software	-	100.0%	retained in full	-
3252 Oil & Gasoline	600	100.0%	retained in full	600
3260 Recycling	-	100.0%	retained in full	-
3302 Memberships & Dues	2,145	64.3%	reduced in proportion to staffing retained	1,379
3304 Utilities - Electricity	1,380	100.0%	retained in full	1,380
Utilities - Gas	900	100.0%	retained in full	900
Utilities - Water	300	100.0%	retained in full	300
3305 Communication	1,650	100.0%	retained in full	1,650
3306 Conferences	7,640	64.3%	reduced in proportion to staffing retained	4,911
3513 Computer Equipment	2,500	100.0%	retained in full	2,500
3514 Office Equip & Furniture	2,000	100.0%	retained in full	2,000
3910 Administrative Services	-	0.0%	assumed to be eliminated	-
3920 Trsfr to Computer Service	-	100.0%	retained in full	-
3930 Trsfr to Equip Replace Fd	10,000	0.0%	assumed to be eliminated	-
Supplemental GASB 45 Funding	69,681	64.3%	reduced in proportion to staffing retained	44,795
Total Operating Expenditures	\$ 129,586	64.2%	weighted average of all above	\$ 83,205

TOWN OF ATHERTON
HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE
Calculation of Building Operating Reserve

Worksheet E

EXPENDITURE BASIS AND DURATION

Expenditure Basis:		
Staffing Retained	\$	589,837
Operating Expenditures Retained	\$	83,205
Total Annual Expenditure Basis	\$	673,043
Monthly Expenditure Basis	\$	56,087
Months to be Retained [b]		18
Total Operating Reserve Basis for FY 2009/2010	\$	1,009,564

Notes/Assumptions:

[a] Internal memorandum from the Town's Building Official, "Staffing Needs for Decline in Construction Activity."

[b] Duration suggested by this analysis; subject to Town discretion/policy.

[c] Individual staffing decisions are obscured to protect confidentiality. Detailed information can be provided upon request and at the approval of Town management.

[d] NBS User Fee Building Study for the Town of Atherton, August 2009. (Based on the Town's Fiscal Year 2008/2009 adopted budget and detailed payroll data.)

TOWN OF ATHERTON
HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE
Refinements to Eligible Costs of Service

Worksheet F

TOWN OVERHEAD COSTS	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Option #1 -- Actual Recorded Charges Adjusted for Expenses Included in Analysis:									
Actual Administrative/Indirect Service Charges [a]	\$ 65,362	\$ 65,362	\$ 72,929	\$ 92,343	\$ 92,343	\$ 96,383	\$ 100,721	\$ 103,844	\$ 48,358
Gross Operating Expenses [b]	\$ 606,266	\$ 770,444	\$ 818,672	\$ 736,963	\$ 822,511	\$ 899,181	\$ 1,104,718	\$ 1,705,032	\$ 1,000,925
Effective Overhead Rate	11%	8%	9%	13%	11%	11%	9%	6%	5%
Operating Expenses Included in Analysis [b]	\$ 539,022	\$ 647,333	\$ 663,593	\$ 669,340	\$ 745,122	\$ 819,139	\$ 954,961	\$ 1,302,686	\$ 980,496
Administrative/Indirect Charges									
Under Effective Overhead Rate	\$ 58,112	\$ 54,918	\$ 59,114	\$ 83,870	\$ 83,655	\$ 87,803	\$ 87,067	\$ 79,339	\$ 47,371
Net Expenditure to Include in Historical Cash Flow									
Above (Below) Actual Charges Recorded	\$ (7,250)	\$ (10,444)	\$ (13,815)	\$ (8,473)	\$ (8,688)	\$ (8,580)	\$ (13,654)	\$ (24,505)	\$ (987)
Option #2 -- Charges Based on Council-Directed Policy:									
Administrative/Indirect Charges by City Council Policy	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000
Operating Expenses Included in Analysis [b]	539,022	647,333	663,593	669,340	745,122	819,139	954,961	1,302,686	980,496
Effective Overhead Rate	27%	23%	22%	22%	20%	18%	15%	11%	15%
Net Expenditure to Include in Historical Cash Flow									
Above (Below) Actual Charges Recorded	\$ 80,638	\$ 80,638	\$ 73,071	\$ 53,657	\$ 53,657	\$ 49,617	\$ 45,279	\$ 42,156	\$ 97,642
Option #3 -- Extrapolated Charges Based on 2009/2010 Methodology:									
FY 2009/10 Allocated Indirect Service Costs - Building [c]	\$ 329,234	\$ 329,234	\$ 329,234	\$ 329,234	\$ 329,234	\$ 329,234	\$ 329,234	\$ 329,234	\$ 329,234
FY 2009/10 Operating Expenses - Building [c]	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047
Effective Overhead Rate	32%	32%	32%	32%	32%	32%	32%	32%	32%
Operating Expenses Included in Analysis [b]	\$ 539,022	\$ 647,333	\$ 663,593	\$ 669,340	\$ 745,122	\$ 819,139	\$ 954,961	\$ 1,302,686	\$ 980,496
Fully-Loaded Administrative/Indirect Charges									
Under Updated Effective Overhead Rate	\$ 174,490	\$ 209,552	\$ 214,815	\$ 216,676	\$ 241,208	\$ 265,168	\$ 309,136	\$ 421,700	\$ 317,402
Net Expenditure to Include in Historical Cash Flow									
Above (Below) Actual Charges Recorded	\$ 109,128	\$ 144,190	\$ 141,886	\$ 124,333	\$ 148,865	\$ 168,785	\$ 208,415	\$ 317,856	\$ 269,044

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Refinements to Eligible Costs of Service

FACILITY REPLACEMENT FUNDING	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Actual Amount Directed by Council Policy [d]	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Amount Based on Estimated Debt Service [e]	\$ 153,536	\$ 153,536	\$ 153,536	\$ 153,536	\$ 153,536	\$ 153,536	\$ 153,536	\$ 153,536	\$ 153,536

BUILDING DEPARTMENT OPERATING RESERVE	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
FY 2009/10 Estimated Reserve Amount [f]	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564	\$ 1,009,564
FY 2009/10 Operating Expenses [c]	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047	\$ 1,017,047
Reserve as a Percent of Operating Expenses	99%	99%	99%	99%	99%	99%	99%	99%	99%
Operating Expenses Included in Analysis [b]	\$ 539,022	\$ 647,333	\$ 663,593	\$ 669,340	\$ 745,122	\$ 819,139	\$ 954,961	\$ 1,302,686	\$ 980,496
Extrapolated Operating Reserve Amount	\$ 535,057	\$ 642,570	\$ 658,711	\$ 664,415	\$ 739,639	\$ 813,112	\$ 947,934	\$ 1,293,101	\$ 973,282

Notes/Assumptions:

[a] Refer to Worksheet A. Includes Administrative Services, Code Enforcement Direct Charge, and Computer Services.

[b] Refer to Worksheet B. Includes Salaries & Benefits, Contract Services, Supplies & Materials, General Expenses, Rents & Leases, and Facility & Equipment.

[c] NBS User Fee Study for the Town of Atherton, August 2009.

[d] Council policy directed \$200,000 per year set aside for the Building Department's share of eventual Town Hall replacement, beginning in FY 2000/2001; the Town performed this transfer in FY 2007/2008 (\$1.6 MM plus interest).

[e] Refer to Worksheet D.

[f] Refer to Worksheet E.

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Extrapolation of Cash Flow with Unrestricted Ending Fund Balance for FY 2008/2009

CASH FLOW EXTRAPOLATION A	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
MAXIMUM FUND BALANCE RESULT	<i>Recorded Building Department expenditures only, plus contribution to Town Hall replacement equal to annual debt repayment.</i>								
Beginning Balance	\$ -	\$ 1,069,790	\$ 1,428,732	\$ 1,657,462	\$ 1,966,406	\$ 2,404,401	\$ 2,552,525	\$ 2,496,093	\$ 2,407,732
plus: Net Cash Flow [a]	1,216,077	502,034	368,452	454,007	582,843	293,080	83,450	40,671	3,214
plus: Adjustments:									
Option 1 Town Overhead Adjustment [b]	7,250	10,444	13,815	8,473	8,688	8,580	13,654	24,505	987
Facility Replacement Funding [b]	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)
Ending Cash Balance [c]	1,069,790	1,428,732	1,657,462	1,966,406	2,404,401	2,552,525	2,496,093	2,407,732	2,258,397
Building Department Operating Reserve [b]	(535,057)	(642,570)	(658,711)	(664,415)	(739,639)	(813,112)	(947,934)	(1,293,101)	(973,282)
Unrestricted Ending Cash Balance [c]	534,733	786,161	998,751	1,301,991	1,664,762	1,739,413	1,548,159	1,114,631	1,285,116

CASH FLOW EXTRAPOLATION B	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
RECOMMENDED SCENARIO TO INFLUENCE FUTURE ACTION	<i>Recorded Building Department expenditures, plus contribution to Town Hall replacement equal to annual debt repayment, and Council-directed overhead charges.</i>								
Beginning Balance	\$ -	\$ 981,902	\$ 1,249,762	\$ 1,391,606	\$ 1,638,420	\$ 2,014,070	\$ 2,103,997	\$ 1,988,632	\$ 1,833,611
Net Cash Flow [a]	1,216,077	502,034	368,452	454,007	582,843	293,080	83,450	40,671	3,214
plus: Adjustments:									
Option 2 Town Overhead Adjustment [b]	(80,638)	(80,638)	(73,071)	(53,657)	(53,657)	(49,617)	(45,279)	(42,156)	(97,642)
Facility Replacement Funding [b]	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)
Ending Cash Balance [c]	981,902	1,249,762	1,391,606	1,638,420	2,014,070	2,103,997	1,988,632	1,833,611	1,585,647
Building Department Operating Reserve [b]	(535,057)	(642,570)	(658,711)	(664,415)	(739,639)	(813,112)	(947,934)	(1,293,101)	(973,282)
Unrestricted Ending Cash Balance [c]	446,846	607,191	732,896	974,005	1,274,430	1,290,885	1,040,698	540,509	612,365

CASH FLOW EXTRAPOLATION C	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
MINIMUM FUND BALANCE RESULT	<i>Recorded Building Department expenditures, plus contribution to Town Hall replacement equal to annual debt repayment, and overhead charges estimated based on FY 2009/2010 method.</i>								
Beginning Balance	\$ -	\$ 953,412	\$ 1,157,720	\$ 1,230,749	\$ 1,406,887	\$ 1,687,329	\$ 1,658,088	\$ 1,379,588	\$ 948,866
Net Cash Flow [a]	1,216,077	502,034	368,452	454,007	582,843	293,080	83,450	40,671	3,214
plus: Adjustments:									
Option 3 Town Overhead Adjustment [b]	(109,128)	(144,190)	(141,886)	(124,333)	(148,865)	(168,785)	(208,415)	(317,856)	(269,044)
Facility Replacement Funding [b]	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)
Ending Cash Balance [c]	953,412	1,157,720	1,230,749	1,406,887	1,687,329	1,658,088	1,379,588	948,866	529,501
Building Department Operating Reserve [b]	(535,057)	(642,570)	(658,711)	(664,415)	(739,639)	(813,112)	(947,934)	(1,293,101)	(973,282)
Unrestricted Ending Cash Balance [c]	418,356	515,150	572,039	742,472	947,690	844,976	431,653	(344,235)	(443,781)

TOWN OF ATHERTON

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Extrapolation of Cash Flow with Unrestricted Ending Fund Balance for FY 2008/2009

Worksheet G

Notes/Assumptions:

[a] Refer to Worksheet C.

[b] Refer to Worksheet F.

[c] Does not include interest earnings on any unused cash balance.

HISTORICAL RECONCILIATION OF BUILDING COSTS OF SERVICE

Extrapolation of Cash Flow with Unrestricted Ending Fund Balance Projected for FY 2009/2010

CASH FLOW EXTRAPOLATION B	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
RECOMMENDED SCENARIO TO INFLUENCE FUTURE ACTION	<i>Recorded Building Department expenditures, plus contribution to Town Hall replacement equal to annual debt repayment, and Council-directed overhead charges.</i>									
Beginning Balance	\$ -	\$ 981,902	\$ 1,249,762	\$ 1,391,606	\$ 1,638,420	\$ 2,014,070	\$ 2,103,997	\$ 1,988,632	\$ 1,833,611	\$ 1,585,647
Net Cash Flow [a,d]	1,216,077	502,034	368,452	454,007	582,843	293,080	83,450	40,671	3,214	(97,047)
plus: Adjustments:										
Option 2 Town Overhead Adjustment [b,e]	(80,638)	(80,638)	(73,071)	(53,657)	(53,657)	(49,617)	(45,279)	(42,156)	(97,642)	(329,234)
Facility Replacement Funding [b]	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)	(153,536)
Ending Cash Balance [c]	981,902	1,249,762	1,391,606	1,638,420	2,014,070	2,103,997	1,988,632	1,833,611	1,585,647	1,005,829
Building Department Operating Reserve [b]	(535,057)	(642,570)	(658,711)	(664,415)	(739,639)	(813,112)	(947,934)	(1,293,101)	(973,282)	(1,009,564)
Unrestricted Ending Cash Balance [c]	446,846	607,191	732,896	974,005	1,274,430	1,290,885	1,040,698	540,509	612,365	(3,735)

Notes/Assumptions:

[a] Refer to Worksheet C.

[b] Refer to Worksheet F.

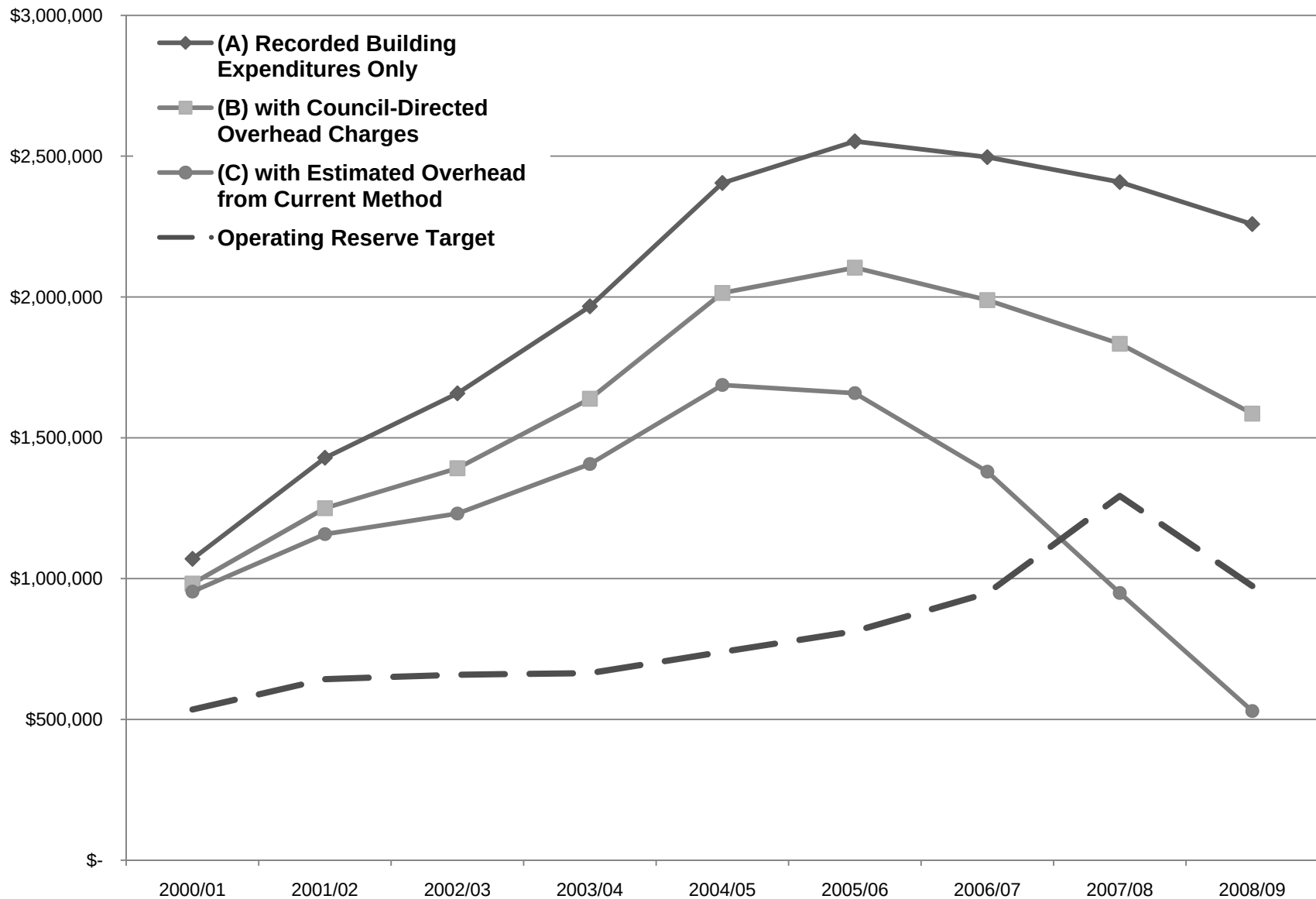
[c] Does not include interest earnings on any unused cash balance.

[d] Net cash flow derived from adopted revenues and expenditures in the FY2009/2010 Town Budget. (Building Department revenues are estimated at \$920,000.)

[e] NBS User Fee Study for the Town of Atherton, August 2009.

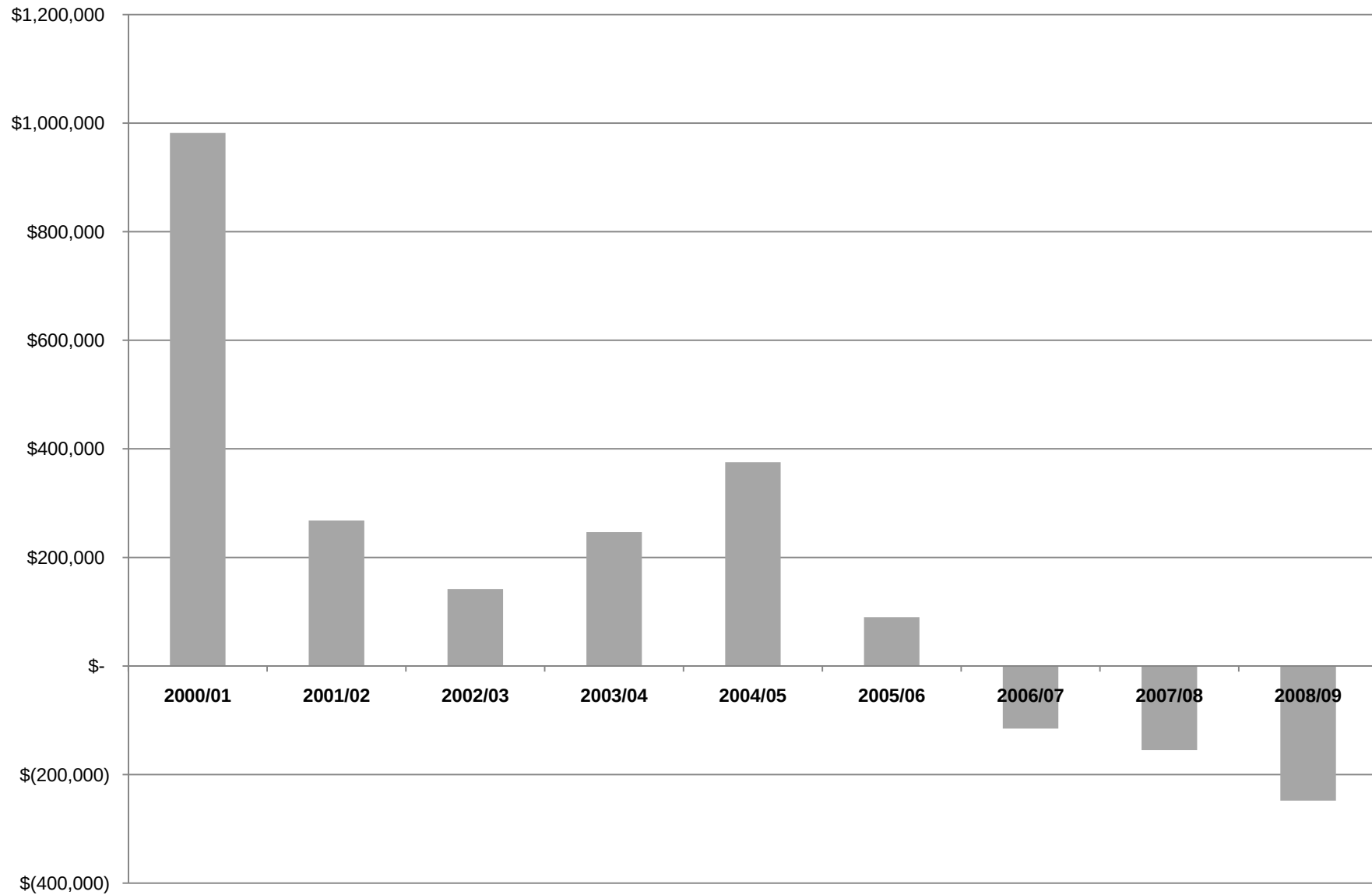
**Extrapolated Ending Cash Balance, Including Set-Aside for Future Facility Replacement
Compared to Operating Reserve Target
(Scenarios Vary Depending on Overhead Assumption)**

Chart 1



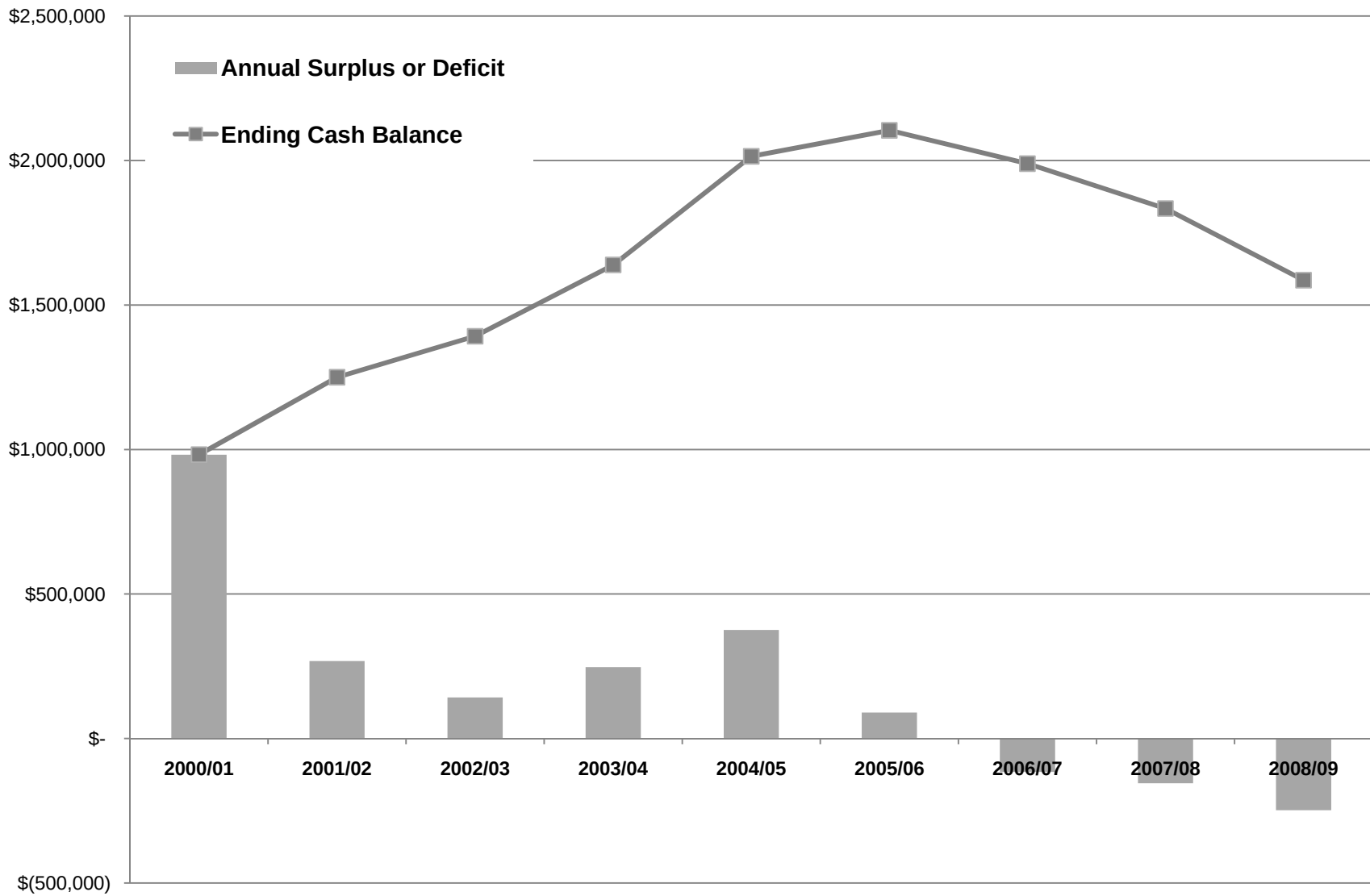
**Estimated Annual Performance: Revenues Net of Expenditures, Surplus or Deficit
Based on Cash Flow Scenario B, with Council-Directed Overhead Charges and
Including Set-Aside for Future Facility Replacement**

Chart 2



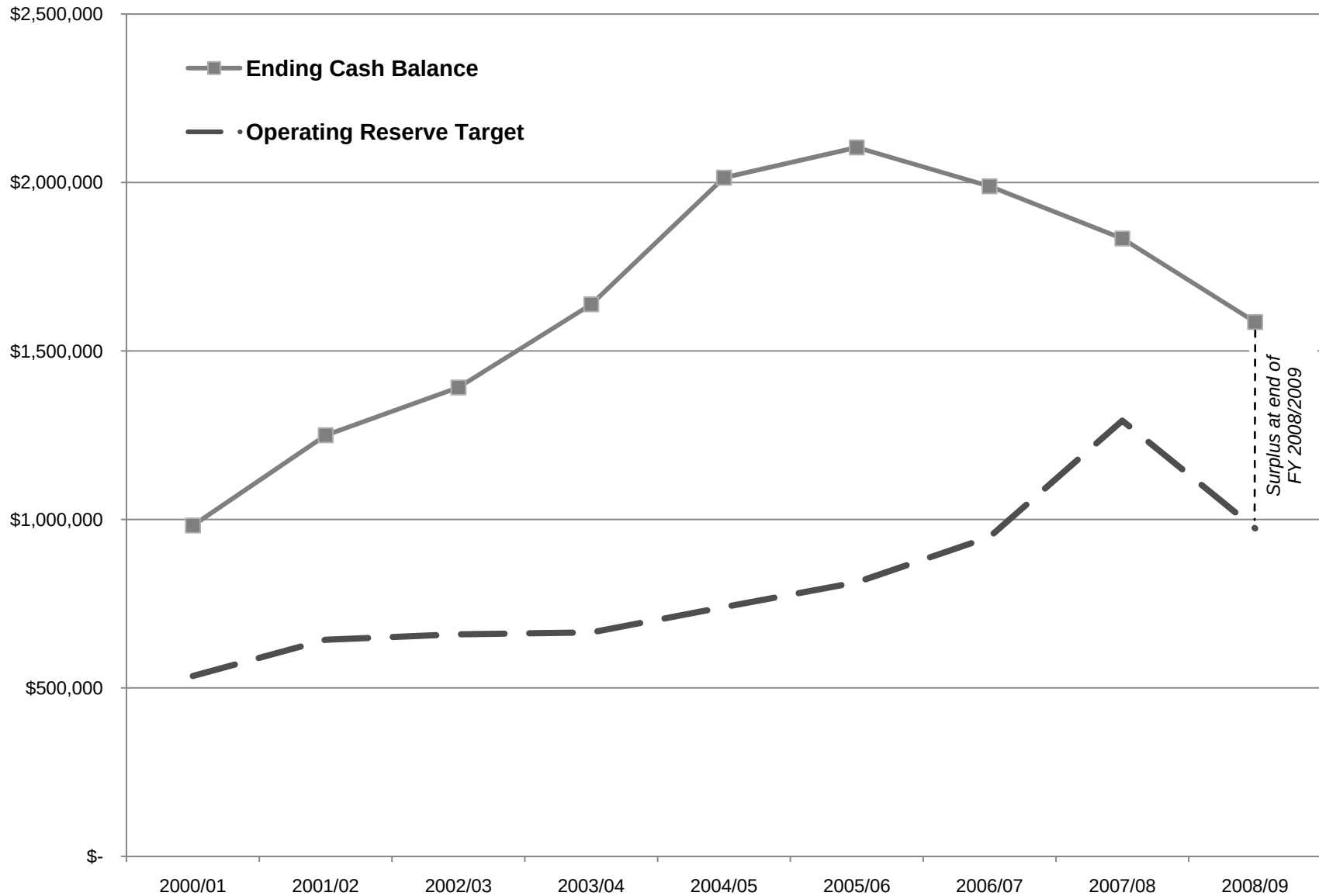
**Extrapolated Ending Cash Balance and Estimated Annual Performance
Based on Cash Flow Scenario B with Council-Directed Overhead Charges and
Including Set-Aside for Future Facility Replacement**

Chart 3



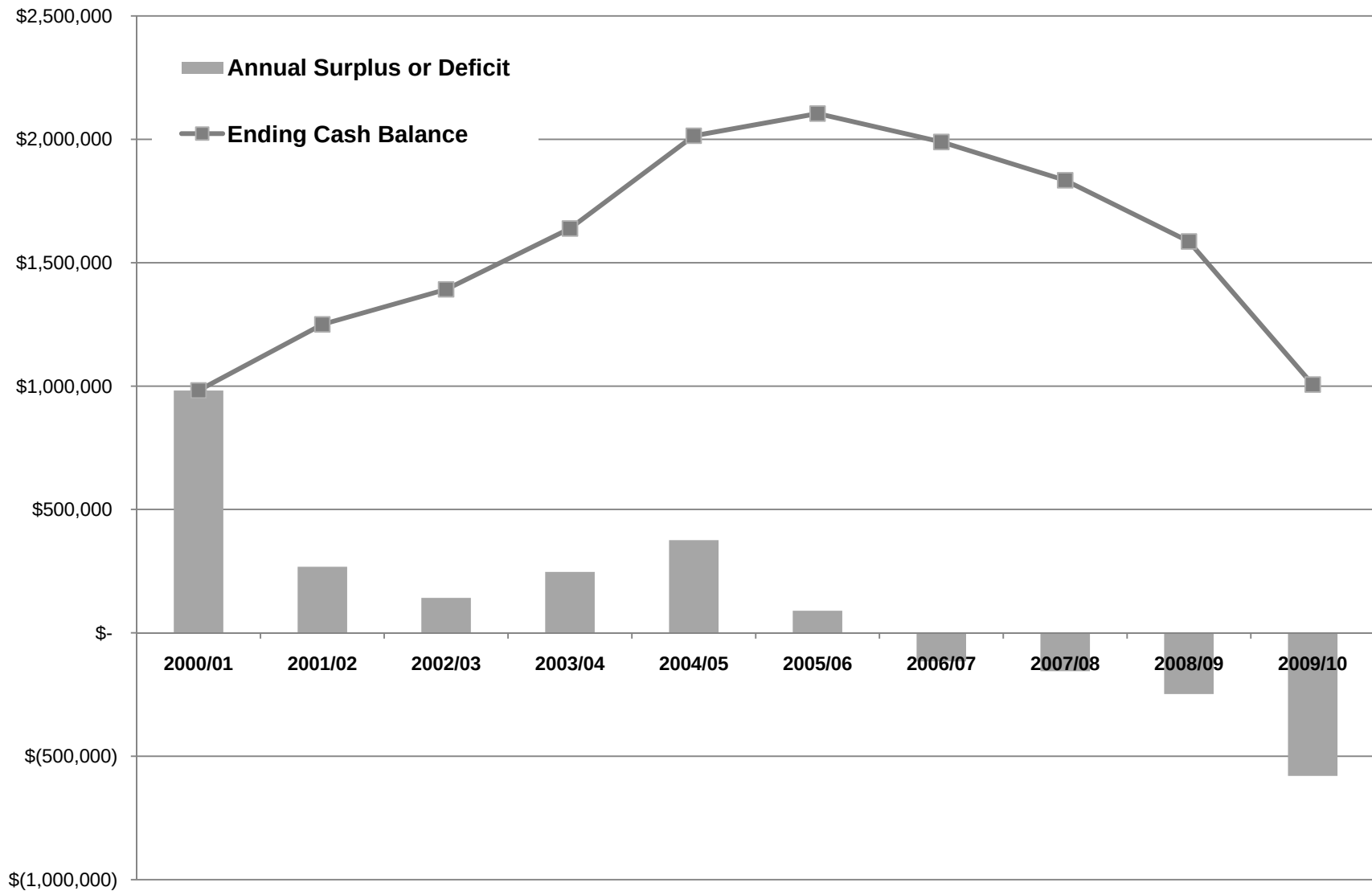
**Extrapolated Ending Cash Balance Compared to Operating Reserve Target
Based on Cash Flow Scenario B with Council-Directed Overhead Charges and
Including Set-Aside for Future Facility Replacement**

Chart 4



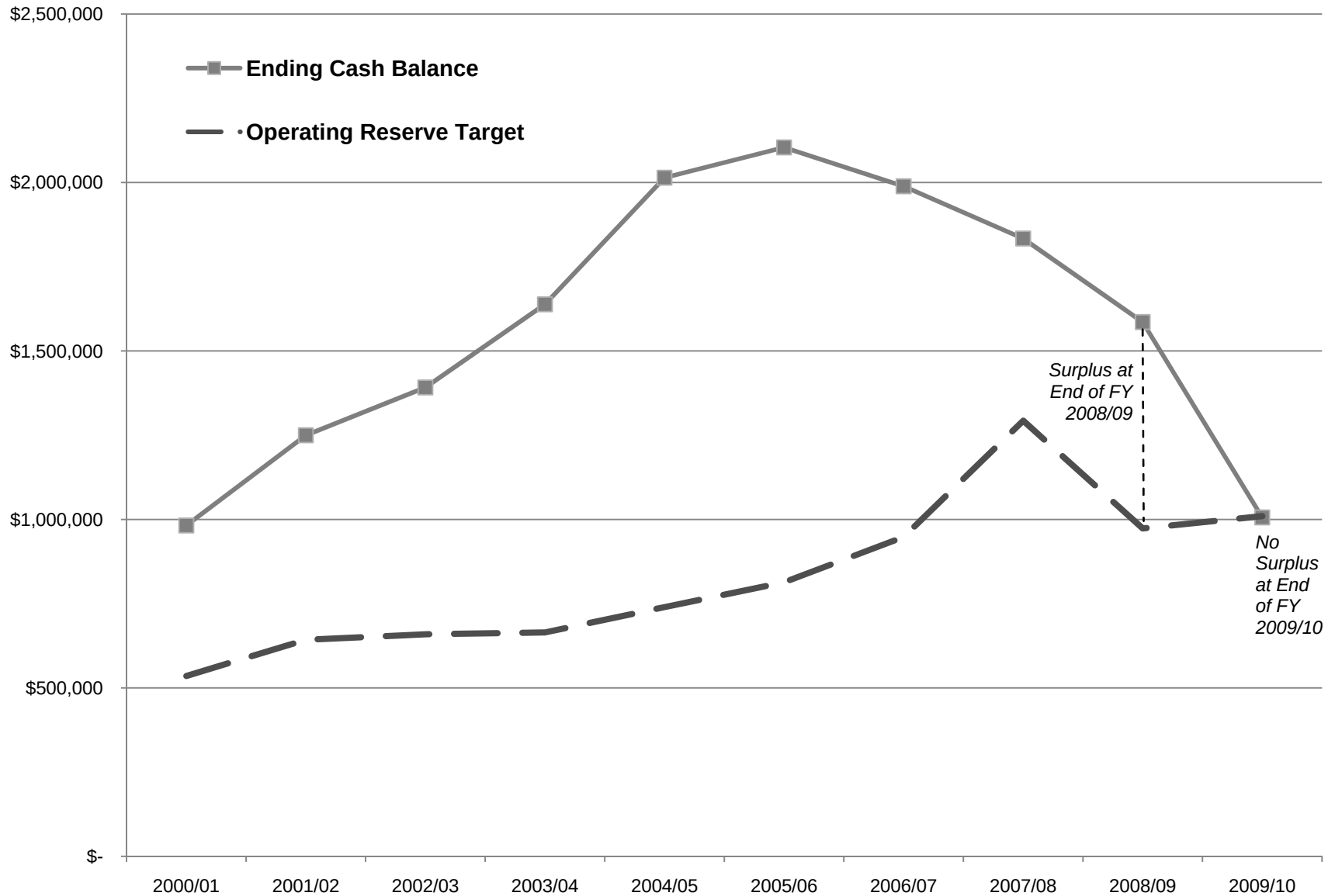
Extrapolated Ending Cash Balance and Estimated Annual Performance
Based on Cash Flow Scenario B with Council-Directed Overhead Charges and
Including Set-Aside for Future Facility Replacement -- PROJECTION TO END OF FY2009/2010

Chart 5



**Extrapolated Ending Cash Balance Compared to Operating Reserve Target
Based on Cash Flow Scenario B with Council-Directed Overhead Charges and
Including Set-Aside for Future Facility Replacement -- PROJECTION TO END OF FY2009/2010**

Chart 6





Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
JEROME D. GRUBER, CITY MANAGER**

FROM: THERESA DELLASANTA, DEPUTY CITY CLERK

DATE: FOR THE MEETING OF NOVEMBER 18, 2009

**SUBJECT: ADOPTION OF A RESOLUTION DECLARING THE RESULTS OF THE
SPECIAL ELECTION FOR MEASURES “S” AND “T,” ADOPTED BY
THE VOTERS ON NOVEMBER 3, 2009**

RECOMMENDATION

Adopt Resolution 09-54 declaring the results of the Special Municipal Election for Measure “S” approved by a 2/3rd vote and “T” approved by a majority vote which were adopted by the voters on November 3, 2009.

ANALYSIS

At its meeting of July 15, 2009, the Town of Atherton City Council adopted Ordinance No. 581, which called a Special Election for Tuesday, November 3, 2009 to submit to the voters of the Town one measure to renew the existing parcel tax for a period of five (5) years and one measure to permit spending proceeds from the parcel tax.

Atherton’s parcel tax was previously voted into effect by the registered voters of the Town in June of 2005, for a four-year period. The current parcel tax expires on June 30, 2010. The measure submitted to the voters at the Special Election would renew the existing tax at the same rates as currently levied on property owners in Town.

Measure S and T received the necessary two-thirds (2/3rds) “yes” votes of the voters voting on the measure, and thus have been passed.

On November 20, 2009, the County Elections Office provided the Final Election Results as follows:

Measure S (2/3 Vote Required)	Votes	%
YES	1426	77.97
NO	403	22.03
Total Ballots Cast (of 4,805 Registered Voters)	1,849	38.5

Measure T (Majority Vote Required)	Votes	%
YES	1,252	69.59
NO	547	30.41
Total Ballots Cast (of 4,805 Registered Voters)	1,849	38.5

Section 10262 of the California Elections Code requires that upon certification of the results of an election by the County Election Department, the City Council shall meet to declare the results of the election. This action may be taken at the next regular Council meeting or at a special meeting called for that purpose. The Council is required to adopt a resolution in accordance with Sections 10262 and 10264 of the Elections Code, and the City Clerk is required to enter into the minutes a statement of the results.

Prepared by:

Approved by:

Theresa DellaSanta
Deputy City Clerk

Jerome D. Gruber
City Manager

Attachments:

- 1- Resolution
- 2- Certification of Results

RESOLUTION 09-54

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON DECLARING MEASURE “S” APPROVED BY A TWO-THIRDS VOTE AND MEASURE “T” APPROVED BY MAJORITY VOTE AT A SPECIAL ELECTION HELD ON NOVEMBER 3, 2009

WHEREAS, a Special Municipal Election was held in the Town of Atherton on Tuesday, November 3, 2009; and

WHEREAS, the conduct of said election was duly delegated to the Chief Elections Officer of the County of San Mateo; and

WHEREAS, notice of the election was given in the time, form and manner as provided by law; voting precincts were properly established; election officers were appointed and in all respects the election was held and conducted and the votes were cast, received, and canvassed and the returns made and declared in the time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, the Chief Elections Officer has now certified the results of said election, and said results are truly reflected in the Certificate of Chief Elections Officer dated November 3, 2009, a full, true and correct copy of which is attached hereto as Attachment “A” and by this reference incorporated herein.

NOW, THEREFORE, the City Council of the Town of Atherton, California, does hereby resolve, declare, determine and order as follows:

Section 1. The total number of ballots cast in the precincts was 1,849.

Section 2. The measures voted upon at the election were as follows:

Measure S

“To continue providing funding to maintain neighborhood police patrols and the Town’s ability to respond to emergencies, repairing and maintaining streets, and repairing and constructing storm drains, shall an ordinance be adopted to continue the existing Town of Atherton Special Parcel Tax for four years?”

Measure T

“To permit the Town to spend the proceeds of a special parcel tax approved by Atherton voters, shall an ordinance be adopted increasing the appropriations limit for four years?”

Section 3. The number of YES votes for Measure S was 1,426. The number of YES votes for Measure T was 1,252. The number of votes cast at each precinct and the number of votes cast in the Town for and against the measures are listed in Attachment "A".

Section 4. The City Council does declare and determine that as a result of the election, Measure S received the necessary two-thirds (2/3rds) "yes" votes of the ballots cast in the election, which was required for passage, and thus the measure carried and shall be deemed adopted and ratified, and shall be effective ten (10) days from adoption of this Resolution. Furthermore, the City Council does declare and determine that as a result of the election, Measure T received the necessary majority "yes" votes of the ballots cast in the election which was required for passage, and thus the measure carried and shall be deemed adopted and ratified, and shall be effective ten (10) days from adoption of this Resolution.

Section 5. The City Clerk shall enter on the records of the City Council of the Town a statement of the result of the election showing: (1) the total number of ballots cast in the Town; (2) the measures voted upon; (3) the number of votes given at each precinct for and against each measure; and (4) the total number of votes for and against each measure.

* * * * *

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 16th day of December, 2009, by the following vote:

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

Jerry Carlson, Mayor
Town of Atherton

ATTEST:

Theresa N. DellaSanta

APPROVED AS TO FORM:

Wynne Furth
City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Eileen M. Wilkerson, Assistant City Manager

DATE: FOR THE MEETING OF DECEMBER 16, 2009

SUBJECT: AGREEMENT FOR CONVERSION FROM A FIRM-FIXED/PERFORMANCE BASED CONTRACT POSTAL UNIT TO A CONTRACT ACCESS RETAIL SYSTEM PERFORMANCE-BASED CONTRACT POSTAL UNIT

RECOMMENDATION:

Authorize the City Manager to enter into an Agreement with the United States Postal Service for conversion from a firm-fixed/performance based contract postal unit to a contract access retail system performance-based contract postal unit.

INTRODUCTION:

November 12, 2009, the Town received a letter from the United States Postal Service including a contract modification that changes the Town's current Firm-Fixed/Performance Based Contract Postal Unit Agreement to a contract Access Retail system (CARS) where the Town is paid a percentage of the postage revenue received from the sale of postal products and services rather than a fixed annual rate to operate the Atherton Contract Postal Unit. The Town was given five (5) days to sign the Agreement. After negotiations, the Town has been given an extension to allow the Council to debate the cost/benefit at their December 16th meeting. The U.S. Postal Service expects the signed Agreement by December 23, 2009.

After calculating revenue and expenses, the Town is currently subsidizing the Atherton Contract Postal Unit in excess of \$40,000 annually. Attached to this Staff Report is a report to the City Manager dated May 27, 2009 regarding an analysis of the Atherton Post Office (Contract Postal Unit) and the cost to the Town.

ANALYSIS:

Converting to the proposed Agreement will change the way the U.S. Postal Service reimburses the Town for serving as a Contract Postal Unit. The flat annual fee of \$51,762 will change to a percentage of postage revenue received from sales of postal products and services determined to be six percent (6%) on Stamp sales and fifteen percent (15%) on weigh and rate postage.

The proposed CARS Performance-based terms and conditions, attached to the modification Agreement supersedes and replaces any previous contract and modifications. Payments for stamps and postage will continue to be made by electronic funds transfer. Staffing requirements remain the same.

The proposed Agreement may be terminated by either party upon one hundred twenty (120) days' written notice. The current Agreement termination period is sixty (60) days' written notice.

FISCAL IMPACT

The Council has four options.

OPTIONS:

- 1) Enter into a new Agreement at the proposed percentages.
- 2) Counter with a different percentage.
- 3) Maintain the status quo.
- 4) Request to terminate the Agreement.

ENTER INTO A NEW AGREEMENT AT THE PROPOSED PERCENTAGES:

Under the proposed Agreement the Town will receive six percent (6%) of all stamp sales and fifteen percent (15%) of all weight and rate sales. The U.S. Postal Service has not provided detailed income data to use in analysis. Although the Town does not have multiple year data for weight/rate, based on historical total income data from the Town's records the following revenue would have been received for stamps and weight/rate:

Calendar Year	Total Income from Stamps	Stamps 6%
2004	\$103,863*	\$6,231.78
2005	\$75,597	\$4,535.82
2006	\$81,974	\$4,918.44
2007	\$77,346	\$4,640.76
2008	\$83,826**	\$5,029.56
2009	\$93,727***	\$5,623.62

*estimated January through March due to missing data

**estimated January through August

***estimated June through December

Calendar Year	Total Income from Weight/Rate	Weight/Rate 15%
January 2009 to November 2009	30,487.79	---
With Estimate December 2009	\$33,260	\$4,989.00

*Only have 2009 data

Therefore, rather than receiving \$51,762 annually in a fixed rate the Town would have received an estimated \$10,612.62 dependent upon sales.

Although the revenue loss would be significant as mentioned above, the Council would “buy time” to study whether maintaining the Atherton Contract Postal Unit is in the best interest of the residents. Meanwhile there will be a significant loss in Town revenue that has not been budgeted for. This option does keep the Agreement active with a 120 day termination clause.

COUNTER WITH A DIFFERENT PERCENTAGE:

The Council would need to propose forty to fifty percent (40%-50%) to close the gap with the current fixed rate. It is unlikely the U.S. Postal Service will choose to continue the Atherton Contract Postal Unit. The Council could choose any combination of percentages as a counter offer.

MAINTAIN THE STATUS QUO:

The Town will continue to receive \$51,762 annually until termination by either party with sixty (60) days’ written notice. If this option is selected the U.S. Postal Service will evaluate the cost/benefit to their program and determine whether to maintain the Atherton Contract Postal Unit. There would be a sixty (60) day notice required to terminate. It is unlikely the U.S. Postal Service will choose to continue the Atherton Contract Postal Unit.

REQUEST TO TERMINATE THE AGREEMENT:

The Atherton Contract Postal Unit would close in sixty (60) days.

SUMMARY

The Atherton Postal Contract Unit is currently subsidized by the Town of Atherton. The U.S. Postal Service has presented a new financial arrangement that significantly reduces the revenue the Town currently receives. Of the four options presented, one keeps the Atherton Postal Contract Unit in operation and three options most likely result in ultimate closure.

Regardless of the option selected there will most likely be a significant reduction in revenue. The Office Specialist expense is budgeted and offset by maintaining the Office Assistant as a vacant position for FY 2009-10. There is significant work available should the Office Specialist be released from duties associated with the Atherton Postal Contract Unit and the Office Assistant position can be permanently vacated.

Prepared By:

/s/ *Eileen M. Wilkerson*

Eileen M. Wilkerson
Assistant City Manager

Approved by:

Jerome D. Gruber
City Manager

Attachments:

1. May 27, 2009 memo to City Manager
2. November 4, 2009 letter from Donna Johnson, U.S. Postal Service
3. Current Atherton Contract Postal Unit Agreement

May 27, 2009

TO: JERRY GRUBER, CITY MANAGER

FROM: EILEEN WILKERSON, ASSISTANT CITY MANAGER

SUBJECT: ANALYSIS OF POST OFFICE

RECOMMENDATION:

That the Atherton Post Office be closed.

BACKGROUND:

The Post Office agreements on file begin June 1988. On June 1988 the Town of Atherton entered into a formal agreement with the United States Postal Service (USPS) to operate a "Contract Postal Unit (CPU) for the fixed annual price of \$51,762. The most current contract was executed on June 29, 2001 for the fixed annual price of \$51,762.

Sixty days written notice are required to terminate the contract.

The Town is required to operate the Post Office Monday through Friday, 8:00 a.m. to 4:30 p.m., (opening 8-8:30 and closing 4-4:30) closing from 12 noon to 1:00 p.m. each day. Total weekly operating hours are thirty-five (35). Total yearly operating hours are 1,750. The Post Office is open every scheduled workday of the Town's Administrative Office. In addition, the Town must post a Contract Postal Unit Bond in the amount of \$8,000 each year. The United States Postal Service estimated that the annual revenue would be \$169,000 the first year.

The Town of Atherton is required to provide sufficient staff to offer the following services:

Stamps & Products:

- Stamps
- Stationary (stamped postal cards, envelopes, etc.)
- Postal Service Money Orders

Domestic Mail:

- Regular
- Special Service (Insured, registered, COD)
- Express Mail
- Priority Mail

International Mail:

- First Class
- Global Priority
- Express Mail International
- Money Orders: Mexico and Japan

Equipment:

The Postal Service provides:

- Money Order Imprinter
- CPU Forms
- Accountable Paper (Stamps & Envelopes)

The Town of Atherton must furnish:

- Utilities
- Counters
- Safe
- Telephone
- Common Office Supplies

The Town of Atherton supplies a postage machine, postage meter, scale, supplies (labels, ink, etc.) and a maintenance agreement to cover the equipment.

Personnel:

The Town of Atherton designates the Office Specialist position to operate the Post Office under the supervision of the Assistant City Manager. The Town is required to train and have available substitute staff. Current fully trained substitute staff includes Lynn Colliau - Finance Assistant and Kelli Robertson – Office Specialist. The Town has trained two temporary employees to call as needed. The Town is training Theresa DellaSanta and Eileen Wilkerson to operate the Post Office.

Staffing Costs (fully loaded hourly rates)

Melanie Brabenec – Office Specialist	\$70,804
Lynn Colliau – Finance Assistant	\$42.67/hour
Theresa DellaSanta – Executive Assistant/Deputy City Clerk	\$42.81/hour
Kelli Robertson – Office Specialist	\$42.15/hour
Eileen Wilkerson – Assistant City Manager	\$93.24/hour
Temporary Employee	\$17.25/hour
Temporary Employee	\$24.60/hour

Equipment and Supply Cost to Town:

Item	Cost
Maintenance Agreement 4/1/09 to 3/31/10 – DM550 feeder	\$643.00 annually
Maintenance Agreement 4/1/09 to 3/30/10 – DM500 base	\$262.00 annually
Maintenance Agreement 4/1/09 to 3/30/10 – Weighing Platform	\$207.00 annually
Postal Equipment Rental – Postal Security Device (meter)	\$1,320 annually (paid quarterly)
Adhesive Roll Tape (3 per Box) (6 boxes)	\$433.44
Red Ink Cartridge (6 cartridges)	\$509.94
Pre inked stamps	\$380.00
Miscellaneous Supplies	\$745
Post Office Bond (\$8000)	\$1250 for three years / 3 = \$416.67 annually
Total Equipment and Supplies	\$4,917.05

Total Annual Cost to Town:

Staff: Office Specialist and substitutes for 20 days per year (10 vacation and 10 sick leave); Holiday Extra Assistance (15 days) Executive Assistant primary substitute	\$70,804 Office Specialist \$11,987 Extra Assistance (Exec. Asst.) (not “extra pay” but still a cost of not having Exec. Asst./Deputy City Clerk services for the Town) \$82,791 Total Staffing Cost
Equipment and Supplies	\$ 4,917 Total Equipment and Supplies
	\$87,708 Total Annual Cost

Customer Service Contacts (does not include mail drop off)
– January 1, 2009 through April 27, 2009

City	Customer Service Contacts	Average per Day
Atherton	611	10
Menlo Park	471	8
Other	26	
	1108 contacts in 66 recorded days	17 per day 4/15 - 70 contacts w/o 4/15 = 16 per day

Estimated Annual Sales for Post Office – Calendar Year

2004	\$103,863 *
2005	\$75,597
2006	\$81,974
2007	\$77,346
2008	\$83,826 **
January through May 2009	\$17,563
	\$58,151 ***

* estimated January through March

** estimated January through August

***estimated June through December

Value of Keeping the Post Office:

- Serves the Town’s Postal Needs with few exceptions
- Serves Atherton Residents – 10 residents per day average January to April
- Serves Menlo Park Residents – 8 residents per day average January to April
- Serves out of area businesses and residents
- Served 70 people on Tax Day, 4/15
- Reduces workload at Menlo Park and Redwood City Post Offices

Negative Impact on Town:

- Postal equipment needs replaced due to age
- Post Office requires full coverage using Town personnel
- Office Specialist not available 40% to 90% of the time to assist with Town duties
- Office Specialist duties interrupted constantly making it difficult to work on detailed projects
- Post Office operator cannot leave the building during the workday without coverage
- Town workload is impacted when Post Office coverage is needed
- Substitute availability fluctuates
- Limited ability to maintain variety of stamps; cannot “sell” back inventory
- Customer negative behavior
- Written reprimand for closing the Post Office 1.5 days during a flu outbreak when all substitutes were ill
- Noise volume is increased due to the Post Office being located in the front office.
- Requires the City Manager to close his office door in order to conduct business impacting his open door policy
- Risk Management - Potential theft

Opportunity for Town if Post Office Closed:

- Office Specialist productivity would exclusively benefit the Town of Atherton
- Add Cashier Duties to centralize Town cashier services
- Training opportunities available to Office Specialist without need for postal trained substitutes; anyone could answer the telephones
- Permanent reduction of Office Assistant position; Direct budget savings

Issues for Town if Post Office Closed:

- Residents’ loss of service (Table)
- Town reverts to using the Menlo Park Post Office for Priority and Express mail
- Town has one daily pick up rather than several

If Post Office Continues:

- Need to replace postage equipment
- May need temporary help to assist with Town work including Town cashier duties

FISCAL IMPACT:

Maintaining the Atherton Post Office requires a FY 2009-10 budget of \$95,208 (current cost plus new equipment). The Town is reimbursed \$51,762 by the U.S. Postal Service. The net cost to the Town for FY 2009-10 will be \$43,446. At this time the Office Specialist is budgeted to Administration (need to move to Post Office).

ALTERNATIVES:

- 1) Maintain Post Office; requires \$7,500 in replacement equipment FY 09-10
- 2) Re-negotiate contract to reduce number of days required to be open; will result in less reimbursement from Post Office (have not been able to confirm with the Post Office that this is a real option) and more staff time for the Administrative Office
- 3) Begin procedure to close the Post Office

U.S. POSTAL SERVICE: OFFER AND AWARD CONTRACT POSTAL UNITS

1. CONTRACT NUMBER: 052684-01-P-0469
3. PR NUMBER: 01-01332

2. SOLICITATION NUMBER: 052684-01-A-B153
4. SOC/EC: S 5. COMMODITY: B119A

6. a. ISSUED BY: ACO CODE: 052684

U. S. POSTAL SERVICE
PURCHASING & MATERIALS SERVICE CTR
395 OYSTER POINT BLVD SUITE 205
SOUTH SAN FRANCISCO CA 94099-6260

b. FOR INFORMATION CALL:
Name: Valora J. Broussard
Title: Purchasing Specialist
Tel: (650) 615-7267
(No Collect Calls)
Fax: (650) 615-7293
E-Mail: vbroussa@email.usps.gov

7. a. SUPPLIER:
Town of Atherton
91 Ashfield Road
Atherton, CA 94027

b. Contact Name: *CITY MANAGER*
c. Telephone No.: *(650) 752-0504*
d. TIN: *94-6001430*
e. Parent TIN:
TIN = Taxpayer Identification Number

f. Remittance Name and/or Address: (If different from above)

8. DELIVERY/PERFORMANCE REQUIREMENTS:

See Attachment 1 - Requirements: Contract Postal Unit

9. ITEMS & PRICES/GENERAL DESCRIPTION OF REQUIREMENTS:

The supplier agrees to operate a Contract Postal Unit subject to the representations, certifications, specifications, and contract clauses which follow or which are incorporated by reference.

10. ANNUAL RATE: (Completed by USPS) \$51,762.00

11. SIGNATURES: SUPPLIER

Ralph Freedman, Town of Atherton *6/25/01*
Signature Date

RALPH Freedman, Interim City Mgr.
Type or Printed Name and Title of Person Authorized to Sign Offer

U.S. POSTAL SERVICE

Marcal *06/29/2001*
Signature Award Date

E. V. Marcal
Name of Contracting Officer

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PRIVACY ACT STATEMENT

To the extent that the information you provide is about an individual, the Privacy Act will apply. Collection of that information is authorized by 39 USC 401. As a routine use, the information may be disclosed to an appropriate government agency, domestic or foreign, for law enforcement purposes; where pertinent, in a legal proceeding to which the USPS is a party or has an interest; to a government agency in order to obtain information relevant to a USPS decision concerning employment, security clearances, contracts, licenses, grants, permits or other benefits; to a government agency upon its request when relevant to its decision concerning employment, security clearances, security or suitability investigations, contracts, licenses, grants, or other benefits; to a congressional office at your request; to an expert, consultant, or other person under contract with the USPS to fulfill an agency function; to the Federal Records Center for storage; to the Office of Management and Budget for review of private relief legislation; to an independent certified public accountant during an official audit of USPS finances; to an investigator, administrative judge or complaints examiner appointed by the Equal Employment Opportunity Commission for investigation of a formal EEO complaint under 29 CFR 1614; to the Merit Systems Protection Board or Office of Special Counsel for proceedings or investigations involving personnel practices and other matters within their jurisdiction; to a labor organization as required by the National Labor Relations Act; to a federal, state or local agency, financial institution or other appropriate entity for the purpose of verifying an individual's or entity's eligibility or suitability for engaging in a transaction. In addition, the following disclosures may be made to any person: a solicitation mailing list when a purchase is highly competitive and competitions will not be harmed by release, or to provide an opportunity for potential subcontractors seeking business; a list of lessors of real or personal property to the Postal Service; a list of entities with whom the Postal Service transacts for goods or services, interests in real property, construction, financial instruments, or intellectual property; and the identity of the successful offeror. Completion of this form is voluntary; however, if this information is not provided, we will be unable to process your request.

052684-01-A-B153

PART 1 - SCHEDULESECTION A - ITEMS AND PRICES**A.1 CONTRACT POSTAL UNIT OPERATION (Clause OB-591) (June 1988)**

The contractor agrees to operate a Contract Postal Unit (CPU) for the fixed annual price of \$51,762..

A.2 ACKNOWLEDGMENT OF AMENDMENTS (Clause OB-199) (January 1997)

The offeror acknowledges receipt of amendments to the solicitation numbered and dated as follows:

Amendment Number	Date	Amendment Number	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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SECTION B - SPECIFICATIONS/STATEMENT OF WORK

B.1 NOTICE TO THE CONTRACTING OFFICER (CONTRACT POSTAL UNIT) (Clause OB-496) (June 1988)

- a. The contractor must notify the contracting officer, in writing, of the occurrence of any of the following, within the time frames shown below:
 - 1. Within five days after the owner of the leased building in which the CPU is located cancels the lease or decides not to renew it.
 - 2. At least five days before the contractor closes or sells a business it operates in conjunction with the CPU.
 - 3. Within five days after notice is given that the CPU's services are no longer required at a military installation, college, or Federal building.
- b. In 1 above, the contracting officer may terminate the contract if the contractor cannot relocate in a location that serves the needs of the Postal Service. In 2 above, if the contractor decides to close the business and the CPU, the contract will be terminated; if the contractor sells the business and the CPU operation, the Postal Service may recognize the new owner through an assignment of the contract pursuant to the Transfer of Contract clause; if the contractor decides to sell the business but not the CPU, the contractor may continue CPU operations if the contractor can maintain control of the same space and obtain a new contract postal unit bond, and if the contracting officer determines that continued operation is in the best interest of the Postal Service. In 3 above, the contracting officer may terminate the contract or may modify it to allow a move of the CPU.

B.2 DEFINITIONS (CONTRACT POSTAL UNIT) (Clause OB-589) (January 1989)

- a. "Contract postal unit" (CPU) means a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office, that provides selected postal services to the public.
- b. "Contract station" (CS) means a unit located within the corporate limits of the city, town, or village served by the administrative post office.
- c. "Contract branch" (CB) means a unit located outside the corporate limits of the city, town, or village served by the administrative post office.
- d. "Community post office" (CPO) means a unit, usually located in a small rural community, that provides service because a Postal Service facility has been discontinued or otherwise deemed impractical. CPO's generally use the same name as the community.
- e. "Minimum rate contractor" means an individual who (1) is self-employed, (2) operates the CPU personally more than 50 percent of the time, and (3) conducts no other primary business at the CPU location. The primary business is that which generates the greatest revenue for the contractor.
- f. "Non-minimum rate contractor" means a contractor who does not meet the criteria outlined in e above.
- g. "Public service contract" means a contract based on a proposal to operate a contract postal unit for community convenience or business reasons.

B.3 GENERAL REQUIREMENTS (CONTRACT POSTAL UNIT) (Clause OB-592) (June 1988)

- a. The contractor must operate the CPU and provide all services and equipment in compliance with all terms of this contract and as described in Attachment 1 to this solicitation, Requirements--Contract Postal Unit (CPU).
- b. The contractor must operate the CPU in accordance with the Domestic Mail Manual (DMM). The contractor must charge the customer the mailing rates and service fees specified in the DMM. The contractor may not impose a surcharge for services provided, or increase or decrease the rates and fees established in the DMM. Any contractor found to be in violation of this clause will be subject to immediate termination as specified in Clause OB-490, Contract Duration and Termination (Contract Postal Unit).
- c. The contractor is responsible for ensuring compliance by any CPU employees.

B.4 HOURS OF SERVICE/OPERATION (CONTRACT POSTAL UNIT) (Clause OB-593) (October 1989)

- a. The CPU must be open to the public during the service hours shown in Attachment 1, Requirements--Contract Postal Unit (CPU).
- b. The CPU will be operated during the operating hours shown in Attachment 1, Requirements--Contract Postal Unit (CPU). Operating time outside of service hours is for performing administrative duties (opening/closing, preparing reports, etc.) and, if applicable, sorting mail into post office boxes.
- c. No minimum rate contractor (see Clause OB-589, Definitions, in Section G) may exceed the operating hours shown in the attached Contract Postal Unit Requirements without prior authorization from the Postal Service.

B.5 LOCATION (CONTRACT POSTAL UNIT) (Clause OB-594) (June 1988)

The CPU must not be located in, or directly connected to, a room where intoxicating beverages are sold for consumption on the premises.

B.6 SECURITY (CONTRACT POSTAL UNIT) (Clause OB-595) (June 1988)

When the CPU is closed or unattended, all monies and postage supplies--including blank money orders--must be locked in a safe with a combination lock which requires at least three complete turns of the dial to open. Envelopes and postal cards may be kept in any suitable locked cabinet.

B.7 NONPOSTAL TRANSACTIONS (CONTRACT POSTAL UNIT) (Clause OB-596) (June 1988)

The contractor may sell nonpostal money orders, travelers checks, etc., and may handle shipments for nonpostal delivery services. However, these sales and transactions must be in an area clearly separate and distinct from the area assigned to the CPU. Postal funds must be kept separate from all other funds.

B.8 MONTHLY REPORTS--MINIMUM RATE CONTRACTORS (CONTRACT POSTAL UNIT) (Clause OB-598) (June 1988)

Minimum rate contractors must submit a Monthly Report of Operations to the contracting officer's representative (COR) for approval, no later than two working days after the end of each calendar month. The reports will be checked by the COR to ensure that the hours of operation specified in the contract are not being exceeded.

B.9 EMPLOYEES (CONTRACT POSTAL UNIT) (Clause OB-599) (January 1997)

- a. Neither the contractor nor any employee of the contractor may be a Postal Service employee or a member of a Postal Service employee's immediate family.
- b. All contractor employees must project a favorable image of the Postal Service at all times.
- c. The contracting officer may require removal of an employee from the CPU operation if, in the opinion of the contracting officer, the employee cannot do the work or fails to comply with applicable standards of conduct.

B.10 LIABILITY (Clause OB-807) (June 1993)

The contractor assumes the risk of, and will be responsible for, any loss of or damage to Postal Service monies and property, except when the contractor can show (1) that the losses resulted from acts or omissions of third parties other than employees, and (2) that the contractor complied with all of the security requirements contained in this contract, and the losses occurred despite that compliance.

052684-01-A-B153

SECTION C - DELIVERY/PERFORMANCE

C.1 CONTRACT DURATION AND TERMINATION (CONTRACT POSTAL UNIT) (Clause OB-490) (June 1988)

- a. Duration. The contract will be for an indefinite term, subject to the rights of termination specified in b below.
- b. Termination. This contract may be terminated by either the Postal Service contracting officer or the contractor upon 60 days' written notice. The contracting officer may terminate the contract upon one day's written notice if necessary to protect the Postal Service's interest.

052684-01-A-B153

SECTION D - PACKAGING AND MARKING

[For this document, there is no text in this section]

052684-01-A-B153

SECTION E - INSPECTION AND ACCEPTANCE

E.1 INSPECTION OF WORK (CONTRACT POSTAL UNIT) (Clause OB-494) (June 1988)

The contracting officer's representative (COR) will periodically inspect the contractor's performance to make sure that it is in accordance with the contract. The COR will immediately notify the contracting officer if the work is unsatisfactory. If the contractor continues to perform unsatisfactorily, the contracting officer will notify the contractor in writing to correct the deficiencies; if uncorrected, the Postal Service may terminate the contract.

E.2 CONTRACTING OFFICER'S REPRESENTATIVE (Clause OB-547) (June 1988)

The contracting officer will appoint a contracting officer's representative (COR), responsible for the day-to-day administration of the contract, to serve as the Postal Service point of contact with the contractor on all routine matters. A copy of the notice of appointment defining the COR's authority will be furnished to the contractor upon award.

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SECTION F - PAYMENT AND FUNDING

F.1 TAXES (CONTRACT POSTAL UNIT) (Clause OB-489) (June 1988)

The Postal Service will not withhold any Social Security, Federal, State, or local taxes, as the contractor is not a Postal Service employee. The Postal Service bears no responsibility for making the contractors required payments of these taxes.

F.2 PAYMENT (CONTRACT POSTAL UNIT) (Clause OB-587) (January 1988)

Payment is made automatically, in arrears, by the St. Louis Postal Data Center in 12 equal monthly installments. Seasonal contracts will be paid, in arrears, at the end of each month or partial month of service. Public Service Contracts are paid once annually, in arrears, after the contract anniversary date or on the contract termination date. Payment will be made within 30 days after the end of the performance period.

052684-01-A-B153

SECTION G - SPECIAL CLAUSES**G.1 CONTRACT TYPE (Clause B-3) (January 1997)**

This is a Firm Fixed Price contract.

G.2 ORDER OF PRECEDENCE (Clause B-29) (January 1997)

Any inconsistency in the provisions of a solicitation, a contract awarded under a solicitation, or a contract awarded without the issuance of a written solicitation will be resolved by giving precedence in the following order:

- a. The Schedule.
- b. The solicitation provisions and instructions.
- c. Special clauses and general clauses.
- d. Provisions contained in attachments or incorporated by reference.

G.3 REQUEST FOR PRICE ADJUSTMENT (CONTRACT POSTAL UNIT) (Clause OB-491) (June 1988)

- a. The contractor may request an increase in the contract's annual price after the contractor has had the contract for at least two full years or has operated the CPU for two years since the last price increase. The contractor must submit a written request that provides adequate explanation and documentation to justify the proposed increase based on one or both of the following reasons:
 1. Direct cost increases for rent, utilities, taxes, and labor. (If the CPU is operated in conjunction with another business, the increased costs must be prorated; only those required to support the CPU may be considered.)
 2. Increased benefit to the Postal Service. The benefit may derive from increased real revenue (not from fee or rate increases), increased transactions, or other improvements (must be specific).
- b. The contractor must submit the request to the contracting officer's representative, who will forward it to the contracting officer.
- c. The contracting officer may accept the request, deny the request, or negotiate with the contractor to reach agreement on a new annual price. If the request is accepted or agreement is reached on another amount, the contractor must waive its right to terminate for one year, beginning from the effective date of the new price. If the request is denied or no agreement is reached, the contractor may continue at the same annual price or the contract may be terminated by either party in accordance with the Contract Duration and Termination clause.

G.4 MINIMUM RATE (CONTRACT POSTAL UNIT) (Clause OB-492) (June 1988)

It is Postal Service policy that minimum rate contractors receive no less than the Federal minimum wage for work performed. The annual price proposed by a minimum rate offeror must, when divided by the annual operating hours, provide the contractor at least the prevailing minimum wage. If it does not, the offer may be rejected.

G.5 EMPLOYEES (CONTRACT POSTAL UNIT) (Clause OB-493) (June 1988)

The contracting officer may require removal of an employee from the CPU operation if, in the opinion of the contracting officer, the employee cannot do the work or fails to comply with applicable standards of conduct.

G.6 TRANSFER OF CONTRACT (CONTRACT POSTAL UNIT) (Clause OB-497) (June 1988)

- a. The contractor may not transfer (assign to another party) this contract, any interest in it, or any claims based on it--except under the circumstances described in b below. If the contractor does so, the Postal Service may, at any time after notifying the contractor in writing, terminate the contract and use any other rights and remedies it has by law.
- b. Exceptions:
 1. The Postal Service may recognize a transfer as valid if all of the contractor's assets, or all those involved in fulfilling the contract, are transferred.
 2. Payments owed the contractor may be transferred to a bank, trust company, or other financial institution, including any Federal lending agency, if all amounts payable are transferred and the transfer is to a single party (who may be an agent or trustee for two or more parties who are involved in the financing).
- c. For any transfer to be valid, the contractor must give the Postal Service written notice with the transfer paper attached and obtain the contracting officer's approval in writing. Copies of the notice and attachments must be filed with--
 1. The contracting officer;
 2. The surety or sureties on any contract postal unit bond; and
 3. The Postal Service office, if any, that has been designated to make payment.

G.7 CONTRACT POSTAL UNIT BOND NOTIFICATION (CLAUSE OB-498) (June 1988)

The contractor must notify the contracting officer within five days if the contractor's surety cancels its contract postal unit bond or if the contractor changes sureties. Failure to notify the contracting officer may be cause for termination of the contract.

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PART 2 - CLAUSES AND ATTACHMENTSSECTION H - GENERAL CLAUSES**H.1 CLAUSES INCORPORATED BY REFERENCE**

The following clauses are incorporated by reference as if set forth in full text. The text of these clauses may be accessed electronically in Appendix B, Contract Clauses, of the Purchasing Manual (PM) at this address <http://www.usps.com/cpim/ftp/manuals/pm/pmtc.pdf> or will be provided by the contracting officer upon request. PM citations that prescribe the clauses are shown in parentheses.

CLAUSE NUMBER	DATE	TITLE
B-1	January 1997	DEFINITIONS (B.2.1)
B-2	January 1997	CHANGES (B.2.1)
B-9	January 1997	CLAIMS AND DISPUTES (B.2.1)
B-14	January 1997	EXAMINATION OF RECORDS (B.2.1)
B-25	January 1997	ADVERTISING OF CONTRACT AWARDS (B.2.1)
B-26	January 1997	PROTECTION OF POSTAL SERVICE BUILDINGS, EQUIPMENT, AND VEGETATION (B.2.1)
1-5	January 1997	GRATUITIES OR GIFTS (1.7.9)
2-12	January 1997	POSTAL SERVICE PROPERTY--SHORT FORM (2.2.7)
6-1	January 1997	BANKRUPTCY (6.2.7)
9-1	January 1997	CONVICT LABOR (9.2.2)
9-7	January 1997	EQUAL OPPORTUNITY (9.7.10)
9-13	January 1997	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (9.2.2)
9-14	January 1997	AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (9.10.2)

H.2 NON-DISCLOSURE OF ADDRESS INFORMATION (Clause 1-7) (January 1997)

- a. General. This contract requires the supplier to have access to address information (i.e., addresses and return addresses) that appears on pieces of mail. To ensure the confidentiality of this address information, except as permitted by this clause, no supplier or subcontractor, and no employee or former employee of any supplier or subcontractor may, at any time, during or after the completion of this contract, disclose to any third party any address information obtained in the performance of this contract. This contract does not give the supplier proprietary interest in address information, and the supplier's right to have, use, and disclose address information is restricted by the terms of this clause.
- b. Restriction of Access. The supplier agrees to control and restrict access to address information to persons who need it to perform work under this contract, and to prohibit the reproduction of this information.
- c. Confidentiality and Non-Disclosure Agreement. The supplier must require an employee (including any employee of a subcontractor) to sign the following agreement before the employee is granted access to

address information:

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

I agree to hold in confidence any and all address information (i.e., addresses and return addresses) disclosed by the Postal Service or otherwise obtained or developed in the course of performance under Postal Service contract No. 01-01332. I understand that no address information may be disclosed to any third party without prior written consent of the United States Postal Service.

Ralph Freedman, Town of Atherton
Signature

JUNE 25, 2001
Date

- d. Legal Demands for Information. If a legal demand is made for address information (such as by subpoena), the supplier will immediately notify the contracting officer and the nearest office of the postal inspectors. After notification, the Postal Service will then determine whether and to what extent, to resist the legal demand. Should the Postal Service give in to or unsuccessfully resist a legal demand, the supplier may, with the written permission of the contracting officer, release that address information specifically requested by the legal demand.
- e. Indemnification. The supplier will indemnify the Postal Service, its employees and agents, against all liability (including costs and fees) for damages arising out of the intentional or negligent disclosure of address information other than as permitted by this clause.
- f. Subcontracts. The supplier must include this clause, modified as necessary, in any subcontract.

H.3 DEPOSIT OF ASSETS INSTEAD OF SURETY BONDS (Clause 7-3) (January 1997)

- a. If the supplier has deposited assets instead of furnishing sureties for any bond required under this contract and the assets are in the form of checks, currency, or drafts, the contracting officer will hold the assets in an account for the supplier's benefit.
- b. Upon contract completion, the supplier's funds will be returned as soon as possible, unless the contracting officer determines that part or all of the account is required to compensate the Postal Service for costs it incurs as a result of the supplier's delay, default, or failure to perform. In such a case, the entire account will be available to compensate the Postal Service.

H.4 ADDITIONAL BOND SECURITY (CONTRACT POSTAL UNITS) (Clause OB-404) (March 1989)

If any surety furnishing a bond in connection with this contract becomes unacceptable to the Postal Service or fails to furnish reports on its financial condition as requested by the contracting officer, or if the value of Postal funds and accountable paper increases to the point where the security furnished becomes inadequate in the contracting officer's opinion, the contractor must promptly furnish additional security as required to protect the interests of the Postal Service.

H.5 RECORDS RETENTION

The contractor shall retain forms (documents containing a form number), used for conducting Contract Postal Unit business, in accordance with the U. S. Postal Service Administrative Support Manual (ASM-13). The Postmaster/Officer-In-Charge, Palo Alto, shall provide the appropriate pages to the ASM to the contractor.

Accounting related documents/reports, and general correspondence shall be retained for a period of two (2) years.

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SECTION I - LIST OF ATTACHMENTS

<u>Attachment No.</u>	<u>No. of Pages</u>	<u>Attachment Title</u>
1.	2	REQUIREMENTS - CONTRACT POSTAL UNIT
2.	3	CONTRACT POSTAL UNIT BOND

052684-01-A-B153

PART 3 - SOLICITATION PROVISIONS

SECTION J - INSTRUCTIONS TO OFFERORS

J.1 TYPE OF CONTRACT (Provision 2-6) (January 1997)

The Postal Service plans to award a **Firm Fixed Price** type of contract under this solicitation, and all proposals must be submitted on this basis. Alternate proposals based on other contract types ☐ will ☒ will not be considered.

J.2 SUBMISSION OF BUSINESS PROPOSAL (Provision OA-507) (June 1988)

The offeror must complete and return Attachment 2, Business Proposal - Contract Postal Unit. Additional sheets may be attached if needed.

J.3 CONTRACT POSTAL UNIT BOND (Provision OA-509) (June 1988)

Prior to award, the offeror selected for award must complete a contract postal unit bond in the amount specified in Attachment 1, Requirements--Contract Postal Unit. The bond must be prepared using Attachment 3, Contract Postal Unit Bond. It must be executed by a surety acceptable to the Postal Service.

052684-01-A-B153

SECTION K - SOLICITATION NOTICES AND PROVISIONS**K.1 PROVISIONS INCORPORATED BY REFERENCE**

The following provisions are incorporated by reference as if set forth in full text. The text of these clauses may be accessed electronically in Appendix A, Solicitations, of the Purchasing Manual (PM) at this address <http://www.usps.com/cpim/ftp/manuals/pm/pmtc.pdf> or will be provided by the contracting officer upon request. PM citations that prescribe the provisions are shown in parentheses.

PROVISION NUMBER	DATE	TITLE
A-1	January 1997	PREPARATION OF PROPOSALS (A.2.3)
A-2	January 1997	SUBMISSION OF PROPOSALS (A.2.3)
A-3	January 1997	MODIFICATION OR WITHDRAWAL OF PROPOSALS (A.2.3)
A-4	January 1997	LATE SUBMISSIONS AND MODIFICATIONS OF PROPOSALS (A.2.3)
A-5	January 1997	ACKNOWLEDGEMENT OF SOLICITATION AMENDMENTS (A.2.3)
A-6	January 1997	EXPLANATION TO PROSPECTIVE OFFERORS (A.2.3)
A-9	January 1997	AWARD WITHOUT DISCUSSIONS (A.2.3)
A-15	January 1997	PROTESTS (A.2.3)

K.2 CERTIFICATION OF NONSEGREGATED FACILITIES (Provision 9-2) (January 1997)

- a. By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract.
- b. As used in this certification, segregated facilities means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment area, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.
- c. The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods):

NOTICE

A certification of nonsegregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

K.3 EQUAL OPPORTUNITY AFFIRMATIVE ACTION PROGRAM (Provision 9-3) (January 1997)

The offeror, by checking the applicable block or blocks, represents that it (1) ☐ has developed and has on file, ☒ has not developed and does not have on file, at each establishment, affirmative action programs as required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2) and ☐ has, ☐ has not filed the required reports with the Joint Reporting Committee, or (2) ☒ has not previously had contracts subject to the written affirmative action program requirement of the rules and regulations of the Secretary of Labor.

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SECTION L - REPRESENTATIONS AND CERTIFICATIONS**L.1 PROVISIONS INCORPORATED BY REFERENCE**

The following provisions are incorporated by reference as if set forth in full text. The text of these clauses may be accessed electronically in Appendix A, Solicitations, of the Purchasing Manual (PM) at this address <http://www.usps.com/cpim/ftp/manuals/pm/pmtc.pdf> or will be provided by the contracting officer upon request. PM citations that prescribe the provisions are shown in parentheses.

PROVISION NUMBER	DATE	TITLE
1-1	January 1997	CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (1.8.1)

L.2 TYPE OF BUSINESS ORGANIZATION (Provision A-20) (January 1997)

The offeror, by checking the applicable blocks, represents that it:

a. Operates as:

- ☐ a corporation incorporated under the laws of the State of _____;
- ☐ an individual;
- ☐ a partnership;
- ☐ a joint venture;
- ☐ a limited liability company;
- ☒ a nonprofit organization, (municipality) or;
- ☐ an educational institution; and

b. Is (Check all that apply)

- ☐ small business concern;
- ☐ a minority business - ☐ Black American
- ☐ Hispanic American
- ☐ Native American

☐ Asian American☐ woman-owned business;☒ educational or other nonprofit organization, or☐ none of the above entities.

- c. **Small Business Concern.** A small business concern for the purposes of Postal Service purchasing means a business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration (see 13 CFR 121, particularly for different size standards for airline, railroad, and construction companies). For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.
- d. **Minority Business.** A minority business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans. (Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian-Pacific Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchea (Cambodian), Taiwanese or in the U.S. Trust Territories of the Pacific Islands. Asian-Indian Americans are U.S. citizens whose origins are in the Indian subcontinent.)
- e. **Woman-owned Business.** A woman-owned business is a concern at least 51 percent of which is owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.
- f. **Educational or Other Nonprofit Organization.** Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

L.3 PARENT COMPANY AND TAXPAYER IDENTIFICATION NUMBER (Provision A-21) (January 1997)

- a. A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.
- b. Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number used on the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941.

Offeror's TIN: 94-6001430

- c. Check this block if the offeror is owned or controlled by a parent company: ☐
- d. If the block above is checked, provide the following information about the parent company:

Parent Company's Name: TOWN OF ATHERTON
 Parent Company's Main Office Address: 91 Ashfield Road
 No. and Street _____
 City: ATHERTON State: CA Zip Code: 94027
 Parent Company's TIN: 94-6001430

- e. If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent _____

Common Parent's TIN _____

L.4 CONTROL OF SPACE (CONTRACT POSTAL UNIT) (Provision OA-513) (June 1988)

(To be completed by offeror)

- a. The space provided by the offeror is in a building the offeror ☒ owns, ☐ leases, ☐ has a binding commitment to lease.
- b. If the answer to a above is "leases," state length of unexpired portion of lease:

- c. If the answer to a above is "has a binding commitment to lease," state type of commitment (oral or written) and furnish name and address of owner:

L.5 DETERMINATION OF MINIMUM OR NON-MINIMUM RATE CONTRACTOR (Provision OA-514) (June 1988)

(To be completed by offeror)

- a. The contract postal unit ☐ will, ☒ will not be operated jointly with another commercial activity (grocery, pharmacy, etc.) owned or managed by the offeror.
- b. If "will" is checked in 5a above, state type of commercial activity:

- c. If "will" is checked in 5a above, answer the following question:
 The commercial activity ☐ will, ☐ will not be the primary business activity at the location.

- d. The unit ☐ will, ☒ will not be operated in a private residence.
- e. The unit ☐ will, ☒ will not be operated in a facility exclusively devoted to providing contract postal service.
- f. The unit ☒ will, ☐ will not be operated more than 50 percent of the time by one or more individuals who are, or will be, employed by the offeror.
- g. The offeror ☒ is, ☐ is not a Federal, State, or local government entity, or a college, university, or other educational institution.

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SECTION M - EVALUATION AND AWARD FACTORS**M.1 EVALUATION CRITERIA AND ASSIGNMENT OF POINTS (Provision OA-511) (June 1988)**

- a. Each business proposal will be evaluated according to the criteria shown below and assigned points relative to the maximum points shown below for each criterion.

Maximum Points

1. Suitability of Location	0
Is the proposed facility--	
(a) Within the area designated by the solicitation?	
(b) Easily accessible to handicapped and other customers?	
(c) In a location likely to stimulate usage by customers?	
(d) An appropriate distance from the nearest Postal Service operated facility?	
2. Suitability of Facility	0
(a) Is the proposed facility attractive, well maintained, and in good repair?	
(b) Is parking sufficient?	
(c) Does the proposed facility have at least the square footage required by the solicitation?	
3. Ability to Provide Service	0
(a) Does the offeror have relevant experience?	
(b) Does the offeror have personnel sufficient to operate the facility or means of obtaining them?	
(c) Does the offeror have a good business reputation and good standing in the community?	
(d) Are any nonpostal services to be provided at the facility compatible with the postal services to be provided?	

Total: NOT APPLICABLE

- b. The Postal Service may need to meet with the offeror and visit the proposed CPU facility in order to complete the process of proposal scoring.

ATTACHMENT 1
REQUIREMENTS: CONTRACT POSTAL UNIT

I. DESCRIPTION: Operation of a Contract Postal Unit, **Atherton, CA.**

1. **Administrative Post Office** The Contract Postal Unit will report to the **Officer In Charge, Tony Beltran**, at:

MAIN POST OFFICE, 3875 BOHANNON DRIVE, MENLO PARK, CA 94025-9998
 TELEPHONE NO. (650) 323-3989

The contracting officer will assign a contracting officer's representative (COR) who will be responsible for directing the operation of the Contract Postal Unit.

2. **Type of Contract Postal Unit**

☐ Contract Station ☒ Contract Branch ☐ Community Post Office ☐ Public Service CPU

3. **Area/Location (identify general boundaries and attach map or sketch)**

91 ASHFIELD ROAD, ATHERTON, CA 94027-3897

4. **Operation Date** N/A or within N/A days after award, whichever is later, subject to provision of Contract Postal Unit bond and availability of USPS property. If the contract postal unit is to be operated on a seasonal basis the opening date will be _____ and the closing date will be _____ each year of operation.

5. **Hours (closed Federal Holidays)**

Hours	Total		Service Hours		Midday Closing	
	Operating Hours		(Open to the Public)		(If any)	
Day	From	To	From	To	From	To
Monday	8:00AM	4:30PM	8:30AM	4:00PM	12 NOON	1:00PM
Tuesday	8:00AM	4:30PM	8:30AM	4:00PM	12 NOON	1:00PM
Wednesday	8:00AM	4:30PM	8:30AM	4:00PM	12 NOON	1:00PM
Thursday	8:00AM	4:30PM	8:30AM	4:00PM	12 NOON	1:00PM
Friday	8:00AM	4:30PM	8:30AM	4:00PM	12 NOON	1:00PM
Saturday	CLOSED					
Sunday	CLOSED					

Total Weekly Operating Hours 35 **Total Yearly Operating Hours** 1,750

6. **Size - Floor Space** MINIMUM 150 square feet
Wall Space for PO Boxes (if required)
7. **Estimated Revenue** \$169,000 the first year.
8. **Contract Postal Unit Bond Amount** \$8,000 (See provision OA-509, Contract Postal Unit Bond, Section J.)

II. SERVICES

The contractor must provide sufficient staff to offer the services checked.

1. Stamps & Products		2. Domestic Mail		3. International Mail	
☒	Stamps	☒	Regular (First Class, Standard A, Standard B)	☒	First Class
☒	Stationery (stamped postal cards, envelopes, etc.)	☒	Special Service (insured, registered, COD, return receipt, certified, delivery confirmation)	☒	Global Priority
☒	Postal Service Money Orders	☒	Express Mail		Express Mail Int'l
		☒	Priority Mail		Pack & Send
	Philatelic Products (i.e. mint sets, stamp collecting kits, and commemoratives)		Other: Distribution of Post Office Box Mail		Aerogrammes
					Post Cards
					Parcel Post
				☒	Money Orders: Mexico and Japan

	Mail Delivery		General Delivery (Window Service)		P O Boxes: (No.)
					(rented self serve receptacles)

III. EQUIPMENT

1. The Postal Service will furnish equipment as checked		2. The contractor must furnish the items checked.	
	Combination PO Boxes	☒	Utilities
	PO Box Installation	☒	Counters
	Scales (weights 16 oz. & 70 LB)	☒	Safe
☒	Money Order Imprinter	☒	Telephone
☒	CPU Forms	☒	Common Office Supplies
☒	Accountable Paper (Stamps & Envelopes)		Other (specify):
	Other (specify):		

TRAVEL, RETAIL AND TEMPORARY SERVICES CATEGORY MANAGEMENT CENTER



11-12-09P02:58 RCVD

11/4/09

TOWN OF ATHERTON
91 ASHFIELD ROAD
ATHERTON, CA 94027-3897

RE: Conversion from a **Firm-Fixed/Performance Based CPU** to a
CARS Performance-Based Contract Postal Unit (CARS PB CPU)

Contract No. 052684-01-P-0469 Finance #. 05-4866 Unit/Site ID: B001

Attached is the contract modification that changes your contract from a **Firm-Fixed/Perfomanced Based CPU** to a CARS (Contract Access Retail system) PB CPU. You will be paid a **percentage** of the postage revenue you receive from the sale of postal products and services that are checked in Section IV & V of Attachment 1. This percentage rate differs from your current annual rate as outlined below:

Current Annual Compensation	New Percentage	
51,762	Stamps	6.00%
Stamps and Weigh & Rate	Weigh and Rate	15.00%

The new terms & conditions of your contract are enclosed and within **5 calendar days** after receipt of this letter you must complete the following:

Review and complete all appropriate information in Part 2 and review Attachment 4 in your contract. Sign and date the modification in Blocks 15a, 15b, and 15c. Return the original modification and your completed pages from Part 2 to Donna Johnson at US Postal Service, 3300 S Parker Rd Ste 400, Aurora CO 80014-3500. PLEASE SEND VIA THE UNITED STATES POSTAL SERVICE. **Keep a copy of the modification and the contract.**
Upon receipt, a fully executed copy of the modification will be returned to you once all signatures have been obtained, for your records.

CARS CPU Profile Form

This form must be completed and returned to your Retail Specialist/CPU Coordinator.

Pitney Bowes CARS/CPU Authorization Agreement Form

As outlined in your contract, you will pay for all postage loaded into CARS. This payment will be made at the time of postage download from an ACH debit account set up by Pitney Bowes. Complete the Pitney Bowes CARS/CPU Authorization Agreement Form in its entirety. The Postage by Phone 8-digit Account Number field will be completed by Pitney Bowes when they set up your account. Make sure you read the information on the form carefully so that you are aware of all charges and conditions. If you have any questions regarding the information required on the form call Pitney Bowes at 1-888-339-7228.

CARS will not be ordered until the above 2 forms are completed and received by your Retail Specialist/CPU Coordinator located at:

Mary Grace Tolosa
PO Box 7838
San Francisco, CA 94120-7838

Prior to mailing, please make a copy for your file.

CPU Stamp Order and CPU Stamp Write-in Forms

As per your contract, all stamps and stamped paper products must be ordered from the authorized stamp provider. Stamps can either be ordered by ACH Debit, check, or a money order. The USPS Guidelines for Ordering Stamps from Kansas City via ACH Debit is attached and specify the policy and procedures for ordering stamps, stamped paper products, and postage. Please write the words **"Initial Start-up"** in the **"SFS Customer ID"** field at the top right corner of your CPU Stamp Order Form. The CPU information in the top portion of this form must be accurate and complete on each subsequent order.

If you currently receive your monthly payment via EFT, this paragraph will not apply.

In accordance with the payment clause of your contract, payment for operation of the CPU will be made by Electronic Funds Transfer (EFT). An EFT form has been included for your completion. Upon completion, by both yourself and your financial institution, the original form should be sent to the address on the top of the EFT Form for processing.

If build-out and signage have already been completed, this paragraph will not apply.

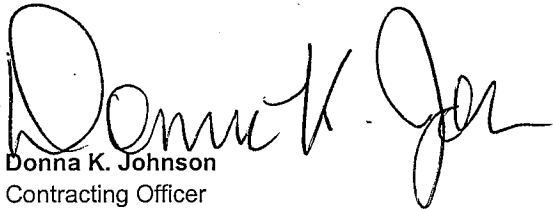
Drawings, in accordance with the Design and Construction Requirements (Attachment 5) must be submitted to your Retail Specialist/CPU Coordinator for review and approval. After the Retail Specialist/CPU Coordinator is in receipt of the CARS CPU Profile, the Pitney Bowes CARS/CPU Authorization Agreement Form, and has approved your drawings, a Notice to Proceed for authorization to begin build-out will be issued by the Contracting Officer. The build-out should be completed within 45 calendar days from notification to proceed. The Retail Specialist/CPU Coordinator will be responsible for the final approval and acceptance of your build-out.

Upon written notification from the Retail Specialist/CPU Coordinator that all training and site specification requirements have been complied with and accepted by the Postal Service, your COR will complete a final audit on your current contract and pick up any postal service equipment and supplies no longer needed. *Upon completion of the audit, the Retail Specialist/CPU Coordinator must notify you and our office of the actual start date of the CARS PB CPU.*

Please note the Retail Specialist/CPU Coordinator is responsible for the coordination of this CPU project through its completion.

We appreciate your interest in meeting our requirements and look forward to a successful business relationship.

If you have any questions, please contact: **Donna Johnson** 303-743-1238



Donna K. Johnson
Contracting Officer
Contract Postal Access Channels Team

Attachments CARS Contract Modification
 CARS CPU Profile
 Pitney Bowes CARS/CPU Authorization Agreement Form
 CPU Stamp Order and CPU Write-in Stamp Order Forms
 Kansas City ACH Debit Program Guidelines
 EFT Form

cc: COR **Menlo Park, CA 94025-9998**
Retail Specialist/CPU Coordinator. **San Francisco District**

CARS CPU Profile

Date of Initial Notice: _____ Date of CARS Order: _____
 Fax to IGI at 703-560-9793 (45 days prior to start of training)

☐ Intra-District Deployment (redeployment within a district in 30 days).

Type or print clearly

Finance #	054866	Site ID#	B001		
CPU Site Name	TOWN OF ATHERTON		CPU Contact Person	EILEEN WILKERSON	
CPU Site Address	91 ASHFIELD ROAD				
City	ATHERTON	State	CA	ZIP + 4	94027-3897
Site Phone Number	(650) 752-0546	Email	NO EMAIL ADDRESS		Site Fax

CONTRACT NUMBER: 052684-01-P-0469 Number of CARS: 1

COR Zip+4: 94025-9998 GXG: Yes ☐ No ☐

Retail Specialist/CPU Coordinator must complete the following:

The Collection Times below must be completed by final submission (see step 16 of the CARS Award Process)

CPU Mail Collection Times: Mon - Fri: _____ Sat: _____

District Retail Specialist: _____

Retail Specialist Phone Number: _____ Retail Specialist email address: _____@usps.gov

District _____ Area _____

CPU Service Hours Mon-Fri: _____ Sat: _____ Sun: _____

CPU Supplier must complete the following:

Is there a Dock to accept palletized shipments? (40' x 48') Yes ☐ No ☐

Communications/Connectivity: High-Speed Broadband ☐

Connectivity Requirements:

- Please select one of the connection types listed below:
 Broadband internet connection _____ (go to number 2)
 DSL via analog line _____ (go to number 3)

CARS CPU Profile

2. Please answer the following questions for broadband internet connection.

- A LAN port that is connected to or part of a router
- A DHCP (Dynamic Host Configuration Protocol) Server service must be active on the network. It can be enabled on the broadband router itself or a separate service running on a computer. DHCP is active when a client computer can be plugged into the network and receive IP Address, Gateway Address, and DNS information automatically.
- The IP Address pool (via DHCP) must have at least one available IP address for the first CARS Workstation. If there are additional CARS Workstations, they do NOT require additional IP addresses from your network.
- The router must either provide direct or indirect (via a corporate network) internet access.
- An indirect connection must not require any special configuration on the CARS workstations, such as proxy settings, routes, extra authentication, etc.
- If a firewall (whether built into the router or separate) is used, it must permit traffic in the following ways on the ports and protocols listed here:
 - 80 / TCP / outbound
 - 443 / TCP / outbound
 - 50000 through 50050 / UDP / outbound
 - 1024 through 65535 / UDP / inbound

Some firewalls must be manually configured to allow fragmented packets

a. What type of connection will you be using?

FIOS

DSL

Cable

Corporate Network

b. If you have a corporate network, provide a point of contact in the IT department.

Name: _____ Telephone #: _____

c. What is the distance from the CARS counter closest to the RJ45 in-wall outlet and/or the Router? _____

Note: The system ships with a 12 ft. network cable. If a longer cable is needed, the CPU supplier will need to provide one for the installation. Two or more CARS systems will connect to each other via a provided cable.

If you have any questions that could not be answered by your internet service provider or network IT administrator, contact the IGI helpdesk at 866-334-7145 for assistance.

3. If you will be using DSL via an analog line for your broadband connection:

Please review the following information and contact your service provider to assist you in answering the questions below.

a. What is the distance from the CARS counter closest to the in-wall outlet? _____

Note: The system ships with a 12 ft. network cable. If a longer cable is needed, the CPU supplier will need to

b. Is the analog line shared (Fax, etc)? _____

1) If shared, is a splitter needed? _____

c. What is the phone number of the analog line? (Include Area Code): _____

d. Is the telephone line direct or internal? _____

If you have any questions that could not be answered by your service provider, contact the IGI helpdesk

COMMENTS: _____



CARS/CPU
AUTHORIZATION AGREEMENT FOR AUTOMATED CLEARINGHOUSE DEBIT

The undersigned Customer hereby authorizes Pitney Bowes Inc. to originate debit entries via the automated Clearing House ("ACH") system to its account at the Depository Financial Institution named below for the purpose of resetting postage meters through Pitney Bowes' Postage By Phone® service. Further, the undersigned authorizes the U.S. Postal Service, through its lockbox bank, to accept and to credit the amount of such debit entries to the U.S. Postal Service account for Pitney Bowes' customers. This authorization shall remain in effect until written notice of modification or termination of authorization from Customer has been received by Pitney Bowes' Postage by Phone® Center, 16-35, 23 Barry Place., Stamford, Connecticut 06902-7543 and such Center has had a reasonable period of time to act thereon. In addition, the U.S. Postal Service may terminate the customer's ability to participate in this Electronic Funds Transfer System at any time. Your account will be charged a non-refundable \$15 set-up fee to participate in this program. This fee will be debited from your bank account at the time the ACH Debit process is established for you. Each year thereafter, your account will be charged an ongoing maintenance fee of \$15. Pitney Bowes reserves the right to modify the terms of this agreement by notifying you in writing 30 day the change.

(Assigned by Pitney Bowes) Postage By Phone 8-digit Account Number

Finance #	054866	Site ID #	B001		
CPU Site Name	TOWN OF ATHERTON		CPU Contact Person	EILEEN WILKERSON	
CPU Site Address	91 ASHFIELD ROAD				
City	ATHERTON	State	CA	ZIP+4	94027-3897
Site Phone Number	(650) 752-0546	Email	NO EMAIL ADDRESS		Site Fax 0
COR ZIP+4	94025-9998				

Please fill out the highlighted fields below

Customer Name (as shown on bank account)		
CPU Supplier TIN/SSN		
Mailing Address		
City	State	ZIP Code
Authorized Signature	Title	Date
Bank Name		
Bank Account Number	9-digit Bank Routing/ABA Number	
Bank Phone Number	Effective Date (date you would like ACH to begin)	

\$25,000.00 is the maximum daily download amount allowed for CARS performance-based CPU's

This is how ACH Debit works: ACH Debit can be available to you 24 business hours after faxing this completed form with a copy of a voided check to us. With ACH Debit, you establish your own maximum daily refill amount that is available to you for your postage meter refills. This amount should include enough funds to cover your regular meter refill amount, plus any postage you might need for weekends, holidays, and unusual mailings. You add postage to your meter as normal. Between 5:00 and 6:00 PM Eastern Standard Time, we will calculate the total refill amount for that day. This will be the amount of the ACH Debit. Immediately after, your account balance will be set back to zero. Your bank account will be debited the actual amount of the refill through the Federal Reserve the following business day by 10:00 AM EST. Meter refills that are performed on Fridays, Saturday's, or holidays will be debited from your account the next business day. Your bank account will only be debited the business day after each meter refill. A statement of account will be made available to you each time you reset the meter and will reflect all activity on your account for a particular day. Statements are available at www.postagebyphone.com.

Thank you – POSTAGE BY PHONE® - Customer Support

SEPTEMBER 2009 CPU Stamp Order Form --All Fields are REQUIRED to Process your order promptly

**CPU
ACH**

(Currently available stamp issues not listed below may be ordered on a CPU Write-In Order form)

Finance #	054886	Site ID#	B001	SFS Customer ID#	
CPU Site Name	TOWN OF ATHERTON		CPU Contact Person	EILEEN WILKERSON	
CPU Site Address	91 ASHFIELD ROAD				
City	ATHERTON	State	CA	ZIP + 4	94027-3897
Site Phone Number	(650) 752-0546	Email	NO EMAIL ADDRESS		Site Fax 0

1. If you have any questions, please contact Customer Service at 1-800-782-6724 Monday – Friday between the hours of 8:00 AM and 4:30 PM Eastern Time or you may email us at cpu.infor@usps.gov.

To place your order with a CHECK or MONEY ORDER, mail this form with your payment to: Order Entry Stamp Fulfillment Services 8300 NE Underground Drive Pillar 210 Kansas City, MO 64144-0001	To place your order with ACH Debit, fax this form to: Order Entry Stamp Fulfillment Services Fax Number: 1-816-545-1425 ☐ Check here for EXPRESS MAIL delivery (please provide a credit card number for Express Mail, ACH information or EMCA)

2. ☐ ☐ ☐ ☐ Orders may be emailed to cpu.orders@usps.gov. ☐ ☐ ☐ ☐

3. Orders will be delivered via First-Class Mail or Priority Mail with Signature Confirmation™ or Registered Mail™ if over \$5,000.

Single Orders

Description	Format	Price	Item #	Quantity	Total \$
Write-in and monthly order forms now available online. Please read the October CPU News Notes for links	Design substitutions may be necessary however, the value will remain the same. Check ☐ for No Subs				

If a selection is not available, the Forever Booklet stamp will be substituted.

44¢ Hawai'i (First-Class)	PSA Pane of 20	\$8.80	464240		
44¢ Flags of Our Nation: Set 3 (First-Class)	PSA Coil of 50	\$22.00	787540		
44¢ Early TV Memories (First-Class)	PSA Pane of 20	\$8.80	463340		
44¢ Purple Heart (First-Class)	PSA Pane of 20	\$8.80	123740		
44¢ Gulf Coast Lighthouses (First-Class)	PSA Pane of 20	\$8.80	464540		
44¢ Forever (First-Class)	PSA Booklet of 20	\$8.80	678940		
44¢ Wedding Rings (First-Class)	PSA Pane of 20	\$8.80	574240		
44¢ Celebrate (First-Class)0	PSA Pane of 20	\$8.80	574540		
44¢ U.S. Flag (First-Class)	PSA coil of 100	\$44.00	787040		
44¢ U.S. Flag (First-Class)	PSA Booklet of 10	\$4.40	679340		
44¢ The Simpsons (First-Class)	PSA Booklet of 20	\$8.80	679040		
44¢ Bob Hope (First-Class)	PSA Pane of 20	\$8.80	464640		
44¢ Anna Julia Cooper (First-Class)	PSA Pane of 20	\$8.80	463840		
61¢ Richard Wright (2 oz)	PSA Pane of 20	\$12.20	113040		
61¢ Wedding Cake (2 oz)	PSA Pane of 20	\$12.20	574140		
64¢ Dolphin	PSA Pane of 20	\$12.80	113340		
76¢ Edward Trudeau	Pane of 20	\$15.20	110240		
78¢ Mary Lasker (3 oz)	PSA Pane of 20	\$15.60	113240		
Other Values / Combination Stamps					
1¢ Tiffany Lamp	Pane of 20	\$0.20	184140		
2¢ Navajo Necklace	Pane of 20	\$0.40	180440		
17¢ Bighorn Sheep (Additional ounce)	Pane of 20	\$3.40	101540		
28¢ Polar Bear	Pane of 20	\$5.60	113140		
28¢ Polar Bear	PSA Coil of 100	\$28.00	787240		
55¢ Breast Cancer Research (First-Class; Semi-postal)	Pane of 20	\$11.00	503240		
62¢ Dragonfly	Pane of 20	\$12.40	120440		
75¢ Great Smoky Mountains	PSA Pane of 20	\$15.00	568240		
79¢ Zion Natl. Park, UT (Int'l Rate – Mexico)	PSA Pane of 20	\$15.80	574740		
98¢ Grand Teton Natl. Park, WY (Int'l Rate)	PSA Pane of 20	\$19.60	574640		
\$1.00 Wisdom	Pane of 20	\$20.00	189640		
54¢ First-Class Letter - #10 Regular Envelope	Single Envelope	\$0.54	218540		
\$4.95 Redwood Forest (Priority Mail)	Pane of 20	\$99.00	113440		
\$17.50 Old Faithful (Express Mail)	Block of 4	\$70.00	113500		

EXPRESS MAIL SERVICE REQUESTED:

Exact cost determined at time of shipment (Express Mail is an optional service). This cost will be a separate charge to your credit card, EMCA account, or a separate deduction from your ACH account.

When requesting Express Mail Service, please indicate payment method and provide information:

Express Mail Corporate Account (EMCA#) _____
 Credit card : # _____
 ACH account: Indicate here if ACH _____

\$Cost will be determined at time of mailing order (see note on left side)

SEPTEMBER 2009 PS Form 5556

GRAND TOTAL (or subtotal if Express Mail is requested)

\$

REMINDER: Stamps may be ordered no sooner than 10 days prior to issue date; please remember each pre-order must be submitted on a separate CPU Write-In Stamp Order Form so that your orders are not delayed. This form is available online at www.usps.com/forms/_pdf/ps5555.pdf

CPU
ACH

CPU
ACH

Finance #	054866	Site ID#	B001	SFS Customer ID#	
CPU Site Name	TOWN OF ATHERTON	CPU Contact Person	EILEEN WILKERSON		
CPU Site Address	91 ASHFIELD ROAD				
City	ATHERTON	State	CA	ZIP + 4	94027-3897
Site Phone Number	(650) 752-0546	Email	NO EMAIL ADDRESS		Site Fax 0

1. To place your order with a CHECK or MONEY ORDER, mail this form with your payment to:
Order Entry Stamp Fulfillment Services
8300 NE Underground Drive Pillar 210
Kansas City, MO 64144-0001
- To place your order with ACH Debit, fax this form to:
Order Entry Stamp Fulfillment Services
Fax Number: 1-816-545-1425
- ☐ Check here for **EXPRESS MAIL** delivery
2. Orders will be delivered via Priority Mail with Signature Confirmation™ or Registered Mail™ if over \$5,000.
3. If you have any questions, please contact Customer Service at 1-800-782-6724 Monday – Friday between the hours of 8:00 AM and 4:30 PM Eastern Time or you may email us at stampfulfillment.services@usps.gov.

Single Orders

Description and value of Stamp		Format (identify Pane, Coil, Booklet, and number of stamps available in the format requested) * No Subs - Please see below	Item #	Quantity	Total \$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
		☐ No Subs			\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Express Mail Corporate Account (EMCA#):		Your estimated Express Mail shipping cost- Exact cost determined at time of shipment (optional service)			\$
		Grand Total			\$

Please be certain that you have taken the time to fill out your order form in its entirety.

1. To ensure that your Pre-Sale requests are not delayed, place each stamp request with different "On-Sale" dates on a separate order form. The On-Sale dates are published in the Postal Bulletin.
 2. Check the Postal Bulletin to validate the availability of all write-in stamp requests. Stamps not available may delay your order.
 3. Items not in stock may delay your order 5-7 days. For large volume orders, contact Customer Service prior to placing your order to determine availability.
- * **An order that contains a check box for "No Substitutions" may experience a delay.** We suggest submitting these on a separate order form

**USPS Guidelines for New and Existing CPU Suppliers:
Ordering Stamps from Kansas City via ACH Debit**

Existing and new CARS (Contract Access Retail System) Contract Postal Unit (CPU) suppliers are now able to purchase stamps through the USPS Kansas City Fulfillment Service center using ACH Debit. If you have previously used a check or money order to pay for stamps and are interested in taking advantage of ACH Debit, follow the simple steps below.

Setting Up An ACH Debit Account

- Complete ALL components of the ACH Payment Option Application provided in this packet. Incomplete forms will be returned.
- Once you have completed the ACH Payment Option Application, you must **mail** in the ACH Payment Option Application (attached) AND the completed top portion of the Stamp Order Form (attached), in order to link the bank account with the CPU site, to Kansas City Stamp Fulfillment Services at the address below with your voided check. Fax is not allowed for this initial ACH Debit application.

**ACH COORDINATOR
STAMP FULFILLMENT SERVICES
8300 NE UNDERGROUND DRIVE, PILLAR 210
KANSAS CITY, MO 64144-0001**

- When Kansas City receives the ACH Payment Option Application, they will process the request for the account.
- A prenote transaction will be sent to the supplier's bank.
- The supplier will be notified in these two cases:
 - 1) There are errors on the initial ACH Payment Option Application. If there are errors, the supplier will be asked to resubmit the Authorization Form with valid information.
 - 2) The ACH Debit account is not approved. If this occurs, you must go through American Bank Note or use the existing stamp order process through Kansas City with a check or money order.

Ordering Stamps

- Note: Allow 15 business days from the date of mailing your ACH Payment Option Application before faxing in your initial stamp order.
- The CPU supplier must fill in all required entries on the March 2007 version of the Stamp Order Form before faxing it in. Incomplete forms will be returned which will delay the stamp order process and extend the time it takes for the stamps to be received. A stamp order form with fax information is included in this packet.
- When completing the Stamp Order Form, type or print the information required. We recommend that you complete the top portion of this form with your CPU information and then photocopy it for future stamp orders.
- Fax your order to the Kansas City Fulfillment Service center using the fax number provided.
- Once Kansas City receives the faxed Stamp Order Form, they will process and ship the order (using existing processes) and your ACH Debit account will be charged.
- Express Mail delivery is optional at the supplier's expense, starting at \$14.40. If total Express Mail shipping exceeds entered amount, Kansas City Fulfillment will contact the supplier to confirm the total amount charged.

Account Issues

- If there are insufficient funds in the supplier account at the time of a transaction, Kansas City will place a hold on the account and contact the supplier. If the supplier provides a check or money order with funds for the account, Kansas City will enable the account. Keep in mind that stamp orders will not be delayed due to insufficient funds, however, restitution is required.
- If the supplier's account has been short of funds more than 3 times in one year, Kansas City will disable the account and alternate stamp ordering procedures will need to be used.

ACH Payment Option Application –CARS CPU Stamp Orders

With this option, an ACH debit is sent to the account holder's bank account of choice at the time of a CPU stamp order through Kansas City Stamp Fulfillment Services. This form is an authorization agreement for Automated Clearing House pre-authorized payments.

The undersigned hereby authorizes the U.S. Postal Service to originate debit and/or credit entries via the Automated Clearing House to the account indicated below at the Depository Financial Institution named below, to accept and to debit/credit the amount of such entries to the account. Failure to complete all fields may create a delay in account set-up.

Bank Information:

Bank Name: _____
Contact Name: _____ Telephone No.: _____
Address: _____
City: _____ State: _____ ZIP+4: _____
Account Name: _____
Account Number: _____
Bank Routing Number (9 digits): _____

Please check one of the following: Consumer Bank Account _____ Business Bank Account _____

This authorization will remain in effect until written notification of termination has been given by the customer and that notification has been received by the Manager Support, Stamp Fulfillment Services (for the U.S. Postal Service). In addition, the U.S. Postal Service, at its discretion, may terminate the customer's ability to participate in the Electronic Funds Transfer system. Any termination will take effect only after all entries originated by the U.S. Postal Service have been honored by the bank.

Customer Information:

Business Name (If applicable) _____
Contact Name _____
Email address: _____
Telephone (daytime): _____ Evening: _____
TIN (Business Accounts): _____
Address: _____
City: _____ State: _____ ZIP+4: _____

Authorized signer on bank account signature (Required)

Name of authorized signer on bank account name (please print)

Date: _____

Customer, by its signature above, and the U.S. Postal Service, by its initiation of a debit and/or credit authorized, hereby agree to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit/credit entries. Debit/credit entries will be initiated only as authorized above. Any issues, objections, or discrepancies regarding the amounts debited/credited will be reported in writing, submitted no later than 90 days from the date the debit/credit transaction was initiated, to: ACH COORDINATOR, STAMP FULFILLMENT SERVICES, 8300 UNDERGROUND DRIVE PILLAR 210, KANSAS CITY MO 64144-0001.

Failure to deliver such notice within the prescribed period will serve as an absolute waiver by the customer of any and all remedies, causes of action, and other forms of relief arising out of or in connection with each such debit transaction. U.S. Postal Service will then have 30 days in which to respond. This Agreement supersedes any agreement that the customer may have with the U.S. Postal Service concerning terms of payment.

This authorization is not governed by the provisions of either the *United States Postal Service Supplying Principles and Practices, May 1, 2006* or any successor information addressing the subject matter thereof, or the *Contract Disputes Act*.

**MAIL ORIGINAL APPLICATION FORM, THE COMPLETED TOP PORTION OF THE STAMP ORDER FORM, AND
VOIDED CHECK TO: ACH COORDINATOR, STAMP FULFILLMENT SERVICES, 8300 NE UNDERGROUND
DRIVE PILLAR 210, KANSAS CITY MO 64144-0001.**

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF 1 2
2. AMENDMENT/MODIFICATION NO. 002	3. EFFECTIVE DATE 11/02/2009	4. REQUISITION/PURCHASE REQ.NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY Donna K. Johnson TRAVEL, RETAIL & TEMPORARY SERVICES Contract Postal Access Channels 3300 South Parker Road Suite 400 Aurora CO 80014-3500 (303) 743-1238	CODE 2BCPAC	7. ADMINISTERED BY (If other than Item 6) TRAVEL, RETAIL & TEMPORARY SERVICES Contract Postal Access Channels 3300 South Parker Road Suite 400 Aurora CO 80014-3500	CODE 2BCPAC
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) TOWN OF ATHERTON ATTN TOWN OF ATHERTON ATTN ROSS HUBBARD 91 ASHFIELD RD ATHERTON CA 94025-9999		(x) 9A. AMENDMENT OF SOLICITATION NO.	
		9B. DATED (SEE ITEM 11)	
		x 10A. MODIFICATION OF CONTRACT/ORDER NO. 052684-01-P-0469	
		10B. DATED (SEE ITEM 13)	
SUPPLIER CODE 000413268	FACILITY CODE	06/29/2001	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

☐ is extended, ☐ is not extended.

12. ACCOUNTING AND APPROPRIATION DATA (If required.) \$0.00
See Schedule

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(x)	A. THIS CHANGE BY CLAUSE IS ISSUED PURSUANT TO: (Specify clause) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
☐	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14.
☒	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO THE AUTHORITY OF: THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. CONVERSION TO CARS
☐	D. OTHER (such as no cost change/cancellation, termination, etc.) (Specify type of modification and authority) : THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Sub Rept Req'd: N Payment Terms: NET30
CPU NAME: TOWN OF ATHERTON
ADMINISTRATIVE OFFICE: MENLO PARK, CA 94025-9998
FINANCE NUMBER-UNIT ID: 05-4866 - 0145

This contract is modified to reflect the following changes:

1. A change in contract type from a Firm-Fixed CPU to a CARS Performance-Based CPU.
 2. The basis for compensation under this contract will be of 6 percent for stamps and products listed in Attachment 1, Section IV.A. Services and 15 percent for weigh-in
- Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Donna K. Johnson	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. CONTRACT AUTHORITY (Signature of Contracting Officer)	16C. DATE SIGNED

CONTINUATION SHEET

REQUISITION NO.

PAGE 2 OF 2

CONTRACT/ORDER NO.
052684-01-P-0469/002AWARD/
EFFECTIVE DATE
11/02/2009

MASTER/AGENCY CONTRACT NO

SOLICITATION NO.

SOLICITATION
ISSUE DATE

ITEM NO.	SCHEDULE OF SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	rate and other services listed in Attachment 1, Section IV.B, C. D. and Section V. Other Services. 3. The CARS Performance-based terms and conditions, attached to this modification, supersedes and replaces any previous contract and modifications issued under this contract number. 4. The supplier shall receive notification of the effective date for conversion of this contract to a CARS Performance-based CPU, as provided in this contract modification, from the Contracting Office. 5. If applicable, a final audit will be conducted and all Postal Service equipment and supplies will be returned to the Contracting Officer's Representative (COR). When the final financial audit and recovery of all shortages (if applicable) have been completed, the COR will issue a letter to the Supplier (if requested) to release the Supplier from the obligation to maintain a surety bond in connection with the operation of the CPU. Period of Performance: 09/01/2001 to 12/31/9999				

PART 1 – CONTRACT POSTAL UNIT SCHEDULE

1.1 CONTRACT POSTAL UNIT OPERATION

The supplier agrees to operate a Contract Postal Unit (CPU) in a facility operated by a supplier, at a supplier-owned or leased site, under contract to the Postal Service to provide specified Postal Services and supplies to the public, the terms and conditions established herein. Days and hours of operation will be coordinated with the designated postal official listed in Attachment 1, who will serve as the Postal Service point of contact with the supplier. A copy of the notice of appointment defining this individual's authority will be furnished to the supplier upon award. The contract will be for an indefinite term, subject to the rights of termination specified herein. The supplier must provide the services listed in Attachment 1, Requirements. The property required for the operation of this CPU is identified in Attachment 5 – Design & Construction Requirements (D&CR).

1.2 RESERVED

PART 2 – SOLICITATION PROVISIONS

2.1 PROVISION 4-1 STANDARD SOLICITATION PROVISIONS

- a. **Submission of Offers.** Submit signed and dated modification to the office specified in the cover letter.

Suppliers must complete the following:

- 1) Provide all the information requested by Attachment 2 – Contract Postal Unit – Supplier Business Proposal and Information
 - 2) Review Attachment 4, Compensation
 - 3) Provide all other information requested by Part 2 of this solicitation
 - 4) Sign and date the modification in Blocks 15a, 15b, and 15c
 - 5) Return the original modification and your completed pages to the office specified in the cover letter
- b. **Business Disagreements.** Business disagreements may be lodged with the Supplier Ombudsman if the supplier and the contracting officer have failed to resolve the disagreement as described in 39 CFR Section 601 (available for review at www.gpoaccess.gov/ecfr). The Supplier Ombudsman will consider the disagreement only if it is lodged in accordance with the time limits and procedures described in 39 CFR Section 601. The Supplier Ombudsman's decisions are available for review at <http://www.usps.com>.
- c. **Late Offers.** Offers or modifications of offers received at the address specified for the receipt of offers after the exact time specified for receipt of offers will not be considered unless determined to be in the best interests of the Postal Service.
- d. **Type of Contract.** The Postal Service plans to award a **CARS (Contract Access Retail System) Performance-based Percentage Payment** contract under this solicitation and all proposals must be submitted on this basis. Alternate proposals based on other contract types will not be considered.
- e. **Contract Award.** The Postal Service may evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. Discussions may be conducted if the Postal Service determines they are necessary. The Postal Service may reject any or all offers if such action is in the best interest of the Postal Service; accept other than the lowest offer, and waive informalities and minor irregularities in offers received. The Postal Service reserves the right to award multiple performance-based price contracts under this solicitation.
- f. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. If checked, the following provision is incorporated in this solicitation by reference:
- 1) ☐ Provision 3-1, Notice of Small, Minority, and Woman-owned Business Subcontracting Requirements (March 2006)

2.2 RESERVED

2.3 PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (March 2006)

a. Type of Business Organization. The offeror, by checking the applicable blocks, represents that it:

(1) Operates as:

- ☐ a corporation incorporated under the laws of the state of _____;
- ☐ an individual;
- ☐ a partnership;
- ☐ a joint venture;
- ☐ a limited liability company;
- ☐ a nonprofit organization; or
- ☐ an educational institution; and

(2) Is (check *all* that apply)

- ☐ a small business concern;
- ☐ a minority business (indicate minority below):
 - ☐ Black American
 - ☐ Hispanic American
 - ☐ Native American
 - ☐ Asian American:
- ☐ a woman-owned business; or
- ☐ none of the above entities.

(3) Small Business Concern. A small business concern for the purposes of Postal Service purchasing means a business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration (see 13 CFR 121, particularly for different size standards for airline, railroad, and construction companies). For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.

(4) Minority Business. A minority business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans. (Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchea (Cambodian), Taiwanese, in the U.S. Trust Territories of the Pacific Islands or in the Indian subcontinent.)

(5) Woman-owned Business. A woman-owned business is a concern at least 51 percent of which is owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.

(6) Educational or Other Nonprofit Organization. Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

b. Parent Company and Taxpayer Identification Number.

(1) A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.

(2) Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number used on the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941. Offeror's TIN: _____

(3) Check this block if the offeror is owned or controlled by a parent company: ☐

(4) If the block above is checked, provide the following information about the parent company:

Parent Company's Name: _____
Parent Company's Main Office: _____
Address: _____
No. and Street: _____
City: _____ State: _____ Zip Code: _____
Parent Company's TIN: _____

(5) If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent _____
Common Parent's TIN _____

c. Certificate of Independent Price Determination.

- (1) By submitting this proposal, the offeror certifies, and in the case of a joint proposal each party to it certifies as to its own organization, that in connection with this solicitation
 - (a) The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other offeror or with any competitor;
 - (b) Unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the offeror before award of a contract, directly or indirectly to any other offeror or to any competitor; and
 - (c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.
- (2) Each person signing this proposal certifies that
 - (a) He or she is the person in the offeror's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to paragraph a above; or
 - (b) He or she is not the person in the offeror's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to paragraph a above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to paragraph a above.
- (3) Modification or deletion of any provision in this certificate may result in the disregarding of the proposal as unacceptable. Any modification or deletion should be accompanied by a signed statement explaining the reasons and describing in detail any disclosure or communication.

d. Certification of Nonsegregated Facilities.

- (1) By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract
- (2) As used in this certification, segregated facilities means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment area, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.
- (3) The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods):

Notice: A certification of non segregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

e. **Certification Regarding Debarment, Proposed Debarment, and Other Matters** (This certification must be completed with respect to any offer with a value of \$100,000 or more.) (The Postal Service estimates that the total cost of this contract may exceed \$100,000 over the life of the contract. Therefore, offerors must complete, in its entirety, numbers 1 and 2 below.)

- (1) The offeror certifies, to the best of its knowledge and belief, that it or any of its principals
 - (a) Are ___ are not ___ presently debarred or proposed for debarment, or declared ineligible for the award of contracts by any Federal, state, or local agency;
 - (b) Have ___ have not ___, within the three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;
 - (c) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (b) above;
 - (d) Have ___ have not ___ within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in conjunction with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and
 - (e) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (d) above.
- (2) The offeror has ___ has not ___, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, state, or local agency.

- (3) "Principals," for the purposes of this certification, means officers, directors, owners, partners, and other persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
 - (4) The offeror must provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
 - (5) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered as part of the evaluation of the offeror's capability. The offeror's failure to furnish a certification or provide additional information requested by the contracting officer will affect the capability evaluation.
 - (6) Nothing contained in the foregoing may be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
 - (7) This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, Title 18, United States Code.
 - (8) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Postal Service, the Contracting Officer may terminate the contract resulting from this solicitation for default.
- f. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, its provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. If checked, the following provision(s) is incorporated in this solicitation by reference:
- (1) ☐ Provision 1-2, Domestic Source Certificate – Supplies (March 2006)
 - (2) ☐ Provision 1-3, Domestic Source Certificate – Construction Materials (March 2006)
 - (3) ☒ Provision 9-1, Equal Opportunity Affirmative Action Program (March 2006)
 - (4) ☐ Provision 9-2, Pre-award Equal Opportunity Compliance Review (March 2006)
 - (5) ☐ Provision 9-3, Notice of Requirements for Equal Opportunity Affirmative Action (March 2006)

2.4

CERTIFICATION OF STATUTORY COMPLIANCE

The supplier (check applicable box) certifies that the business location within which it proposes to operate the Contract Postal Unit (CPU) ☐ is, or by the time service begins ☐ will be, in compliance with all applicable Federal, state, and municipal laws, codes and regulations. With respect to handicapped accessibility, offerors must propose facilities that are handicapped accessible, pursuant to the applicable standards, or must set forth plans demonstrating how a non-accessible facility will meet the applicable accessibility standards prior to the start of service.

PART 3 – CONTRACT CLAUSES

3.1 CLAUSE 4-1 GENERAL TERMS AND CONDITIONS

- a. Assignment. If this contract provides for payments aggregating \$10,000 or more, claims for monies due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with: (1) the Postal Service; (2) the office, if any designated to make payment, and the Postal Service has acknowledged the assignment in writing; (3) assignment of the this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.
- b. Changes.
 - (1) The Postal Service may, in writing, order changes within the general scope of this contract in the following:
 - (a) Drawings, designs, or specifications when supplies to be furnished are to be specially manufactured for the Postal Service in accordance with them;
 - (b) Statement of work or description of services;
 - (c) Method of shipment or packing;
 - (d) Places of delivery of supplies or performance of services;
 - (e) Postal Service furnished property or facilities.
 - (2) Any other written or oral order (including direction, instruction, interpretation, or determination) from the USPS Representative that causes a change will be treated as a change order under this paragraph, provided that the supplier gives the Postal Service written notice stating (a) the date, circumstances, and source of the order and (b) that the supplier regards the order as a change order.
 - (3) If any such change affects the cost of performance or the delivery schedule, the contract will be modified to effect an equitable adjustment.
 - (4) The supplier's claim for equitable adjustment must be asserted within thirty (30) days of receiving a written change order. A later claim may be acted upon – but not after final payment under this contract – if the Postal Service decides that the facts justify such action.
 - (5) Failure to agree to any adjustment is a dispute under Clause B-9, Claims and Disputes, which is incorporated into this contract by reference (see Clause 4.2, a.i). Nothing in that clause excuses the supplier from proceeding with the contract as changed.
- c. Patent Indemnity. The supplier will indemnify the Postal Service and its officers, employees and agents against liability, including costs for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, or copyright, arising out of the performance of this contract, provided the supplier is reasonably notified of such claims and proceedings.
- d. Payment. The Postal Service will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and 5 CFR 1315. Payments under this contract will be made by the Postal Service electronic funds transfer. Monthly payments will be issued automatically, in arrears, by the St. Louis Accounting Service Center, within thirty (30) days after the end of each month.
- e. Taxes. The Postal Service will not withhold any Social Security, Federal, State or local taxes from any payments made under this contract. The Postal Service bears no responsibility for making the supplier's required payment of these taxes.
- f. Other Compliance Requirements. The supplier will comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this contract.
- g. Order of Precedence. Any inconsistencies in this solicitation or contract will be resolved by giving precedence in the following order;
 - (1) the schedule of supplies and services;
 - (2) the Assignment, Disputes, Payments, Invoice, Other Compliances and Compliance with Laws unique to the Postal Service Contracts paragraphs of this clause;
 - (3) the clause at 4-2 Contract Terms and Conditions Required to Implement Policies, Statutes or Executive Orders;
 - (4) addenda to this solicitation or contract, including any license agreements for computer software;
 - (5) solicitation provisions if this is a solicitation;
 - (6) other paragraphs of this clause;
 - (7) other documents, exhibits, and attachments, and
 - (8) the specifications.
- h. Shipping. The supplier must deliver goods that meet the prescribed physical limitations of the current USPS Domestic Mail Manual either by its own personnel/equipment or by use of the United States Postal Service, unless the contracting officer grants a waiver of this requirement. The supplier is responsible for ensuring that the packing and packaging are sufficient to protect the goods and ensure usability upon receipt.

- i. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>.

The following clauses are incorporated in this contract by reference:

- (1) B-1, Definitions (March 2006)
- (2) B-15, Notice of Delay (March 2006)
- (3) B-16, Suspensions and Delays (March 2006)
- (4) B-19, Excusable Delays (March 2006)
- (5) B-30, Permits and Responsibilities (March 2006)

3.2 CLAUSE 4-2 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT POLICIES, STATUTES OR EXECUTIVE ORDERS (July 2009)

a. **Incorporation by Reference**

- (1) Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. The following clauses are incorporated in this contract by reference:

- (1) Clause 1-5, *Gratuities or Gifts* (March 2006)
- (2) Clause B-9, *Claims and Disputes* (March 2006)
- (3) Clause B-25, *Advertising of Contract Awards* (March 2006)
- (4) Clause 9-1, *Convict Labor* (March 2006)
- (5) Clause 9-5, *Contract Work Hours and Safety Standards Act — Safety Standards* (March 2006)

- (2) **If checked**, the following additional clauses are also incorporated in this contract by reference:

- (1) ☒ Clause 1-1, *Privacy Protection* (July 2007) (1.6.6)
- (2) ☐ Clause 1-6, *Contingent Fees* (March 2006)
- (3) ☐ Clause 1-9, *Preference for Domestic Supplies* (March 2006)
- (4) ☐ Clause 1-10, *Preference for Domestic Construction Materials* (March 2006)
- (5) ☐ Clause 3-1, *Small, Minority, and Woman-owned Business Subcontracting Requirements* (March 2006)
- (6) ☒ Clause 3-2, *Participation of Small, Minority, and Woman-owned Businesses* (March 2006)
- (7) ☐ Clause 9-2, *Contract Work Hours and Safety Standards Act — Overtime Compensation* (March 2006)
- (8) ☐ Clause 9-3, *Davis-Bacon Act* (March 2006)
- (9) ☐ Clause 9-6, *Walsh-Healey Public Contracts Act* (March 2006)
- (10) ☒ Clause 9-7, *Equal Opportunity* (March 2006)
- (11) ☐ Clause 9-10, *Service Contract Act* (March 2006)
- (12) ☐ Clause 9-11, *Service Contract Act — Short Form* (March 2006)
- (13) ☐ Clause 9-12, *Fair Labor Standards Acts and Services Contract Act — Price Adjustments* (March 2006)
- (14) ☒ Clause 9-13, *Affirmative Action for Handicapped Workers* (March 2006)
- (15) ☒ Clause 9-14, *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era* (March 2006)

b. **Examination of Records.**

- (1) Records. "Records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- (2) Examination of Costs. If this is a cost-type contract, the supplier must maintain, and the Postal Service will have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination includes inspection at all reasonable times of the supplier's plants, or parts of them, engaged in the performance of this contract.
- (3) Cost or Pricing Data. If the supplier is required to submit cost or pricing data in connection with any pricing action relating to this contract, the Postal Service, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, will have the right to examine and audit all of the supplier's records, including computations and projections, related to:
 - (a) The proposal for the contract, subcontract, or modification;
 - (b) The discussions conducted on the proposal(s), including those related to negotiating;
 - (c) Pricing of the contract, subcontract, or modification; or
 - (d) Performance of the contract, subcontract or modification

- c. **Reports.** If the supplier is required to furnish cost, funding or performance reports, the contracting officer or any authorized representative of the Postal Service will have the right to examine and audit the supporting records and materials, for the purposes of evaluating: (1) the effectiveness of the supplier's policies and procedures to produce data compatible with the objectives of these reports; and (2) the data reported.

- d. **Availability.** The supplier must maintain and make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a) through (d) of this clause, for examination, audit, or reproduction, until three years after final payment under this contract or any longer period required by statute or other clauses in this contract. In addition:

- (1) If this contract is completely or partially terminated, the supplier must make available the records related to the work terminated until three years after any resulting final termination settlement; and
- (2) The supplier must make available records relating to appeals under the claims and disputes clause or to litigation or the settlement of claims arising under or related to this contract. Such records must be made available until such appeals, litigation or claims are finally resolved.
- (3) Payment Offsets. As required by 31 U.S.C. 3716, the Postal Service participates in the Treasury Offset Program of the Department of Treasury's Financial Management Service. Payments under this contract are subject to offset in whole or in part to for the supplier's delinquent tax and non-tax debts owed to the United States and the states and for delinquent child support payments. Suppliers with questions concerning a payment offset should contact the Treasury Offset Program call center at 1/800-304-3107.

3.3 **CLAUSE 2-12 POSTAL SERVICE PROPERTY - Short Form**

- a. Upon delivery to the supplier of Postal Service property, the supplier assumes the risk and responsibility for its loss or damage. The supplier shall assume all responsibility and liability for all Postal Service furnished property. USPS and supplier will be responsible for property maintenance as detailed in Part A of the D & CR (Attachment 5).
- b. Upon the completion or sooner termination of this contract, the supplier must prepare for shipment, deliver f.o.b. origin, or dispose of the Postal Service property not consumed in performing this contract or previously delivered to the Postal Service, as directed or authorized by the contracting officer. The net proceeds of any disposal will be credited to the contract price or will be paid to the Postal Service as directed by the contracting officer.

3.4 **CLAUSE 6-1 CONTRACTING OFFICER'S REPRESENTATIVE**

The Postal Service will appoint a contracting officer's representative (COR), responsible for the day-to-day administration of the contract, who will serve as the Postal Service point of contact with the supplier on all routine matters. A copy of the notice of appointment defining the COR's authority will be furnished to the supplier upon award of contract.

3.5 **TERMINATION ON NOTICE**

This contract may be terminated by either party upon one hundred twenty (120) days' written notice. In the event of such termination, neither party will be liable for any costs, except for payment in accordance with the payment provisions of the contract for actual services rendered prior to the effective date of the termination. When required to protect the Postal Service's interests, the contracting officer may terminate the contract upon one day's written notice.

3.6 **APPEARANCE, LOCATION AND SECURITY**

The Contract Postal Unit area, as well as the interior and exterior of the supplier's premises, must be kept clean, neat, uncluttered and in good repair. Windows must be clean and unobstructed. Facility identification and logo will be appropriately placed, visible and in good condition. Lighting must be adequate and properly maintained. Counters must be attractively organized to facilitate customer transactions. Signs (Hours of Operation and Collection Times, etc.) and promotional displays must be current and appropriate for the season. Trash receptacles must be available and clean. The Contract Postal Unit must not be located in or directly connected to a room where intoxicating beverages are sold for consumption on the premises. When the Contract Postal Unit is closed or unattended, the round dater must be kept in a secure location and any other accountable postal equipment.

3.7 **STAMPS**

Postage stamps and stamped paper products will be supplied to the CPU supplier by the authorized provider designated by the Postal Service ("Stamp Provider (s)"). The CPU supplier must order only from the authorized Stamp Provider (s). The obtaining of postage stamps or stamped paper products from an entity other than the Stamp Provider(s) shall constitute a basis for termination of this contract under Section 3.5. Refer to Publication 116, Contract Postal Unit Operations Guide, for stamp ordering and exchange procedures.

3.8 **PROHIBITED TRANSACTIONS**

The supplier may not, in the Contract Postal Unit or in any part of the supplier's premises in which it is located, offer directly or by subcontract, lease, or sublease or otherwise provide:

- a. commercial mail receiving (private mailbox) services;
- b. third party delivery services, including serving as a drop off or collection point for such services; or
- c. any products or services, which the contracting officer determines, are similar to, or competitive with, the products and services offered by the Postal Service. Fax service and copy service are examples of products which are not similar to, or competitive with, those of the Postal Service.
- d. stamp stock provided under this contract is intended for sale to the general public, and may not be used for any other purpose. The supplier can purchase stamps for its own personal use and use the CPU to mail their own mail in what is considered to be a reasonable and customary amount. The CPU may not purchase postage for a 3rd party's use, nor may the supplier purchase stamps themselves for 3rd party mailings. Stamp stock may not be sold knowingly to any individual or business whose primary purpose in buying the stamp stock is to resell it to other individuals or businesses. Individual stamp transactions over \$1,000.00 are prohibited. Supplier cannot circumvent the \$1,000.00 limit engaging in multiple transactions, by splitting the requirement. Requests from members of the public to purchase stamp stock in value over \$1,000.00 must be referred to the administrative post office.
- e. The CARS (Contract Access Retail System) when used in the performance of this contract may only be used to affix full rate postage for the supplier's customers, or for internal business use of the supplier in what is considered to be a reasonable and customary amount. The CARS may not be used for any bulk letter mailings by any entity or person. Postage from this CARS may

not be applied to any mail presented under any discounted mail program. Failure to adhere to these requirements, as determined in the sole discretion of the Postal Service, constitutes a basis for termination.

3.9 CARS (CONTRACT ACCESS RETAIL SYSTEM)

The Postal Service will be providing a CARS to the performance-based CPU supplier. This device is a weighing, rating, and metering system. CARS will come with training materials and initial supplies.

The CPU supplier will be responsible for the following expenses regarding this device:

- (1) The CPU supplier will pay for all postage loaded into CARS. This payment will be made at the time of postage download from an ACH debit account. The CPU supplier is responsible for the prompt payment of all invoices. Failure to pay invoices in a timely manner as determined by the CARS provider which causes the CARS provider to terminate the payment agreement and such termination results in the CPU supplier not being able to provide the mandatory postal products and services may result in termination of the CPU contract.
- (2) The supplier will be responsible for purchasing supplies for CARS after the initial supply is exhausted. Label Rolls must be ordered from the authorized CARS provider. Use of any other provider will void the system warranty and the CPU supplier will be liable for all costs incurred to repair CARS.

A current list of supplies and prices can be obtained from the authorized CARS provider as identified in the initial training materials. If the CPU contract is terminated, CARS will be returned to the Postal Service along with any other Postal issued equipment as instructed by the COR.

3.10 LIABILITY

The supplier assumes the risk of, and will be responsible for, any loss of or damage to Postal Service property, except when the supplier can show that (1) the supplier complied with all of the security requirements contained in this contract and the losses occurred despite that compliance; and (2) that the losses did not result from the acts or omissions of the supplier or its personnel.

3.11 TRAINING

Customer service, product knowledge, aviation security, hazmat, and equipment training modules will be provided to the supplier's personnel by the Postal Service. Prior to or within thirty (30) days of beginning work, supplier personnel who will be providing Contract Postal Unit (CPU) services will receive **16 to 24** hours of training. The Postal Service will provide the supplier a training schedule no later than fifteen (15) days prior to the Operation Date (See Attachment 1 - Requirements). The supplier must notify the COR within one business day whenever a person is retained to work in the CPU, requesting that initial training be provided to that person. In addition, the Postal Service may require the supplier's personnel to complete eight (8) hours of training per year in each year subsequent to the year of their initial training. The supplier will be responsible for salary and benefits of its personnel who attend the required training. If approved by the Contracting Officer, the required training may be provided by the supplier's USPS certified trainer.

3.12 ADVERTISING

Upon commencement of Contract Postal Unit operation, the Postal Service may provide initial advertising to market the Contract Postal Unit, at no cost to the supplier, as well as appropriate camera-ready USPS logo art work for use in advertising initiated and paid for by the supplier. Any supplier sponsored CPU advertising, which incorporates the USPS logo, must be furnished to the Postal Service for its review and written approval at least thirty (30) days before its publication deadline. The USPS logo is a Postal Service trademark and cannot be altered.

3.13 NEW SERVICES, PRODUCTS AND TECHNOLOGY

During the term of this contract, the contracting officer may, in accordance with the *Changes* clause, add or remove postal services to be provided under this contract. In the event new services are ordered, the Postal Service, at its own expense, will provide the supplier with additional training and if necessary the equipment or technology needed to provide the new service.

3.14 CONTRACT POSTAL UNIT IDENTITY

The Contract Postal Unit shall be known as the UNITED STATES POST OFFICE CONTRACT UNIT.

- a. Subject to the terms of this Agreement, USPS grants to the supplier a non-exclusive, non-transferable and terminable license to use USPS Trademarks, including the marks Post Office, United States Post Office, Postal Service, United States Postal Service, United States Post Office Contract Unit and the Eagle Logo on the signs provided to the supplier by the Postal Service and in any USPS-approved advertising in the manner specified by USPS.
- b. The Postal Service, at its own expense; will provide all exterior and interior signage for the purpose of identifying the location as a Contract Postal Unit. The supplier, at its own expense, is responsible for obtaining needed permits (if any) and installing the signs in mutually agreed upon locations on the exterior and interior of the CPU location. The signs must be maintained in good repair, at supplier expense, for the duration of the contract. The signs may not be modified or moved without the prior written approval of the contracting officer. Upon termination of the contract, the supplier, at its own expense, is responsible for removing the signs, disposing of them as directed by the contracting officer, and restoring the location to its original condition.
- c. Except as specified in this paragraph, the supplier is not authorized to include the name, POST OFFICE, in its corporate name, trade name or business name. The supplier is not authorized to use any USPS trademarks or logos, including the mark Post Office, in any other manner without the prior approval of the Postal Service.

- d. The supplier acknowledges that USPS Trademarks, including but not limited to the marks Post Office, United States Post Office, Postal Service and the Eagle Logo are trademarks owned solely and exclusively by USPS and agrees to use USPS Trademarks only in the form and manner (with appropriate legends) prescribed by USPS. The supplier agrees not to use any other trademark or service mark in connection with any USPS Trademarks without prior written approval of USPS. The supplier agrees to mark all advertising and other uses of USPS Trademarks with a legend indicating that USPS Trademarks and the property of USPS and that they are being used under license from USPS, together with any other legends or marking that may be required by law. All use of USPS Trademarks by the supplier shall inure to the benefit of USPS.

3.15 INSPECTION OF CONTRACT POSTAL UNIT

The Postal Service, reserves the right, without prior notice, to conduct audits and customer surveys and to review and inspect the supplier's performance and the quality of service at any time during the operating hours of the CPU. A written report will be submitted to the supplier for corrective action, if necessary. Contract performance reviews may be held periodically to promote continuous quality improvement and improve the business relationship. All aspect of contract performance will be discussed during these reviews. Any changes to this contract as a result of the Performance Review will be incorporated by bilateral modification or a bilateral written agreement between the COR and the supplier.

3.16 SUPPLIER'S LEASE AND/OR BUSINESS OPERATIONS

If the supplier is leasing this space, by signing this proposal the supplier certifies that the supplier's lease authorizes the supplier to perform alterations to the premises and that services to be performed under the contract do not violate the supplier's lease contract. The supplier must notify the Postal Service, in writing of the following, within the time frames shown below:

- a. Within five (5) days after notification from the owner of the leased building in which the CPU is located of the owner's intent to cancel the lease, or not to renew the lease. The Postal Service may terminate the contract if the supplier cannot relocate to a location that serves the needs of the Postal Service;
- b. At least one hundred twenty (120) days before the supplier closes, sells, or relocates a business it operates in conjunction with the CPU.

3.17 TRANSFER OF CONTRACT

- a. The supplier may not transfer (assign to another party) this contract, any interest in it, or any claims based on it -- except under the circumstances described below. If the supplier does so, the Postal Service may, at any time after notifying the supplier in writing, terminate the contract and use any other rights and remedies it has by law.
- b. Exceptions:
 - 1) The Postal Service may recognize a transfer as valid if all of the supplier's assets, or all those involved in fulfilling the contract, are transferred.
 - 2) Payments owed the supplier may be transferred to a bank, trust company or other financial institution, including any Federal lending agency, if all amounts payable are transferred and the transfer is to a single party (who may be an agent or trustee for two or more parties who are involved in the financing).
- c. For any transfer to be valid, the supplier must give the Postal Service written notice with the transfer paper attached and obtain approval from the Postal Service in writing. Copies of the notice and attachments must be filed with the contracting officer's office, if any, that has been designated to make payment.

3.18 REQUEST FOR PRICE ADJUSTMENT

- a. The supplier may request an increase in the payment percentage rate after providing service under this contract for at least one (1) full year. Subsequent price increases will be considered at two (2) year intervals from any prior price increase effective date. Supplier's written request must provide a detailed explanation, with supporting documentation, to justify the increase based on either of the following reasons:
 - 1) Direct cost increases for rent, utilities, taxes and labor. (If the CPU is operated in conjunction with another business, the increased costs must be prorated and only those costs associated with the operation of the CPU will be considered.)
 - 2) Increased benefit to the Postal Service, e.g., improvements (must be specific).
- b. The request must be submitted to the Contracting Officer's Representative (COR).
- c. The Contracting Officer may approve or not approve the request or negotiate with the supplier to reach agreement on a new percentage rate. If the request is not approved or no agreement is reached, the supplier may continue at the same rate or the contract may be terminated by either party in accordance with the Termination on Notice clause. If the request is approved or agreement is reached on another rate, the supplier must waive its right to terminate the agreement on notice for one year beginning from the effective date of the new rate.

3.19 CONTRACTS BETWEEN THE POSTAL SERVICE AND ITS EMPLOYEES OR BUSINESS ORGANIZATIONS SUBSTANTIALLY OWNED OR CONTROLLED BY POSTAL SERVICE EMPLOYEES (CONTRACT POSTAL UNIT)

- a. Generally, the Postal Service does not enter into contracts with its employees, their immediate families, or business organizations substantially owned or controlled by Postal Service employees or their immediate families. "Immediate family" means spouse, minor child or children, and individuals related to the employee by blood who are residents of the employee's household. Postal Service employees and their immediate family may not be involved in the administrations or operations of a Contract Postal Unit (CPU).
- b. All supplier personnel assigned to the Contract Postal Unit must be professionally attired and wear name tags. All personnel must project a professional image of the Postal Service at all times while operating the CPU.
- c. The contracting officer may require removal of an employee from the CPU operations if, in the opinion of the contracting officer, the employee cannot do the work or fails to comply with applicable standards of conduct.

PART 4 - ATTACHMENTS

<u>ATTACHMENT NO.</u>	<u>TITLE</u>	<u>NO. OF PAGES</u>
1	REQUIREMENTS	1
2	CONTRACT POSTAL UNIT SUPPLIER BUSINESS PROPOSAL AND INFORMATION (INCLUDING WORKSHEET)	2
3	NOT APPLICABLE	0
4	COMPENSATION	1
5	CPU DESIGN AND CONSTRUCTION REQUIREMENTS	—

ATTACHMENT 1 - REQUIREMENTS

I. DESCRIPTION

The Contract Postal Unit will report to the following:

Postmaster

Title
Menlo Park Post Office

Installation Name
3875 Bohannon Drive

Street Address
Menlo Park, CA 94025-9998

City, State, ZIP+4
(650) 323-3989

Telephone Number (include area code)

SPACE REQUIREMENTS: See CPU Design and Construction Requirements (Attachment 5)

AREA/LOCATION (identify general boundaries)

North (El Camino) / West (Stockbridge & Wilburn) / East (Ringwood & Ravenswood) / South (Alameda de las Pulgas)

II. OPERATIONAL DATE

The Contract Postal Unit (CPU) contract term will commence upon receipt of written notice from the CPU Coordinator that the supplier training and build-out (construction/signage) requirements have been completed and accepted by the Postal Service.

III. SERVICE DAYS AND HOURS

A. The contract Postal Unit **must** be open to the public, Monday through Friday from 8:30 a.m. to 4:00 p.m. and Saturday from Closed a.m. to p.m. If the retail business is open to the public on Sundays and Holidays, the Contract Postal Unit must be open to the public on Sundays and Holidays from Closed a.m. to p.m.

B. Any change to the above hours after contract award must be agreed to, in writing, by both the supplier and the contracting officer's

IV. SERVICES - The supplier **must** provide the following services:

A. STAMPS & PRODUCTS	B. DOMESTIC MAIL	C. INTERNATIONAL MAIL	D. SPECIAL SERVICES
Stamps Stamped Envelopes Stamped Postal Cards	Express Mail Service Priority Mail Service First Class Mail Service Parcel Post	Express Mail International Priority Mail International First-Class Mail International	Insured Mail Certified Mail Return Receipt Delivery Confirmation Svc Signature Confirmation Svc Registered Mail

V. OTHER SERVICES - The supplier must provide the services that are checked.

☐ Global Express Guaranteed Service (GXG)

ATTACHMENT 2
SUPPLIER BUSINESS PROPOSAL, INFORMATION AND WORKSHEET

The supplier is required to provide the information below. The information provided will be used to evaluate your proposal. **Failure to include any of the requested information may disqualify your proposal from consideration.** All information provided must be verifiable and the Postal Service may need to meet with the supplier and/or visit the proposed contract postal unit (CPU) facility to complete this evaluation. Any addendum to this attachment must be clearly marked as such and returned with your offer.

Supplier's Proposal to meet the USPS Requirement for a CPU Contract. The Postal Service's requirement is for a contract postal facility which is convenient to our customers, in an attractive setting and staffed and managed in a way which encourages them to use it to obtain postal services. With that in mind, use the following to explain how the facility you propose at your location meets that requirement. Your proposal should address each topic as listed below.

- 1. Past Performance.** Provide at least three (3) references that will demonstrate/verify a history of satisfactory past performance. These references will be asked about your performance in the areas of quality, timeliness of performance, business relations and cost control.

1. Name	Title
Company	Phone
2. Name	Title
Company	Phone
3. Name	Title
Company	Phone

- 2. Capability.** The supplier must provide information that it is financially sound. This information should document financial performance during the last full fiscal/accounting year and should include financial reports, profit and lost statements and balance sheets. Attach this information to this worksheet. In the space provided below, provide the name of your primary lending/banking institution, its phone number, and a point of contact.

Financial Institution –
Point of contact
Phone

- 3. Characteristics of your Retail Facility.**

Proposed CPU Name
Proposed CPU Physical Address
City, State Zip +4
Business email address

- 3a. Location.** Location, in terms of its relationship to the customers to be served, other business, etc.



3b. Current Business Volume. Provide verifiable information on current daily foot traffic, sales per square feet and other information indicative of business volume and market served.

3c. Physical Characteristics. What features of your facility make it convenient and attractive to postal customers? Also, be sure to address accessibility to the handicapped (in terms of your facility and of the CPU within your facility) and if facility is not currently accessible, how it will be made accessible before service begins.

3d. Parking and Public Transportation. Describe the availability and extent of on-site and other public parking (including handicapped parking), whether that parking is paid or free and the extent of availability of public transportation convenient to your location.

4. Characteristics of the Proposed CPU facility within your location. Discuss how your proposed CPU facility meets or exceeds the space requirements of Attachment 5 of the solicitation, as well as its other location and appearance requirements. Attach a drawing of where the CPU will be located. Indicate the store entrances, exits, and checkout stations in relation to the CPU location.

5. Staffing. Discuss plans for staffing and managing the CPU during regular business hours and the holiday season. Explain the relationship between CPU personnel to other personnel and the extent to which CPU staff will perform other duties within your business. Describe your plans or programs to deal with employee turnover and absenteeism with respect to the CPU.

ATTACHMENT 4 – COMPENSATION

Supplier's Price Offer. The supplier proposes to perform this contract at the Performance Payment rate of 6 percent for stamps and products listed in Attachment 1, Section IV.A. Services. The supplier proposes to perform this contract at 15 percent for weigh and rate and other services listed in Attachment 1, Section IV.B, C. D. and Section V. Other Services.

The Performance Payment percentage shall be applied to all of the revenues the supplier receives from the services listed in Attachment 1, Section IV, Services, and the other services that are checked in Attachment 1, Section V, Other Services.

Contract Postal Unit Performance Payment Rate. The supplier agrees to operate the CONTRACT POSTAL UNIT for 6 percent for stamps and products listed in Attachment 1, Section IV.A. Services.
The supplier agrees to operate this contract at 15 percent for weigh and rate and other services listed in Attachment 1, Section IV.B, C. D. and Section V. Other Services.

Postal Retail Product and Service Promotions and Compensation

During the contract term from time to time, on such schedule as it may establish, the Postal Service may direct the supplier to participate in promotions of one or more of the retail products and services listed in Attachment 1, Sections IV and V. During any such promotion, the Postal Service will measure the supplier's performance (expressed in terms of total revenues or percentages of revenues) against the comparable revenues of other CPU suppliers within a designated geographic unit (such as a Postal Service District or Area), all as established by the rules of the promotion. For participation in such promotion, supplier shall be entitled to receive such additional compensation as specified in the promotion's rules for its performance relative to that of the other participating CPU suppliers. The Postal Service will provide the supplier with all instructions, rules and support materials required for each promotion.

NOTE: CPU revenue is gross revenues received by the Contract Postal Unit located at the address indicated in Block 7 of Page 1 of this contract from its customers, less all credits, allowances and refunds allowed or granted to customers. CPU revenue of any stamp sold at a rate in excess of the amount for which it is valid as postage will be based on the amount for which it is valid for postage, and not on the full face value of the stamp (such as the Breast Cancer Research semi-postal stamp).

CPU Design and Construction Requirements

Attachment 5

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CPU Design and Construction Requirements (D&CR)

-Attachment 5-

Summary – Overview of Attachment 5

The CPU D&CR (Attachment 5) includes the information necessary to assure the finished CPU build-out is fully functional and that it presents a uniform Postal image to the public. It defines what equipment and supplies will be needed for the CPU build-out, and shows which party (USPS or the Supplier) is responsible for providing, installing, and/or maintaining it. The D&CR consists of three parts as described below.

➤ Part A – Responsibility Schedule

- ◆ Part A is always a mandatory part of Attachment 5.
- ◆ "Equipment" includes office equipment, furniture and casework, interior and exterior signage, and office supplies.
- ◆ The Responsibility Schedule :
 - Provides a brief description of equipment, where to order from and approximate cost.
 - Quantities of equipment
 - USPS ordering information – PSIN Numbers
 - Party responsible for providing the equipment
 - Party responsible for installing the equipment.
 - Party responsible for maintaining the equipment

➤ Part B – Signage Requirements

- ◆ Part B is a mandatory part of Attachment 5 unless new CPU signage is not required (i.e., existing CPU signs are present at the site), or a deviation has been approved to omit signage.
- ◆ CPU signage is an important aspect of CPU Design Standards and compliance with the recommended, and mandatory signage identified herein should be strictly followed to reflect a uniform USPS CPU image.
- ◆ The "Signage Requirements" sheet lists the USPS sign type (interior or exterior, illuminated or not), sign size, order number, sign quantity, approximate unit cost, shipping weight and shipping size.
- ◆ The "Responsibility Schedule" in Part A establishes who is responsible for providing, installing, and maintaining the signage. In the great majority of cases, the USPS will provide the signage and the Supplier will install and maintain the signage.
- ◆ As reflected in the Responsibility Schedule, the Supplier is always responsible for obtaining building permits and all other permits and approvals that are required for placement of exterior and window CPU signage.
- ◆ Following the Signage Requirements Sheet are drawings of all available Standard USPS CPU signs which the Supplier may need to obtain approval from

the landlord, local building departments, and/or other entities having jurisdiction over sign type and placement at the facility.

➤ **Part C – Build-Out Requirements**

Complying with the Build-Out Requirements of Part C is a mandatory part of Attachment 5 unless there is no build-out required (space already built out in a manner consistent with CPU design requirements and acceptable to the USPS Architect –Engineer).

◆ **Design Requirements**

- The ideal CPU build-out would appear identical in every manner to a Standard CPU Design. Deviating from the Standard Design degrades customer recognition, customer confidence and it results in less benefit to the Supplier, the USPS and the customer.
- To ensure that all CPU's reflect a uniform image, Part C specifies requirements for the CPU Build-Out including size, layout, materials, finishes, colors, signage, and lighting levels.
- The CPU Supplier must prepare and submit his proposed CPU design to the USPS for approval.
- The CPU Design shall provide for not less than 80 foot-candles of light at the surface of the workstation counter top.
- The CPU Design shall provide electrical outlets as required for the cash register(s), credit/debit card machine, calculator, and electronic scale, but not less than one duplex outlet for every 4' of counter (length) space.
- The design shall provide for not less than 6'-0" clear net floor width (measured perpendicular to the counter) in front of the CPU counter and mail drop for customer circulation.

◆ **Construction Requirements**

- A generic scope of work for build-out of the CPU is provided for Supplier reference.

◆ **Supplier Pre-Acceptance Inspection Checklist**

- When the build-out is complete, the contract requires the Supplier to obtain approval of the build-out from the USPS (usually the District Architect-Engineer) before the USPS will proceed with training and allow the CPU to open.
- It is in the best interest of the Supplier to verify all work is complete before calling for USPS inspection, since disapproval would require a subsequent inspection which may result in a delay in opening.
- The Supplier must complete and submit the Pre-Inspection Checklist to the USPS when calling for final inspection. The list is intended to help the Supplier make sure the build-out will be acceptable to the USPS on the first inspection.

Part A - Responsibility Schedule - CARS CPU

Design and Construction Requirements - Attachment 5 (3 pages)

ITEM	Quantity	PSIN #	Provided By:		Installed By:		Maintained by:		N/A
			USPS	Supplier	USPS	Supplier	USPS	Supplier	
EQUIPMENT DESCRIPTION & ORDER INFO	SEE NOTE A								
1 CARS (Contract Access Retail System)	1		XXX		XXX		XXX		
(USPS Approved Mailing System)									
Cost: Supplied by USPS									
2 Letter Drop Unit (thru wall)	1	1577D	XXX			XXX		XXX	
USPS Thru Wall (Interior) Mail Drop									
Order from USPS MDC									
3 Exterior Collection Box - See Note 1	1	#1170K	XXX		XXX		XXX		
USPS Exterior Mail Collection Box									
Order from: USPS MDC									
Cost: Apprx \$280.00									
4 Exterior Express Mail Box - See Note 1	1	#1170EXP	XXX		XXX		XXX		
USPS Exterior Express MailBox									
Order from: USPS MDC									
Cost: Apprx \$300.00									
FURNITURE & CASEWORK									
5 CPU Counter - See Notes 2 and 3	1	#7400C	XXX			XXX		XXX	
CPU Customer Counter & Workstation									
Order from : ordering form									
Cost Apprx \$3,051.50 (03/01/07)									
6 CPU Handicap Counter - See Note 3	1	#7400PS	XXX			XXX		XXX	
CPU Accessible Handicap Counter									
Order from : ordering form									
Cost : Apprx \$523.15 (06/01/07)									
7 Convertible Letter/Flats or Sack Rack - See Note 3	1	C425	XXX			XXX		XXX	
Cabinet w/no top - holds sack rack									
Order from : Fixtur World (800-634-9887 ext 102)									
or Goer Manufacturing									
Cost: Apprx \$1,000.00									
8 Writing Desk w/waste recep (wall mounted)	1	C327	XXX			XXX		XXX	
Writing Desk w/waste recep (wall mounted).									
Order from : Fixture World (800-634-9887 ext 102)									
or Goer Manufacturing									
Cost: Apprx \$ 600.00									
9 Writing Desk w/waste recep (free standing)	1	C321	XXX			XXX		XXX	
Writing Desk w/waste recep (free standing).									
Order from : Fixture World (800-634-9887 ext 102)									
or Goer Manufacturing									
Cost: Apprx \$ 900.00									
10 Slatwall (42" wide by 90" high) - See Note 4	N/A	C206	XXX			XXX		XXX	
Plastic Lam w/metal inserts & prepainted edge									
Order from: USPS Casework Direct Vendor or equal									
Cost: Apprx \$200.00									
11 Slatwall (48" wide by 90" high) - See Note 4	1	C216	XXX			XXX		XXX	
Plastic Lam w/metal inserts & prepainted edge									
Order from: USPS Casework Direct Vendor or equal									
Cost: Apprx \$400.00									

Part A - Responsibility Schedule - CARS CPU

Design and Construction Requirements - Attachment 5 (3 pages)

ITEM	Quantity	PSIN #	Provided By:		Installed By:		Maintained by:		N/A
			USPS	Supplier	USPS	Supplier	USPS	Supplier	
12 Expedited Products Packaging Display Rack	NOT								
Order from: Gustafson Enterprises (item #EXP100)	AVAILABLE								
www.gustafsonent.com	AT THIS								
Cost: \$359.00	TIME								
13 Expedited Products Packaging Display Rack Tube Holder	NOT								
Order from: Gustafson Enterprises	AVAILABLE								
www.gustafsonent.com	AT THIS								
Cost: Call for price 800-785-8777	TIME								
USPS CPU SIGNAGE									
14 Exterior Sign (Illuminated)	See Part B		XXX			XXX		XXX	
Exterior Sign (internally illuminated)	Signage Requirements								
Order from: See D&CR, Part B									
Cost: See D&CR, Part B, Signage Req.									
15 Interior Sign (Illuminated)	See Part B		XXX			XXX		XXX	
Interior Illuminated Sign (from ceiling)	Signage Requirements								
Order from: See D&CR, Part B									
Cost: See D&CR, Part B, Signage Req.									
16 Interior Sign (window decal)	See Part B		XXX			XXX		XXX	
Interior Sign Decal applied to window	Signage Requirements								
Order from: See D&CR, Part B									
Cost: See D&CR, Part B, Signage Req.									
17 Interior Identity Sign & Stripe at counter	See Part B		XXX			XXX		XXX	
Interior Identity (Sintra and Stripe)	Signage Requirements								
Order from: See D&CR, Part B									
Cost: See D&CR, Part B, Signage Req.									
18 Interior Signs (wall plaques)	See Part B		XXX			XXX		XXX	
(4) Wall mounted signage plaques	Signage Requirements								
Order from: See D&CR, Part B									
Cost: See D&CR, Part B, Signage Req.									
SUPPLIES									
19 Miscellaneous USPS Forms	As Needed	n/a	XXX			XXX		XXX	
Forms and supplies									
Order from: USPS									
Cost: Not available									
20 Name Tags	As Needed	n/a		XXX		XXX		XXX	
Employee Nametags									
Order from: Any retail source									
Cost: Not available									
21 Office Supplies	As Needed	n/a		XXX		XXX		XXX	
Miscellaneous office supplies									
Order from: Any retail source									
Cost: Not available									

Part A - Responsibility Schedule - CARS CPU

Design and Construction Requirements - Attachment 5 (3 pages)

ITEM	Quantity	PSIN #	Provided By:		Installed By:		Maintained by:		N/A
			USPS	Supplier	USPS	Supplier	USPS	Supplier	
MISCELLANEOUS									
22 Preparation of Construction Docs - See Note 5	Required	n/a		XXX		XXX		XXX	
Prepare drawings and specs for buildout.									
Order from: Local Architect or builder as req'd									
Cost : Varies \$100.00 - \$2500.00									
23 Verify CPU Site Free of Asbestos & Lead Paint	Required	n/a		XXX		XXX		XXX	
Verify CPU Site is free of Asbestos & Lead Paint									
Order from: Local Environ Testing Co.									
Cost : Varies \$.00 - \$1000.00									
24 Construction Building Permits	As Needed	n/a		XXX		XXX		XXX	
Determine if permit(s) req'd. Obtain if needed									
Order from: Local Building Department/Agency									
Cost :Varies \$.00 - \$500.00									
25 All Other Permits and Compliance	As Needed	n/a		XXX		XXX		XXX	
Signage permits and compliance with local req.									
Order from: Entity having jurisdiction									
Cost :Varies \$.00 - \$500.00									
26 Utilities (build-out)	As Needed	n/a		XXX		XXX		XXX	
Electrical & Telephone Service Connections									
Order from: Local Utility Company or Contractor									
Cost: Not available									
27 Communication Connection	Minimum 1	n/a		XXX		XXX		XXX	
Broadband Connection									
Order from: Local phone or cable company									
Cost: Local Rates Apply									
28 Peg Fixtures	As Needed	n/a		XXX		XXX		XXX	
Peg hooks for merchandise on slatwall									
Purchase from: Any source									
Cost : Apprx \$ 25.00									

Notes:

- A For each item, enter the quantity or if you do not need that item, place an 'X' in the N/A box at the end of the row.
- 1 Exterior collection boxes are not normally ordered as part of a CPU. If needed, one is typically relocated from a nearby location or provided locally by USPS.
- 2 Left hand or right hand counter is irrelevant in placing the counter order as the standard CPU counter can be constructed to either configuration. Counter is shipped on a pallet approx 35" wide x 70" long x 60 " high - weight approx 800 pounds.
The CPU handicap side counter is shipped on a pallet approx 36" wide x 44" long x 15" high - weight approx 205 pounds.
If CPU location does not have a dock height receiving area, note on order that delivery at grade level is required so delivery truck with hydraulic drop gate or other arrangements are made.
- 3 If USPS approved, existing or new supplier counter(s) are used in lieu of standard CPU counter(s), input quantity as zero and check N/A.
- 4 Normally slatwall can be obtained cheaper and faster locally.
- 5 Refer to Attachment 5, Part C for information about Construction Documents, asbestos and lead paint site surveys, building permits, sign permits, and related information.

CPU Design and Construction Requirements(DR)

-Attachment 5-

Part B - Signage Requirements

Sign Type	Sign Size (Apprx)	Order No.	Quantity	Lamps	Transworld Estimated	Ship. Wt	Shipping Size
Order a minimum of ONE of the following signs:							
Exterior - Illuminated - Wall mount	6' 4" x 3' 5" x 9"	CPU-C2A		F60T2	\$1,512.00	270	7'x4'x1'
Exterior - Illuminated - Wall mount	4' 4" x 2' 4" x 9"	CPU-C3A		F48T2	\$1,105.00	180	5'x3'x1'
Exterior - Illuminated - Wall mount	5' 4" x 5' 4" x 9"	CPU-C2B		F60T2	\$1,836.00	310	6'x6'x1'
Exterior - Illuminated - Wall mount	4' 4" x 4' 4" x 9"	CPU-C3B		F48T2	\$1,502.00	195	5'x5'x1'
Interior - Illuminated - Double sided - window hung	3' 4" x 3' 4" x 9"	CPU-D2B-2		F30T12	\$1,383.00	150	4'x4'x1'
Interior - Illuminated - Double sided - window hung	2' 4" x 2' 4" x 9"	CPU-D3B-2	1	F20T12	\$1,208.00	120	3'x3'x1'
Order ALL of the following signs and plaques:							
Interior - Sintra -	3' 0" x 1' 8" x 5/8"	J2-C1	1	n/a	\$120.00		
Interior - Mail Drop ID Plaque ("MAIL") at letter drop	2" x 10"	J7-A1	1	n/a	\$13.75		
Interior - Mail Drop Security Plaque -at letter drop	3" x 5"	J7-B1	1	n/a	\$11.00		Packaged
Interior - Collection Times Plaque -at mail drop	11" x 12"	J7-C1	1	n/a	\$410.00		Together
Interior - Available Services Plaque	11" x 12"	J7-D1-ABA	1	n/a	\$65.50		
Hours of Operation		J7-E1	1		\$410.00		
Interior - Vinyl Window Graphic - Double Sided	8" x 8"	CPU-J4B-2	1	n/a	\$20.00	120	8'4"x2'1"x10"
Freight	Cost of above units			TBA			
	Lift Gate charges		Yes		\$73.85		
	(this is an extra charge)		No				

Notes:

1. Refer to Attachment 5, Part A, Responsibility Schedule to determine who is responsible for providing (ordering and paying for), installing, and maintaining the signs.
2. Prior to ordering exterior signs or illuminated window signs, all approvals and permits required by Landlords, Building and Zoning regulations, covenants, and other parties having jurisdiction over sign type, appearance or placement shall be obtained by the CPU Supplier.
3. Costs shown are the unit cost per sign, effective November 18, 2008 and valid through November 17, 2010, excluding shipping and installation. Transworld will quote shipping charges after receipt of order.
4. No double face illuminated exterior CPU signs are listed, available, or planned at this time.
5. The signage is delivered in protective crates that are substantially larger and heavier than the sign alone. The approximate shipping weight and crate size are shown so proper arrangements for delivery and acceptance of the signage at the CPU can be made. If no dock is available at the CPU, it may be necessary to specify a delivery truck with a rear lift to allow delivery to grade.
6. Shipping dates are 15 days after receipt of order.
7. The U.S. Postal Service has a contract for all CPU signage through which all signage orders must be placed. The companies are referred to as Direct Vendors. The current Direct Vendor for CPU signage is Transworld Signs.
8. For interior sign and plaque layout, refer to any of the typical USPS Standard CPU Layout elevations.
9. All illuminated signs are manufactured for U.S. Standard 110-120V AC with amp draw ranging from 0.6 amps to 2.0 amps.
10. Lamp type for illuminated signs is shown for information only. Signs are shipped with lamps. Lamps are "Daylight high output".

Transworld Signs
 555 Hall Ave East
 Renfrew ON
 K7V 4A3
 Toll free #
 Phone: 888-830-8030
 Fax: 888-254-0043
 Phone 613-432-8520
 Fax 613-432-8578



Direct Vendor CPU Signage Catalog
May 2009

Signage Catalog

Contract Postal Unit Signs

Exterior Signage

- 1 Illuminated Horizontal Wall Sign
- 2 Illuminated Vertical (Square) Wall Sign

Interior Signage

- 3 Illuminated Box Sign (Hanging) Double Faced
- 4 8" Square Full Color Double Face Vinyl
- 5 Wall Mounted Sintra Logo 23-7/8" x 23-7/8"
- 6 Drop Box I.D. Plaque / Mail
Mail Drop Security Plaque
- 7 Collection Times Plaque w/ Replacement Kit
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CPU Design and Construction Requirements

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CPU Design and Construction Requirements (D&CR)

-Attachment 5-

Part C - CPU Build-Out Requirements

Design Requirements

➤ Postal Branding and the CPU Design

- ◆ Using a USPS Plan Prototype Drawing in conjunction with the "CPU Schedule of Standard Finishes and Materials", will attain a high level of USPS Postal Branding which provides the most benefit to the CPU Supplier, the Customer and the Postal Service.
- ◆ Experience has shown that customer draw, loyalty, and long term success of the CPU is highly dependent upon maintaining the Postal Branding accomplished by adhering to the Plan Prototype Drawing and Finishes.
- ◆ Ideally, the finished CPU will appear identical to one of the USPS Plan Prototype Drawings.

➤ Construction Documents

- ◆ The Responsibility Schedule in Part A of this Attachment identifies the CPU Supplier as the party responsible for preparing Construction Documents for the CPU.
- ◆ Construction Documents consist of the drawings and specifications needed to obtain USPS approval of the proposed CPU, and to the extent required, permit, bid, and construct the CPU build-out.
- ◆ Many factors, such as variations in local building codes, type and size of facility the CPU is to be constructed in, and the extent of building modifications necessary to accommodate the CPU, will determine whether a building permit is required. It is the CPU Supplier's responsibility to determine if any permits are required, and obtaining such permits when needed.
- ◆ If permits are required, some jurisdictions require detailed plans and specifications to be prepared by a professional architect or engineer in order to apply for a permit. It is the Suppliers responsibility to take whatever action(s) are necessary to obtain the permit, which may include retaining professional design services:
- ◆ Independent of the need for preparing drawings and specifications for a permit, the Supplier is obligated to prepare and submit drawings and specifications to the USPS to show compliance with the USPS CPU requirements identified herein.
- ◆ The drawings and specifications required by the USPS are much simpler and less detailed than what permit documents typically need to be. The documents for submission to the USPS are simply to show how the CPU will be incorporated into the building floor plan, and to demonstrate that the basic size and appearance are consistent with the USPS Plan Prototype Drawing and Finish Schedule.

- ◆ The USPS does not perform building code compliance reviews or issue construction permits. USPS review is strictly for CPU functional and USPS CPU Branding compliance. Approval by the USPS does not imply code compliance nor does it replace the need for any code compliance reviews or local permits that may be advisable or required.
- ◆ Ideally, the Supplier has adequate space suitably located within the store to construct a CPU in exact compliance with one of the USPS Plan Prototype Drawings.
- ◆ The Suppliers obligation to create detailed drawings becomes more burdensome if the Supplier cannot accommodate a Plan Prototype Drawing layout. In those cases, the Supplier needs to submit sufficiently detailed drawings and specifications to fully convey the Supplier's intended layout and finishes. The USPS will review the design for functional and corporate branding requirements.
- ◆ Use of USPS Plan Prototype Drawing and the Finish and Material Schedule is strongly recommended. It not only simplifies and expedites the Suppliers drawing submission and USPS approval process, but also results in a CPU with the look of a genuine USPS postal facility which has repeatedly proven to be of key importance to customer confidence and the long term success of CPU's.

➤ **Supplier Submission of Design Documents**

◆ **Case I Submission - Full Compliance**

- In this case, the Supplier has adequate space and a facility layout to build-out the CPU in full compliance with a Plan Prototype Drawing.
- The Supplier can simply "submit" back to the USPS a copy of the Plan Prototype Drawing and Finish and Material Schedule he proposes to build-out.
- Submit the items common to all cases identified following the Case III requirements.

◆ **Case II Submission - Substantial Compliance**

- In this case, the Supplier has adequate space and a facility layout to build-out the CPU so closely matched to a Plan Prototype Drawing that any proposed deviation would not be perceptible from a customer's perspective.
- The Supplier can submit back to the USPS a copy of the Plan Prototype Drawing and Finish and Material Schedule he proposes to build-out with any deviations clearly identified.
- Examples of minor deviations would be changes in dimensions by several inches due to available space or configuration constraints, mirror images of Plan Prototype Drawings, reducing the width of the handicap counter by several inches due to overall width constraints, or any deviation that would not substantially alter functionality of the CPU and would appear visually the same as a Plan Prototype Drawing from the customers prospective.
- Submit the items common to all cases identified following the Case III requirements.

◆ **Case III Submission – Deviation Required**

- In this case, the Supplier has the greatest burden of proof to demonstrate to the USPS that significant deviation from the Plan Prototype Drawing is warranted due to available space, building layout, or other significant material characteristics of the space.
- The Supplier must prepare and submit plans and specifications to include a dimensioned floor plan and elevations with the same level of detail and completeness as that shown on the USPS Plan Prototype Drawing, which includes, but is not limited to:
 - Floor plan fully dimensioned showing cabinetry, CPU workstations, millwork, letter/bundle drop, sack racks, doors and door hardware.
 - Interior elevations showing all walls, slatwall, colors, CPU signage (sign type, size, location, position), ceiling type, wall heights, floor finishes, lighting.
 - Cash register and debit card reader locations and electrical outlets for same.
 - Complete Finish and Material Schedule with specifications for all materials and finishes.
 - Explicit notification of any and all proposed CPU features that differ, conflict with, or deviates from the Solicitation Requirements.
- Submit the items common to all cases identified following the Case III requirements.
- Examples of deviations requiring a Case III submission would include: the proposed use of non standard CPU counters, omission of slat wall, change of color scheme, significant dimensional deviation(s), omission of standard CPU signage, or any change that would significantly alter functionality of the CPU or cause the CPU to not appear like the Plan Prototype Drawing to a customer.

◆ **Case I, Case II., or Case III Mandatory Submission Requirements**

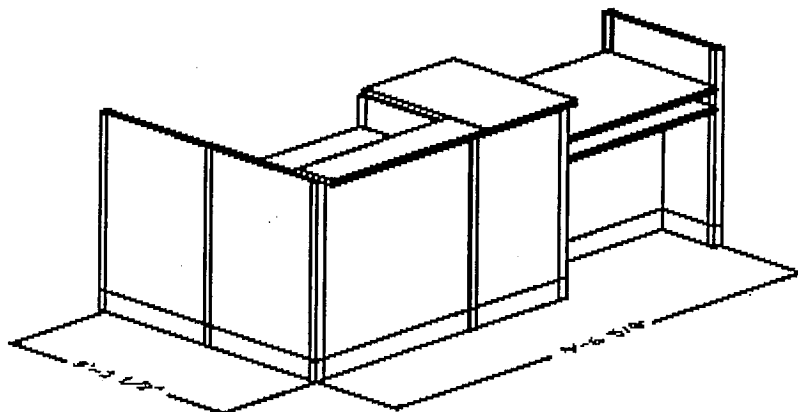
- Regardless of whether Case I, Case II, or Case III, the Supplier's Submission to the USPS for approval must always include the following:
 - An overall building plan (simple line diagram) showing entrances exits overall dimensions, and the dimensioned CPU location and orientation within the space.
 - A statement advising the USPS that the build-out will be performed in accordance with applicable building codes.
 - A statement advising the proposed space for the CPU is free of asbestos and lead based paint.
 - A sketch showing proposed exterior and/or window signage when signage is shown to be provided by the USPS in the Responsibility Schedule in Part A of this attachment.
 - A statement advising the USPS the Supplier has obtained all necessary approvals and permits for installation of the CPU signage.
 - A proposed schedule for the build-out once a notice to proceed is provided by the Postal Service.

STANDARD FINISHES AND MATERIALS SCHEDULE

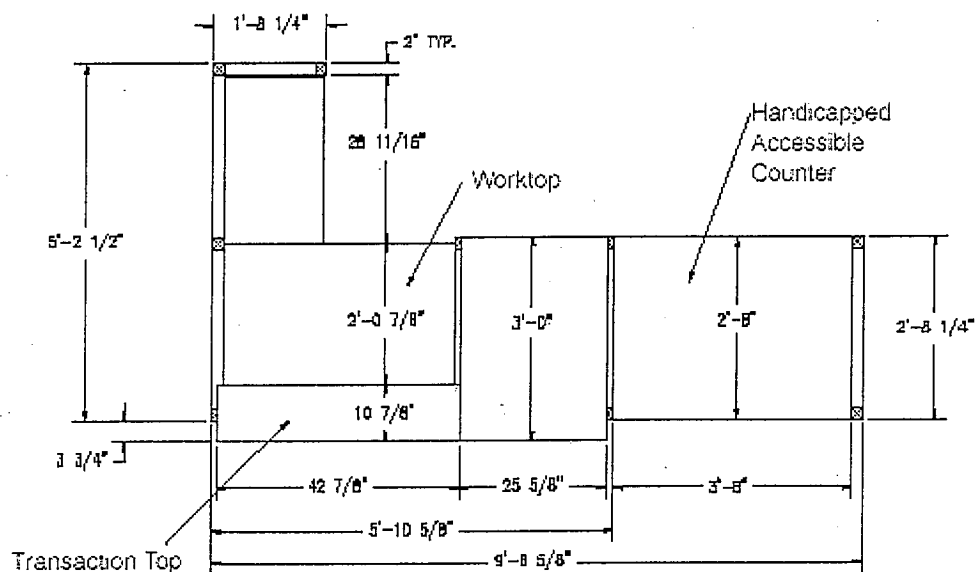
ITEM	DESIGNATION	MANUFACTURER	PATTERN/COLOR
Wall Paint (White – main color)	P-1	Benjamin Moore #968	White
		ICI (Glidden) #50YY 83/057	N/A
		Pittsburgh Paints #2531	Colonial White
Detail/Accent Paint (Light Gray)	P-2	Sherwin Williams SW#1234	Evening Shadow
		Benjamin Moore #1612	Base1
		ICI (Devoe) #1H51G	Catkin
		ICI (Glidden) #50BG 62/007	N/A
Detail/Accent Paint (Blue)	P-5	ICI (Devoe) # 1BL9A	Chippendale
		Benjamin Moore #819	N/A
		ICI (Glidden) #72BB 07/288	N/A
Detail/Accent Paint (Medium Gray)	P-6	Sherwin Williams SW#1232	Dublin Gray
		ICI (Devoe) #1M51E	Dauphine
Resilient Flr Tile (Accent tile color)	VCT-1	Armstrong #51903	Blue Gray
		(Std. Excelon, Imperial Texture)	
		Congoleum AL-33	Iron Gray
		Kentile #15453	Pumice Blue
		Tarkett Express. #2064	Smoke Gray-Wht/Blk
Resilient Floor Tile (Main tile color)	VCT-2	Armstrong #51915	Charcoal
		(Std. Excelon, Imperial Texture)	
		Mannington #102	Stone Gray
Vinyl Base (4" per FS SS-W-40, type 2)	VB-1	Armstrong #61	Graphite Gray
		Allstate #33	N/A
		VPI #35	Graphite
Ceiling Tile (2' x 2' x ¾", angled tegular edge, white, lay in type)	ACT-2	Armstrong #584	Angled Tegular Cirrus
		Celotex #454	Cashmere Softone
		USG #76775	Eclipse
Light Fixture (Recessed 2' x 2', two lamp, sixteen cell parabolic fluorescent troffer). To be used at ceiling areas and behind/over workstations.	R3	Metalux 2P3GX-2U6T8S44MI-EB81	[277] [120]
Electrical trim	All	Std. Switches, Plugs & outlets	White
Slatwall Panel 42" wide	C206	Goer or FixturWorld	PL-1 Nevamar #S-7-27T "Smokey White"
Slat Wall Panel 48" wide	C216	Goer or FixturWorld	PL-1 Nevamar #S-7-27T "Smokey White"
Sack/Tub Storage Cabinet	C425	.Goer or FixturWorld	Top- PL-3 Formica #85961-58 "Express Blue" Base Cab.- PL-4 Wilsonart #4142-60 "Grey Glaze"
Workstation (Standard)	7400Cland/or 7400CR	.Baker Manufacturing Co.	Top- PL-3Formica #85961-58 "Express Blue" Panels.- PL-4 Wilsonart #4142-60 "Grey Glaze"
Handicap Accessible Counter	7400PS	Baker Manufacturing Co.	Top- PL-3Formica #85961-58 "Express Blue" Panels.- PL-4 Wilsonart #4142-60 "Grey Glaze"

CPU Workstation (Workstation 7400C shown with CPU Handicap Counter 7400PS)

A) CPU Workstation Isometric View



B) CPU Workstation Plan



When shipped, instructions for assembly of the workstation are placed in one of the drawers of the metal cabinet that comes packaged with the workstation.
 Overall width of one workstation without a handicap counter is 5' 10-5/8"
 Overall width of one workstation with a handicap counter is 9' 6-5/8"
 Overall width of two workstations with one handicap counter in-between is 15' 3-1/4" (the 2" wide side panel shown on the handicap unit is omitted when another workstation abuts it).
 Overall depth of the workstation is 5' 6-1/4".

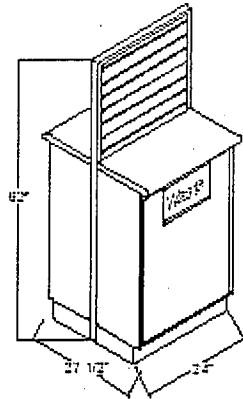
CPU Casework

CPU CASEWORK

Cabinetry units C321 and C327 are optional and used only if needed for customer convenience and space is available. Unit C321 is free standing and accessible from both sides. Unit C327 is placed against a wall.

CPU cabinetry unit C425 is shown in all standard CPU plans, located behind the counter against the back wall. See the CPU plan for the number of cabinets required. Although the cabinet is commonly shipped with a counter top, it is not used. The cabinet is left open top to hold the mail sacks.

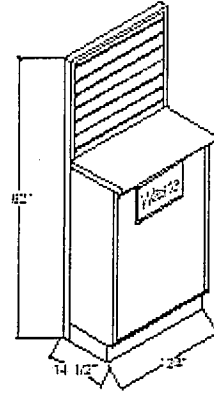
24" wide x 27-1/2" deep by 62" high



C321 - BASE CABINET W/ WASTE AND WRITE

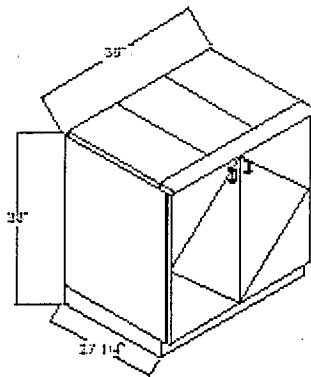
24 x 27 1/2 x 62"

24" wide x 14-1/2" deep by 62" high



C327 - BASE CABINET W/ WASTE AND WRITE

24 x 14 1/2 x 62"



C425 - SACK / TUB STORAGE CABINET

36 x 27 1/4 x 38"

36" wide x 27-1/4" deep x 38" high

Construction Requirements

General

- ◆ The Responsibility Schedule in Part A of this Attachment identifies the CPU Supplier as the party responsible for accomplishing the CPU build-out in compliance with the Solicitation Requirements and the USPS approved Design prepared by the Supplier.
- ◆ The USPS does not address the means or methods by which the Supplier accomplishes the work.
- ◆ Whether the Supplier uses professional builders or accomplishes the build-out through the use of in-house staff (or a combination thereof), the build-out must comply with applicable building codes and be performed using a standard of care consistent with common construction practice.
- ◆ The following Generic Scope of Work is provided as a guide to the Supplier, to help identify many of the tasks that need to be performed, as well as providing some detailed information about the build-out not available elsewhere.

➤ Generic Scope of Work

- ◆ The Contract Postal Unit shall be constructed in compliance with applicable building codes to attain a completed layout and appearance using the materials and finishes shown in the Supplier prepared, USPS approved CPU Design Documents and the Solicitation.
- ◆ Furnish all labor, materials, and equipment necessary to complete the work that is not explicitly provided, installed or maintained by the USPS in the Responsibility Schedule in Part A of this Attachment.
- ◆ All work shall be performed using the best work practices of the industry.
- ◆ All work areas shall be kept clean of debris on a daily basis.
- ◆ Obtain and pay for all necessary insurance permits, licenses, and approvals required.
- ◆ Perform all required alterations including but not limited to, the construction, assembly and installation of all walls, floors, ceilings, fixtures, equipment, furnishings, millwork cabinetry, signage, finishes, materials, mechanical and electrical work required.
- ◆ All work shall be diligently prosecuted to completion.
- ◆ Work shall include receiving, storing, unpacking, assembly, and installation of USPS provided and Supplier installed material, equipment, and signage, identified in the Responsibility Schedule in Part A of this attachment.
- ◆ Legally dispose of (off site) all construction debris, packaging, and crates.
- ◆ Install all interior and exterior CPU signage shown to be Supplier installed in the Responsibility Schedule, including all related electrical work necessary to power illuminated signs.
- ◆ Clean all surfaces and use the generic Pre-Acceptance Inspection Checklist in Part C of this attachment to perform a pre-inspection compliance review to assure all work is complete.

- ◆ Submit (fax, mail, or email) a completed copy of the Pre-Acceptance Inspection Checklist to the USPS which will serve as notification to the USPS that the build-out is complete, has passed the Suppliers personal inspection and is ready for the final USPS build-out acceptance inspection.
- ◆ Complete punchlist items identified by the USPS acceptance inspection.

Supplier Pre-Acceptance Inspection Checklist

- The Supplier shall complete this inspection checklist and submit it to the USPS prior to calling for a USPS final build-out acceptance inspection.

No.	Description	Yes	No	N/A
1	CPU area is clean and ready for inspection.			
2	Location and orientation of CPU build-out within facility complies with USPS approved design.			
3	Plan dimension of CPU complies with USPS approved design.			
4	CPU counters are properly installed with clean straight alignment.			
5	Slat wall is installed as shown on the USPS approved design.			
6	Slat wall is correct color, finish, size, has proper alignment.			
7	Slat wall has finish strips around edges as required.			
8	Sack Racks are installed as shown in USPS approved design.			
9	Sack rack doors have proper alignment and function properly.			
10	Letter drop is installed properly and mail slot is at height of			
11	Collection time plaque (J7-C1) is installed adjacent to letter drop per design.			
12	"MAIL" plaque (J7-A4) is properly installed on letter drop per plan.			
13	Available services Plaque (J7-D1) is properly installed and located per design.			
14	CPU wall construction appears visually complete, properly finished, and in compliance with design.			
15	Dropped fascia wall (over counter line around CPU) appears visually complete, properly finished, and in compliance with design.			
16	Painted surfaces appear to have correct colors, are professional in appearance, and compliant with the design.			
17	The 3-0" by 1'8" USPS Rectangular Sintra (sign J2-C1) is installed in compliance with the design (normally on dropped fascia wall, centered on CPU).			
18	The red/white/blue striping (sign J2-B1) is properly installed on each side of the USPS Sintra specifically as follows: Striping starts 4" on each side of Sintra and extends to limits of CPU width. Mid-depth of striping aligns with mid-depth of Sintra.			
19	Electrical outlets are present as required for CPU equipment.			

CPU Design and Construction Requirements (D&CR)

-Attachment 5-

Part C - CPU Build-Out Requirements

Design Requirements

➤ Postal Branding and the CPU Design

- ◆ Using a USPS Plan Prototype Drawing in conjunction with the "CPU Schedule of Standard Finishes and Materials", will attain a high level of USPS Postal Branding which provides the most benefit to the CPU Supplier, the Customer and the Postal Service.
- ◆ Experience has shown that customer draw, loyalty, and long term success of the CPU is highly dependent upon maintaining the Postal Branding accomplished by adhering to the Plan Prototype Drawing and Finishes.
- ◆ Ideally, the finished CPU will appear identical to one of the USPS Plan Prototype Drawings.

➤ Construction Documents

- ◆ The Responsibility Schedule in Part A of this Attachment identifies the CPU Supplier as the party responsible for preparing Construction Documents for the CPU.
- ◆ Construction Documents consist of the drawings and specifications needed to obtain USPS approval of the proposed CPU, and to the extent required, permit, bid, and construct the CPU build-out.
- ◆ Many factors, such as variations in local building codes, type and size of facility the CPU is to be constructed in, and the extent of building modifications necessary to accommodate the CPU, will determine whether a building permit is required. It is the CPU Supplier's responsibility to determine if any permits are required, and obtaining such permits when needed.
- ◆ If permits are required, some jurisdictions require detailed plans and specifications to be prepared by a professional architect or engineer in order to apply for a permit. It is the Suppliers responsibility to take whatever action(s) are necessary to obtain the permit, which may include retaining professional design services.
- ◆ Independent of the need for preparing drawings and specifications for a permit, the Supplier is obligated to prepare and submit drawings and specifications to the USPS to show compliance with the USPS CPU requirements identified herein.
- ◆ The drawings and specifications required by the USPS are much simpler and less detailed than what permit documents typically need to be. The documents for submission to the USPS are simply to show how the CPU will be incorporated into the building floor plan, and to demonstrate that the basic size and appearance are consistent with the USPS Plan Prototype Drawing and Finish Schedule.

- ◆ The USPS does not perform building code compliance reviews or issue construction permits. USPS review is strictly for CPU functional and USPS CPU Branding compliance. Approval by the USPS does not imply code compliance nor does it replace the need for any code compliance reviews or local permits that may be advisable or required.
- ◆ Ideally, the Supplier has adequate space suitably located within the store to construct a CPU in exact compliance with one of the USPS Plan Prototype Drawings.
- ◆ The Suppliers obligation to create detailed drawings becomes more burdensome if the Supplier cannot accommodate a Plan Prototype Drawing layout. In those cases, the Supplier needs to submit sufficiently detailed drawings and specifications to fully convey the Supplier's intended layout and finishes. The USPS will review the design for functional and corporate branding requirements.
- ◆ Use of USPS Plan Prototype Drawing and the Finish and Material Schedule is strongly recommended. It not only simplifies and expedites the Suppliers drawing submission and USPS approval process, but also results in a CPU with the look of a genuine USPS postal facility which has repeatedly proven to be of key importance to customer confidence and the long term success of CPU's.

➤ **Supplier Submission of Design Documents**

◆ **Case I Submission - Full Compliance**

- In this case, the Supplier has adequate space and a facility layout to build-out the CPU in full compliance with a Plan Prototype Drawing.
- The Supplier can simply "submit" back to the USPS a copy of the Plan Prototype Drawing and Finish and Material Schedule he proposes to build-out.
- Submit the items common to all cases identified following the Case III requirements.

◆ **Case II Submission - Substantial Compliance**

- In this case, the Supplier has adequate space and a facility layout to build-out the CPU so closely matched to a Plan Prototype Drawing that any proposed deviation would not be perceptible from a customer's perspective.
- The Supplier can submit back to the USPS a copy of the Plan Prototype Drawing and Finish and Material Schedule he proposes to build-out with any deviations clearly identified.
- Examples of minor deviations would be changes in dimensions by several inches due to available space or configuration constraints, mirror images of Plan Prototype Drawings, reducing the width of the handicap counter by several inches due to overall width constraints, or any deviation that would not substantially alter functionality of the CPU and would appear visually the same as a Plan Prototype Drawing from the customers prospective.
- Submit the items common to all cases identified following the Case III requirements.

♦ **Case III Submission – Deviation Required**

- In this case, the Supplier has the greatest burden of proof to demonstrate to the USPS that significant deviation from the Plan Prototype Drawing is warranted due to available space, building layout, or other significant material characteristics of the space.
- The Supplier must prepare and submit plans and specifications to include a dimensioned floor plan and elevations with the same level of detail and completeness as that shown on the USPS Plan Prototype Drawing, which includes, but is not limited to:
 - Floor plan fully dimensioned showing cabinetry, CPU workstations, millwork, letter/bundle drop, sack racks, doors and door hardware.
 - Interior elevations showing all walls, slatwall, colors, CPU signage (sign type, size, location, position), ceiling type, wall heights, floor finishes, lighting.
 - Cash register and debit card reader locations and electrical outlets for same.
 - Complete Finish and Material Schedule with specifications for all materials and finishes.
 - Explicit notification of any and all proposed CPU features that differ, conflict with, or deviates from the Solicitation Requirements.
- Submit the items common to all cases identified following the Case III requirements.
- Examples of deviations requiring a Case III submission would include: the proposed use of non standard CPU counters, omission of slat wall, change of color scheme, significant dimensional deviation(s), omission of standard CPU signage, or any change that would significantly alter functionality of the CPU or cause the CPU to not appear like the Plan Prototype Drawing to a customer.

♦ **Case I, Case II., or Case III Mandatory Submission Requirements**

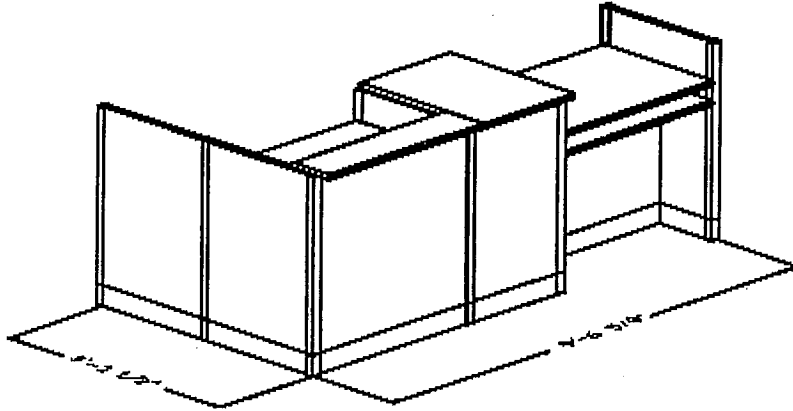
- Regardless of whether Case I, Case II, or Case III, the Supplier's Submission to the USPS for approval must always include the following:
 - An overall building plan (simple line diagram) showing entrances exits overall dimensions, and the dimensioned CPU location and orientation within the space.
 - A statement advising the USPS that the build-out will be performed in accordance with applicable building codes.
 - A statement advising the proposed space for the CPU is free of asbestos and lead based paint.
 - A sketch showing proposed exterior and/or window signage when signage is shown to be provided by the USPS in the Responsibility Schedule in Part A of this attachment.
 - A statement advising the USPS the Supplier has obtained all necessary approvals and permits for installation of the CPU signage.
 - A proposed schedule for the build-out once a notice to proceed is provided by the Postal Service.

STANDARD FINISHES AND MATERIALS SCHEDULE

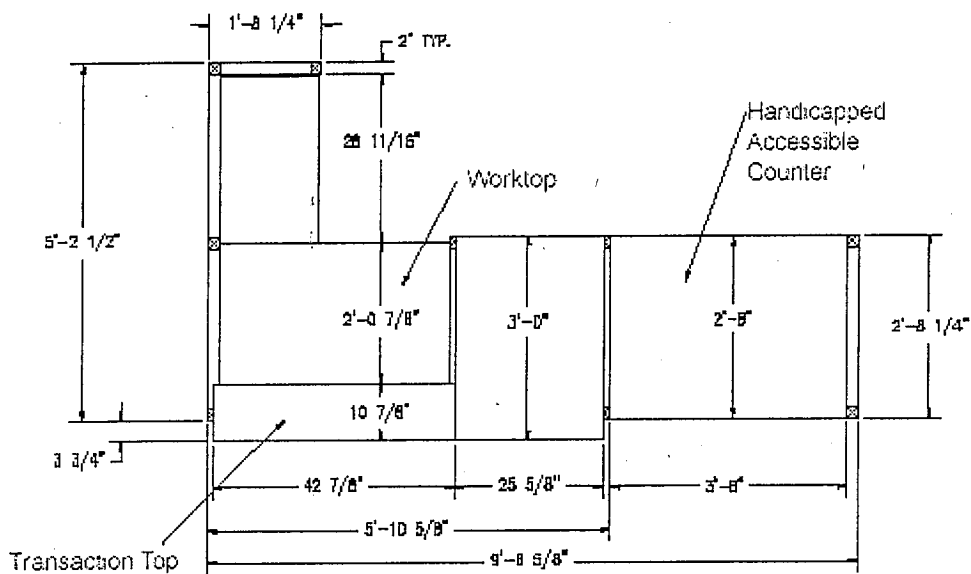
ITEM	DESIGNATION	MANUFACTURER	PATTERN/COLOR
Wall Paint (White – main color)	P-1	Benjamin Moore #968	White
		ICI (Glidden) #50YY 83/057	N/A
		Pittsburgh Paints #2531	Colonial White
Detail/Accent Paint (Light Gray)	P-2	Sherwin Williams SW#1234	Evening Shadow
		Benjamin Moore #1612	Base1
		ICI (Devoe) #1H51G	Catkin
		ICI (Glidden) #50BG 62/007	N/A
Detail/Accent Paint (Blue)	P-5	ICI (Devoe) # 1BL9A	Chippendale
		Benjamin Moore #819	N/A
		ICI (Glidden) #72BB 07/288	N/A
Detail/Accent Paint (Medium Gray)	P-6	Sherwin Williams SW#1232	Dublin Gray
		ICI (Devoe) #1M51E	Dauphine
Resilient Flr Tile (Accent tile color)	VCT-1	Armstrong #51903	Blue Gray
		(Std. Excelon, Imperial Texture)	
		Congoleum AL-33	Iron Gray
		Kentile #15453	Pumice Blue
		Tarkett Express. #2064	Smoke Gray-Wht/Blk
Resilient Floor Tile (Main tile color)	VCT-2	Armstrong #51915	Charcoal
		(Std. Excelon, Imperial Texture)	
		Mannington #102	Stone Gray
Vinyl Base (4" per FS SS-W-40, type 2)	VB-1	Armstrong #61	Graphite Gray
		Allstate #33	N/A
		VPI #35	Graphite
Ceiling Tile (2' x 2' x ¾", angled tegular edge, white, lay in type)	ACT-2	Armstrong #584	Angled Tegular Cirrus
		Celotex #454	Cashmere Softone
		USG #76775	Eclipse
Light Fixture (Recessed 2' x 2', two lamp, sixteen cell parabolic fluorescent troffer). To be used at ceiling areas and behind/over workstations.	R3	Metalux 2P3GX-2U6T8S44MI-EB81	[277] [120]
Electrical trim	All	Std. Switches, Plugs & outlets	White
Slatwall Panel 42" wide	C206	Goer or FixturWorld	PL-1 Nevamar #S-7-27T "Smokey White"
Slat Wall Panel 48" wide	C216	Goer or FixturWorld	PL-1 Nevamar #S-7-27T "Smokey White"
Sack/Tub Storage Cabinet	C425	.Goer or FixturWorld	Top- PL-3 Formica #85961-58 "Express Blue" Base Cab.- PL-4 Wilsonart #4142-60 "Grey Glaze"
Workstation (Standard)	7400Cland/or 7400CR	.Baker Manufacturing Co.	Top- PL-3Formica #85961-58 "Express Blue" Panels.- PL-4 Wilsonart #4142-60 "Grey Glaze"
Handicap Accessible Counter	7400PS	Baker Manufacturing Co.	Top- PL-3Formica #85961-58 "Express Blue" Panels.- PL-4 Wilsonart #4142-60 "Grey Glaze"

CPU Workstation (Workstation 7400C shown with CPU Handicap Counter 7400PS)

A) CPU Workstation Isometric View



B) CPU Workstation Plan



When shipped, instructions for assembly of the workstation are placed in one of the drawers of the metal cabinet that comes packaged with the workstation.
Overall width of one workstation without a handicap counter is 5' 10-5/8"
Overall width of one workstation with a handicap counter is 9' 6-5/8"
Overall width of two workstations with one handicap counter in-between is 15' 3-1/4" (the 2" wide side panel shown on the handicap unit is omitted when another workstation abuts it).
Overall depth of the workstation is 5' 6-1/4".

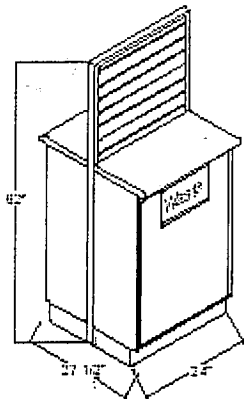
CPU Casework

CPU CASEWORK

Cabinetry units C321 and C327 are optional and used only if needed for customer convenience and space is available. Unit C321 is free standing and accessible from both sides. Unit C327 is placed against a wall.

CPU cabinetry unit C425 is shown in all standard CPU plans, located behind the counter against the back wall. See the CPU plan for the number of cabinets required. Although the cabinet is commonly shipped with a counter top, it is not used. The cabinet is left open top to hold the mail sacks.

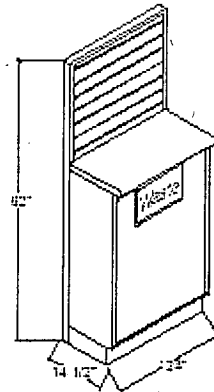
24" wide x 27-1/2" deep by 62" high



C321 - BASE CABINET W/ WASTE AND WRITE

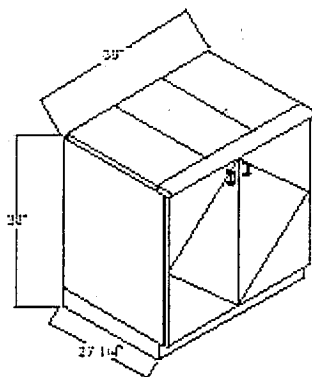
24" x 27 1/2" x 62"

24" wide x 14-1/2" deep by 62" high



C327 - BASE CABINET W/ WASTE AND WRITE

24" x 14 1/2" x 62"



C425 - SACK/TUB STORAGE CABINET

36" x 27 1/4" x 39"

36" wide x 27-1/4" deep x 39" high

Construction Requirements

General

- ◆ The Responsibility Schedule in Part A of this Attachment identifies the CPU Supplier as the party responsible for accomplishing the CPU build-out in compliance with the Solicitation Requirements and the USPS approved Design prepared by the Supplier.
- ◆ The USPS does not address the means or methods by which the Supplier accomplishes the work.
- ◆ Whether the Supplier uses professional builders or accomplishes the build-out through the use of in-house staff (or a combination thereof), the build-out must comply with applicable building codes and be performed using a standard of care consistent with common construction practice.
- ◆ The following Generic Scope of Work is provided as a guide to the Supplier, to help identify many of the tasks that need to be performed, as well as providing some detailed information about the build-out not available elsewhere.

➤ Generic Scope of Work

- ◆ The Contract Postal Unit shall be constructed in compliance with applicable building codes to attain a completed layout and appearance using the materials and finishes shown in the Supplier prepared, USPS approved CPU Design Documents and the Solicitation.
- ◆ Furnish all labor, materials, and equipment necessary to complete the work that is not explicitly provided, installed or maintained by the USPS in the Responsibility Schedule in Part A of this Attachment.
- ◆ All work shall be performed using the best work practices of the industry.
- ◆ All work areas shall be kept clean of debris on a daily basis.
- ◆ Obtain and pay for all necessary insurance permits, licenses, and approvals required.
- ◆ Perform all required alterations including but not limited to, the construction, assembly and installation of all walls, floors, ceilings, fixtures, equipment, furnishings, millwork cabinetry, signage, finishes, materials, mechanical and electrical work required.
- ◆ All work shall be diligently prosecuted to completion.
- ◆ Work shall include receiving, storing, unpacking, assembly, and installation of USPS provided and Supplier installed material, equipment, and signage, identified in the Responsibility Schedule in Part A of this attachment.
- ◆ Legally dispose of (off site) all construction debris, packaging, and crates.
- ◆ Install all interior and exterior CPU signage shown to be Supplier installed in the Responsibility Schedule, including all related electrical work necessary to power illuminated signs.
- ◆ Clean all surfaces and use the generic Pre-Acceptance Inspection Checklist in Part C of this attachment to perform a pre-inspection compliance review to assure all work is complete.

- ◆ Submit (fax, mail, or email) a completed copy of the Pre-Acceptance Inspection Checklist to the USPS which will serve as notification to the USPS that the build-out is complete, has passed the Suppliers personal inspection and is ready for the final USPS build-out acceptance inspection.
- ◆ Complete punchlist items identified by the USPS acceptance inspection.

Supplier Pre-Acceptance Inspection Checklist

- The Supplier shall complete this inspection checklist and submit it to the USPS prior to calling for a USPS final build-out acceptance inspection.

No.	Description	Yes	No	N/A
1	CPU area is clean and ready for inspection.			
2	Location and orientation of CPU build-out within facility complies with USPS approved design.			
3	Plan dimension of CPU complies with USPS approved design.			
4	CPU counters are properly installed with clean straight alignment.			
5	Slat wall is installed as shown on the USPS approved design.			
6	Slat wall is correct color, finish, size, has proper alignment.			
7	Slat wall has finish strips around edges as required.			
8	Sack Racks are installed as shown in USPS approved design.			
9	Sack rack doors have proper alignment and function properly.			
10	Letter drop is installed properly and mail slot is at height of			
11	Collection time plaque (J7-C1) is installed adjacent to letter drop per design.			
12	"MAIL" plaque (J7-A4) is properly installed on letter drop per plan.			
13	Available services Plaque (J7-D1) is properly installed and located per design.			
14	CPU wall construction appears visually complete, properly finished, and in compliance with design.			
15	Dropped fascia wall (over counter line around CPU) appears visually complete, properly finished, and in compliance with design.			
16	Painted surfaces appear to have correct colors, are professional in appearance, and compliant with the design.			
17	The 3'-0" by 1'-8" USPS Rectangular Sintra (sign J2-C1) is installed in compliance with the design (normally on dropped fascia wall, centered on CPU).			
18	The red/white/blue striping (sign J2-B1) is properly installed on each side of the USPS Sintra specifically as follows: Striping starts 4" on each side of Sintra and extends to limits of CPU width. Mid-depth of striping aligns with mid-depth of Sintra.			
19	Electrical outlets are present as required for CPU equipment.			

PREFERRED LOCATION OF IDENTITY SIGN
& STRIPE AT DROPPED FASCIA WALL
(J2-C1 / WALL SIGN & J2-B1 / STRIPING)
- ALTERNATIVE LOCATION IF NO DROPPED
FASCIA WALL

AVAILABLE SERVICES PLAQUE (J7-D1)

LETTER DROP SIGN (J7-A1) &
PARCEL SECURITY PLAQUE (J7-B1)

P1

VB-1 (4")

COLLECTION TIMES PLAQUE
(J7-C1)

LETTER DROP UNIT
(1577C)

LETTERS & FLATS / SACKRACK
CABINET (C-425)

SLATWALL

WORK STATION
(PSIN 7400CR)

HC COUNTER
(PSIN 7400PS)

NOTE:
IF P.O. BOXES
REQUIRED, SEE
"P.O. BOX ADD-ON"
DRAWINGS

PERSPECTIVE VIEW

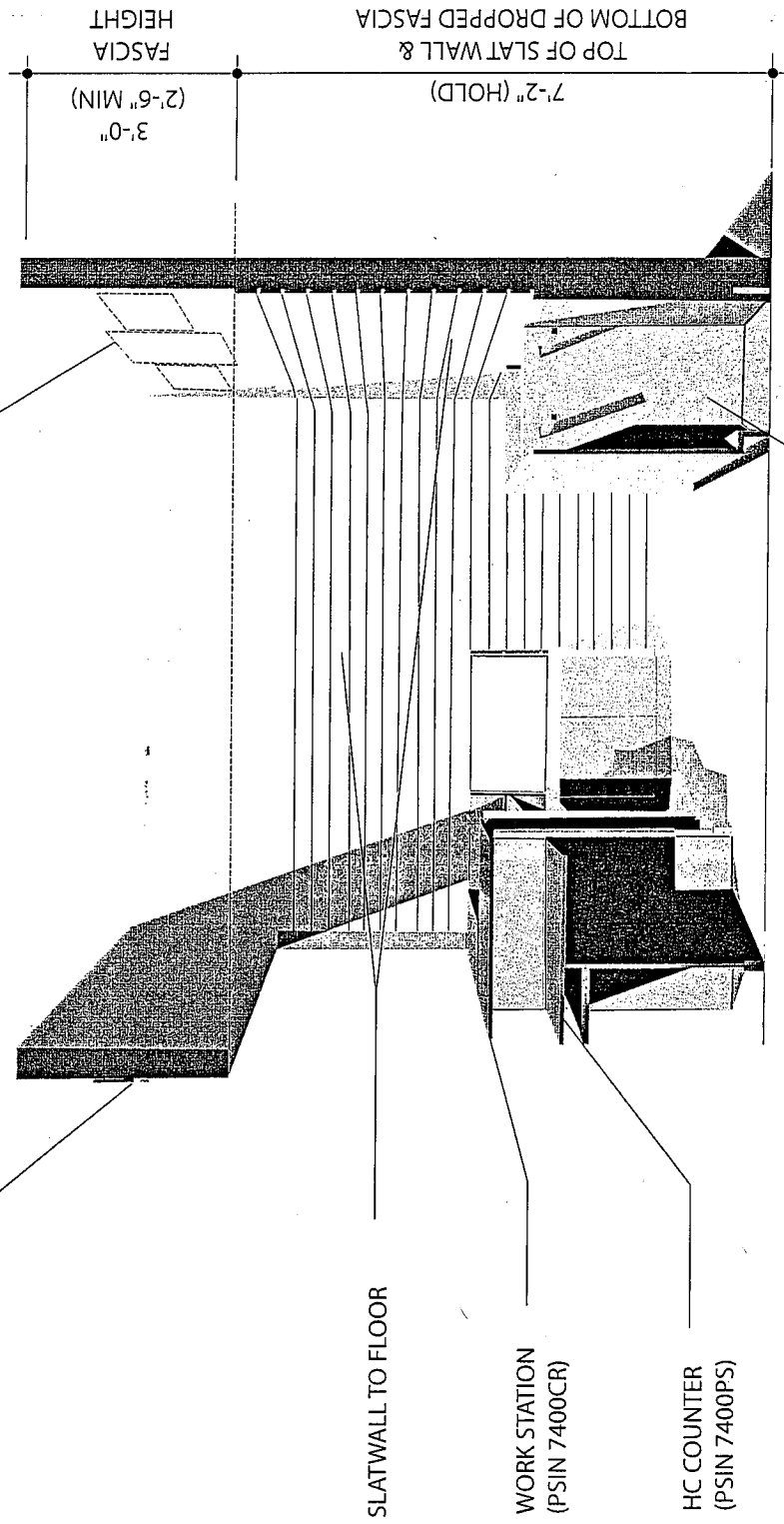
142 SQ. FT.



USPS CPU

OPTION 1

PREFERRED LOCATION OF IDENTITY SIGN
& STRIPE AT DROPPED FASCIA WALL
(J2-C1 / WALL SIGN & J2-B1 / STRIPING)
- ALTERNATIVE LOCATION IF NO DROPPED
FASCIA WALL



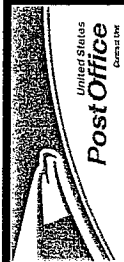
SLATWALL TO FLOOR

WORK STATION
(PSIN 7400CR)

HC COUNTER
(PSIN 7400PS)

LETTERS & FLATS / SACKRACK
CABINET (C-425)

TYPICAL SECTION (APPLIES TO ALL PLANS)

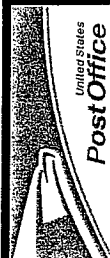


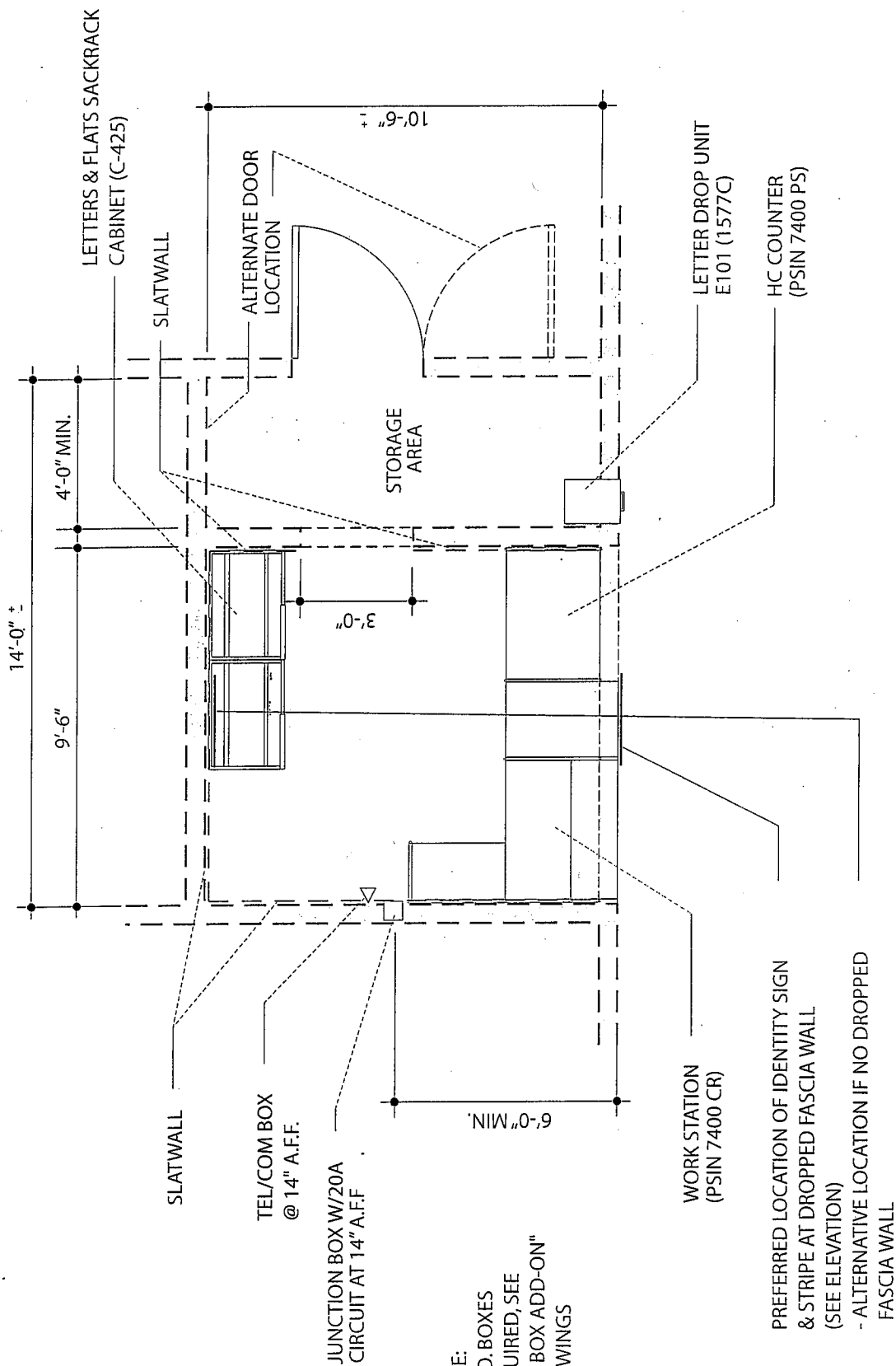
USPS CPU

OPTIONS 1&2



OPTION 1





NOTE:
IF P.O. BOXES
REQUIRED, SEE
"P.O. BOX ADD-ON"
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Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: WYNNE S. FURTH, CITY ATTORNEY

DATE: FOR THE MEETING OF DECEMBER 16, 2009

SUBJECT: STATUS REPORT ON *TOWN OF ATHERTON et al. v. California High-Speed Rail Authority* AND RELATED PROCEEDINGS FOR PROPOSED HIGH-SPEED RAIL LINE

RECOMMENDATION

Receive report on status of litigation and related proceedings, receive any public comment, and provide further direction if needed.

BACKGROUND

The Town of Atherton, the City of Menlo Park, and several non-profit environmental and rail advocacy groups filed a lawsuit challenging the legal adequacy of the Program Environmental Impact Report ("Program EIR") approved by the California High-Speed Rail Authority ("Authority") before it selected the Pacheco Pass alignment for the Northern California route and bond funding was placed on the state-wide ballot. At its October meeting the City Council received a report on Judge Michael P. Kenney's ruling on the inadequacies of the Program EIR. Judge Kenney could have ordered the Rail Authority to cease work on the more local "project" EIRs for various segments of the system; he declined to do so. The parties decided not to appeal judge Kenney's ruling on that score and have been dealing with the final aspect of the case, payment of the Plaintiff's legal fees and costs. If that issues has been resolved before the Council meeting, we will update the report.

The Town of Atherton is a participant in the Peninsula Cities Consortium, a joint effort of a number of Peninsula cities, including Palo Alto and Menlo Park, to address continuing concerns about the design and operation of the high-speed rail line and the Peninsula's existing commuter-rail service. The Town also has a standing committee that addresses rail issues. The Authority is preparing, soliciting information for, and releasing for public review a number of

documents, including a Project EIR for this area, revisions to the Program EIR, and a business plan.

DISCUSSION

The decision in *Town of Atherton* has been helpful in identifying problems with the CEQA review; the Authority will be required to revisit its routing decisions. However, because it has been permitted to proceed with the project EIR for the route it has already chosen (Pacheco, not Altamont, and the CalTrain right of way for the Peninsula section), the Town's co-plaintiffs are continuing to work on strategies that would lead to an outcome other than a surface or elevated high-speed rail system through Atherton and neighboring towns. These include joint municipal efforts such as the Peninsula Cities Consortium and its recently sponsored design workshop, advocacy before the state legislature, and a number of private initiatives.

The Council's representatives on the Rail Committee will be updating the Council at the December meeting on some of these activities.

FISCAL IMPACT

The costs of litigation are being paid by co-plaintiffs, not the Town of Atherton. The Town's participation in the environmental review process is led by the Public Works Department with assistance from the City Attorney's office. The Town's preferred level of involvement will determine the costs.

Wynne Furth

Wynne Furth, City Attorney

Elizabeth Lewis – Council Report – Nov. 18 – Dec. 16, 2009

December 13 – Attended Dames Children Holiday Party.

December 11 - Attended Dames Christmas Ornament Exchange at Jennings Pavilion.

December 8 – Attended High Speed Rail public meeting held at Jennings Pavilion. Former Atherton Councilmember and Mayor, James Janz outlined the ways residents can help make sure the California High Speed Rail Authority “does it right – or doesn’t do it at all”. Member cities from Burlingame to Mountain View have come together to form a Community Coalition for High Speed Rail.

December 4 – Attended lunch for Mitt Romney where Atherton resident Meg Whitman also spoke.

December 3 – Attended public meeting for Sacred Heart/St. Joseph’s new construction project held at Atherton Council Chambers. No other public showed up so meeting was cancelled at 6:15pm.

December 2 – Attended Atherton Environmental Programs Committee. Discussion about water problems we are facing today and will be facing in future. Kathy Hughes Anderson, Staff and Committee member Valerie Gardner, wrote an article for the upcoming Winter Athertonian.

December 2 – Attended San Francisco Airport Community Roundtable meeting in Milbrae. David Carbone was presented with a commendation for his 21 years of service and dedication to the SF Roundtable and 18 years managing the activities of C/CAG. He now takes on new responsibilities as San Mateo County Transportation Systems Coordinator.

Roundtable Chairperson, Mark Church also presented a Statement of Purpose and Objectives and Accomplishments of the Roundtable. A copy is attached.

December 1 – Attended the dedication of the new Menlo Park Fire Department administration building at 170 Middlefield Road, Menlo Park.

December Council Report

Vice Mayor McKeithen

1. On November 30, 2009 a meeting of the Audit Committee was held. In reviewing the minutes from the meeting of July 23, 2009 two issues arose:
 - (A) The first was with respect to the Holbrook-Palmer cash receipt procedure. It was recommended by the Audit Committee that a policy be adopted that cash receipts, to the extent they exist, be deposited with the Town on a daily basis.
 - (B) The second concerned stale checks and the circumstances under which the Town might sweep them back into the Town's account. Upon questioning, our Finance Director agreed to obtain further clarification from our City Attorney.

Mark Wong, the Town auditor from Maze & Associates then presented the draft fiscal year 2008-09 audit report and required communications consisting of the agreed upon procedures report, Measure A Special Revenue Fund Report, Basic Financial Statements and Memorandum of Internal Control and Required Communications. There were no disagreements with management, no serious difficulties, no proposed audit adjustments having a significant effect, no uncorrected misstatements to report.

2. The Atherton Rail Committee met on December 1, 2009. Duncan Jones reported that due to a delay in Hillsborough the date for the Fair Oaks & Watkins projects is now January. It was noted by a Committee member attending the North Fair Oaks Rail meeting that there were far more negative than positive remarks but that due to the completed overpass project, there was a belief that the possibility of tunneling in that area may have been harmed. Duncan noted that Christine Dunn announced that the train horn reconfiguration to the bottom of the train has been completed as of November 30th.

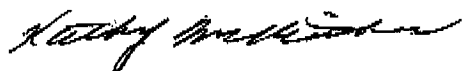
The usefulness of the Peninsula rail program context sensitive solutions process referred to in my last report was discussed with a consensus that insofar as it was being paid for by HSR and Caltrain, the result was likely to be skewed in their favor and we should push for an entity of our own choice. The possibility of an amendment to Measure A to make those funds available to the cities was discussed.

The Caltrain Electrification EA/EIR process was discussed. Apparently, cities are not permitted to see the final copy until the Caltrain board has certified it. We then have ten days to comment. When the certification will take place is unknown. The impenetrability of this process was discussed. I agreed to speak with an outside source and did so. An EIR/CEQA attorney in San Francisco spoke with me pro bono and concurred that Caltrain has the right to

maintain confidentiality until the report is final. She gave further advice which has been discussed with Jack Ringham of the Rail Committee.

3. The Finance Committee met on December 3, 2009. We discussed the mid-year budget review process and possible substantial adjustments. We further received an update on (a) the business license tax refund – budgeted \$800T – refunded \$321T, \$17T additional to send out, two weeks left in filing period; (b) FY 2009-10 business license renewal – MUNI has issued 483 licenses since July generating \$84,551; (c) the status of the business license process fee – an e-mail should have been received by all council members suggesting that we will be repealing this fee; (d) the status of the Springbook Installation; (e) the change order policy – consideration of no council action for certain amounts of change orders but the Finance Committee members thought council action advisable.

Respectfully submitted,



Kathy McKeithen

Council Written Report from Council Member Charles Marsala:

EPC meeting-

Items discussed:

Water conversation- an article will be written for the Athertonian
Rate fee increases for waste pick-up
Home energy audits

December Council Report – Jerry Carlson

December 4th Peninsula Cities Consortium board meeting in Burlingame

- Richard Cline is now Chairman; Jerry Deal Vice Chair
- Letters to Representatives Eshoo and Speier seeking support and funding for the PCC to engage an independent consultant to assist in the Context Sensitive Solutions process. A Southern California cities alliance had been granted about \$700,000 for studies.
- Dec. 17th a small group will meet with a CSS expert to discuss committee selection, etc.
- Next PCC meeting will be in Menlo Park January 8th, at 8:15am in the Council Chambers

Attended North Fair Oaks Community Council meeting to hear the informational presentation made by Tim Cobb, Project Manager of the San Jose to San Francisco segment. Met several of the council members. NFOC had been neglected from any contact by HSR. (Meeting came about after I raised issue at three different public meetings with HSR reps in attendance.) Community members have same concerns as Atherton and Menlo Park. The County should be advocating on their behalf but has not done so to date. There was a outside planning director working for the county on a land use plan who said he would do follow up to incorporate HSR in his scope. What is done in NFOC will have a bearing on what can be done in Atherton and Redwood City.

Attended the November Council of Cities meeting in the new Redwood Shores library.

Audit Committee meeting

- Rose Hau elected chairman. Bill Widmer joined the committee. Randy Lamb was in attendance and waiting for the committee to be expanded.
- Outside auditors reviewed several reports and answered questions. Committee approved sending the reports, including the year end financial statements, to the council for official approval.
- Scope of this year's audit was discussed. If any council member is concerned about any particular area the concern should be passed on to the Audit Manager.

Attended Ribbon cutting ceremony for the new Fire District Administration building at 170 Middlefield Road. After doing a build/buy analysis the district board decided to purchase a vacant building near Fire Station One and saved several millions of dollars.

Finance Committee meeting

- Received update on Business License refunds and current license applications for 2009-2010.
- Status of Springbrook financial software system installation (Feb. 1, 2010)
- Discussed possible policy change re change orders. No action.
- Discussed process for mid year budget review.

Attended two swearing-in sessions for Chief Guerra, including informal Dec. 1st meeting and a formal ceremony at Holbrook Palmer Park.

Rail Committee

- Questions raised about Caltrains electrification plans which is planned to happen before HSR is completed. Wasted spending? Rework?

- Discussion of where funds might be found for an independent study of HSR issues. He who controls the funds will control the end result is the concern of the committee.
- Duncan Jones was asked to prepare a letter to the CHSRA re scoping comments relating to the Altamont Rail Corridor EIR/EIS from Stockton to San Jose. (Letter has been circulated.)

High Speed Rail Status Summary

- * California High Speed Rail Authority's revised Business Plan due out Dec. 15
 - Atherton Rail Committee members Jack Ringham and Paul Jones will review in detail to make recommendations to the committee and council.
 - Peninsula Cities Consortium Business Plan subcommittee to do same for PCC board. Senate Finance sub committee will review the plan some time in January. Senate committee member's staff will be given information before the hearings. University experts have agreed to review plan and appear at the Senate hearing.
- * Vertical alignment option alternatives that will be studied further due from the consultants in December for the S.F. to S.J. segment