



Item No. 16 Town of Atherton

CITY COUNCIL STAFF REPORT – STUDY SESSION

TO: HONORABLE MAYOR AND CITY COUNCIL

**FROM: GEORGE RODERICKS, CITY MANAGER
ROBERT BARRON III, FINANCE DIRECTOR**

DATE: JUNE 20, 2018

SUBJECT: ADOPT THE ATTACHED RESOLUTIONS ADOPTING THE FY 2018/19 OPERATIONS AND CAPITAL BUDGET, SALARY & BENEFIT RESOLUTION FOR UNREPRESENTED STAFF, THE 2018/19 SALARY AND CLASSIFICATION SCHEDULE, AND THE GANN LIMIT APPROPRIATIONS

RECOMMENDATION

Adopt the accompanying Resolutions:

1. The FY 2018/19 Operating and Capital Improvement Budget;
2. The FY 2018/19 Salary and Benefit Resolution Unrepresented Staff;
3. The FY 2018/19 Salary Schedules and Classifications;
4. The FY 2018/19 Gann Limit Appropriations.

Because this also impacts the salary of the City Manager due to the CPI adjustment, as directed by the City Council, the following must be read into the record:

“With the adoption of the Salary and Benefit Resolution, after 6 years of service to the Town, the City Manager will receive \$217,589 per year, a \$400 per month auto allowance, a \$3,000 per year technology benefit allowance (forfeited if not used), a \$481 per month contribution to an approved 457 deferred compensation plan, and the potential for a \$15,000 annual performance bonus. The City Manager receives retirement, health, and leave benefits consistent with all other management staff. The City Manager pays the employee share of retirement – 7% of pay and 1% of the employer share of retirement costs. Total annual pay, excluding benefits, to the City Manager is \$222,389. Total annual cost, with benefits, including assumed full receipt of the technology allowance and the current CalPERS employer pension rate (9.635%) is \$266,055. This amount does not include the potential non-pensionable annual performance bonus or the accrual of 2-weeks of vacation per year.”

BACKGROUND

Staff is pleased to present the City Council with a balanced Annual Operating Budget for FY 2018/19. The Council held three (3) study sessions in review of the Town Operational and Capital Budgets.

This budget presents a plan for accomplishing the goals and objectives of the City Council within existing resources and core strategy of financial stability in mind. The Town's General Fund Operating Budget relies on continued fiscal prudence, taking into account the need to adjust resources in order to meet any rising demands for Town services, capital improvements and priorities. Staff seeks to ensure that the Town's fiscal position remains positive while still continuing current programs, policies, and services.

During the current fiscal year there was CIP focus on –

- Implementation of drainage facility repairs designed by drainage consultant WRECO;
- Completion of culvert repair drainage improvement project at Stockbridge Avenue, Polhemus Avenue, and Camino Al Lago;
- Awarded a contract for Stockbridge Avenue Valley Gutter Replacement project;
- Design phase of the Euclid/Parker Ditch; and
- Completion of the Series Circuit Street Light Project.

With the sunset of the Parcel Tax, there have been some CIP projects that have been delayed as staff seeks additional funding options and grants. The Town will continue to use every source of revenue to carry out its Capital Improvement Program. As projects are continuing to be identified and designed, the Town will save funds for future capital project priorities. The Town anticipates to begin construction of the Middlefield Class II Bike Lane project in late summer and remains committed to the Civic Center Project. Funding for this project is through Atherton Now donations, Capital Improvement Fund, Library Fund, and the General Fund reserves, and future revenue over expenditures.

We continue to work on fostering partnerships with other agencies in fulfilling infrastructure needs. The Town entered into a cooperative implementation agreement for up to \$13.6 Million with Caltrans to construct a Water Capture Facility in the Town to satisfy requirements under the Regional Water Quality Control Permit and Green Infrastructure Mandate. The Town continues to evaluate options for siting this potential facility. This project helps mitigate drainage issues, storm water capacity for the Town, and reduction of pollutants in the Bayfront. The CIP program serves as a road map in prioritizing community needs through the identification of funding and projects that will be a major focus in the next five (5) years.

This draft budget includes salary and benefit adjustments that have been directed for FY 2018/19 and also includes the APOA MOU and Unrepresented employees' salary adjustments.

ANALYSIS

We continue to be fiscally prudent with our resources but are mindful of operational and infrastructure needs. The FY 2018/19 Budget projects a healthy outlook on agency finances and continues to implement current Council priorities of long term liabilities, capital project needs, and enhanced operation needs. Below is an analysis *by fund and operational area* of the Town's Operating and Capital Improvement Budgets.

GENERAL FUND

REVENUES

The Town's total General Fund revenue for FY 2018/19 is projected to be **\$15,760,043**. Grants and contributions are only budgeted if they have been authorized and approved by the granting agency. An ABAG public safety equipment grant of \$3,200, a Cal-Recycle grant of \$5,000 and a Community Oriented Policing Grant of \$100,000 are included as known revenues. One additional notable grant the Town anticipates to receive is from Atherton Now for \$4,576,976 for the construction phase of the Civic Center.

The table below reflects major revenue categories for the Town's budget. Some of the items in the table are expanded for additional detail and some include only the rolled up amount.

| | Actual | Orig. Budget | Adjusted/Est. | Recommended |
|------------------------------|--------------------|---------------------|----------------------|---------------------|
| Category | FY 2016/17 | FY 2017/18 | FY 2017/18 | FY 2018/19 |
| <i>Secured Property Tax</i> | \$7,515,741 | \$7,856,852 | \$8,365,190 | \$8,783,449 |
| <i>Other</i> | \$2,079,952 | \$2,141,447 | \$2,217,445 | \$2,271,463 |
| Subtotal Property Tax | \$9,595,693 | \$9,998,299 | \$10,582,635 | \$11,054,912 |
| Sales Taxes | \$340,074 | \$257,328 | \$268,627 | \$273,999 |
| Franchise Fees | \$832,926 | \$801,177 | \$813,550 | \$833,384 |
| Intergovernmental | \$39,057 | \$42,192 | \$40,414 | \$41,222 |
| Business License Tax | \$240,000 | \$242,993 | \$242,993 | \$250,283 |
| Planning Fees | \$248,197 | \$260,300 | \$265,800 | \$268,455 |
| Building Fees | \$1,748,474 | \$1,738,160 | \$1,917,082 | \$1,955,424 |
| Policing Fees | \$71,312 | \$81,192 | \$90,311 | \$81,728 |
| Public Works Fees | \$403,056 | \$330,780 | \$355,700 | \$362,100 |
| Park Program Fees | | | | |
| <i>Social Fees</i> | \$102,005 | \$86,032 | \$102,620 | \$103,646 |
| <i>Meeting Fees</i> | \$23,550 | \$41,739 | \$23,000 | \$24,000 |
| <i>Class Fees</i> | \$18,740 | \$32,215 | \$32,215 | \$32,537 |
| <i>Weddings</i> | \$30,200 | \$25,250 | \$31,000 | \$30,000 |

FY 2018/19 Town Operations Budget

June 20, 2018

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| | Actual | Orig. Budget | Adjusted/Est. | Recommended |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Category | FY 2016/17 | FY 2017/18 | FY 2017/18 | FY 2018/19 |
| <i>Day Use Fees</i> | \$12,575 | \$13,664 | \$13,664 | \$13,000 |
| <i>Admin Fees</i> | \$37,695 | \$40,922 | \$47,260 | \$47,800 |
| Subtotal | \$224,765 | \$239,823 | \$249,759 | \$250,984 |
| Misc. Revenues | | | | |
| <i>Admin Citations</i> | \$31,700 | \$34,320 | \$44,900 | \$45,349 |
| <i>Cell Lease(s)</i> | \$53,198 | \$55,858 | \$55,858 | \$58,888 |
| <i>Interest Income</i> | \$48,009 | \$80,667 | \$80,667 | \$95,000 |
| <i>Knox Playschool</i> | \$79,810 | \$78,118 | \$78,118 | \$78,118 |
| <i>C&D Forfeiture</i> | \$104,600 | \$16,240 | \$52,600 | \$55,000 |
| <i>Other</i> | \$89,638 | \$56,580 | \$58,650 | \$55,198 |
| Subtotal | \$406,955 | \$321,783 | \$370,793 | \$387,553 |
| Total | \$14,151,209 | \$14,314,027 | \$15,197,664 | \$15,760,043 |
| <i>Parcel Tax</i> | \$372,000 | \$372,000 | \$372,000 | \$0 |
| Total General Fund | \$14,523,209 | \$14,686,027 | \$15,569,664 | \$15,760,043 |
| <i>Excess ERAF</i> | \$1,103,185 | \$1,066,958 | \$1,280,172 | \$1,025,000 |
| Total Revenues | \$15,626,394 | \$15,752,985 | \$16,849,836 | \$16,785,043 |

- Note – table includes ERAF and shows Parcel Tax as zero (\$0) as the tax has sunset.

Excess ERAF still remains a vital component of the General Fund as it supports the reduction of long-term liabilities and the funding of one-time capital project needs; however, staff has removed it as a “dependent” revenue source for operations. Staff has included a conservative estimate of Excess ERAF funds for FY 2018/19 - \$1,025,000; but, the amount may vary upward. *Staff recommendation for the use of the \$1,280,172 of ERAF Funds for FY 2017/18, is apply the funds toward the Civic center project.* Subject to City Council annual budget approval, there is anticipation that Excess ERAF funds in FY 2018/19 through FY 2020/21 would be used to fill portions of the funding gap for the Civic Center project.

Revenue Assumptions

In FY 2018/19, property taxes represent 70% of the Town General Fund Revenues. The total projected revenue from property taxes is \$11,054,912. Total property tax revenues are projected to increase approximately 4.5% or \$472,277 over the FY 2017/18 estimate. From FY 2011/12 to FY 2017/18, Atherton has seen a growth in *assessed value* of approximately 60%. Staff projects base property tax revenue to increase about 5% in FY 2018/19. Staff continues to monitor property tax assessments every year. HDL Companies (consultant) suggests that the Town use a projection of 4.16 to 6 percent (%) increase in property tax revenues next year. There is anticipation that there could be leveling out of tax revenue in future years. Staff used a projection of 5 percent (%) for the majority of FY 2018/19 property tax revenues.

General Fund other revenues for FY 2018/19 include conservative revenue assumptions. Most Property Tax revenues with exception of unsecured property tax revenues (reduction of 2.4%), are assumed to increase by 5%. Most other General Fund revenues have seen steady increases over the years.

- Building Department revenues are projected to increase by approximately 2%;
- Franchise revenues are projected at 2% to 3%;
- Charges for services were held to 1% to 2% projected increases; and
- Park Program revenues are projected at approximately \$250,000.

E X P E N D I T U R E S

Overall General Fund expenditures are estimated at **\$14,088,033**. Expenditures continue to be evaluated based on operational needs to provide consistent services to the community. Some expenditures in the budget are attributed to a re-budget of items from FY 2017/18 and others attributed to CPI adjustments authorized by the Council. Staff reviewed operational expenditures and known expenditure adjustments were incorporated wherever possible based on upcoming contract costs, projected dues/fees for member agencies, as well as corresponding changes in rate adjustments for CalPERS, health costs, and Workers' Compensation rates.

OVERVIEW

In FY 2018/19 the Town will receive General Fund revenues of \$15,760,043 balanced against operating expenditures of \$14,088,033. There is a single-year operational revenue surplus of \$1,672,010. This leaves a projected year-end positive balance of \$18.51 Million (with the inclusion of excess ERAF and transfers to and from other funds). During the FY 2018/19 budget discussions, the Council took action to pay down Workers' Compensation minimum negative equity reserve of \$235,397 and include an additional contribution \$198,151 towards Town OPEB trust.

CalPERS Pension Obligation

Town recently ratified a CalPERS contract change resolution for Public Safety and Miscellaneous employees of the APOA. This includes the sworn personnel picking up 3% and non-sworn picking up 1% of the Town's employer contribution. The above benefit adjustment to sworn personnel reduced the Town's **employer** portion of the CalPERS contribution. With this final transfer of the additional contribution to the **employer** portion of CalPERS, the Town total cost is reduced by approximately \$80,400. The Town unrepresented staff, will also be picking up 1% of the Town's employer contribution.

For CalPERS, the employer rates have changed as CalPERS implemented its new rate smoothing policies. The Public Safety Officer Employer Contribution rate for FY 2018/19 is 22.346% (*an increase of 0.928%*). The Local Miscellaneous Employer Contribution rate for FY 2018/19 is 9.635% (*an increase of 0.539%*). This results in a corresponding expenditure increase in the Normal Cost of Employer Rate Contribution through payroll - \$29,723 (Public Safety - \$22,859;

Local Miscellaneous - \$6,864). Over the past three years the Town has been paying the required unfunded accrued liability dollar amount portion to CalPERS. The anticipated FY 2018/19 UAL payment is \$868,573 and is an increase of \$186,509. These expenses are allocated across the respective department budgets.

Worker's Compensation

As discussed above, the budget includes a replenishment of its current WC minimum equity reserve (\$235,397). Staff's recommendation is to maintain the minimum equity reserve and if warranted, that the amount is replenished each year. The Workers' Compensation charge to the Police Department was increased to recover the Town's self-insured negative equity reserve and recent increase in claims. Workers' Compensations costs are allocated out to the respective departments based on claims history and rate allocations. The rates increased from 10% to 11% of salary costs for public safety employees. This equates to an increase of \$21,817 in cost for the department. The miscellaneous employees' rate remained the same at 4% of salary costs. Total Workers' Compensation charges expense increased \$24,710 to a total of \$360,650 to recapture losses in self-insured claims. The Town should maintain a reserve equity of at least \$80,678 with the Cities Group JPA.

Staff continues to recommend it is sensible to monitor and increase workers' compensation reserves within the workers' compensation fund to allow the Town to build up and maintain a reserve to weather any future workers' compensation claims.

Staff also recommended that within the budget, the Town fulfill its ARC for OPEB. In previous fiscal years the Town made great strides to contribute to its OPEB Trust. The target limit was set at \$5 Million and this target was reached. There is now approximately \$6.28 Million maintained in the Trust. With the recent OPEB actuarial valuation report, the Town's (ARC) is \$668,846. The estimated FY 2018/19 "pay as you go" retiree health care costs are \$470,695. The Town budget allocates an additional contribution of \$198,151 towards the Town OPEB trust to satisfy the minimum required ARC (difference between \$470,695 and \$668,846). This contribution is allocated amongst respective departments. Eventually, as the OPEB Trust grows in value, the Town will be able to eliminate the "pay as you go" costs from its operational budget and pay these costs from the Trust. At this time, however, the value of the fund needs to increase in order to sustain annual deductions.

MAJOR FISCAL CHANGES

General operations focused on anticipated needs and cost assumptions on meeting operational demands. Included are summaries by department and roll-ups of total operational expenditures.

CITY COUNCIL OPERATIONS
INCREASE OF \$13,051

The City Council budget includes expenditures related to City Council meetings, conference attendance such as League of California Cities, Council/Town memberships (LAFCO, C|CAG, HEART, HIP Housing, League of Cities, etc.), HSR Public Relations, Elections, utilities for the Council Chambers and incidentals. There are no salaries or benefits in the City Council budget.

As discussed in prior budget sessions, there was an overall increase of \$13,051 as compared to the FY 2017/18 budget. The bulk of this increase is an increase in election cost and membership and dues.

ADMINISTRATION DEPARTMENT
INCREASE OF \$19,527

The Administration Department budget includes the City Manager's Office and City Clerk's Office. This represents three full-time salaries and benefits (City Manager, City Clerk/Deputy City Manager, and Office Specialist), contract support for human resources (legal), legal noticing and posting, conference attendance and support, memberships, municipal code publishing, office supplies, and the administrative share of general utilities and costs.

As discussed in prior budget sessions, the major increase was due to opening a position in the department for an Office Specialist. This was also due to projected salary and benefit adjustments, retiree health active expense, retiree health plan changes. There is an increase in contractual deferred compensation expense. There was an increase in CalPERS UAL payment and CalPERS employer contribution increased to 9.635%. There were offset decreases in department operating expense of advertising and notice, training & workshops. Minor increases in Special Events and Awards and office supplies expense.

CITY ATTORNEY'S OFFICE
NO CHANGES

The City Attorney's Office budget consists of the legal retainer for the City Attorney and other associated legal services. The City Attorney's Budget is \$204,000 and does not reflect an increase.

FINANCE DEPARTMENT
INCREASE OF \$38,433

The Finance Department budget includes the salaries and benefits of three full-time employees (Finance Director, Jr. Accountant and Accounting Technician). The budget includes contract services for the Town's Audit and Investment Services, financial software licensing and support, conference attendance and support, memberships, office supplies, and business license processing costs.

There was an increase to Salaries and benefits increased due to cost of living adjustments within the department. There was an increase in the CalPERS employer retiree contribution of \$1,728. There was an increase to the FY 2018/19 CalPERS UAL payment unfunded liability expense of \$5,635. Health insurance for retiree pay as you go increased \$1,776 due to the allocation of OPEB ARC and \$1,900 increase in health insurance for active employees. The total operation expenses for the department increased by \$7,461. A majority of the increase is for \$3,156 in Audit and Financial expense to \$54,452. The Other Contract Services expenditure budget increased by \$3,000 to \$48,100 a result of upcoming GASB 75 OPEB requirements implementation on Town financial statements and pension/OPEB software licenses. There is an increase in Technical Services expense of \$500 for increase in financial software annual maintenance fee of \$19,500. Conferences and Memberships and Dues expense increased by a combined \$500 for Finance staff.

PLANNING DEPARTMENT
DECREASE OF \$340

The Planning Department budget consists of contract planning services and associated services and costs. The Department also includes an allocation of arborist service costs related to planning activities.

BUILDING DEPARTMENT
INCREASE OF \$168,793

The Building Department budget consists mostly of the contract services for the building department (Interwest), portions of three full-time salaries and benefits are also allocated to the department (Arborist, Senior Engineer/Maintenance Manager, and Office Specialist), general office supplies and materials, software costs, and a share of the building department share of utilities.

As discussed in prior budget sessions, the department Salary and Benefits had a net increase of attributed to cost of living salary adjustments and other benefits. This is attributed to salary and benefits for the allocation portion of new salary classifications of Senior Engineer/Maintenance Manager and Town Arborist at the beginning of the calendar year, as well as the standard adjustment for Office Specialist. The CalPERS employer contribution increased \$2,087 and health insurance for retiree pay as you go increased \$10,808 due to the allocation of OPEB ARC and \$2,225 increase in health insurance for active employees. The Building department portion of CalPERS unfunded liability increased \$12,825. Total operations expense budget increased \$118,995. This increase was due to the Contract Building & Life Safety expense increase of \$119,495 to \$1,105,483. This expense is correlated to building permit revenue. There was a reduction in Contract Inspection services expense by \$500.

**INTERDEPARTMENTAL
INCREASE OF \$99,559**

The Interdepartmental budget provides for the accounting of costs that are incurred and support all Town departments. Costs include liability insurance, IT support, County Tax administration costs, IT infrastructure costs and other charges that are Town-wide in nature.

The Interdepartmental Budget had an overall increase of \$99,559. As discussed in prior budget sessions, the department had an increase of \$46,592 in IT support expense for Interwest IT services. Currently the Town has one day a week on-site services. With increased IT needs with also the relocation of administration, the service is increasing to two days per week on-site services. This projects a total expense of \$116,192. The initial contract was \$69,600 for one day a week services. There is a projected increase of \$8,717 in Town Liability insurance to \$275,665. This amount also includes a \$100,000 self-insured retention claim expense. The Town's claim expense Self-Insured Retention is \$25,000 per claim. General Insurance, Excess Liability, Property and Premium employment practice liability insurance total budget increase was \$8,717. There was an increase in the IT infrastructure plan of \$42,410 to \$98,298 for important updates to the Town IT infrastructure needs. This includes new/updates to the following: Upgrade to new firewall as the current one is at end of life (increase \$3,800), spam protection and antivirus renewal (increase \$910), replacement of Hyper V Host Server to expand virtual platform (\$15,000), OpenGov transparency portal (increase \$4,000), SSL Certificates and Windows License for new virtual host (increase \$2,500), Office 365 Full Licenses (Increase \$10,200), Office 365 Mailbox only licenses (increase \$3,000), upgrade Window License town-wide (increase \$3,000)

**PUBLIC WORKS DEPARTMENT
INCREASE OF \$180,920**

The Public Works Department budget consists of 5 distinct areas of focus: Engineering, Streets, Park Maintenance, Park Programs, and Building Maintenance. The department recently went through a restructuring to include the hiring of a Public Works Director and the new classifications of Associate Civil Engineer to Senior Engineer/Maintenance Manager, and addition of Parks Manager to Town Arborist. The salaries and benefits of all or portions of four full-time employees (Public Works Director, Senior Engineer/Maintenance Manager, Town Arborist/Parks Manager, and Office Specialist) are included in the budget. The budget includes contract services for the Town Maintenance Services (MCE), Custodial Services, Tree Trimming, Street Sweeping, Signal Maintenance, Street Light Maintenance, Contract Engineering, and Park Event Services. The budget also includes computers and equipment, training and workshops, software licensing and support, general office support, memberships, office supplies, and shares of general utilities and costs.

As discussed in prior budget sessions, the Public Works budget reflects an increase of \$180,920. Total Salaries and Benefits increased \$161,956 in the department. This is mainly due to the reclassification of management positions and the hire of a Public Works Director in the current FY. Also attributed to the increase is cost of living salary adjustments in the department. Another \$60,000 is attributed to a re-budget of expenditures in the Park Maintenance Department. These

funds are earmarked for the maintenance and rehabilitation of the park path from the pedestrian bridge to par course site along Watkins. This project was on hold while reviewing the Water Capture Facility project in the Park. The Building Maintenance Department had an increase in Other Contract Services of \$5,000 for expenditures of grant funds received from CalRecycle in recent fiscal years for recycle containers. There was an increase in active health insurance and the CalPERS employer contribution increased \$4,574 to \$31,395. Health insurance for retiree pay as you go increased \$65,900. A majority of the increase is due to the allocation of OPEB ARC of \$47,179 and the remaining \$18,721 is due to new retiree health beneficiary. The department's portion of the CalPERS UAL payment increased in the amount of \$19,211 for FY 2017/18 to \$83,083. There was the elimination of the Contract Public Works Director of \$187,000. There is an increase in Contract Engineering expense of \$50,000 for additional contract engineering services such as traffic studies, and consultant engineering. Technical Service expense increased \$15,000 to an expense of \$40,000 for GIS upgrades, maintenance and surveys. There is an increase of \$2,142 for Contract Park Event Services for Catering by Dana. This will correspond to Park Program revenue projected for FY 2018/19. Facility Repair and Maintenance expense increased \$27,500 to \$49,000 for minor repairs around park grounds, elevator, roof, HVAC, etc. - also includes Gilmore house repairs. The budget reflects an increase in Contract Custodial services of \$1,716 to \$47,916 in anticipation of a services refresh. Contract Tree Maintenance saw an increase of \$2,500 due to implementation of new tree pruning program on Town rights of ways. Total Utility expense increased \$22,550, with a majority of the increase of \$17,000 for electricity and \$5,000 for water for increased activity at the park and including the Gilmore house. There was an increase in Conferences, Training Workshops, and Dues for a total of \$4,300 for attendance of public works staff. The Building improvements expense also includes a budget of \$76,000 to paint entry and exits of the park, and the pavilion restrooms remodel in the Holbrook Palmer Park.

POLICE DEPARTMENT
INCREASE OF \$514,729

The Police Department budget consists of four distinct divisions: Admin/Training, Patrol/Traffic, Investigations, and Communications/Records. Within these areas are specific areas of focus including: detectives, community service officers (and code enforcement), school resource officer, K-9s, dispatch, and administration. The deployment of the department consists of 4 Patrol Teams of 12 hours shifts (2 day shift 7am – 7pm and 2 night shift 7pm – 7am). Minimum staffing consists of 1 supervisor, 2 officers, and 1 dispatcher.

Staff currently in discussions with local school districts for a collaborative funding partnership of the School Resource Officer. Discussion of potential options are still preliminary and are not represented as an offsetting revenue.

The Police Department total budget reflects an increase of \$462,231 over the FY 2017/18 budget. The Department budget is \$7,673,591 and still comprises 55% of the total General Fund operational budget.

As previously discussed at our prior budget session, within the salaries and wages budget there is an increase of regular salaries for officers and dispatchers, also of which is attributed to the cost of living salary adjustments in the department for unrepresented employees of \$106,410. In October

2016, the Town entered into a new MOU with the Atherton Police Officers Association. The final increase of the MOU occurs July 1, 2018. The sworn personnel and dispatchers receive an additional 2.75% wage increase and an additional 1% adjustment for Employer PERS contribution.

There is a decrease in CalPERS employer contribution expense of \$8,794 to a budget of \$520,488. This is a result of the 3% benefit adjustment for sworn personnel starting July 2018. This adjustment offsets the total employer contribution expense by \$80,407 to \$520,487. The Workers' Compensation expense as discussed earlier in the report increased \$21,817 as the department charge went from 10% to 11% to build up a reserve for claims. Health insurance-active expense increased \$48,469 and retiree health expense increased \$113,436 to \$397,942. Of this amount \$103,793 is attributable to the Town OPEB ARC payment. The Police Department budget reflects a payment of the CalPERS UAL of \$664,983, an increase of \$139,433. The CalPERS employer contribution rate increased to 22.346%. This increase is netted out by the decrease of \$80,407 in the CalPERS employer contribution adjustment for sworn and non-sworn personnel. These adjustments total \$323,155 of the total increase of \$462,231.

Overall, the basic Operations expenditure budget for the Police Department increased by \$45,240 from \$937,808 to \$983,048. There was an increase of \$2,091 in technical services due to radio antennas installed throughout Town and a need for increased maintenance from TEA Maintenance. This increase in maintenance of \$8,496 was offset by a reduction in MKMS server expense for alarm notifications. The Town now is only paying for license fee for the server notification. There was also an additional \$2,600 for Utility Network internet support costs. There was an increase in rent facilities in the amount of \$1,800 for storage containers as the relocation of certain administrative areas begins. There is an increase in Other Contract Services in the amount \$3,000 for increase in range fee at Coyote Point fire arms range to \$7,000. Computer/Equipment Software expense increased by \$25,338 for body cameras and storage space due to new policy and compliance with San Mateo County District Attorney's office and for Coplogic Lexis Nexis report writing software. Equipment replacement fund expense increased by \$15,600 to \$270,100 due to the recommended purchase of 3 new outfitted SUV's, and necessary outfitted equipment for the PD fleet for a total of \$240,000 as the Department continues phasing out high mileage vehicles. There are no more Crown Victoria vehicles available in the market and the new replacement Taurus are too small. The SUV explorer is more interchangeable, roomier, and is now the new industry standard. The Department also requests supplemental equipment to include ballistic gear, weaponry, radios and ballistic armor plates for a total of \$71,100.

GENERAL FUND SUMMARY

For FY 2018/19, staff projects the Town's Total General Fund revenues at \$15,760,043 against \$14,088,033 in expenditures. This results in a single year surplus of \$1,672,010 *before* the addition of conservative ERAF of \$1,025,000. With ERAF, there will be a General Fund revenue surplus of \$2,697,010. There is a projected year-end positive fund balance in the General Fund of \$18.51 million.

LIBRARY FUND

REVENUES

The Town is a member of the San Mateo County Library JPA system. The Library is funded through property taxes that are collected and allocated to library services. Under the JPA, jurisdictions are permitted to retain excess funds generated from the local property taxes as long as the basic library services are met. During the past several years, the Town has experienced an accumulation of excess revenue in the Library Fund. The excess revenue or “Donor Funds” may be used to augment library services and/or fund future library capital infrastructure needs. . These excess donor funds are committed as the primary funding source for the design and construction of the new Atherton Library as well as extended library hours of operation, utilities and maintenance costs.

The anticipated FY 2017/18 ending balance for the Library Fund is \$12,632,449. Funds are held in trust in part by the Town and the County of San Mateo. Of that amount, the Town holds \$5,141,024 and the County holds \$6,504,207. The County holds all future donor funds. The projected Library Fund Revenue (donor funds) for FY 2018/19 is \$1,300,000. The estimated available funding for FY 2018/19 is \$13,982,449.

EXPENDITURES

For FY 2018/19, staff has allocated \$4,759,230 for the Library’s share of the Civic Center Project. Remaining allocations include \$53,400 for operations, utilities and maintenance costs. These are estimated budget amounts at this time. Staff is still working on construction timing of the projected phasing of the project. This could change once the bids come and the Town selects a contractor.

The estimated construction costs for the Library is \$17,209,832. These costs are reflected the April 2018 Cost Model Manager. There are additional “other costs” within the cost model(IT, Inspections, Testing, Utilities, FF&E, Moving/Staging, project management, etc.) that are attributable to the Library making the total estimated cost \$18.8 million.

It is anticipated that the Civic Center “project years” will include FY 2018/19 through FY 2021/22. *Staff anticipates that there is possible need to borrow forward in donor funds in FY 2022/2023 to fulfill the Library Project construction needs.*

OTHER RESTRICTED FUNDS

The Town maintains a variety of special revenue and internal service funds that are “restricted funds” for specific purposes beyond basic capital improvement. Revenue to internal service funds are in the form of General Fund department charges based on allocations by department and uses.

TENNIS FUND

The Tennis Fund projected revenues total \$47,100. A majority of this revenue attributable to the facility management services contract with Player Capital. Since entering into the contract with

Player Capital in the fall of 2014, staff believes that this management services agreement continues to meet the needs of the community and provides additional revenue to the Park. Player Capital Tennis is the exclusive provider of tennis lessons and clinics and serves as facility manager through the online court reservation system.

Within the past year Player Capital approached the Town about installing a clay court at the Tennis facilities. Through outreach Player Capital secured funding through a generous donation for the installation of a clay court here in Atherton. Installation of the court took place this past winter and the Town is now home to one of the very first public clay court in the Bay Area. Benefits of the court include better pace of play, easier on player bodies, and the ability to experience this type of competitive play.

The FY 2018/19 budget projects that the purchase of tennis keys by residents and non-residents provide annual revenue of approximately \$6,500. This includes the anticipated recent changes in the proposed fees at the Tennis Court. The new charges are \$50 for Atherton Residents per standard tennis key and \$50 for clay court access. The standard key fee for non-residents is \$200 and clay court access of \$30/ hour. Each January, new tennis keys go on sale for the new court locks that go in place in February.

For FY 2018/19, the Town anticipates expenditures of \$45,730. As discussed at our prior budget session, the Fund expenses includes \$10,130 for contract maintenance services for MCE and \$2,000 for building security court gates upkeep. The Town is anticipating to resurface and restripe Tennis courts and rehabilitate the courts in FY 2018/19. The first annual maintenance cost of the clay court is \$5,000. Anticipated maintenance costs each year are estimated at \$2,500. Staff will be reaching out to Player Capital to discuss the possibility of reconstruction of the tennis courts instead of resurfacing to address the long-term viability of the courts. Staff will be inviting Player Capital to participate in a capital campaign to raise funds for the project.

The beginning fund balance is estimated at \$115,418. The fund projects total revenues of \$47,100 to expenditures of \$45,730 for positive revenues over expenses of \$1,370. The FY 2018/19 ending fund balance is projected at \$116,788.

COPS - CITIZEN'S OPTION FOR PUBLIC SAFETY

The COPS Office was created as a result of the Violent Crime Control and Law Enforcement Act of 1994. As a component of the Department of Justice, the mission of the COPS Office is to advance community policing in jurisdictions of all sizes across the nation. Community policing focuses on crime and social disorder through the delivery of police services that includes aspects of traditional law enforcement, as well as prevention, problem-solving, community engagement, and partnerships. In FY 1996/97, the California State Legislature created the Citizen's Option for Public Safety (COPS) Program. Funds have been available through the State of California to local entities in the form of Citizen's Option for Public Safety (COPS) Grant. The Town receives \$100,000 per year from the grant. The Town uses the COPS grant for funding of sworn personnel. The Town anticipates to receive this funding on an annual basis and is used as transfer to the General Fund for funding of police sworn personnel salary related expenditures.

EVANS CREATIVE DESIGN FUND

The Evans Creative Design Fund is a bequest of Rita-Corbett-Evans to the Town. A Trust was set up to administer the funds. The funds may be used for distinctive art programming, promoting art awareness, enhancing lifelong learning, and recognizing cultural diversity within the community. In previous years, the funds were used by the Atherton Arts Committee. The Atherton Arts Foundation (AAF) is responsible for arts programming through a budget grant request to the City Council. The AAF usually submits a budget to the Town in July for their yearly programming. Over the years the AAF has done a variety of events, as they continue to work on art acquisitions, programming, and updates to its website to entice new members.

AAF strives to raise artist membership, adding new artists to programming, keeping the website current, and utilize the new billing function of the membership portal. For FY 2017/18, the AAF requested \$11,120 from the Evan's Creative Design Fund. Included in the request The AAF carried a residual of \$15,330 in its special fund from the prior fiscal years (residual amount within their own budget) for the purchase of art, as the foundation continues to look for acquisition of art for Town public spaces. The AAF is focusing on art for the Atherton Library and the Town Center. The AAF will obtain approval by the City Council prior to the purchase of art for the Town. Other expenses include advertising events, office supplies, community programs, and liability insurance. The beginning fund balance is estimated at \$7,506. Currently, the only revenue to the fund is interest earned. For FY 2018/19 staff expects *the fund to be depleted* and therefore an estimated budget grant request of \$7,506.

Once the fund is completed, the AAF can return to the City Council each year and request a stand-alone grant for its activities for the year. The Council can grant funds from its General Fund in support of AAF projects.

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is an internal depreciation fund for the replacement of large assets. The Fund is essentially the Town's savings account to replace large equipment assets over time – such as computer equipment, software assets, vehicles, trailers, emergency equipment, etc. There are sufficient funds in the account to accommodate emergency needs as well as planned needs. Revenue to the fund comes from the allocation of costs to departmental budgets for specific potential equipment replacement and ultimate purchase.

The FY 2018/19 revenues total \$315,200 and the expenditures total \$316,050 for 3 police vehicle replacements (3 marked SUV's) for the phasing out of high mileage vehicles) as discussed in our General Fund Operations budget study session. One of the vehicles is anticipated to be outfitted as a K-9 unit. The total amount for the purchasing and the outfitting of the vehicles and investigative equipment is \$240,000. This includes a charge in the Police department for the purchase of future vehicles. Presented in the General Fund Operations budget study session was supplemental equipment request for \$30,100. *The department recently submitted another*

supplemental request for Ballistic Armor Plates for \$41,000. There is a federal funds grant for these armored plates the department recently applied for that will defray half of the total costs.

| Request | Amount | Description |
|----------------------------------|-----------------|--|
| 1. Ballistic Shield | \$8,400 | Purchase of ballistic shield for tactical emergencies. Shield use to stop, deflect and protect against projectile threats from guns and other weaponry. |
| 2. Ballistic Helmets (25) | \$8,200 | Outfit law enforcement and tactical personnel, providing protective equipment for emergency tactical situations. |
| 3. Guns (Glocks) (30) | \$11,000 | Police department to transition to one standard issued weapon. Purchase includes holsters, ammo and light. |
| 4. Kenwood Radios (3) | \$2,500 | Department is in need of 3 hand-held radios |
| 5. Ballistic Armor Plates | \$41,000 | Hard armor plates fit inside front and back pockets in armor carriers. They offer protection against rifle rounds, armor-piercing rounds. Such equipment is used for active shooter incidents. |
| Total Amount | \$71,100 | |

Assets purchased from the Equipment Replacement Fund have been saved for over several budget cycles in anticipation of replacement need. Other expenditures include Springbrook Financial Software upgrade expense and continued charges for future vehicle and equipment charges for Police and Public Works Departments. The beginning fund balance is estimated at \$769,665. The FY 2018/19 ending fund balance is projected at \$768,815.

WORKERS' COMPENSATION FUND

The Workers' Compensation Fund accounts for the cost and expense of managing the workers' compensation program through the Town's risk pool insurer Cities Group. Also within this fund are costs related to risk management and prevention – safety training, educational materials and accident prevention programs. The Workers' Compensation Policy is to fully fund all recognized liability. Each member of the JPA contributes a workers' compensation assessment to the JPA. These assessments or contribution rates are calculated annually based on agency claims history and any increases in loss recovery due to excessive claims losses.

The Workers' Compensation Fund tracks expenditures for workers' compensation expenses across the various departments. Each department is charged an allocation of the expense based on personnel within each department. Departmental costs are different not only due to the number of employees within the department but also the type of employee – public works, administrative, public safety, etc. – and anticipated risk exposure.

As of April 2018 the Town's Workers' Compensation Claim Reserve is negative \$154,719. Cities Group requires that the Town maintain an equity reserve of at least \$80,678 (per recent actuarial reports). For the replenishment of the equity reserve, the Town would need an allocation of \$235,397 to the JPA. If the equity is not refreshed as a one-time contribution, annual operational rates will increase and the JPA will create a "special assessment" each year beyond Agency normal contributions.

Staff believes it is prudent that each year the Town review and reestablish the minimum equity reserve. This allows the reserve to be used as needed and eliminates the possibility that an assessment expense is incurred over multiple years impacting operational costs.

GENERAL LIABILITY FUND

The General Liability Fund accounts for the insurance cost of liability claims and property losses. The Town is part of an insurance pool administered through the Association of Bay Area Governments (ABAG). The activities within this Fund provide for expenses related to general liability insurance, employment practice insurance and self-insured retention claims. Total internal service charges from the General Fund for FY 2018/19 are estimated at \$269,413. The total FY 2018/19 projected expenditures for this fund are \$267,213 of which includes self-insurance retention expense of \$100,000 that allows the payout of 4 claims at \$25,000 per claim. The Town does not anticipate expending retention expenses for 4 claims in the fiscal year, however, the amount is required to be established by the JPA.

For the past several years, the Town's liability insurance expense with the ABAG JPA has experienced decreases. For FY 2018/19 there is a slight increase in liability insurance for the Town. Total liability and employment practice coverage is estimated to be \$167,213, an increase of \$5,601. The estimated liability insurance expense is \$129,417. The Town *liability and employment insurance expense* for the current FY was \$130,884 to a budget of \$161,612. Total current claim retention expense for the FY is \$12,530. The FY 2018/19 ending fund balance is projected at \$424,253.

EMPLOYEE BENEFITS FUND

The Employee Benefits Fund tracks expenditures across various departments for employment, unemployment, retirement, and healthcare benefits. Revenue to the fund comes through charges allocated back to each departmental budget based on number and type of personnel within each department.

Revenues to the Fund for FY 2018/19 total \$805,950. Expenditures for FY 2018/19 total \$683,793. Most of this expenditure is the \$470,641 "pay as you go" retiree health care benefit contributions.

Within this fund is also employee benefits charge of \$84,601. This is a charge of 1% to 2% of the General Fund operational departments salary expense that is allocated for accruals of compensated absences through personal leave contributions of sick, vacation, and holiday pay. The Town has a total compensated absences balance of \$646,461. Compensated absences comprise of accrued

time-off, vacation and holiday pay for all employees and is recorded as a liability. These are amounts that would be liquidated or mature due to termination of Town staff.

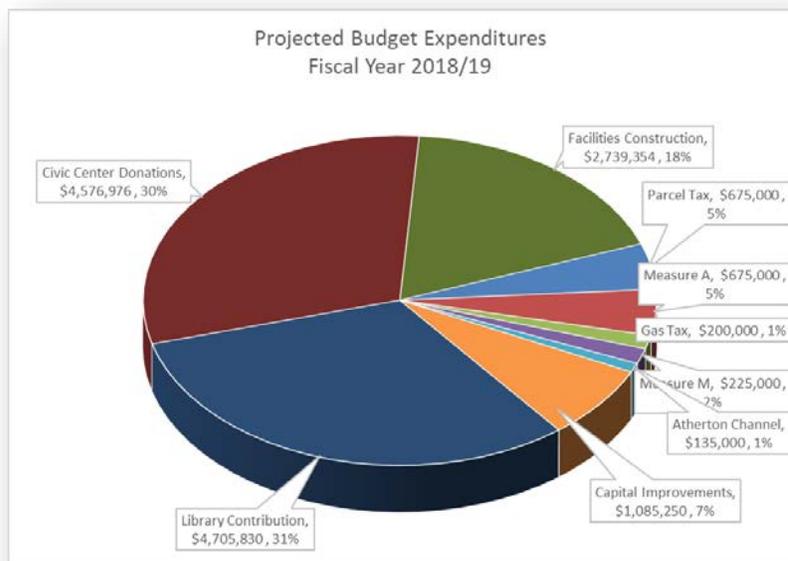
Included within this fund is also unemployment insurance charges *if there are any future claims* charges to the Town. Any claims would be paid out of this fund. The total budgeted charge is \$50,037. *During our General Fund Operations budget study session, staff recommended the Town make an additional contribution of \$198,151 towards the Town OPEB trust to satisfy the minimum required ARC.* This contribution is distributed amongst respective departments and based on retiree health cost allocation. With the recent OPEB actuarial valuation report, the Town’s (ARC) is \$668,846. As previously mentioned the FY 2018/19 “pay as you go” retiree health care costs are \$470,695. These costs are included and charged to respective departments and allocated to the Employee Benefits Fund. The Town maintains a net OPEB asset of approximately \$3.06 million within the Employee Benefits Fund. This is in direct correlation to the Town’s allocations over the past several years towards the OPEB Trust. There is now approximately \$6.28 Million maintained in the Trust. The projected ending fund balance for FY 2018/19 for the fund is \$4,144,601.

CAPITAL IMPROVEMENT FUND

The Town Capital Improvement Program (CIP) is a five year program that proposes projects to analyze, repair or improve Town infrastructure, and the funding for those projects. The CIP program consists of now (8) capital improvement fund sources that the Town uses for capital improvement/infrastructure needs and include:

- Atherton General Fund
- Measure M – County Congestion Management Fee on vehicle registration
- Measure A – County ½-cent Transportation Sales Tax
- Gas Tax
- Facilities Building Fund
- Atherton Channel Fund
- Measure S – Special Parcel Tax (Sunset in June 2018)
- Library Fund
- Donations

The five year CIP proposes projects to analyze, repair or improve Town infrastructure, and the funding for those projects. The twelve (12) projects are categorized into three areas:



- Streets & Transportation
- Drainage
- Town Buildings, Park and Facilities

Projects have been developed based on needs identified by City Council, residents, staff, and adopted master plans. Due to the sunset of the Parcel Tax, there was a reduction of \$5.9 Million in CIP projects over the course of the 5-year CIP. Staff incorporated this reduction in the FY 2018/19 five year CIP program.

The 1st year (FY 2018/19) of the CIP is incorporated into the Town's Budget and is the **only year** for which the City Council applies available funding. The remaining four (4) years of the CIP reflect proposed projects and funding. These "out years" are revised annually to reflect changes in City Council priorities, direction, needs and funding availability. The CIP is revised annually to reflect changes in Council direction, priority needs and availability of funding. The Town's General Fund fulfills any funding needs for capital projects that do not have a specific identified funding source. The CIP is reviewed by the Town's Planning Commission each year for consistency with the Town's General Plan. This year's CIP was reviewed by the Planning Commission at their May 23 meeting. *The Commission found the CIP Program for FY 18/19 Consistent with the Town's General Plan.*

During our study session there was general discussion about broader objectives to be considered for future proposed projects and priorities for allocating funds. Of the five largest CIP expenditures, this year's CIP recommends:

- \$7.3 million for the new Civic Center;
- \$4.7 million for the new Library;
- \$1.43 million for Bicycle & Pedestrian Master Plan Implementation Program;
- \$.8 million for the Road Maintenance Program.
- \$0.4 million for Drainage Improvements Program; and

The total allocation for the 5-year period from FY 2018/19 through FY 2022/23 totals nearly \$54.53 million – the largest expenditures attributable to the Civic Center and Library projects. It is important to note that for FY 2018/19, the expenditures related to the Civic Center and Library Project continue exclusive reliance on available funds from Atherton Now, the Library Fund, Building Facilities Fund and General Fund.

Staff re-budgeted a couple of projects due to timing (a total of \$568,500 from FY 2017/18).

- 1) Bicycle & Pedestrian Master Plan (Page 16 of CIP) - Due to Middlefield Class II Bike Lane project anticipated not to begin construction until this summer 2018, there was a necessary re-budget of FY 2017/18 funding for the project. This included the re-budget of \$375,000 from Measure A funding and \$125,000 from Parcel Tax.
- 2) Park Master Plan Implementation Program (page 26 of CIP) – In FY 2017/18 within the park program there was a project to create turnaround at end of Pavilion Parking lot

(hammered). This project is now anticipated to take place in FY 2018/19. This includes a re-budget of \$18,500 from Capital Improvement Fund.

The FY 2018/19 Capital Improvement Fund includes funding sources of \$15.01 million for capital projects.

| Funding Source | FY 2018/19 Allocation |
|----------------------------------|------------------------------|
| Special Parcel Tax | \$675,000 |
| Library Fund | \$4,705,830 |
| Facilities Fund Private Donation | \$4,576,976 |
| Gas Tax | \$200,000 |
| CIP Fund Civic Center | \$2,739,354 |
| Measure M | \$225,000 |
| Atherton Channel Fund | \$135,000 |
| Measure A | \$675,000 |
| CIP Fund Other | \$352,250 |
| CIP Fund Grant | \$733,000 |
| Total | \$15,017,410 |

Expenditures in FY 2018/19 for the CIP are \$15,017,410. The following are project expenditures:

| Project | FY 2018/19 Funding |
|---|---------------------------|
| Traffic Safety Improvements | \$25,000 |
| Accessibility Improvements | \$0 |
| Streets/Roads Maintenance | \$775,000 |
| Park Improvement Program Projects | \$149,250 |
| Drainage Improvement Projects | \$428,000 |
| Bike/Ped Master Plan Program Projects | \$1,433,000 |
| Atherton Library | \$4,705,830 |
| Atherton Civic Center Construction- Donation | \$4,576,976 |
| Atherton Civic Center – Capital Improvement Fund | \$2,739,354 |
| Engineering/Staff project support | \$150,000 |
| Neighborhood Traffic Control Devices | \$10,000 |
| Traffic Control Devices & Safety | \$15,000 |
| Upper Channel Phase 2 | \$10,000 |
| Total | \$15,017,410 |

RERSERVE CALCULATIONS

The FY 2018/19 projected year-end fund balance is \$18,513,943. This includes ERAF revenues as allocated above and all reserve requirements. The estimated unallocated fund balance is \$13,078,131.

| | |
|---|---------------------|
| FY 2018/19 Beginning Fund Balance | \$16,052,330 |
| FY 2018/19 Projected Revenues (inclusive of ERAF) | \$16,785,043 |
| Total Available Funds | \$32,837,373 |
| | |
| Transfer out FY 2018/19 Workers Compensation Equity Reserve | (\$235,397) |
| | |
| FY 2018/19 Expenditures (Projected Budget) | (\$14,088,033) |
| | |
| Projected FY 2018/19 Ending Fund Balance | \$18,513,943 |

As shown below, the Town will meet its 35% reserve requirements at FY 2018/19 and projects an unallocated reserve that is 93% of projected expenditures.

| | |
|--|---------------------|
| FY 2018/19 Expenditures | \$14,080,533 |
| Projected FY 2018/19 Ending Fund Balance | \$18,513,943 |
| 15% Emergency Reserve | \$2,113,205 |
| 20% Budget Stabilization Reserve | \$2,817,607 |
| Building Fund/Town Center Contribution | \$505,000 |
| TOTAL RESERVE REQUIREMENT | \$5,435,812 |
| <i>Less Above Reserve Requirement = Unallocated Reserves</i> | <i>\$13,078,131</i> |

GANN Limit Calculation

The Finance Director calculated the FY 2018/19 GANN limit using the percentage change in population and the cost of living provided by the State Department of Finance. The GANN limit for 2018/19 is \$13,257,397. The Town is in compliance with the GANN limit requirement for FY 2018/19.

Civic Center Project

One important component as the Town concludes FY 2017/18 and begins FY 2018/19 is the Construction Phase of the Civic Center Project. However, with the recent bid returns, this project will likely be re-evaluated for reduction in scope to right-size it to potential funding sources and will enter a phase of redesign and rebid.

During the design development and construction document phase of the Civic Center, the Council began to discuss funding and design reduction options should the donations funding target of \$25 million for the project not materialize. These can be addressed in several ways: 1) reduction in facility requirements (deductive alternatives); 2) additional donations; 3) higher annual budget revenues over expenditures; and 3) short-term Certificates of Participation or Direct Private Placement Loan. These are options without the addition of a tax burden. This project remains a priority for the Town.

In conclusion, this budget presents a plan for accomplishing the goals and objectives of the City Council within existing resources and core strategy of financial stability in mind. We continue to be fiscally prudent with our resources but are mindful of operational and infrastructure needs. With anticipated commitment of the General Fund unallocated reserves to the Civic Center project, certain CIP projects will be on hold until additional funding is identified and/or when the Civic Center project is completed. The Town is heavily reliant on property taxes. There is no certainty that the growth will continue and as such the Town continues to explore revenue alternatives to the General Fund. Town staff will continue to work efficiently and creatively to maximize available revenues by seeking outside grants, forging community and regional partnerships, and drawing upon the imagination and commitment of our community and staff.

POLICY FOCUS

The Town's Operating and Capital Improvement Budget represents one of the most significant Policy Documents approved by the City Council. Staff has crafted the attached Budget based on specific policy objectives of the City Council.

FISCAL IMPACT

As stated.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

The Town maintains a Fiscal Transparency web portal and includes all budget information on its website. Links to these various areas are below:

Fiscal Transparency Web Page: <http://www.ci.atherton.ca.us/index.aspx?NID=269>

Archive of Town Budgets: <http://www.ci.atherton.ca.us/index.aspx?nid=273>

Financial Data Portal (OpenGov): <http://www.ci.atherton.ca.us/index.aspx?nid=361>

Financial Audit

Archive: <http://www.ci.atherton.ca.us/Archive.aspx?AMID=39&Type=&ADID=>

Actuarial Valuations Archive:

<http://www.ci.atherton.ca.us/Archive.aspx?AMID=61&Type=&ADID=>

Labor Contracts, Agreements, and Salary/Benefit Information:

<http://www.ci.atherton.ca.us/index.aspx?nid=192>

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item X has or has not been before a Town Committee or Commission.

FY 2018/19 Town Operations Budget

June 20, 2018

Page 22 of 22

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)

ATTACHMENTS

FY 2018/19 Operating Budget Document of the Town and accompanying Resolutions

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
ADOPTING THE FISCAL YEAR 2018-2019 OPERATING AND
CAPITAL IMPROVEMENT PROGRAM BUDGET**

WHEREAS, the City Council of the Town of Atherton set June 20, 2018, at the Town of Atherton City Council Chambers, 94 Ashfield Road, Atherton, California, as the time and place for the public hearing on the introduction of the Fiscal Year 2018-2019 Operating and Capital Improvement Program 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, it appears to be in the best interest of the citizens of the Town of Atherton that the Fiscal Year 2018-2019 Operating and Capital Improvement Program Budget be adopted in the format set forth in Exhibit A, attached hereto, and by reference incorporated herein; and

WHEREAS, the Salary schedules and Classification for Fiscal Year 2018-2019 are incorporated in as a resolution within the proposed budget

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 2018-2019, Operating and Capital Improvement Program Budget projected appropriations /expenditures totaling \$35,677,827, which includes the General Fund Operating Budget of \$14,088,033, Other Funds Operating Budgets of \$6,572,384, and the Capital Projects Budget of \$15,017,410, as set forth in Exhibit A, attached hereto and by reference incorporated herein, be adopted for Fiscal Year 2018-2019.

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 regular meeting thereof held on the 20th day of June, 2018, by the following vote:

AYES: Council Members:
NOES: Council Members:

BUDGET RESOLUTION

Town of Atherton

ABSENT:
ABSTAIN:

Council Members:
Council Members:

Cary Wiest, MAYOR
Town of Atherton

ATTEST:

Theresa DellaSanta, City Clerk

APPROVED AS TO FORM

William B. Conners, City Attorney

Resolution No.

Adopted June 20, 2018
Appendix D Page 2 of 5

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 2018-2019.
- All CIP encumbered expenditures from the Fiscal Year 2017-2018 Adopted/Revised Budget shall be carried forward and re-appropriated in Fiscal Year 2018-2019. Said encumbered expenditures to be re-appropriated in Fiscal Year 2018-2019 must be initiated by the Public Works Director, 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, then City Council approval shall be required.
- General Fund Balance: The balance shall be established in accordance with the Fund Balance Policy for the General Fund as adopted by the City Council.
- The City Manager is authorized to make budget transfers within the same department. Any transfers between departments or funds shall require the approval of 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 Town Council during the year.

- This budget system assumes existing service levels; Council approval will be required for any significant changes involving increased or decreased service levels.
- The Finance Department 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 made available by the Finance Director for each department and/or program and/or capital project.

BUDGET RESOLUTION

Town of Atherton

Section 2: FY 2018-2019 all Funds Operating and Capital Budgets are hereby adopted, establishing the following revenue estimates and expenditure budgets:

| | Town of Atherton Budget for FY 2018-2019 | | | | | | Projected Fund Balance 06/30/19 |
|-------------------------------|---|----------------------|--------------------------|-------------------------|--------------------------|-----------------------|---------------------------------------|
| | Projected Fund Balance 06/30/18 | Budgeted Revenues | Budgeted Expenditures | Budgeted Transfer In | Budgeted Transfer Out | ERAF | |
| General Fund | | | | | | | |
| 101 General Fund | \$ 16,052,330 | \$ 15,760,043 | \$ 14,088,033 | | \$ (235,397) | \$ 1,025,000 | \$ 18,513,943 |
| Special Revenue Funds | | | | | | | |
| 105 Tennis Fund | 115,418 | 47,100 | 45,730 | - | | | 116,788 |
| 209 Police (COPS) Grant | 445 | 100,146 | 100,000 | | | | 591 |
| 213 Library Fund | 12,632,449 | 1,350,000 | 4,759,230 | | | | 9,223,219 |
| 215 Evan Creative Design | 7,506 | 90 | 7,596 | | | | - |
| Total Special Revenue | 12,755,818 | 1,497,336 | 4,912,556 | - | - | | 9,340,598 |
| Capital Project Funds | | | | | | | |
| 201 Special Tax | 1,657,324 | | 675,000 | | | | 982,324 |
| 202 Measure A | 400,756 | 370,000 | 675,000 | | | | 95,756 |
| 203 Gas Tax | 1,047 | 290,000 | 200,000 | | | | 91,047 |
| 204 Measure M | 191,813 | 75,000 | 225,000 | | | | 41,813 |
| 210 Road Impact | - | - | - | | | | - |
| 401 Capital Improvement | 5,250,542 | 733,000 | 1,085,250 | | (2,739,354) | | 2,158,938 |
| 402 Storm Drainage | 30,536 | - | - | | | | 30,536 |
| 403 Channel Drainage Dt. | 98,836 | 97,300 | 135,000 | | | | 61,136 |
| 406 Facilities Construction | 390,234 | 9,282,806 | 12,022,160 | 2,739,354 | | | 390,234 |
| Total Capital Projects | 8,021,088 | 10,848,106 | 15,017,410 | 2,739,354 | (2,739,354) | | 3,851,784 |
| Internal Service Funds | | | | | | | |
| 610 Equipment Repl. | 769,665 | 315,200 | 316,050 | | | | 768,815 |
| 614 Worker's Comp. | 626,999 | 361,900 | 392,772 | 235,397 | | | 831,524 |
| 615 General Liability | 422,053 | 269,413 | 267,213 | | | | 424,253 |
| 616 Employee Benefits | 4,022,444 | 805,950 | 683,793 | | | | 4,144,601 |
| Total Internal Service | 5,841,161 | 1,752,463 | 1,659,828 | 235,397 | - | | 6,169,193 |
| Total All Funds | \$ 42,670,397 | \$ 29,857,948 | \$ 35,677,827 | \$ 2,974,751 | \$ - | \$ (2,974,751) | \$ 37,875,518 |

Resolution No.

Adopted June 20, 2018
Appendix D Page 1 of 5

Resolution 18-XX
A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
ADOPTING SALARIES AND BENEFITS FOR UNREPRESENTED STAFF

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

WHEREAS, Attachment A to this Resolution specifies terms and conditions of employment for Unrepresented Employees, and

WHEREAS, it is the intent of the Council that this resolution serve in lieu of a Memorandum of Understanding for unrepresented employees for purposes of defining and affording rights as outlined in this Resolution; and

WHEREAS, it is the intent of the Council that the rights as outlined in this Resolution be effective July 1, 2018; and

WHEREAS, in arriving at the various term and conditions in the Resolution, the Council and employees covered by this Resolution recognize that this Resolution may be amended in the future at any time, including prior to its expiration based on the discretion of the Council at that time; and

WHEREAS, the Council and employees covered by this Resolution recognize that it is the intent of the Council to meet annually to review and modify the terms and conditions of this Resolution based on the Town's fiscal condition and/or employment needs dictate; and

WHEREAS, with respect to the salaries and benefits provided under this Resolution, the Council strives to pay employees a fair total compensation package in line with the average for similar positions in comparable agencies within the region.

Now, therefore, be it resolved by the City Council of the Town of Atherton that the salaries and benefits of the Unrepresented Employees of the Town of Atherton shall be as stated in Attachment A, effective July 1, 2018.

* * * * *

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 20th day of June, 2018, by the following vote:

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

Cary Wiest, Mayor
Town of Atherton

ATTEST:

Theresa DellaSanta, City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

Resolution No. 18-XX

TOWN OF ATHERTON

Unrepresented Employees Salary & Benefit Resolution

GENERAL PROVISIONS:

The following salary and benefit programs shall apply to all local miscellaneous and safety employees in the classes and at the levels noted herein. It is intended that this Resolution serve in lieu of a Memorandum of Understanding for unrepresented employees for purposes of defining and affording rights as outlined in this Resolution.

1. **TERM:** This Resolution shall be effective July 1, 2018. As a practice, this Resolution may be returned annually to the City Council for review and modification as the Town's fiscal condition and/or employment needs dictate.

2. **COVERED CLASSIFICATIONS & SALARIES:**

Monthly salary ranges for employees in the covered classifications shall be increased as follows:

- July 1, 2018 – 3.75% for non-sworn classifications and 5.75% for sworn classifications

The monthly pay rates and classifications for the employees covered by this Resolution are as follows:

| Job Title and Classification | STEP A | STEP B | STEP C | STEP D |
|---|--------|----------|--------|--------|
| <i>Management</i> | | | | |
| Police Chief | 13,341 | 14,008 | 14,708 | 15,444 |
| Finance Director | 14,217 | 14,927 | 15,673 | 16,457 |
| Police Commander | 12,873 | \$13,516 | 14,192 | 14,900 |
| Deputy City Manager/City Clerk | 11,270 | 11,834 | 12,426 | 13,046 |
| Public Works Director | 14,166 | 14,875 | 15,618 | 16,399 |
| Senior Engineer/Maintenance Manager | 8,393 | 8,814 | 9,254 | 9,716 |
| Town Arborist/Park Manager | 9,498 | 9,973 | 10,472 | 10,995 |
| <i>Non-Management, Confidential</i> | | | | |
| Accountant | 7,902 | 8,298 | 8,713 | 9,148 |
| Assistant to the Chief/Training Manager | 7,149 | 7,507 | 7,882 | 8,276 |
| Jr. Accountant | 6,854 | 7,160 | 7,518 | 7,895 |
| Account Technician | 5,775 | 6,063 | 6,367 | 6,686 |
| Office Specialist | 5,326 | 5,593 | 5,873 | 6,166 |

3. **TEMPORARY AND SEASONAL EMPLOYEES:** The City Manager may hire, on a part-time basis, positions identified as full-time according to the current salary resolution. Such positions shall only be hired when filling in temporarily for an existing full-time position. In addition to this authorization, the City Manager is authorized to hire the

following temporary and/or seasonal hourly positions as operational needs dictate:

| Position Title | Hourly Rate |
|--------------------------------|--|
| Per-Diem Dispatcher | Hourly Rate As Applicable to FT Dispatcher |
| Police Officer Reserve Level I | Hourly Rate As Applicable to FT Police Officer |
| Intern | Hourly Rate Determined by City Manager |

Unless prescribed by law, the benefits listed within this Resolution shall not apply to Temporary and Seasonal employees.

- HOURS OF WORK:** The standard workweek for employees occupying full-time positions consists of forty (40) hours in any seven (7) day period. The workweek begins at 12:01 A.M. Sunday and ends 11:59 P.M. the following Saturday. The City Manager shall designate shift schedules for all employees with due regard for the convenience of the public and the laws of the State and the needs of the Town. The Town reserves the right to consider changes to the standard workweek to facilitate adjustments to Town Hall operating hours.
- FLEXIBLE SCHEDULES:** At the request of the Department Head and following review and approval by the City Manager or his/her designee, a flexible work schedule may be implemented for employees covered by this Resolution. The City Manager's evaluation shall give consideration to the needs of the Department/Employee as well as the desire of the City Council to continue to provide all Town services on a schedule that is conducive to providing uninterrupted service to its residents throughout the week.

Each flexible schedule approved shall be evaluated by the City Manager or his/her designee no later than six months following its implementation. The purpose of the evaluation will be to determine if it is in the best interests of the Town of Atherton to continue the flexible schedule, or any modifications to the schedule that would be necessitated by the City Manager's evaluation.

COMPENSATION

- WAGES – PROGRESSION WITHIN STEPS:** Employees are eligible to progress from Step A to Step B six (6) months after their hire date or date of entry into the job classification, provided they have received a satisfactory performance evaluation conducted by their supervisor. Thereafter, employees may progress between steps B through D twelve (12) months after date of entry into the previous step provided they have received a satisfactory evaluation.
- OVERTIME:** All non-management, confidential employees are subject to and shall receive when appropriate, overtime compensation in accordance with the provisions of the Fair Labor Standards Act and California labor laws. Management employees are exempt from overtime.

All compensable overtime must be authorized by the Department Head or designated representative in advance of being worked. If prior authorization is not feasible because of

emergency conditions a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

Any authorized time worked in excess of forty (40) hours in the applicable designated FLSA workweek shall be considered overtime and shall be compensable at the rate of one and one-half (1½) times the employee's regular rate of pay. Compensatory time off may be taken in lieu of overtime payment. For purposes of this section, Overtime, as defined in applicable state or federal law, the term "time worked" excludes time in paid status but not worked (e.g. paid sick, vacation, holiday, disability or other compensatory time off.) Compensatory time off shall be at a time mutually agreeable to the employee and the Department Head. Compensatory time off which accrues in excess of forty-eight (48) hours will be liquidated by monetary payment during the month of October. An employee shall not be required to reduce a scheduled workday in whole or in part to avoid the payment for overtime worked on another scheduled work day.

8. **PAY FOR TEMPORARY OR INTERIM APPOINTMENT TO A HIGHER CLASSIFICATION:** An employee who is temporarily appointed and performs the work of a position in a higher classification temporarily vacated by its incumbent either covered by or outside of employees covered by this resolution for more than five (5) consecutive workdays shall be paid five percent (5%) above the regular rate he or she received in his or her regular lower classification for such time as working out of class. However, if the position in the higher classification is vacant (has no incumbent) and the employee is given an interim appointment to such position pending the permanent filling of such position, he or she shall be paid five percent (5%) above the regular rate he or she received in his or her regular lower classification, or the rate of the first step of the range assigned to the higher classification, whichever is greater for the period of time working in that position. In no event shall such pay exceed the maximum of the range of the classification in which the employee is temporarily assigned. Payment shall commence with the first (1st) workday of the temporary or interim assignment and shall continue, including holidays, during the period of temporary or interim assignment. Such appointment shall be in writing by the Department Head and approved by the City Manager or his designated representative; however, any appointment to a temporary Department Head classification shall be approved by the City Manager. Only the City Council may authorize a temporary appointment to the position of City Manager.

PAID LEAVES

9. **LEAVES COVERED UNDER STATE AND FEDERAL LAW AND ADMINISTRATIVE POLICIES:** In addition to the paid leave provisions outlined below, the Town shall provide leave pursuant to adopted Town Administrative Policies and consistent with state and federal law, these shall include but not be limited to leave for Jury Duty, Voting, Military Leave, Pregnancy Disability, and Family Medical Leave.
10. **ADMINISTRATIVE LEAVE:** In recognition of the hours required to accomplish the requirements of each management position, including the attendance at numerous meetings outside normal working hours, each Management Employee shall be granted forty (40) hours of Administrative Leave per fiscal year. Management employees may accumulate a

maximum of 60 hours of Administrative Leave. No cash out of Administrative Leave shall be allowed. Administrative leave does not apply to non-management, confidential employees.

11. **HOLIDAYS:** The following holidays will be observed by all employees.

- January 1, New Year's Day
- Third Monday in January, Martin Luther King, Jr. Day
- Third Monday in February, President's Day
- Last Monday in May, Memorial Day
- July 4, Independence Day
- First Monday in September, Labor Day
- Second Monday in October, Columbus Day
- November 11, Veteran's Day
- Fourth Thursday in November, Thanksgiving Day
- Fourth Friday in November, Day after Thanksgiving Day
- December 25, Christmas Day

Additionally, employees shall receive a personal holiday on a date to be determined by the employee subject to the approval of the City Manager or his/her designee. This holiday will be credited to the employee's vacation bank each January.

If any of the regular holidays (excluding personal holidays) falls on a Saturday, the Friday preceding shall be observed as the holiday. If the holiday falls on a Sunday, the following Monday shall be observed as the holiday.

12. **VACATION LEAVE:** Except as limited by this section, all employees in full-time positions shall accrue Vacation Leave on each pay period prorated based on the following annual rates while in paid status:

- Less than three years of service - 80 hours per year.
- Three years of service to eight years of service- 120 hours per year.
- Eight years of service and above- 160 hours per year.

Vacation can only be accumulated to two times the employee's annual accrual rate, but not to exceed a total of 240 hours. If the employee's balance exceeds 240 hours, they shall not accrue any new vacation leave until their balance is 240 hours or less.

Employees shall be allowed to have the Town buy back accrued vacation each fiscal year, with the approval of the City Manager, under the following terms:

- a) To be eligible to sell back vacation time, an employee must have a minimum balance of 60 hours of annual vacation accrual after any buy back.
- b) A maximum of ten (10) days of buy back may be purchased by the Town per year per employee.
- c) The vacation buyback program shall be suspended during any declared fiscal

emergency.

13. **SICK LEAVE:** The Town shall provide each employee in paid status with paid sick leave at the rate of eight (8) hours per month (3.69 hours per pay period). There shall be a cap of 960 hours of sick leave accrual. For those employees whose balance now exceeds the cap, no further sick leave shall accrue until their balance is below the cap.

An employee may only use sick leave that has accrued prior to the current pay period. Sick leave is not cashed out upon separation. Probationary employees can earn and use sick leave.

14. **BEREAVEMENT LEAVE:** An employee shall be allowed paid leave for not more than five (5) working days when absent because a death has occurred in their immediate family as defined within the Town's Administrative Policies.

BENEFIT PROGRAMS

The following benefits are provided to employees covered by this resolution. Benefit programs are not considered vested rights and may be subject to change. It is the intent of this Resolution that covered employees receive the same general benefits as other employees in similar department units.

15. **PUBLIC EMPLOYEES' RETIREMENT SYSTEM:** All full-time employees are enrolled in the California Public Employees Retirement System (CalPERS), as amended by AB 340 of 2012, in lieu of Social Security coverage. All local miscellaneous, CalPERS "classic" employees shall continue to be enrolled in the 2% at 55 retirement benefit plan. All local miscellaneous employees subject to the Public Employees' Pension Reform Act (PEPRA) shall be enrolled in the 2% at 62 retirement benefit plan and be subject to the three year average basis for determining the pension benefit levels. All local miscellaneous employees shall contribute the full required employee contribution.

All public safety CalPERS "classic" employees covered by this resolution shall continue to be enrolled in the 3% at 50 retirement benefit plan subject to the highest one year of service. All public safety employees subject to the Public Employees' Pension Reform Act (PEPRA) shall be enrolled in the 2.7% at 57 retirement benefit plan, and be subject to the highest three years average basis for determining the pension benefit level. All public safety employees shall contribute the full required employee contribution.

- A. Employees shall pay 100% of the employees' share of the mandatory member contribution for CalPERS retirement, presently 9% for sworn and 7% for non-sworn. This amount shall be deducted from employees' paycheck and Town will forward to CalPERS.
- B. Beginning July 1, 2018, non-sworn employees shall pay an additional 1% toward the employers' share of the CalPERS retirement contribution.
- C. Beginning July 1, 2018, sworn employees shall pay an additional 3% toward the employers' share of the CalPERS retirement contribution.

The Town will continue to offer the voluntary salary reduction option offered by Section 414H2 of the IRS Code and the Public Employees Retirement System.

16. **HEALTH PLAN CONTRIBUTIONS:** The Town provides medical and hospitalization care benefits through the CalPERS Health Plan Program to the extent not supplanted by any mandated federal health coverage plan. For any CalPERS Health Plan Program, the Town shall pay the minimum amount required by law toward the monthly premium for hospital and medical care benefits under the CalPERS (PEMHCA) Health Plan referred to as the minimum employer contribution (MEC), currently the sum of \$133 per month (2018 rate). Any remaining premium shall be paid by the employee either through the Section 125 Plan (cafeteria flex-plan described below) or payroll deduction or a combination thereof unless replaced by a federally mandated health coverage plan. The Town reserves the right to modify the health insurance programs offered to its employees.

17. **DOMESTIC PARTNER COVERAGE:** The Town will provide domestic partner medical coverage to the extent and in the manner which CalPERS health plan carriers or federal law allow for the domestic partner's enrollment.

18. **IRC SECTION 125 FLEXIBLE BENEFIT PLAN:**

A. To the extent not supplanted by any mandated federal health coverage plan, the Town participates in the CalPERS Health Plan Program; however, the Town reserves the right to select the providers of any insurance program(s).

B. The Town shall contribute each month up to the amounts listed below, based on the employee's level of medical plan enrollment, to each active employee's IRC section 125 Cafeteria Flex Plan account. The benefit allowance is to be used to offset the costs of the employer provided medical, dental and vision insurance premiums. An employee may not use the allowance for other reasons. These amounts may be adjusted by the City Council in superseding resolutions. Provisions of the Cafeteria Flex Plan shall be set forth by resolution of the City Council as soon as practical after adoption of this Resolution to clarify and implement the specifics of the plan which is outlined herein.

1. 90% of the 2016 CalPERS published rates for the Kaiser plan:

- One Party = \$672
- Two Party = \$1,344
- Three + Party = \$1,747

Rate adjustments are expected in January 2018. For any CalPERS Kaiser HMO rate increases, the cafeteria contribution shall be adjusted according the following agreement:

- For rate increases of up to and including 3% of any annual premium, the cafeteria plan contribution shall not be increased.

- For rate increases in excess of 3% of the annual premium, the cafeteria plan contribution shall be increased by one half (1/2) of the increase in excess of 3%.
- 2018 Town Contributions:
 - One party =\$683
 - Two party =\$1,366
 - Three+ Party =\$1,776

2. Dental

- 90% of the published rates for single, 2-party, and family

3. Vision

- 90% of the published rates for single, 2-party, and family

Any required health, dental and/or vision premiums in excess of the amount in the Cafeteria Plan shall be paid by the employee, unless replaced by a federally mandated health coverage plan.

In the event that an employee elects insurance plans that do not use the entire Cafeteria Flex Plan benefit allowance, the Town agrees to contribute 60% of the unused benefit into the employee's health or flex savings account as allowed by law or refunded to the employee.

An employee who elects no medical coverage through the Town shall receive 60% of the Kaiser HMO benchmark used by the Town (employee only, employee plus one, or family) depending on which category the employee is eligible during the open enrollment period. The minimum payment shall be \$300 per month.

C. The Town shall establish a flexible spending plan under Internal Revenue Code Section 125, which shall include dependent care provisions under Internal Revenue Code Section 129. Employees may participate in the flexible spending plan according to its terms as may be in effect from time to time, and those employees who are participating shall be responsible for their monthly participation fee.

D. Any Employee that enrolls in a Medical, Dental or Vision plan that has a higher premium than the benefit allowance, as stated above, will pay the difference via pre-tax payroll deductions.

E. Procedures for the administration of the Section 125 Plan shall be determined by the Town. The Town shall assume the administrative cost for the Plan.

F. Re-enrollment in the Town sponsored CalPERS (PEMHCA) Plan is subject to the limitations and exclusions time period instituted by CalPERS. Employees are eligible to

reenroll during the CalPERS open enrollment period. Upon the effective date of reenrollment, payments pursuant to this section cease.

19. **RETIREE MEDICAL:** Current employees shall receive retirement medical benefits as provided under the contract in effect when they were hired.

Employees hired after the effective date of Resolution No. 13-03 shall not be entitled to Town-paid retiree medical beyond the monthly minimum contribution rate.

20. **LIFE INSURANCE:** The Town will provide employees paid term life/accidental death and dismemberment insurance in the following amounts:

Non-Management Confidential: \$50,000
Management: \$100,000
Police Chief & Police Lieutenant: \$140,000

21. **CELL PHONE STIPEND:** The Town will provide a fifty dollar (\$50) per month cell phone stipend to the following job classifications:

- Finance Director
- Deputy City Manager/City Clerk
- Senior Engineer/Maintenance Manager
- Town Arborist/Parks Manager

The Town will provide a seventy-five (\$75) per month cell phone stipend to the following job classifications:

- Chief of Police
- Commander
- Public Works Director/City Engineer

If the employee has a Town-issued cell phone they shall not be entitled to the cell phone stipend. Employees within the above classifications may also decline the stipend. Employees declining the stipend are required to provide written notice to the Town of their declination.

22. **P.O.S.T. CERTIFICATE:** Any Commander receiving an Intermediate and Advanced P.O.S.T certificate shall receive an incentive of two and one-half percent (2.5%) in wages above salary.

23. **EMPLOYEE ASSISTANCE PLAN:** The Town will continue its program for psychological counseling to covered employees and dependents, with total Town expenditures not to exceed \$3,000 per employee and family visits in any fiscal year for payment of up to six professional psychological sessions each year. Operation of the Employee Assistance Plan is subject to the City Council's funding of the plan within any fiscal year budget.

24. **LONG TERM DISABILITY INSURANCE (LTD):** Coverage for this Town-paid insurance is up to 67% of monthly earnings to a maximum of \$6,000 per month. This insurance becomes effective the first day of the month following date of employment subject to the terms and provisions contained in the policy. The waiting period following a disabling event is sixty (60) days. An employee does not accrue sick or vacation leave while on Long Term Disability absence.
25. **DEFERRED COMPENSATION:** Employees are eligible to participate in Deferred Compensation Plans offered by the Town.
26. **SHORT-TERM DISABILITY INSURANCE (STD):** Town-paid Short Term Disability Insurance can only be utilized after an employee has exhausted all of their available sick leave. The benefit is an amount equal to 70% of the employee's weekly earnings to a maximum of \$500 per week.
27. **FLEXIBLE SPENDING PLAN:** Regular full-time employees may enroll in this IRC Section 125 plan and take advantage of tax benefits as they pertain to medical and dependent care. Employees enroll upon employment and annually thereafter in the month of January.
28. **AUTOMOBILE PROVISION/MILEAGE REIMBURSEMENT:** Employees provided with a Town vehicle for the purposes of commuting to and from work and/or for use while on duty shall not be eligible for mileage reimbursement. Employees required to use their personal vehicle in the performance of their job will be compensated for mileage at the current Internal Revenue Service rate.
29. **TUITION REIMBURSEMENT:** The Town shall establish an \$8,000 annual educational reimbursement fund. The Town will reimburse employees who successfully complete courses approved in advance by the City Manager that will be beneficial to the employee in the course and scope of their job, in an amount up to \$2,500 per employee per fiscal year until the fund is depleted. Operation of the tuition reimbursement program is subject to the City Council's funding of the program within any fiscal year budget.
30. **WORKERS' COMPENSATION INSURANCE:** The Town shall provide Workers' Compensation Insurance as required by law with the premiums paid entirely by the Town.
31. **GENERAL PROVISIONS:** It is understood that federal law, state law, Town ordinances, Town Personnel Rules and Procedures, written departmental policies, and written administrative policies determine procedures and policies relating to the terms and conditions of employment, except as provided by this Resolution. Any and all prior provisions applicable to the positions covered under this Resolution that are contained in any but the aforementioned sources and in this Resolution are hereby declared null and void.
32. **DURATION:** Upon adoption, this Resolution shall be effective July 1, 2018.

The provisions of this Resolution supersede and terminate any and all prior or existing MOUs, understandings, rules, policies, agreements, resolutions or correspondence, whether formal or informal, regarding the compensation, benefits and terms and conditions of employment with respect to the employees covered by this Resolution, to the extent that those items are inconsistent with the terms of this Resolution.

RESOLUTION NO. 18-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE
TOWN OF ATHERTON APPROVING FISCAL YEAR
2018-2019 SALARY SCHEDULES AND
CLASSIFICATIONS**

WHEREAS , according to the California Code of Regulations (CCR) section 570.5 sets the requirements for a Publicly Available Pay Schedule and,

WHEREAS , this regulation requires that each pay schedule include position title for every employee position, pay rate for each position, and time base for each position; and

WHEREAS, the formal approval of the pay schedules requires that they are duly approved and adopted by the City Council, such as CCR 570.5 regulation requires the adoption of the Salary Schedules for Fiscal Years 2018-19, incorporated in "Exhibit A" attached hereto.

WHEREAS, the 2018-19 Proposed Budget reflects the Salary Schedule and Classifications in "Exhibit A"

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton does hereby approve the Salary Schedules attached hereto as Exhibit "A".

PASSED AND ADOPTED at a meeting of the City Council of the Town of Atherton held on the 20th day of June, 2018 by the following vote:

AYES: Council members:
NOES: Council members:
ABSENT: Council members:

Cary Wiest, MAYOR
Town of Atherton

ATTEST:

Theresa DellaSanta, Deputy City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

| TOWN OF ATHERTON | | | | | | | | | |
|------------------|--|-------------------------------------|------|------|------|--------|-----------|-----------|------------|
| Salary Schedule | | | | | | | | | |
| FY 2018-2019 | | | | | | | | | |
| Group | Job Class | Title | Dept | Code | Step | Hourly | Bi-Weekly | Monthly | Annually |
| | CM Rate effective 7/01/2018 | | | | | | | | |
| City Manager | Management/Misc | City Manager | 12 | 1100 | D | 104.61 | 8,368.86 | 18,132.53 | 217,590.40 |
| | Dept Head Rate Effective 07/01/2018 | | | | | | | | |
| Department Heads | Management/Misc | Finance Director | 18 | 1104 | A | 82.02 | 6,561.50 | 14,216.59 | 170,599.09 |
| | | | | | B | 86.12 | 6,889.43 | 14,927.09 | 179,125.09 |
| | | | | | C | 90.42 | 7,233.57 | 15,672.73 | 188,072.78 |
| | | | | | D | 94.94 | 7,595.45 | 16,456.81 | 197,481.69 |
| Department Heads | Management/Sworn | Chief of Police | 40 | 1105 | A | 87.51 | 7,000.54 | 15,167.83 | 182,013.97 |
| | | | | | B | 91.88 | 7,350.80 | 15,926.73 | 191,120.71 |
| | | | | | C | 96.48 | 7,718.10 | 16,722.56 | 200,670.71 |
| | | | | | D | 101.30 | 8,104.01 | 17,558.70 | 210,704.37 |
| | | Chief of Police | 40 | 1105 | A | 76.97 | 6,157.31 | 13,340.85 | 160,090.17 |
| | | Housing Reduction Salary | | | B | 80.81 | 6,465.18 | 14,007.89 | 168,094.68 |
| | | | | | C | 84.86 | 6,788.44 | 14,708.28 | 176,499.41 |
| | | | | | D | 89.10 | 7,127.86 | 15,443.70 | 185,324.38 |
| Department Heads | Management/Misc | City Clerk/Deputy City Manager | 12 | | A | 65.02 | 5,201.66 | 11,270.27 | 135,243.20 |
| | | | | | B | 68.27 | 5,461.67 | 11,833.62 | 142,003.38 |
| | | | | | C | 71.69 | 5,734.85 | 12,425.52 | 149,106.19 |
| | | | | | D | 75.27 | 6,021.22 | 13,045.97 | 156,551.61 |
| Department Heads | Management/Misc | Public Works Director/City Engineer | 50 | | A | 81.73 | 6,538.26 | 14,166.23 | 169,994.79 |
| | | | | | B | 85.81 | 6,865.17 | 14,874.53 | 178,494.41 |
| | | | | | C | 90.11 | 7,208.43 | 15,618.27 | 187,419.19 |
| | | | | | D | 94.61 | 7,568.85 | 16,399.18 | 196,790.18 |
| | Mid Mgmt Rate Effective 07/01/2018 | | | | | | | | |
| Mid-Management | Management/Misc | Commander | 40 | 2204 | A | 74.27 | 5,941.49 | 12,873.24 | 154,478.83 |
| | | | | | B | 77.98 | 6,238.54 | 13,516.84 | 162,202.10 |
| | | | | | C | 81.88 | 6,550.06 | 14,191.79 | 170,301.46 |
| | | | | | D | 85.96 | 6,877.07 | 14,900.31 | 178,803.78 |
| Mid-Management | Management/Misc | Senior Engineer/Maintenance Manager | 50 | | A | 58.73 | 4,698.04 | 10,179.08 | 122,148.94 |
| | | | | | B | 61.66 | 4,932.94 | 10,688.03 | 128,256.41 |
| | | | | | C | 64.74 | 5,179.58 | 11,222.43 | 134,669.16 |
| | | | | | D | 67.98 | 5,438.56 | 11,783.55 | 141,402.62 |
| Mid-Management | Management/Misc | Associate Civil Engineer | 50 | | A | 48.42 | 3,873.75 | 8,393.13 | 100,717.51 |
| | | | | | B | 50.85 | 4,067.87 | 8,813.72 | 105,764.58 |
| | | | | | C | 53.39 | 4,271.11 | 9,254.07 | 111,048.86 |
| | | | | | D | 56.06 | 4,484.49 | 9,716.39 | 116,596.69 |

| TOWN OF ATHERTON | | | | | | | | | |
|--|-------------------|---------------------------------------|-----------|------|------|--------|-----------|-----------|------------|
| Salary Schedule | | | | | | | | | |
| FY 2018-2019 | | | | | | | | | |
| Group | Job Class | Title | Dept | Code | Step | Hourly | Bi-Weekly | Monthly | Annually |
| Mid-Management | Management/Misc | Public Work Superintendent | 50 | 2210 | A | 63.88 | 5,110.43 | 11,072.60 | 132,871.21 |
| | | | | | B | 67.07 | 5,365.88 | 11,626.07 | 139,512.79 |
| | | | | | C | 70.42 | 5,633.99 | 12,206.98 | 146,483.82 |
| | | | | | D | 73.95 | 5,915.79 | 12,817.55 | 153,810.64 |
| Mid-Management | Management/Misc | Town Arborist/Parks Manager | 25/50 | | A | 54.80 | 4,383.80 | 9,498.23 | 113,978.75 |
| | | | | | B | 57.54 | 4,602.99 | 9,973.13 | 119,677.62 |
| | | | | | C | 60.41 | 4,833.14 | 10,471.80 | 125,661.59 |
| | | | | | D | 63.43 | 5,074.79 | 10,995.38 | 131,944.60 |
| General Gov Rate Effective 07/01/2018 | | | | | | | | | |
| Confidential | Confidential/Misc | Jr. Accountant | 18 | | A | 39.54 | 3,163.17 | 6,853.53 | 82,242.31 |
| | | | | | B | 41.31 | 3,304.57 | 7,159.91 | 85,918.90 |
| | | | | | C | 43.37 | 3,469.80 | 7,517.90 | 90,214.84 |
| | | | | | D | 45.55 | 3,643.65 | 7,894.57 | 94,734.81 |
| Confidential | Confidential/Misc | Accountant | 18 | | A | 45.59 | 3,647.19 | 7,902.25 | 94,827.06 |
| | | | | | B | 47.87 | 3,829.66 | 8,297.59 | 99,571.04 |
| | | | | | C | 50.27 | 4,021.24 | 8,712.69 | 104,552.23 |
| | | | | | D | 52.77 | 4,221.95 | 9,147.55 | 109,770.62 |
| Confidential | Confidential/Misc | Assistant to Chief/Training Manager | 40 | | A | 41.24 | 3,299.59 | 7,149.12 | 85,789.40 |
| | | | | | B | 43.31 | 3,464.57 | 7,506.57 | 90,078.87 |
| | | | | | C | 45.47 | 3,637.80 | 7,881.90 | 94,582.81 |
| | | | | | D | 47.75 | 3,819.69 | 8,276.00 | 99,311.96 |
| General Gov Rate Effective 07/01/2018 | | | | | | | | | |
| General Government | General Gov/Misc | Deputy City Clerk/Office Specialist | 12 | 3304 | A | 37.35 | 2,987.80 | 6,473.57 | 77,682.81 |
| | | | | | B | 39.21 | 3,136.81 | 6,796.42 | 81,557.07 |
| | | | | | C | 41.17 | 3,293.42 | 7,135.75 | 85,628.99 |
| | | | | | D | 43.22 | 3,457.64 | 7,491.55 | 89,898.58 |
| General Government | General Gov/Misc | Office Specialist | "12/25/50 | 3304 | A | 30.73 | 2,458.16 | 5,326.01 | 63,912.06 |
| | | | | | B | 32.27 | 2,581.32 | 5,592.85 | 67,114.26 |
| | | | | | C | 33.88 | 2,710.56 | 5,872.88 | 70,474.58 |
| | | | | | D | 35.57 | 2,845.89 | 6,166.09 | 73,993.04 |
| General Government | General Gov/Misc | Town Arborist/Public Works Specialist | 25 | 3306 | A | 47.45 | 3,795.70 | 8,224.01 | 98,688.13 |
| | | | | | B | 49.82 | 3,985.25 | 8,634.72 | 103,616.61 |
| | | | | | C | 52.31 | 4,184.44 | 9,066.29 | 108,795.47 |
| | | | | | D | 54.92 | 4,393.76 | 9,519.82 | 114,237.87 |
| General Government | General Gov/Misc | Account Technician | 18 | 3308 | A | 33.32 | 2,665.45 | 5,775.15 | 69,301.76 |
| | | | | | B | 34.98 | 2,798.24 | 6,062.86 | 72,754.33 |
| | | | | | C | 36.73 | 2,938.64 | 6,367.05 | 76,404.57 |
| | | | | | D | 38.57 | 3,085.62 | 6,685.51 | 80,226.11 |

| TOWN OF ATHERTON | | | | | | | | | |
|----------------------|--|---|------|------|------|--------|-----------|-----------|------------|
| Salary Schedule | | | | | | | | | |
| FY 2018-2019 | | | | | | | | | |
| Group | Job Class | Title | Dept | Code | Step | Hourly | Bi-Weekly | Monthly | Annually |
| | Police/APOA Rate Effective 07/01/2018 | | | | | | | | |
| Police-Civilian/APOA | Police/Misc | Community Service officer | 40 | 4401 | A | 35.30 | 2,823.76 | 6,118.15 | 73,417.75 |
| | 80 hours shift | | | | B | 37.06 | 2,964.95 | 6,424.05 | 77,088.62 |
| | | | | | C | 38.91 | 3,113.19 | 6,745.25 | 80,943.04 |
| | | | | | D | 40.86 | 3,268.85 | 7,082.52 | 84,990.23 |
| Police-Civilian/APOA | Police/Misc | Community Service officer/Code Enforcemen | 40 | 4401 | A | 35.30 | 2,823.76 | 6,118.15 | 73,417.75 |
| | 80 hours shift | (new Position 02/17/2015) | | | B | 37.06 | 2,964.95 | 6,424.05 | 77,088.62 |
| | | | | | C | 38.91 | 3,113.19 | 6,745.25 | 80,943.04 |
| | | | | | D | 40.86 | 3,268.85 | 7,082.52 | 84,990.23 |
| Police-Civilian/APOA | Police/Misc | Dispatcher/Records assistant | 40 | 4405 | A | 38.84 | 3,107.59 | 6,733.11 | 80,797.36 |
| | 80 hours shift | | | | B | 40.79 | 3,262.97 | 7,069.77 | 84,837.22 |
| | | | | | C | 42.83 | 3,426.12 | 7,423.26 | 89,079.08 |
| | | | | | D | 44.97 | 3,597.42 | 7,794.42 | 93,533.01 |
| Police- Per-Diem | 80 hours shift | Per-Diem Dispatcher | 40 | | A | 38.84 | 3,107.59 | 6,733.11 | 80,797.36 |
| | | | | | B | 40.79 | 3,262.97 | 7,069.77 | 84,837.22 |
| | | | | | C | 42.83 | 3,426.12 | 7,423.26 | 89,079.08 |
| | | | | | D | 44.97 | 3,597.42 | 7,794.42 | 93,533.01 |
| Police-Civilian | Police/Misc | Police Trainee | 40 | 4406 | D | 24.80 | 1,983.86 | 4,298.36 | 51,580.35 |
| Police-Civilian/APOA | Police/Misc | Dispatcher/Records assistant | 40 | 4405 | A | 38.84 | 3,262.97 | 7,069.77 | 84,837.22 |
| | 84 hours shift | | | | B | 40.79 | 3,426.12 | 7,423.26 | 89,079.09 |
| | | | | | C | 42.83 | 3,597.42 | 7,794.42 | 93,533.03 |
| | | | | | D | 44.97 | 3,777.29 | 8,184.14 | 98,209.66 |
| | Police/APOA Rate Effective 07/01/2018 | | | | | | | | |
| Police-Sworn/APOA | Police/Sworn/84 | Police Officer | 40 | 5505 | A | 47.29 | 3,972.07 | 8,606.15 | 103,273.77 |
| | 84 hours shift | | | | B | 49.65 | 4,170.67 | 9,036.46 | 108,437.50 |
| | | | | | C | 52.13 | 4,379.20 | 9,488.27 | 113,859.28 |
| | | | | | D | 54.74 | 4,598.17 | 9,962.70 | 119,552.42 |
| Police-Sworn/APOA | Police/Sworn/84 | Police Sergeant | 40 | 5520 | A | 56.67 | 4,760.38 | 10,314.16 | 123,769.88 |
| | 84 hours shift | | | | B | 59.50 | 4,998.40 | 10,829.86 | 129,958.31 |
| | | | | | C | 62.48 | 5,248.32 | 11,371.35 | 136,456.25 |
| | | | | | D | 65.60 | 5,510.73 | 11,939.92 | 143,279.02 |

| TOWN OF ATHERTON | | | | | | | | | |
|--------------------------------|-----------------------------------|-----------------|------|------|------|--------|-----------|-----------|------------|
| Salary Schedule | | | | | | | | | |
| FY 2018-2019 | | | | | | | | | |
| Group | Job Class | Title | Dept | Code | Step | Hourly | Bi-Weekly | Monthly | Annually |
| Police-Sworn/APOA | Police/Sworn/80 80 hours shift | Police Officer | 40 | 5506 | A | 47.29 | 3,782.89 | 8,196.26 | 98,355.08 |
| | | | | | B | 49.65 | 3,971.85 | 8,605.68 | 103,268.18 |
| | | | | | C | 52.13 | 4,170.67 | 9,036.45 | 108,437.41 |
| | | | | | D | 54.74 | 4,379.34 | 9,488.56 | 113,862.77 |
| Police-Sworn/APOA | Police/Sworn/80 80 hours shift | Police Sergeant | 40 | 5528 | A | 56.67 | 4,533.38 | 9,822.31 | 117,867.76 |
| | | | | | B | 59.50 | 4,759.95 | 10,313.23 | 123,758.82 |
| | | | | | C | 62.48 | 4,998.18 | 10,829.38 | 129,952.58 |
| | | | | | D | 65.60 | 5,248.04 | 11,370.75 | 136,449.05 |
| Rate Effective 07/01/18 | | | | | | | | | |
| Police-Sworn | Police/Sworn/84 | Police Reserve | 40 | | A | 47.29 | 3,972.07 | 8,606.15 | 103,273.77 |
| | | | | | B | 49.65 | 4,170.67 | 9,036.46 | 108,437.50 |
| | | | | | C | 52.13 | 4,379.20 | 9,488.27 | 113,859.28 |
| | | | | | D | 54.74 | 4,598.17 | 9,962.70 | 119,552.42 |

Appendix-C

Appropriation spending limit (Gann Limit)

**RESOLUTION NO.
A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF
ATHERTON ESTABLISHING THE APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2018-2019 PURSUANT TO ARTICLE X111 B OF
THE CALIFORNIA CONSTITUTION**

WHEREAS, Article XIII B of the Constitution of the State of California provides that the total annual appropriations limitation of each government entity, including this Town, shall not exceed the appropriations limit of such entity of government for the prior year adjusted for certain changes mandated by Proposition 4 passed in November, 1979 and Proposition 111 passed in June, 1990, except as otherwise provided for in said Article XIII B and implementing State statutes; and

WHEREAS, pursuant to Article X111 B, and Section 7900 et seq of the California Government Code, the Town is required to set its appropriations limit for each fiscal year; and

WHEREAS, the Finance Director of the Town of Atherton has conducted the necessary analysis and calculations to determine the appropriations limit for Fiscal Year 2018-19, relying on the permanent Fiscal Year 1993-94 limit approved by the voters on November 3, 1994, and the following two adjustment factors: change in population for the County of San Mateo or Atherton, whichever is higher, and change in cost of living as provided by the State of California, Department of Finance; and

WHEREAS, based on such calculations, the Finance Director has determined the said appropriations limit, and pursuant to Section 7910 of the Government Code, has made available to the public the documentation used in the determination of the limit.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the Town of Atherton that the new appropriations limit for the Fiscal Year 2018-19 shall be and is hereby set in the amount of **\$13,257,397** and its calculations as set forth in Attachment 1, copy of which is 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 20th day of June, 2018, by the following vote:

Appendix C

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Cary Wiest, MAYOR

Town of Atherton

ATTEST:

Theresa DellaSanta, City Clerk

APPROVED AS TO FORM:

William Conners, City Attorney

Appendix-C

APPROPRIATIONS SPENDING LIMIT (GANN LIMIT)

Town of Atherton
APPROPRIATIONS SPENDING LIMIT
Prop 4 - Gann Limit FY 2018-2019

Schedule 1: Calculation of Spending Limit

| | |
|---|------------|
| Last Year's Limit (FY 2017-18) | 12,724,452 |
| Prior Year Parcel Tax Adjustment | |
| Adjusted Last Year's Limit (FY 2017-18) | 12,724,452 |

Adjustment Factors:

| | |
|------------------------|--------|
| A. Population (County) | 1.0050 |
| C. Inflation | 1.0367 |
| A times C | 1.04 |

| | |
|----------------------------|--------|
| Total Adjustment (Percent) | 0.0419 |
|----------------------------|--------|

| | |
|----------------------------|---------|
| Total Adjustment (Dollars) | 532,945 |
|----------------------------|---------|

Other Adjustments:

| | |
|---------------------------|--|
| Parcel Tax Adjustment (+) | |
|---------------------------|--|

| | |
|---|------------|
| New Appropriation Limit for Fiscal Year 2018-19 | 13,257,397 |
|---|------------|

Schedule 2: Appropriations Compared to Limit

| | |
|--|-------------------|
| Proceeds from Taxes (Fm Schedule 3) | 11,600,610 |
| Appropriations Subject to Limit FY 2018-19 | 11,600,610 |
| Appropriations Limit for FY 2018-19 | 13,257,397 |
| Amount under Appropriations Limit | 1,656,786 |

Schedule 3: Determination of Proceeds of Taxes

Per Budget for FY 2018-19

| | Proceeds of Taxes | Non- Proceeds | Total |
|---------------------------|----------------------|------------------|------------|
| Revenues | | | |
| Property Tax | 11,054,912 | | 11,054,912 |
| Sales Tax | 188,981 | | 188,981 |
| Public Safety Sales Tax | | 85,018 | 85,018 |
| Parcel Tax | | | - |
| County Measure A | 370,000 | | 370,000 |
| Business License | 250,283 | | 250,283 |
| Motor Vehicle License Fee | | | - |
| Homeowners Exemption | 35,932 | | 35,932 |
| Franchise Fees | | 833,384 | 833,384 |
| Development Fees/Permits | | 2,550,279 | 2,550,279 |
| Fines & Forfeiture | | 51,163 | 51,163 |
| Fees for Services | | 250,984 | 250,984 |
| Rentals | | 145,006 | 145,006 |
| Miscellaneous | | 219,102 | 219,102 |
| | 11,900,108 | 4,134,936 | 16,035,044 |
| Interest Income | 70,502 | 24,498 | 95,000 |
| Reduction for CIP | (370,000) | | |
| Total | 11,600,610 | 4,159,434 | 16,130,044 |