



AGENDA
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL
DRAINAGE DISTRICT
JUNE 18, 2007
7:00 P.M.
TOWN COUNCIL CHAMBERS
94 Ashfield Road
Atherton, California

Special Meeting

7:00 P.M. ROLL CALL Janz, J. Carlson, Marsala, A. Carlson, McKeithen

7:02 P.M. PUBLIC COMMENTS

PUBLIC HEARINGS (Items 1-4)

7:10. P.M. 1. **ADOPTION OF A RESOLUTION MODIFYING FEES FOR SERVICES RELATED TO PLANNING AND BUILDING**

Recommendation: Conduct the public hearing and adopt the attached resolution modifying fees for services related to planning and building.

2. **ADOPTION OF A RESOLUTION ADOPTING THE FY 2007-08 OPERATING AND CAPITAL BUDGET**

Recommendation: Presentation of proposed budget from City Manager and Finance Director, open public hearing, receive testimony, and close public hearing. After consideration and appropriate direction to staff, adopt a Resolution adopting Fiscal Year 2007-08 Operating and Capital Budget.

3. **ADOPTION OF A RESOLUTION APPROVING THE FISCAL YEAR 2007-08 APPROPRIATIONS LIMIT AND CALCULATIONS**

Recommendation: Adopt a Resolution approving the Fiscal Year 2007-08 Appropriations Limit and Calculations

4. **ADOPTION OF A RESOLUTION ESTABLISHING A SPECIAL TAX FOR MUNICIPAL SERVICES FOR THE FISCAL YEAR 2007-2008**

Recommendation: Open public hearing, receive testimony, and close public hearing. After consideration, adopt a Resolution establishing a

Special Tax for Municipal Services for the Fiscal Year 2007-2008 as set forth in Ordinance No. 555.

NOTE: Ordinance No 555 approved by the voters on June 7, 2005, provided for the authorization to levy a Special Tax for Municipal Services and Capital Improvements and for the expenditure of the funds derived from the tax. The Special Tax was to commence in FY 2005-2006 and continue through June 30, 2010. Each year, following the adoption of the Budget, it is necessary to hold a Public Hearing and adopt a Resolution levying a Special Tax for Municipal Services and instructing the Tax Collector of the County of San Mateo to collect the tax rates as identified within the Adopted Resolution.

REGULAR AGENDA (Item 5)

5. DISCUSSION AND DIRECTION TO STAFF REGARDING THE DEVELOPMENT OF GOALS AND OBJECTIVES FOR THE TOWN OF ATHERTON

6. ADJOURN

*Agendas and staff reports may be accessed on the Town website at: www.ci.atherton.ca.us
☛ Please contact the City Clerk's Office at 650.752.0500 with any questions*

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



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF JUNE 18, 2007

SUBJECT: PUBLIC HEARING, ADOPTION OF A RESOLUTION MODIFYING FEES FOR SERVICES RELATED TO PLANNING AND BUILDING

RECOMMENDATION:

Conduct the public hearing and adopt the attached resolution modifying fees for services related to planning and building.

INTRODUCTION:

At the regularly scheduled City Council meeting of September 17, 2003, the City Council approved a resolution modifying fees and charges for planning and building services including:

- Building inspection and plan checking;
- Conditional Use Permits;
- Variances; and
- Environmental assessments.

The purpose of this staff report is to modify said fee schedule to ensure that the Building Department continues to recover its costs as the Town invests additional resources to implement the recommendations contained within the Finance Department's Phase I, II and III audit reports, as well as that of the former interim Building Official and Planning Administrator, Mr. Gary Binger. The initiatives currently underway are as follows:

- The implementation of a new permit tracking system with a one-time cost of \$175,000;
- The addition of a permit technician to the Building Department's authorized staff level with an ongoing cost of \$92,000;
- Performing an independent review of plan submittals at an ongoing cost of \$50,000;
- Reviewing and redrafting, if necessary, certain elements of the Town's zoning ordinance with a one-time cost at \$60,000; and,
- Conducting independent reviews of grading and drainage permit applications with an ongoing cost of \$50,000.

When taking into account the incremental cost of the above initiatives and current permit volumes, the additional amount of revenues required to ensure that the Building Department continues to fully recover its costs amounts to approximately \$416,000 more than the revenues currently generated at fee levels approved in Council's September 2003 fee resolution. The gap between the Building Department's FY 2007-08 revenue requirement with expected fees as currently authorized is presented in the following table.

| Item | Amount |
|---|---------------|
| FY 2007-08 net appropriations [a] | \$1,362,473 |
| Add: Allocated indirect costs [b] | 189,815 |
| Amortization of Permit Tracking System Costs [c] | 25,000 |
| Facility Depreciation [d] | 40,000 |
| Equals Building Department FY 2007-08 Revenue Requirement | 1,617,288 |
| Less Fees Collected at current fee levels: | |
| Permit and Plan Check fees | 1,174,649 |
| All other planning related | 26,350 |
| Equals Revenue Requirement in Excess of Fees Currently Authorized | \$416,289 |

Notes:

[a] Based upon FY 2007-08 preliminary budget excluding recommended appropriations for a Permit Tracking System

[b] At 14% of adjusted appropriations

[c] Net of permit tracking system acquisition and implementation expenses

[d] Assumes a 7 year useful life and \$175,000 in license fee and implementation expenses

[e] Assumes \$6 million in facility replacement costs, a 30 year useful life and 20% Building Department Occupancy factor

To ensure that the cost of operating the Building Department is borne fully and equitably by those whom the Building Department serves, the Finance Department recommends that the Building Department's master fee schedule be adjusted as follows:

- Increase the permitted value of new construction from \$250 to \$350 per square foot¹ for new additions and alterations to habitable space; and,
- Adjust the permit fee for excavation, grading and drainage permits from \$1,000 to \$2,000.

As a housekeeping item, the recommended fee schedule includes items that the Building Department has determined would be more appropriate to assess on a flat-rate basis, rather than based upon the permitted value of the item:

- Fences, gates and columns
- Water heaters
- Roofing installations
- Minor electrical and mechanical (other than water heaters)

The following table provides an analysis of fees that would be due and payable under the new fee schedule for projects of three different sizes.

| New Construction Square Footage | Permitted Value @ \$350/Sq Ft. | Fees Due and Payable | | | | |
|---------------------------------|--------------------------------|---|-------------|------------------|---------|----------|
| | | Plan Check and Building Inspection Fees | Road Impact | Business License | Grading | Total |
| 4,000 | \$1,400,000 | \$14,000 | \$9,940 | \$5,040 | \$2,000 | \$32,529 |
| 6,000 | 2,100,000 | 21,000 | 14,910 | 7,560 | 2,000 | 47,744 |
| 8,000 | 2,800,000 | 28,000 | 19,880 | 10,080 | 2,000 | 62,958 |

Fiscal Impact

Implementation of the recommendation contained herein is expected to generate \$416,000 in additional revenue and will ensure that the Building Department will continue to fully recover its costs.

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

¹ Based upon a sample of four recently permitted residential construction projects the actual cost to build or remodel habitable space is \$467 per square foot.

RESOLUTION NO. 07-

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
MODIFYING FEES FOR SERVICES RELATED TO BUILDING AND PLANNING**

WHEREAS, Fees for certain planning and building-related services have not been adjusted since April 2003; and

WHEREAS, the Finance Department has determined that additional revenues of \$416,000 annually will be required to ensure that the Building Department will continue to fully recover its costs as it implements the recommendations contained within a series of internal audit reports that were issued during FY 2006-07; and

WHEREAS, an independent estimate of the costs of residential constructing and remodeling activities amounts to an average of \$467 per square foot, significantly in excess of the currently permitted value of such construction.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ATHERTON, CALIFORNIA, that fees relating to building and planning be adjusted as set forth below. All other fees authorized by prior ordinances, resolutions or minute actions by the City Council shall remain in effect:

Building Permit and Plan Check Fees: In determining the permitted value of new residential construction, the Building Department shall use a standard factor of \$350 per square foot for habitable space and \$250 per square foot for non-habitable space. For residential remodeling projects, the Building Department shall use a value of \$350 per square foot for habitable space or \$250 for non-habitable space. However, for residential remodeling projects, the Building Department shall have the authority to adjust the permitted value to the actual cost of such remodeling activity provided that the applicant is able to demonstrate through presentation of an executed contract with a properly licensed contractor that the actual costs of said construction activity will be substantially less than the standard values established herein.

Fees other than Building Permit and Plan Check:

Fees shall be adjusted for services other than building permit and plan check as follows:

| BUILDING FEES | AMOUNT |
|---|---------------|
| ADDRESS CHANGE | \$250.00 |
| COPIES .50 CENTS PER COPY | \$0.50 |
| DEAD OR DANGEROUS TREE REMOVAL FIRST TREE | \$100.00 |
| DEAD OR DANGEROUS TREE REMOVAL ADDITIONAL TREE | \$50.00 |
| DEMOLITION | \$200.00 |
| EXCAVATION \$ 5,000.00 Road Deposit | \$1,000.00 |
| GRADING AND DRAINAGE | \$750.00 |
| HERITAGE TREE REMOVAL | \$750.00 |

| | |
|--|----------|
| LANDSCAPE SCREENING | \$250.00 |
| PERMIT SEARCH \$20.00 PLUS .50 CENTS PER COPY | \$20.00 |
| PLUMBING, ELECTRICAL & MECHANICAL | \$100.00 |
| SOLAR | \$250.00 |
| TOWN MAP | \$100.00 |
| WATER WELL | \$500.00 |

PLANNING FEES

| | |
|-------------------------------|----------|
| APPEALS | \$750.00 |
| ASSESSMENT SCHOOL MASTER FEE | \$400.00 |
| CONDITIONAL USE PERMITS | \$750.00 |
| FRONT-REAR YARD REDESIGNATION | \$750.00 |
| VARIANCES | \$750.00 |
| ZONING EXCEPTION REVIEWS | \$750.00 |
| ZONING ORDINANCE AMENDMENT | \$900.00 |

* * * * *

I HEREBY CERTIFY that the foregoing Resolution was regularly introduced and adopted at a Regular Meeting of the City Council of the Town of Atherton held on June 18, 2007, by the following roll call vote:

*Ayes: Council Members:
 Noes: Council Members:
 Absent: Council Members:
 Abstain: Council Members:*

 Alan B. Carlson, Mayor
 Town of Atherton

ATTEST:

 Kathi Hamilton, City Clerk

APPROVED AS TO FORM:

 Marc G. Hynes, City Attorney



Town of Atherton

CITY COUNCIL STAFF REPORT

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

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE SPECIAL MEETING OF JUNE 18, 2007

**SUBJECT: APPROVAL OF A RESOLUTION ADOPTING THE FISCAL
YEAR 2007-08 BUDGET**

RECOMMENDATION:

Approve the attached resolution adopting of the Fiscal Year 2007-08 Budget.

DISCUSSION

On June 1, 2007, staff distributed a draft copy of the City Manager's recommended operating and capital budget for FY 2007-08.

This document includes:

- A transmittal letter providing an overview of the FY 2007-08 budget, including a statement of assumptions used by staff to prepare the budget as well as a discussion of significant changes from the previous fiscal year;
- An itemization of recommended appropriations and revenue estimates for the upcoming fiscal year by fund, account and program;
- Recommended funding levels for the Town's capital improvement program;
- A host of supplementary information, such as a comparative analysis of current and prior year staffing levels, general fund balance, real property assessments and apportionments; and

- An intermediate-range financial plan illustrating the anticipated revenues, expenditures and general fund balance for the years ended June 30, 2007 through 2011.

During the Special Council meeting of June 18, 2007, staff is prepared to respond to questions from the Council or from the public relevant to the proposed FY 2007-08 operating and capital budget.

Upon closure of the public hearing, staff recommends the adoption of a resolution as presented or as modified pursuant to any changes in the budget that the Council wishes to be made.

FISCAL IMPACT:

The fiscal impact of staff's recommendation is documented within the proposed FY 2007-08 Budget.

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

Attachment

RESOLUTION NO. 07-

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
ADOPTING THE FISCAL YEAR 2007-2008 OPERATING AND CAPITAL
BUDGET**

WHEREAS, the City Council of the Town of Atherton set June 18, 2007, at the Town of Atherton City Council Chambers, 94 Ashfield Road, Atherton, California, as the time and place for the public hearing on the adoption of the Fiscal Year 2007-2008 Operating and Capital Budget; and

WHEREAS, notice of said hearing was duly given by posting the time and place of said hearing at designated places in accordance with Chapter 2.08 of the Municipal Code of the Town of Atherton; and

WHEREAS, said Council held a public hearing on the Proposed Fiscal Year 2007-2008 Operating and Capital Budget on June 18, 2007; and

WHEREAS, it appears to be in the best interest of the citizens of the Town of Atherton that the Fiscal Year 2007-2008 Operating and Capital Budget be adopted in the format set forth in Exhibit A, attached hereto, and by reference incorporated herein; and

WHEREAS, the budget was made available for public view at the Town Hall, 91 Ashfield Road, Atherton, California, and the Town Library, 2 Dinkelspiel Station Lane, Atherton, California.

NOW THEREFORE, BE IT RESOLVED, that the Fiscal Year 2007-2008 Operating and Capital Budget totaling \$13,975,332 which includes the General Fund and special revenue fund operating budgets and reserves of \$10,108,042, Other funds' budgets of \$535,396, and the capital budget of \$3,331,894 as set forth in Exhibit A, attached hereto and by reference incorporated herein, be adopted for Fiscal Year 2007-2008.

BE IT FURTHER RESOLVED, that the City Clerk of the Town of Atherton is hereby directed to forward a copy of said approved and adopted budget to the County Controller of San Mateo County for filing pursuant to Government Code Section 53901.

* * * * *

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 special meeting thereof held on the 18th day of June 2007, by the following vote:

*AYES: Council Members:
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: CouncilMembers:*

Alan B. Carlson, Mayor
Town of Atherton

ATTEST:

Kathi Hamilton
Acting City Clerk

Approved as to Form

Marc Hynes, City Attorney

EXHIBIT "A"

THE CITY COUNCIL OF THE TOWN OF ATHERTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1: That an Appropriation-Expenditure Budgeting System entitled Expenditure Control Budget (ECB) is hereby adopted. The system consists of:

- **Present Personnel Policies, Procedures, and Memorandum of Understanding, including salary schedules and benefits, except as hereinafter changed by resolution or ordinance of the City Council.**
- **The Expenditure Control Budget will show overall General Fund and other funds and/or departments.**
- **This system will apply to Operating and Capital Budget Expenditures as intended for use in Fiscal Year 2007-2008.**
- **All encumbered expenditures from the Fiscal Year 2006-2007 Adopted Budget shall be carried forward and re-appropriated in Fiscal Year 2007-2008. Any unencumbered expenditures to be re-appropriated in Fiscal Year 2007-2008 must be initiated by the Department Heads, recommended by the Finance Director, and approved by the City Manager.**
- **Capital Project Commitments: Capital projects for which funds are appropriated in the budget year shall have those funds restricted for use for that project. Such appropriations will continue to be valid in subsequent fiscal years until the project is completed or the Council takes subsequent action to de-appropriate all or part of the funds originally restricted. If a capital project requires an additional appropriation in excess of 5% of its budget, then City Council approval shall be required.**
- **General Fund Balance: The General Fund will maintain a Reserved Balance of \$ 5.3 million to maintain the City's credit worthiness, and to adequately provide for economic uncertainties, cash flow needs, contingencies, or local disasters.**
- **The City Manager is authorized to make any transfers of Operating Budget appropriation balances between departments and/or programs whenever he deems it necessary to do so in order to carry out the service level objectives and work programs established by the City Council.**
- **This budget system assumes existing service levels; Council approval will be required for any significant changes involving increased or decreased service levels.**

- **The Department of Finance shall be responsible for constant monitoring of the budget and shall establish and implement appropriate control mechanisms necessary for said purpose after consultation with city staff, and approval by the City Manager.**
- **A monthly financial report shall be prepared by the Finance Director for each department and/or program and/or capital project.**

Section 2: The FY 2007-2008 General Fund Operating Budget is hereby adopted, establishing the following projected General Fund Revenue and General Fund Expenditures:

General Fund Revenues:

| | | |
|------------------------------|----|-----------|
| Property Tax | \$ | 4,286,303 |
| Other Tax | | 1,310,530 |
| Licenses and Permits | | 2,128,188 |
| Fines and Forfeitures | | 35,000 |
| From Other Agencies | | 190,500 |
| Current Service Charges | | 293,808 |
| Investment and Rental Income | | 489,478 |
| Other Revenues | | 229,000 |

Sub-total Revenues: 8,962,807

Transfers and Carry-over:

| | | |
|---------------------------------------|--|---------|
| Carry-over from 2003-2004 Surplus | | - |
| Capital Projects Direct Charge | | 150,000 |
| Transfer from Parcel Tax | | 650,000 |
| Transfer from Gas Tax and Road Impact | | 100,000 |

Sub-total Transfers and Carryovers: 900,000

Total Revenues and Transfers: \$ 9,862,807

General Fund Expenditures:

| | | |
|--------------------|----|-----------|
| City Council | \$ | 24,122 |
| City Manager | | 565,205 |
| City Attorney | | 197,728 |
| Finance Dept. | | 445,756 |
| Building Dept. | | 1,487,473 |
| Police Dept. | | 4,886,586 |
| Public Works Dept. | | 2,217,324 |
| Contingency | | 100,000 |

Total Expenditures: \$ 9,924,194

Section 3: FY 2007-2008 all Funds Operating and Capital Budgets are hereby adopted, establishing the following revenue estimates and expenditure budgets:

Revenues & Other Resources:

| | | |
|---|-----------|-------------------|
| GENERAL FUND | \$ | 9,862,807 |
| SPECIAL REVENUE FUNDS | | |
| Transportation Fund | | 265,000 |
| Parcel Tax Fund | | 1,858,000 |
| Gas Tax Fund | | 150,000 |
| Road Construction Impact Fees Fund | | 1,132,102 |
| State COPS Fund | | 100,000 |
| Tennis Program Fund | | 8,000 |
| State Park Grant Fund | | 104,800 |
| Library Special Revenue Fund | | 284,000 |
| CAPITAL PROJECT FUNDS | | |
| Capital Improvement Fund | | 2,000 |
| Storm Drainage Fund | | 1,000 |
| Channel Drainage District Fund | | 46,000 |
| Facilities Construction Fund | | - |
| INTERNAL SERVICES FUND | | |
| Information Technology Fund | | 109,637 |
| Administrative Services Fund | | 312,599 |
| Workers Comp Insurance Fund | | - |
| Vehicle Replacement Fund | | 104,049 |
| TRUST & AGENCY FUND | | |
| Evans Estate Fund (Art Committee) | | 14,500 |
| Total Revenue & Other Resources: | \$ | 14,354,494 |

Expenditures & Other Uses:

| | | |
|------------------------------------|----|------------|
| GENERAL FUND | \$ | 9,924,194 |
| SPECIAL REVENUE FUNDS | | |
| Parcel Tax Fund | | 1,506,535 |
| Transportation Fund | | 229,500 |
| Gas Tax Fund | | 145,000 |
| Road Construction Impact Fees Fund | | 1,000,000 |
| State COPS Grant | | 100,000 |
| State Park Grant Fund | | 306,710 |
| Tennis Program Fund | | 5,522 |
| Library Special Revenue | | 78,326 |
| CAPITAL PROJECT FUNDS | | |
| Storm Drainage Fund | | 21,394 |
| Channel Drainage District Fund | | 55,000 |
| Facilities Construction Fund | | - |
| General Capital Improvement Fund | | 67,755 |
| INTERNAL SERVICES FUND | | |
| Information Technology Fund | | 108,304 |
| Administrative Services Fund | | 351,532 |
| Vehicle Replacement Fund | | 64,060 |
| TRUST AGENCY FUND | | |
| Evans Estate Fund (Art Committee) | | 11,500 |
| Total Expenditures & Other Uses: | \$ | 13,975,332 |



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE SPECIAL MEETING OF JUNE 18, 2007

**SUBJECT: APPROVAL OF A RESOLUTION ADOPTING THE FY 2007-08
APPROPRIATIONS LIMIT AND SUPPORTING CALCULATIONS**

RECOMMENDATION:

Approve the adoption of the FY 2007-08 appropriations limit and supporting calculations.

DISCUSSION

Pursuant to Article XIII B of the California Constitution, the Town of Atherton is required to adopt a resolution that:

- Establishes the appropriations limit at the beginning of each fiscal year; and
- Documents the procedures used to arrive at said limit.

Accompanying this staff report is the recommended appropriations limit and supporting schedules.

Should the City Council choose to make any changes to the recommended budget, the appropriations limit resolution and supporting schedules will be modified accordingly.

As indicated in the Attachment II to the appropriations limit resolution, the FY 2007-08 appropriations limit will amount to \$9,296,482. The appropriations limit therefore exceeds the \$5,399,767 appropriations subject to the appropriations limit by \$3,896,716.

FISCAL IMPACT:

While the adoption of an appropriations limit resolution is required by the California Constitution, there is no direct fiscal impact from implementation of staff's recommendation.

Prepared by:

Approved by:

John P. Johns
Finance Director

James H. Robinson
City Manager

Attachment

RESOLUTION NO. 07-

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
APPROVING APPROPRIATIONS LIMIT AND CALCULATIONS FOR FISCAL
YEAR 2007-2008**

WHEREAS, the Finance Director has calculated the fiscal year 2007-2008 appropriations limit for the Town of Atherton in accordance with applicable State law; and

WHEREAS, the San Mateo County annual percentage change in population is 1.2% and the per capita personal income percentage change from calendar year 2006 to 2007 is 4.42% (noting that population and personal income data is supplied by the California Department of Finance).

WHEREAS, the Finance Director has recommended approval of said limit at \$9,296,482 and its calculations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton does hereby approve the appropriations limit of \$9,296,482 and its calculations as set forth in Attachment 1 through 3, the copies of which are attached hereto.

* * * * *

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 18th day of June, 2007, by the following vote:

*AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:*

Alan B. Carlson, Mayor

ATTEST:

Kathi Hamilton, Acting City Clerk

APPROVED AS TO FORM:

Marc Hynes, City Attorney

ATTACHMENT I

TOWN OF ATHERTON
 GANN LIMIT COMPUTATION
 SUMMARY
 FY 2007-08

| | <u>BUILDING/ENG.</u> | <u>PARKS</u> | <u>OTHER</u> | <u>POLICE</u> | <u>TOTAL</u> |
|-----------------------------|----------------------|----------------|--------------|---------------|------------------|
| A. COSTS REASONABLY BORNE | 1,853,993 | 781,141 | 3,036,699 | 4,836,586 | 10,508,419 |
| B. FEES | <u>1,663,273</u> | <u>188,000</u> | <u>6,200</u> | <u>2,600</u> | <u>1,860,073</u> |
| C. FEES OVER(UNDER) COSTS | (190,720) | (593,141) | (3,030,499) | (4,833,986) | (8,648,346) |
| D. TRANSFER TO RESERVE | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| E. AMOUNT TO TAX PROCEEDS | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| PROCEEDS OF TAXES | 5,399,767 | | | | |
| AMOUNT TO TAX PROCEEDS | <u>0</u> | | | | |
| TOTAL PROCEEDS OF TAXES | 5,399,767 | | | | |
| APPROPRIATION LIMIT | <u>9,296,482</u> | | | | |
| AMOUNT OVER / (UNDER) LIMIT | <u>(3,896,716)</u> | | | | |

ATTACHMENT II

TOWN OF ATHERTON
CALCULATION OF APPROPRIATION LIMIT
2007-08

| | | | | |
|-----------------------------------|------|--------|----|-----------|
| 2006-07 Base Appropriations Limit | | | \$ | 6,230,777 |
| City Population Change | 1.20 | 1.0120 | | |
| Per Capita Personal Income Change | 4.42 | 1.0442 | | |
| Calculation Factor | | 1.0567 | | |
| Annual Adjustment Increase | | | | 278,705 |
| Parcel Tax Adjustment | | | | 2,787,000 |
| Total Adjustments | | | | 3,065,705 |
| 2007-08 Appropriations Limit | | | \$ | 9,296,482 |

**TOWN OF ATHERTON
CALCULATION OF PROCEEDS OF TAXES
FY 2007-08**

ATTACHMENT III

| | <u>PROCEEDS OF TAXES</u> | <u>NON-PROCEEDS OF TAXES</u> | <u>USER FEES</u> | <u>TOTAL</u> |
|--|------------------------------|----------------------------------|----------------------|--------------|
| <u>10 PROPERTY TAXES</u> | | | | |
| - SECURED | 3,899,906 | | | 3,899,906 |
| - UNSECURED | 261,397 | | | 261,397 |
| - SB813 SUPPLEMENTAL | 94,000 | | | 94,000 |
| - HOPTR | 31,000 | | | 31,000 |
| - OTHER | 0 | | | 0 |
| <u>011 OTHER TAXES</u> | | | | |
| - FRANCHISE - PG&E | | 180,000 | | 180,000 |
| - FRANCHISE - CAL WATER | | 54,101 | | 54,101 |
| - FRANCHISE - BFI | | 166,000 | | 166,000 |
| - FRANCHISE - CABLE TV & OTHER | | 69,360 | | 69,360 |
| - SALES & USE TAXES | 85,806 | | | 85,806 |
| - PUBLIC SAFETY SALES TAX | | 61,950 | | 61,950 |
| - REAL PROPERTY TRANSFER | 160,000 | | | 160,000 |
| <u>0330 LICENSES AND PERMITS</u> | | | | |
| - BUSINESS LICENSES | 425,000 | | | 425,000 |
| - HOME OCCUPATIONS | 4,100 | | | 4,100 |
| - BUILDING PERMITS | | | 1,487,473 | 1,487,473 |
| - ENCROACHMENT PERMITS | | | 80,000 | 80,000 |
| - OTHER LICENSES & PERMITS | | | 1,800 | 1,800 |
| <u>0340 FINES AND FORFEITURES</u> | | | | |
| - VEHICLE CODE FINES | | 25,000 | | 25,000 |
| - OTHER FINES AND FORFEITURES | | 10,000 | | 10,000 |
| <u>0350 USE OF MONEY AND PROPERTY</u> | | | | |
| - INTEREST-GENERAL FUND | | 380,000 | | 380,000 |
| - INTEREST-TRAFFIC SAFETY | | | | 0 |
| - PROPERTY RENTAL - PLAY SCHOOL | | 75,600 | | 75,600 |
| - PROPERTY RENTAL - CELLULAR ONE | | 33,878 | | 33,878 |
| - OTHER | | 0 | | 0 |
| <u>0353 HOLBROOK-PALMER PARK</u> | | | | |
| - SOCIAL FEES | | | 115,200 | 115,200 |
| - MEETING FEES | | | 64,800 | 64,800 |
| - FOOD SERVICE | | | 0 | 0 |
| - SUPERVISORY FEES | | | 0 | 0 |
| - LIABILITY INSURANCE FEE | | | 0 | 0 |
| - CLASS FEES | | | 0 | 0 |
| - TENNIS CLASSES | | | 0 | 0 |
| - FOUNDATION REIMBURSEMENT | | 0 | 0 | 0 |

0360 REVENUE FROM OTHER AGENCIES

| | | | |
|-----------------------------|---------|--|---------|
| - MOTOR VEHICLE LICENSE FEE | 533,313 | | 533,313 |
| - OFF HIGHWAY MVLFF | 0 | | 0 |
| - FEDERAL SRO GRANT | 0 | | |
| - MENLO HS SRO REIMB | 65,000 | | |

0370 CURRENT SERVICES

| | | | |
|---------------------------------------|--------|--------|--------|
| - ELECTIONS PROCESSING FEE | | 0 | 0 |
| - DOCUMENT/RESEARCH FEE | | 0 | 0 |
| - MICROFILM | | 400 | 400 |
| - PHOTOCOPY FEE | | 5,800 | 5,800 |
| - ALARM MONITORING FEE | | 0 | 0 |
| - VEHICLE RELEASE | | 1,600 | 1,600 |
| - POLICE REPORT | | 0 | 0 |
| - FINGERPRINTING FEE | | 0 | 0 |
| - SPECIAL SERVICES - POLICE | | 1,000 | 1,000 |
| - ZONING, PLANNING & SUBDIVISION FEES | | 76,000 | 76,000 |
| - APPLICATION FEE | | 18,000 | 18,000 |
| - INSPECTION FEE | | 0 | 0 |
| - ENGINEERING PLANNING FEE | | 0 | 0 |
| - SALES OF DOCUMENTS | | 0 | 0 |
| - POST OFFICE | 52,000 | | 52,000 |
| - OTHER SERVICES | | 0 | 0 |
| - SMIP (EARTHQUAKES) | | 0 | 0 |
| - DONATIONS - SPECIAL GIFTS | 0 | | 0 |
| - PG&E UTILITIES | 0 | | 0 |

0380 MISCELLANEOUS REVENUE

| | | | |
|--|-------|--|-------|
| | 5,000 | | 5,000 |
|--|-------|--|-------|

0390 REIMBURSEMENTS

| | | | |
|----------------------------|--------|--|--------|
| - BOOKING FEES | 0 | | 0 |
| - PERS EQUITY DISTRIBUTION | | | 0 |
| - POST | 3,500 | | 3,500 |
| - ERAF | 0 | | 0 |
| - OTHER | 12,000 | | 12,000 |

| | | | | |
|---------------------------|------------------|------------------|------------------|------------------|
| TOTAL GENERAL FUND | 5,559,522 | 1,128,389 | 1,852,073 | 8,539,985 |
|---------------------------|------------------|------------------|------------------|------------------|

OTHER

| | | | | |
|-----------------------------|------------------|----------------|--------------|------------------|
| PROPERTY TAX - SPECIAL TAX | 1,858,000 | | | 1,858,000 |
| SALES TAX - TRANSPORTATION | | 265,000 | | 265,000 |
| INTEREST - TRANSPORTATION | | 0 | | 0 |
| GAS TAX - 2105 | | 150,000 | | 150,000 |
| ROAD IMPACT FEES | 1,041,231 | | | 1,041,231 |
| DRAINAGE FUNDS | 47,000 | | | 47,000 |
| MIDDLEFIELD ROAD GRANTS | | 0 | | 0 |
| STATE COPS | | 100,000 | | 100,000 |
| TENNIS | | | 8,000 | 8,000 |
| | | | | 0 |
| PARK IMPROVEMENTS | | 0 | | 0 |
| PARK GRANTS | | 104,800 | | 104,800 |
| CAPITAL IMPR. | 2,000 | | | 2,000 |
| TOTAL OTHER REVENUES | 2,948,231 | 619,800 | 8,000 | 3,576,031 |

| | | | | |
|------------------------------------|------------------|------------------|------------------|-------------------|
| TOTAL REVENUES W/O INTEREST | 8,507,754 | 1,748,189 | 1,860,073 | 12,116,016 |
|------------------------------------|------------------|------------------|------------------|-------------------|

LESS EXCLUSIONS

| | | | | |
|----------------------------|------------------|------------------|------------------|------------------|
| - CAPITAL OUTLAY | 3,331,894 | 0 | 0 | 3,331,894 |
| - FEDERAL / STATE MANDATES | 0 | | 0 | 0 |
| NET REVENUES | <u>5,175,860</u> | <u>1,748,189</u> | <u>1,860,073</u> | <u>8,784,122</u> |
| | 58.9% | 19.9% | 21.2% | 100.0% |
| <u>INTEREST</u> | <u>223,907</u> | <u>75,626</u> | <u>80,467</u> | <u>380,000</u> |
| TOTAL REVENUES | <u>5,399,767</u> | <u>1,823,815</u> | <u>1,940,540</u> | <u>9,164,122</u> |



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JOHN P. JOHNS, FINANCE DIRECTOR

DATE: FOR THE MEETING OF JUNE 18, 2007

SUBJECT: ADOPTION OF A RESOLUTION ESTABLISHING A SPECIAL TAX FOR MUNICIPAL SERVICES FOR THE FISCAL YEAR 2007-2008

RECOMMENDATION:

Adopt a resolution establishing a Special Tax for Municipal Services for the Fiscal Year 2007-08.

DISCUSSION:

On June 7, 2005, the residents of Atherton approved Ordinance No. 555 establishing a special municipal tax. Fiscal Year 2007-08 will be the third year in which the five-year special municipal tax has been in effect.

The FY 2007-08 budget approved by Council on June 18th includes an estimate of parcel tax revenue in the amount of \$1,858,000. The recommended parcel tax levy is unchanged from the levy adopted in FY 2006-07.

The FY 2007-08 recommended budget documents show how the staff recommends the proceeds of the parcel tax levy be expended. In summary, \$650,000 (35%) of the proposed \$1,858,000 levy will be expended upon operations. The remaining \$1,208,000 (65 %) of the proposed levy will be used to defray the direct and indirect costs of improvements to the Town's roadways and drainage systems.

If the Council adopts the attached resolution, the tax will be collected for the Town of Atherton by San Mateo County as part of the regular property tax bill due and payable in December 2007

and April 2008. The taxes for each parcel classification are listed on Exhibit A of the resolution.

FISCAL IMPACT:

Should the Council approve the tax levy as is proposed in the attached ordinance, the Special Municipal Tax will generate an estimated \$1,858,000, of which \$650,000 would go to the General Fund and the remainder would be expended upon capital improvements to the Town of Atherton s roads and drainage systems.

Prepared by:

Approved by:

John P. Johns, CPA
Finance Director

James H. Robinson
City Manager

RESOLUTION 07-__

**A RESOLUTION OF THE TOWN OF ATHERTON
ESTABLISHING A SPECIAL TAX FOR MUNICIPAL SERVICES
FOR THE FISCAL YEAR 2007-2008**

WHEREAS, there is Ordinance No. 555 of the Town of Atherton authorizing the City Council to establish a Special Tax Levy on all properties within the Town of Atherton; and

WHEREAS, such Special Tax must be utilized to finance the cost of municipal services during the year as authorized; and

WHEREAS, such Special Tax was approved by at least two-thirds of the voters voting in the June 7, 2005, Special Tax Election, at which time Ordinance No. 555 was presented to the electorate; and

WHEREAS, the City Council has held all public hearings, and made deliberations and findings of fact, as required by Ordinance No. 555.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby levies a Special Tax for municipal services in accordance with the tax rates attached and shown as Exhibit "A".

BE IT FURTHER RESOLVED that such tax shall be collected by the Tax Collector of the County of San Mateo in accordance with standard procedures and agreement between the Town of Atherton and the County of San Mateo, providing for such collection.

* * * * *

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 18th day of June, 2007 by the following vote:

*AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS
ABSTAIN: COUNCIL MEMBERS:*

Alan B. Carlson, Mayor
TOWN OF ATHERTON

ATTEST:

Kathi Hamilton
Acting City Clerk

APPROVED TO FORM:

Marc G. Hynes, City Attorney

EXHIBIT “A”

**2007-2008 SPECIAL TAX RATE
FOR MUNICIPAL SERVICES**

Within the 2007-2008 annual budget is a revenue estimate of \$1,858,000 to be derived from the Special Municipal Tax as authorized by Ordinance 555 of the Town of Atherton.

This amount will be raised by the levy of the following tax rates for each of the categories listed below:

| | <u>Category</u> | <u>Rate</u> |
|-----|--|-------------|
| 1. | For each dwelling on parcel with an area of less than 1/4 acre. | \$450 |
| 2. | For each unimproved parcel with an area of less than 1/4 acre. | 225 |
| 3. | For each dwelling on parcel with an area of 1/4 acre but less than 1/2 acre. | 570 |
| 4. | For each unimproved parcel with an area of 1/4 acre but less than 1/2 acre. | 285 |
| 5. | For a dwelling on parcel with an area of 1/2 acre but less than 2 acres. | 750 |
| 6. | For each unimproved parcel with an area of 1/2 acre but less than 2 acres. | 375 |
| 7. | For each dwelling on parcel with an area of 2 acres or more. | 960 |
| 8. | For each unimproved parcel with an area of 2 acres or more. | 480 |
| 9. | For each private club. | 10,000 |
| 10. | For each parcel available for tax owned by a utility which serves Atherton area. | 450 |
| 11. | For each parcel available for tax owned by a utility which does not directly serve the Atherton community. | 750 |

The records of the San Mateo County Assessor, as of each year, shall determine whether or not any particular lot is unimproved for purposes of this ordinance.



Town of Atherton

CITY COUNCIL STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: JAMES H. ROBINSON, CITY MANAGER

DATE: FOR THE MEETING OF JUNE 18, 2007

SUBJECT: DISCUSSION AND DIRECTION TO STAFF REGARDING THE DEVELOPMENT OF GOALS AND OBJECTIVES FOR THE TOWN OF ATHERTON

Attached is a combined list of goals that were previously identified by the City Council. It was requested that completed goals be removed and the two previous lists combined. The attached represents that list. It was also recommended that the City Council prioritize this list in advance of our Budget/Goals meeting scheduled for June 18, 2007.

Please refer to the attached list and mark your own priority ranking of each Goal and return this list and return to the City Manager as soon as possible. Only the combined ranking by the city council will be consolidated and reviewed at our June 18 meeting. The priority shown identifies # (3) being the highest priority, # (2) medium and, # (1) being the lowest priority. You can mark your list online and email or fax back.

If you wish to add new goals and prioritize, please add the blanks provided and return as well. Let me know if you have any questions.

CITY COUNCIL GOALS/JUNE 2007

| GOAL | STATUS | PRIORITY | | |
|--|--|-----------------|----------------|----------------|
| 1. Develop Alternative Funding Sources for the Town Budget that were Non-Parcel Tax Funding Sources. | Staff has submitted various grant applications for irrigation, bridge, tennis court, and creek restoration for Holbrook Palmer Park. Staff currently working on a review of building and engineering fees. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 2. Develop a Drainage Plan. | Council approved contract study by BKF. Review underway and study partially completed. Workshop held May 14, 2007. Final report to be considered at 6/20/07 City Council Meeting. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 3. Prioritization of Giving and Membership Support to Various Groups. | Prioritization not completed Council has authorized financial support for HIP Housing and continues to receive requests for funding support for Sustainable San Mateo County and periodically from other groups. (See attached list.) | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 4. Code Enforcement | City Council authorized a contract with CSG to provide contract code enforcement services 1 day a week through June 30, 2007. A progress report will be presented to the City Council on 6/20/07. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 5. Emergency Preparedness | City Council authorized a City Council emergency preparedness committee. To date regular meetings have been held, many residents and city council members have become CERT trained. Sgt. Grimm has completed the revised Atherton Emergency and Disaster Preparedness Program Operations Manual. In addition, plans are underway to move the Emergency Operations Center to the Corporation Yard and authorization to purchase a generator for the EOC and a Well at Holbrook Palmer Park approved by Council. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 6. Facility Plans | The City Council Facilities Committee has completed a preliminary needs analysis for the City Hall, Police Station, and Permit Center. The Committee is currently working on a preliminary plan to utilize in the solicitation of funding. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 7. Grant Resource Person: | We continue to utilize existing staff for grant applications. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 8. Alternative Power Sources: | The Environmental Programs Committee sponsored Earth Week in April where representatives of Solar City provided | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |

| | | | | |
|---|---|-----------------|----------------|----------------|
| | information about Solar alternatives along with dozens of green exhibitors. The EPC and staff have met with PG&E and ABAG to complete an audit of Town facility energy use and determine where improvements can be made. | | | |
| 9. Caltrain Service Issues: | The Atherton Rail Committee meets monthly and has been actively involved with CETS to seek restoration of week day rail service. The Committee has also worked with CETS group in encouraging the adoption of Resolutions in Burlingame, Belmont, Atherton, and other cities requesting that a consultant be hired to evaluate train schedules that would provide additional local service. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 10. Town Home Renovations: | The Town Home was recently "tented" and fumigated for Termite Infestation. The Town Home along with other park facilities have recently had a comprehensive inspection by an independent inspector to evaluate any needed improvements | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 11. Building Department Operations Review: | Audits have been completed in review of the Building Department Operations and many of the recommendations implemented Staff is currently working with CRW to develop a permit tracking system proposal . In addition a new Building Official has been appointed and recruitment is underway for a Senior Building Inspector and plan checker. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 12. Establish Objectives and Identify Funding sources for El Camino Real and Other Drainage Improvements: | Completed for the Atherton Drainage Channel, not for El Camino Real. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 13. Establish a Strategy for the Atherton Channel Upgrade, Repairs and Long-Term Maintenance: | Projects completed at upper channel and along Marsh Road Monitoring continues Ongoing | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 14. The Housing Element: | Town is participating in a county wide Regional Housing Needs Allocation program. Ongoing. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 15. The Needs Assessment for Town Facilities: | Some items completed and a proposal to evaluate further needs is underway. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 16. The Town Home: | Money budgeted for improvements. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |

| | | | | |
|--|--|-----------------|----------------|----------------|
| 17. The General Plan Review and Update: | A great deal had been done; however the required five-year review was not completed. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 18. Volunteer Recognition: | A policy was not yet established, recognition occurred at Council Meetings, and an event was contemplated. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 19. The Strategic Plan for Town Computer Technology Needs: | Accomplishments in the Finance and Police Departments, needs in the Building Department. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 20. Revise Employee Personnel Rules and Procedures: | In progress. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 21. Updating the Municipal Code: | Ongoing | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 22. Updating the Zoning Ordinance | Contract to complete zoning ordinance update approved with PMC. Kick off meeting held 1 st week in June 2007. | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 23. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 24. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 25. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 26. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |

| | | | | |
|-----|--|-----------------|----------------|----------------|
| 27. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 28. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 29. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 30. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 31. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 32. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 33. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |
| 34. | | <u>(3) High</u> | <u>(2) Med</u> | <u>(1) Low</u> |