



Item No. 12 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GEORGE RODERICKS, CITY MANAGER

THROUGH: ROBERT BARRON III, FINANCE DIRECTOR

DATE: JUNE 19, 2019

SUBJECT: ADOPT THE ATTACHED RESOLUTIONS ADOPTING THE FY 2019/20 OPERATIONS AND CAPITAL BUDGET, SALARY & BENEFIT RESOLUTION FOR UNREPRESENTED STAFF, MEMORANDUM OF UNDERSTANDING FOR THE ATHERTON POLICE OFFICERS ASSOCIATION; 2019/20 SALARY AND CLASSIFICATION SCHEDULE, AND THE GANN LIMIT APPROPRIATIONS

RECOMMENDATION

Adopt the accompanying Resolutions (adoption of all Resolutions may be done by one motion):

1. Resolution of the City Council of the Town of Atherton Adopting the Fiscal Year 2019-2020 Operating and Capital Improvement Program Budget;
2. Resolution of the City Council of the Town of Atherton Adopting Salaries and Benefits for Unrepresented Staff;
3. Resolution of the City Council of the Town of Atherton Approving Fiscal Year 2019-2020 Salary Schedules and Classifications;
4. Resolution of the City Council of the Town of Atherton Establishing the Appropriations Limit for Fiscal Year 2019-2020 Pursuant to Article XIII B of the California Constitution; and
5. Resolution of the City Council of the Town of Atherton ratifying the Memorandum of Understanding between the Town and the Atherton Police Officers Association for the period commencing July 1, 2019 through June 30, 2023.

BACKGROUND

Staff is pleased to present the City Council with a balanced Annual Operating Budget for FY 2019/20. The Council held four (4) study sessions in review of the Town Operational and Capital Budgets. The FY 2019/20 Budget projects a healthy outlook as the Town continues to implement current Council priorities to reduce long-term liabilities, address capital project needs, and ensure operational needs are met. 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. Staff

incorporated feedback from the prior meetings, together with additional adjustments, if any, to the Operational and CIP budgets based on identified priorities or projects.

CIP projects continue to be identified from the Town various master plans and residual funding remaining from the Town Parcel Tax is being used. With the Civic Center to begin construction, it is a beneficial time to be in save mode for capital projects. The Town will maintain its annual street maintenance and identified drainage maintenance projects. Also, with the elimination of Parcel Tax revenue and while the Civic Center Project is underway, there have been some CIP projects that have been delayed as staff seeks additional funding options and grants.

During the current fiscal year there has been CIP focus on –

- Award a contract for Middlefield Class II Bike lane project.
- Annual Road Maintenance and Rehabilitation program;
- Completion of Stockbridge Avenue Valley Gutter Replacement project;
- Review of the Euclid/Parker Ditch;
- Green Infrastructure review/plan development and Bayfront Canal Study; and
- Review and plan for potential Water Capture Facility

With the Town in a “save and spend” mode the Town will continue to use every source of revenue to carry out its Capital Improvement Program (CIP). Projects will continue to be identified and designed based on capital project priorities. The principal focus of the CIP is the Civic Center Project as the Administration and Community development offices relocate to the park and construction is set to begin in June. Funding for this project is through Atherton Now donations, Capital Improvement Fund, Library Fund, and the General Fund reserves, Certificates of Participation and future revenue over expenditures.

We continue to work on fostering partnerships with other agencies in fulfilling infrastructure needs. The Town is continuing to evaluate the Water Capture Facility and siting location. The cooperative implementation agreement with Caltrans is still in effect, however funding milestones will need to be met in the FY 2019/20. This project helps mitigate drainage issues, storm water capacity for the Town, and reduction of pollutants in the Bayfront. The Town is also working on completing its Green Infrastructure plan mandate and anticipates implementing some minor projects as a result of the plan. The CIP program serves as a guide in prioritizing community needs through the identification of funding and projects that will be a major focus in the next 5 years.

Staff seeks to ensure that the Town’s fiscal position remains positive while continuing current programs, policies, and services. The Town’s General Fund Operating Budget relies on continued fiscal prudence, while also considering the need to adjust resources in order to meet any rising demands for Town services, capital improvements and priorities. The Civic Center construction project will serve as a huge measurement of this fiscal prudence. *This draft budget that is presented includes the same salary and benefit adjustments place holders from our first FY 2019/20 study session. These placeholders were calculated at 4%. As a result, when the Council adopts the attached Resolutions for salary and benefits for both unrepresented staff and the Atherton Police*

Officers Association, the final budget will ultimately reflect a savings due to the outcome of actual negotiations being at a lower overall percentage.

ANALYSIS

The FY 2019/20 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 2019/20 is projected to be \$16,534,722. 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. *Additional notable grant funds the Town anticipates receiving is from Atherton Now in the amount of \$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 2017/18	FY 2018/19	FY 2018/19	FY 2019/20
<i>Secured Property Tax</i>	\$8,080,982	\$8,783,449	\$8,948,449	\$9,351,129
<i>Other</i>	\$2,238,926	\$2,271,463	\$2,359,555	\$2,465,735
Subtotal Property Tax	\$10,319,908	\$11,054,912	\$11,308,004	\$11,816,684
Sales Taxes	\$313,155	\$273,999	\$295,999	\$300,439
Franchise Fees	\$833,761	\$833,384	\$833,834	\$871,161
Intergovernmental	\$38,990	\$41,222	\$41,222	\$40,311
Business License Tax	\$240,031	\$250,283	\$250,283	\$252,033
Planning Fees	\$230,031	\$268,455	\$246,455	\$220,300
Building Fees	\$1,852,795	\$1,955,424	\$1,955,424	\$1,697,509
Policing Fees	\$87,699	\$81,728	\$180,760	\$183,401
Public Works Fees	\$473,671	\$362,100	\$447,200	\$535,700
Park Program Fees				
<i>Social Fees</i>	\$84,298	\$103,646	\$103,646	\$87,700
<i>Meeting Fees</i>	\$36,854	\$24,000	\$24,000	\$24,000
<i>Class Fees</i>	\$26,860	\$32,537	\$32,537	\$25,000
<i>Weddings</i>	\$27,000	\$30,000	\$30,000	\$28,000

	Actual	Orig. Budget	Adjusted/Est.	Recommended
Category	FY 2017/18	FY 2018/19	FY 2018/19	FY 2019/20
<i>Day Use Fees</i>	\$10,375	\$13,000	\$13,000	\$12,000
<i>Admin Fees</i>	\$35,649	\$47,800	\$47,800	\$34,000
Subtotal	\$221,036	\$250,984	\$250,984	\$210,700
Misc. Revenues				
<i>Admin Citations</i>	\$44,900	\$45,349	\$45,349	\$55,000
<i>Cell Lease(s)</i>	\$55,858	\$58,888	\$58,888	\$60,876
<i>Interest Income</i>	\$190,679	\$95,000	\$130,000	\$80,000
<i>Knox Playschool</i>	\$82,153	\$78,118	\$78,118	\$87,897
<i>C&D Forfeiture</i>	\$268,113	\$55,000	\$324,871	\$65,000
<i>Other</i>	\$64,615	\$55,198	\$50,198	\$57,532
Subtotal	\$706,318	\$387,553	\$687,424	\$406,305
Total	\$15,318,092	\$15,760,043	\$16,497,049	\$16,534,722
<i>Parcel Tax</i>	\$372,000	\$0	\$0	\$0
Total General Fund	\$15,690,092	\$15,760,043	\$16,497,049	\$16,534,722
<i>Excess ERAF</i>	\$1,280,172	\$1,025,000	\$1,691,772	\$1,300,000
Total Revenues	\$16,970,264	\$16,785,043	\$18,188,821	\$17,834,722

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

Based on recent ERAF revenues and discussion at its June 5 Study Session, staff updated Excess ERAF funds by \$50,000 for FY 2019/20 - \$1,300,000; the amount may vary upward in future years.

USE OF ERAF

ERAF is considered a vital revenue component for the use towards one-time capital projects, reduction of any long-term liabilities, and Town CIP projects and programs. Because ERAF is treated as a “one time” revenue each year, its allocation is reviewed by the Council as part of the budget process. Once staff determines the amount of ERAF to be received, a recommendation will be made to the Council for its use in the upcoming fiscal year budget.

ERAF revenue has fluctuated over the years from as low as \$1,020,000 to now as high as \$1,691,772. The increase to \$1,691,772 was the result of a one-time \$206,210 allocation change in distribution. Beginning in FY 2019/20 there are now two distributions per fiscal year of ERAF funds. The first distribution takes place in August and the second distribution in January. The changes resulted in a one-time increase during the recent January distribution. Despite this single-year increase, ERAF still increased from the budgeted expectation by \$460,561.

With the adoption of the Budget, FY 2018/19 ERAF of \$1,691,772 will be applied to the Civic Center Project. As the Town explores options of Certificates of Participation, staff recommends that these future funds could also be used as a source of revenue for debt service payments.

Workers' Compensation/OPEB Annual Required Contributions (ARCs)

With the use of excess ERAF towards the Civic Center, staff recommends that the Town continue to true up its Workers' Compensation (WC) equity reserve. A policy was implemented to maintain the Town's WC minimum equity reserve. In the current FY, the Town made a \$235,397 contribution to replenish its 2018 minimum equity reserve from the unallocated General Fund balance.

The FY 2019/20 Budget replenishes the WC minimum equity reserve (\$110,000) from the unallocated General Fund Balance.

Staff also recommends that the Town fulfill its Annual Required Contribution (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 \$6.37 Million maintained in the Trust. With the recent OPEB actuarial valuation report, the Town's (ARC) is \$693,890. The estimated FY 2019/20 "pay as you go" retiree health care costs are \$487,989. These costs are included in the respective departments and listed later in the report.

To satisfy the ARC in the current fiscal year, the FY 2019/20 Budget includes a contribution of \$205,901 towards the Town OPEB trust to satisfy the minimum required ARC (difference between \$487,989 and \$693,890). This contribution will be allocated amongst respective departments and based on retiree health cost allocation.

Revenue Assumptions

In FY 2019/20, **Property Taxes** represent 71% of the Town General Fund Revenues. The total projected revenue from property taxes is \$11,816,864. Total property tax revenues are projected to increase approximately 4.5% or \$508,680 over the FY 2018/19 mid-year estimate. From FY 2011/12 to FY 2018/19, Atherton has seen a growth in *assessed value* of approximately 71%. Staff projects base property tax revenue to increase by about 4.5% in FY 2018/19. With the assistance of HDL Companies, staff continues to monitor property tax assessments every year. Per HDL Companies, property tax revenues are expected to level out at 4% to 5% over the next couple of years.

General Fund other revenues for FY 2019/20 include conservative revenue assumptions. Most other General Fund revenues have seen steady increases over the years based on current trends, one-time revenues.

- Building Department revenues are projected to increase by approximately 1 percent (%);
- Franchise revenues are projected at 2 to 3 percent (%); based on FY 2018/19 levels
- Charges for services were held to 1% to 2% projected increases; and
- Park Program revenues are projected at approximately \$210,700.

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

Overall General Fund expenditures are estimated at **\$14,592,838**. Expenditures continue to be evaluated based on operational needs to provide consistent services to the community. 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 2019/20 the Town will receive General Fund revenues of \$16,534,722 balanced against operating expenditures of \$14,592,838. There is a single-year operational revenue surplus of \$1,941,885. This leaves a projected year-end positive balance of \$24.15 Million (with the inclusion of excess ERAF and transfers to and from other funds). During the FY 2019/20 budget discussions, the Council supported the allocation of \$110,000 to Workers' Compensation equity reserve and a contribution of \$205,901 towards Town OPEB trust.

Personnel Costs and Benefits

The Town continues to make strides in reducing operational costs where possible. Several years ago, the Town eliminated the employer payment for the employee **CalPERS** retirement costs by transferring that responsibility back to the employee. These costs were 7% for Miscellaneous Employees and 9% for Public Safety employees. The cost savings equated to approximately \$280,000 to \$415,000 per year.

More recently, the Town adopted cost-sharing agreements with employees such that the employees pick up 1% (local miscellaneous) and 3% (public safety) of the *employer* retirement cost. This has also resulted in an operational savings of \$102,027 in the FY 2019/20 budget.

The CalPERS designated Public Safety Officer Employer Contribution rate for FY 2019/20 is 23.654% (an increase of 1.308%). The CalPERS designated Local Miscellaneous Employer Contribution rate for FY 2019/20 is 10.327% (an increase of 0.692%). With the above additional cost sharing of 3% in public safety, the effective employer rate is reduced to 20.654% and cost sharing of 1% in local miscellaneous, the effective employer rate is reduced to 9.327%. This results in a corresponding expenditure in the Normal Cost of Employer Rate Contribution through payroll.

Over the past several years the Town has been paying the required unfunded accrued liability dollar amount portion to CalPERS. Listed below are the Unfunded Accrued Liabilities (UAL) dollar amounts the Town has paid for FY 2015/16 through FY 2018/19. The anticipated FY 2019/20 UAL payment is \$1,076,282 and is an increase of \$207,709. These expenses are incorporated into respective department budgets.

CalPERS Employer Payment of Unfunded Liability	UAL FY 2015/16	UAL FY 2016/17	UAL FY 2017/18	UAL FY 2018/19	UAL FY 2019/20
Miscellaneous Employees	\$116,323	\$146,085	\$183,648	\$230,536	\$298,744
Public Safety Employees	\$325,906	\$402,865	\$498,416	\$607,679	\$775,538
Total Contribution	\$442,229	\$548,950	\$682,064	\$838,215	\$1,076,282

The Town has implemented a cafeteria-style **health benefit plan** that places limits on the Town’s contribution amounts. Further, the Town has **eliminated employer-paid retiree healthcare** for newly hired staff (since 2013). Lastly, the Town has taken steps to reduce its long-term liabilities by significantly funding its Other Post Employment Benefit (OPEB) trust.

Each department is responsible for an allocated cost for **workers’ compensation**. Such allocations vary based on the risk assessed for each department and the number of employees. The Workers’ Compensation charge to the Police Department is 11% of salary costs. In FY 2018/19 the rate was increased from 10% to 11% in order to recover the Town’s self-insured negative equity reserve. The rate for all other departments is 4% of salary costs.

As the Council is aware, as a public agency, the Town is “self-insured” as part of a risk pool – Cities Group Joint Powers Authority. The Town also maintains an active workers’ compensation risk management program. There are approximately 11 open claims that incur a reserve claims cost of approximately \$597,389 in the current year. Some are major and some are minor claims. Claim costs and reserves are established for each claim; however, these amounts are not indicative of the actual claim paid. The five-year average claim loss/expense is approximately \$155,595.

Because the Town is self-insured, claims represent an existing liability against the Town’s equity reserve. To maintain the required equity reserve, staff recommends an allocation of \$110,000 toward the reserve in FY 2019/20. If the equity is not refreshed as a one-time contribution, annual operational rates increase when the Cities Group JPA creates a “special assessment” as part of the agency base rates. To prevent special assessments that affect operational costs, JPA agencies benefit from maintaining their equity reserves.

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 DECREASE OF \$24,546

The City Council budget includes expenditures related to City Council meetings, conference attendance such 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.

Personnel and Benefits - \$0

There are no salaries or benefits in the City Council budget.

Operations – decrease \$23,046

As discussed in prior budget sessions, there was an overall decrease of \$23,046 as compared to FY 18/19 budget. Office equipment and furnishings includes a \$5,000 placeholder for temporary transitional needs due to the Civic Center Project. The bulk of this decrease is a decrease of \$30,000 in Election costs. There was \$1,500 increase in the department budget for membership dues to San Mateo County Airport Community Fund.

**ADMINISTRATION DEPARTMENT
INCREASE OF \$25,542**

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 discuss in prior budget sessions, the total Administration Department budget increased by \$25,542 compared to the FY 2018/19 budget.

Personnel and Benefits – Increase of \$22,924

Salaries and benefits increased by \$22,924. This reflects the 4% increase placeholder. This also included a decrease in salary expense Deputy City Manager/City Clerk position (\$16,218) and adjustment to health/benefits expense of \$7,724

Specific benefit allocations were adjusted to reflect departmental contributions for benefits (vacation, sick, comp, and holiday pay). There were small adjustments in Workers’ Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs. The CalPERS UAL payment increased by \$10,192. The CalPERS employer contribution increased to 10.327%; but with the share cost allocation of 1% to the employee, the contribution rate is 9.327%.

Operations – Increase of \$2,618

There were small increases in equipment repairs and maintenance and a slight increase in funding for various conferences.

**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 does not reflect an increase.

**FINANCE DEPARTMENT
INCREASE OF \$57,960**

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.

As discussed in prior budget sessions, the Finance Budget increased by \$57,960 as compared to the FY 2018/19 budget.

Personnel and Benefits – Increase of \$51,603

Salaries and benefits increased by \$31,036. This is a reflection of the 4% placeholder and adjustments to reflect the current position classifications of Accountant and Junior Accountant done in FY 2018/19.

Specific benefit allocations were adjusted to reflect departmental contributions for benefits (vacation, sick, comp, and holiday pay). There were small adjustments in Workers' Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs. The CalPERS UAL payment increased by \$6,106 and health benefit expense of \$1,427

Operations – Increase of \$4,929

Operation expenses for the Department increased by \$6,536. Most of the increase is related to contract services for the audit. There was slight adjustment to banking costs, computer equipment and software, and conferences

**PLANNING DEPARTMENT
INCREASE OF \$19,783**

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.

The overall increase is due to a cost of living increase in Contract Planner Services to \$231,603. The department expense also includes \$50,000 for Sustainability programs management.

**BUILDING DEPARTMENT
DECREASE OF \$123,424**

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. *The Building Department had an overall decrease of \$123,424.*

Personnel and Benefits – Increase of \$14,350

This is a reflection of the 4% placeholder. Specific benefit allocations were adjusted to reflect departmental contributions for benefits (vacation, sick, comp, and holiday pay). There were small adjustments in Workers' Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs. The CalPERS UAL payment increased by \$13,898.

Operations – Decrease of \$137,774

The majority of this decrease (\$141,854) was due to a corresponding Building and Life Safety Contract Services decrease; based on the revenue assumption. There was a small increase in subscriptions due to the requirement to purchase new reference building code materials and in rent machinery and equipment for copier machine expense.

**INTERDEPARTMENTAL
INCREASE OF \$122,229**

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.

There are no salaries or benefits in the Inter-Departmental budget

The Interdepartmental operations Budget had an overall increase of \$122,229. As was discussed in previous the budget session, an additional \$69,200 increase is attributed to the yearly operational rental expense for the temporary trailers for Administration and Community development departments office relocation during the Civic Center construction projects. There is an increase in IT support as we prepare for the rollout of Office365 agency-wide, new IT infrastructure and relocation of services to the Park. General liability insurance costs increased to maintain the Town's self-insured retention. There were adjustments in dues and memberships, County Tax Administration, and postage. Some of the specific technology adjustments within this department (maintenance as well as infrastructure) include Shoretel Phone Services, Data Storage Plans, Servers, virus protection systems, software licensing and transparency tools.

**PUBLIC WORKS DEPARTMENT
INCREASE OF \$171,401**

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.

Personnel and Benefits – Increase of \$52,571

This reflects the 4% placeholder. Specific benefit allocations were adjusted to reflect departmental contributions for benefits (vacation, sick, comp, and holiday pay). There were adjustments in Workers' Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs. The CalPERS UAL payment increased by \$20,819.

Operations – Increase of \$118,829

Significant areas of change in the operations budget were largely related to contract services: MCE Contract Services, Catering by Dana, and custodial services. The Facility Repairs and Maintenance expense increased \$31,000 for carpentry, electrical, and plumbing related to Town hall administration uses and needs at the Park. Utilities have also been adjusted to reflect an increase in the use of services at the Park. Other minor areas of adjustment were for CADD and GIS services, basic supplies and materials, and emergency preparedness. There was an increase of \$24,000 in Building Improvements expense to a budget of for the renovation of the Carriage house bathrooms (recommended by the Park and Recreation Committee), and for path maintenance and rehabilitation at the Park.

The Contract DPW maintenance service continues to be monitored and enhanced maintenance service and priorities are currently in review with MCE. The total current contract budget is estimated at \$663,349.

**POLICE DEPARTMENT
INCREASE OF \$245,359**

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.

During the 2018/19 FY, the Police Department was successful in establishing a funding partnership with local school districts of the School Resource Officer. The partnership includes \$90,000 in funding for the School Resource Officer.

The Police Department total budget reflects an increase of \$245,359 over the FY 2018/19 budget. The Department budget is \$7,971,447 and still comprises 55% of the total General Fund operational budget.

Personnel and Benefits – Increase of \$442,583

The salaries and benefits account for an additional \$397,342. This does not include the CalPERS UAL contribution for FY 2019/20. This is largely a reflection of the 4% placeholder. As was discussed in previous budget study session, a \$111,453 decrease in Personnel and Benefits is attributed to changes in department personnel due to movement and reclassifications of current positions, minor adjustments in salaries and acquired POST incentives. This is a result of attrition and promotion in the department as well as an alignment of personnel to 21 sworn positions in the department. Specific benefit allocations were adjusted to reflect departmental contributions for benefits (vacation, sick, comp, and holiday pay). There were adjustments in Workers' Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs. The CalPERS UAL payment increased by \$156,694.

Operations – Decrease of \$197,224

Overall, the basic Operations expenditure budget for the Police Department **decreased** by \$197,224. The majority of this increase was due to a decrease in the equipment replacement fund expense by \$190,100. This is the result of the purchase of 3 new outfitted SUV's to the fleet in the current fiscal year. Other adjustments were made across technical services, technology services, memberships and dues, and vendor materials. Slight increase in technical services for increase in microwave radio switch services from San Mateo County.

Equipment Replacement Fund Purchases

The FY 2019/20 Equipment Replacement Budget reflects the purchase of 2 Motorcycles and 2 radios for an amount of \$80,000. Funds have been allocated to the Equipment Replacement Fund via Departmental allocations over various budget years to fund these purchases. The Department will also be replacing supplemental equipment to include 2 (40mm) launchers, trauma plate body armor, and 30 body cameras for a total of \$41,000.

GENERAL FUND SUMMARY

For FY 2019/20, staff projects the Town's Total General Fund revenues at \$16,534,222 against \$14,592,838 in expenditures. This results in a single year surplus of \$1,941,885 *before* the addition

of ERAF of \$1,300,000. *In previous study session, ERAF projection was increased by \$50,000.* With ERAF, there will be a General Fund revenue surplus of \$3,241,885. There is a projected year-end positive fund balance in the General Fund of \$24.15 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 2018/19 ending balance for the Library Fund is \$13,551,066. Funds are held in trust in part by the Town and the County of San Mateo. The Town holds \$4,586,334 and the County holds \$8,045,604. The County holds all future donor funds. The projected Library Fund Revenue (donor funds) for FY 2019/20 is \$1,450,000. The estimated available funding for FY 2019/20 is \$15,001,066.

EXPENDITURES

For FY 2019/20, staff allocated \$5,507,517 for the Library’s share of the Civic Center Project. This is an estimate only. The Town issued a Notice to Proceed to S.J. Amoroso in early June. Staff and S.J. Amoroso are meeting to more specifically define the course of construction phases. This will help inform the cash flow needs for the project in FY 2019/20 through FY 2021/22. Once that cash flow analysis has been completed, if necessary, staff will return to the Council to amend the CIP project budget to more accurately reflect cash flow.

Remaining allocations include \$48,050 for operations, utilities and maintenance costs. The Town has met with representatives from the San Mateo County Library JPA regarding the need for Town funds held by the County. In September 2018, the JPA voted and signed a funding agreement for the advancement of Trust Funds for the Library project. The advancement of Funds is for up to three years of funds or until construction completion of the Library.

The estimated construction cost for the Library portion of the project, inclusive of all construction, project management, utilities, moving, staging, and FF&E is \$18.3 million. These costs are reflected fully in the April 2019 Cost Model Manager.

It is anticipated that the Civic Center “project years” will include FY 2018/19 through FY 2020/21. However, the project may complete in the early part of FY 2021/22.

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.

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 equipment replacement and ultimate purchase. Funds have been allocated to the Equipment Replacement Fund via Departmental allocations over various budget years to fund these purchases.

The FY 2019/20, revenues total \$166,100 and the expenditures total \$125,500. This includes a charge in the Police department for the purchase of future vehicles. The department anticipates the purchase of 2 Motorcycles and 2 radios for an amount of \$80,000 for outfitting of the motorcycles. The Department will also be replacing supplemental equipment to include 2 (40mm) launchers, trauma plate body armor, and 30 body cameras for a total of \$41,000.

Request	Amount	Description
1. 40 mm launchers (2)	\$3,800	Purchase of two 40mm launchers, for emergency tactical situations. This includes cases, sites & holsters.
2. Trauma Plates (25)	\$2,200	Outfit law enforcement and tactical personnel with trauma plates (25), providing protective equipment for emergency tactical situations.
3. Body Cameras (30)	\$35,000	Police department transition to new body cameras, includes software and docking stations.
Total Amount	\$41,000	

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 \$863,072. The FY 2019/20 ending fund balance is projected at \$903,672.

WORKERS' COMPENSATION FUND

The Workers' Compensation Fund accounts for the cost and expense of managing the workers' compensation program through the Town's self-insurance risk pool, Cities Group Joint Powers Authority. Within this Fund are costs related to risk management and prevention – safety training, educational materials and accident prevention programs. As a member of a JPA, the Town contributes an annual assessment to the JPA based on all recognized and potential liability. 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 the number and type of 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. directly related to the type of risk exposure.

As discussed in the Operational Budget, the Workers' Compensation charge to the Police Department is 11% of salary costs and the rate for all other departments is 4% of salary costs.

The Town maintains an active workers' compensation risk management program. There are approximately 11 open claims that incur a reserve claims cost of approximately \$597,389 in the current year. Some are major and some are minor claims. Claim costs and reserves are established for each claim; however, these amounts are not indicative of the actual claim paid. The five-year average claim loss/expense is approximately \$155,595.

Because the Town is self-insured, claims represent an existing liability against the Town's equity reserve. To maintain the required equity reserve, staff included an allocation of \$110,000 toward the reserve in the FY 2019/20 Operational Budget. If the equity is not refreshed as a one-time contribution, annual operational rates increase when the Cities Group JPA creates a "special assessment" as part of the agency base rates. To prevent special assessments that affect operational costs, JPA agencies benefit from maintaining their equity reserves.

Staff believes it is prudent that each year the Town review and establish 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. Total Workers' Compensation charges expense increased \$37,593 to a total of \$398,845 to recapture losses in self-insured claims.

Projected revenues to the fund are \$399,493 and expenditures for FY 2019/18 total \$165,167. This includes the FY 2019/20 JPA assessment of \$158,909 and safety compliance expense of \$6,258. This produces revenue over expenditures of \$234,326. As the Town has experienced underfunded reserves over the years within the JPA, the revenue to the Fund will ensure a build-up of net assets in the event claims losses change over time. Within the Operational Budget is the transfer in of \$110,000 from the General Fund to maintain the Town's reserve equity.

GENERAL LIABILITY FUND

The General Liability Fund accounts for the insurance cost of general liability claims and property losses. The Town is part of an insurance pool administered PLAN JPA. 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 2019/20 are estimated at \$282,412. The total FY 2019/20 projected expenditures for this fund are \$280,212 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 PLAN JPA has remained static. For FY 2019/20 there is an increase in liability insurance for the Town. Total liability and employment practice coverage is estimated to be \$180,212, an increase of \$12,999. The estimated liability insurance expense is \$139,770. The Town *liability and employment insurance expense* for the current FY was \$157,709 to a budget of \$167,213. Total current claim retention expense for the FY is \$7,860. The FY 2019/20 ending fund balance is projected at \$551,064.

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 2019/20 total \$847,127. Expenditures for FY 2019/20 total \$708,890. Most of this expenditure is the \$487,989 "pay as you go" retiree health care benefit contributions.

Within this fund is also the employee benefits charge of \$98,338. This is a charge of 1.5% to 2% of the General Fund Operational Departments salary expense that is allocated for personal leave contributions of sick, vacation, and holiday pay. This is for accruals of compensated absences for the Town as they reside in this Fund. The Town has a total compensated absences balance of \$641,757. 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. These funds are accounted for as part of the Town's annual audit.

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 \$53,962. *During our General Fund Operations budget study session, staff recommended the Town make an additional contribution of \$205,901 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 \$693,890. As previously mentioned, the FY 2019/20 "pay as you go" retiree health care costs are \$487,989. These costs are included and charged to respective departments and allocated to the Employee Benefits Fund. With the implementation of GASB 74 and GASB 75, The Town net OPEB asset of approximately \$3.06 million within the Employee Benefits Fund was adjusted to

account for the recording of the OPEB liability in FY 2017/18 financial statements. There is approximately \$6.37 million maintained in the Town OPEB Trust. The Town has a net OPEB liability of \$4 million. The projected ending fund balance for FY 2019/20 for the fund is \$1,057,207.

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. The Town entered into the contract with Player Capital in the fall of 2014, and staff believes that this management services agreement continues to meet the needs of the community. This contract provides additional yearly revenue of \$40,000 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.

Last fiscal year, through the partnership with Player Capital, a clay tennis court was installed at the Tennis facilities. Player Capital gauged the interest of the community, and secured funding through a generous donation for the installation of the clay court in Atherton.

The FY 2019/20 budget projects that the purchase of tennis keys by residents and non-residents provide annual revenue of approximately \$6,500. The charges for keys are \$50 for Atherton Residents for a 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 2019/20, the Town anticipates expenditures of \$79,630 (inclusive of capital costs). This includes \$10,130 for contract maintenance services for MCE, general court maintenance and \$2,500 for building security court gates upkeep. The Town is anticipates rehabilitation of two courts and maintenance on the clay court in FY 2019/20.

The beginning fund balance is estimated at \$183,079. The fund projects total revenues of \$47,100 to expenditures of \$79,630.. The FY 2019/20 ending fund balance is projected at \$150,549.

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. The AFF did not submit a budget grant request for the current FY. For FY 2017/18, the AAF requested \$11,120 from the Evan's Creative Design Fund for the purchase of art, as the foundation continues to look for acquisition of art for Town public spaces. The Atherton Art Foundation is focusing on art for the Atherton Library and the Town Center. The AFF 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 Fund has a balance of \$7,351. The only revenue to the fund is interest earned. For FY 2019/20 staff projects *the fund to be depleted* and therefore an estimated budget grant request of \$7,441.

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 Residual Funds (Measure Failed in November 2017 Election)
- Library Fund
- Donations

The fifteen (15) projects are categorized into three areas:

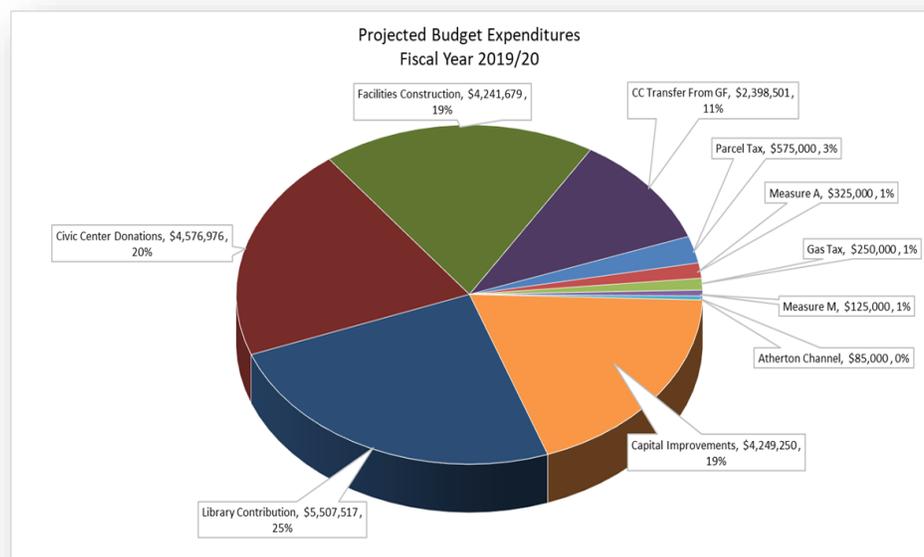
- Streets & Transportation
- Drainage
- Town Buildings, Park and Facilities

Projects have been developed based on needs identified by City Council, residents, staff, and adopted master plans. The first year (FY 2019/20) of the CIP is incorporated into the Town’s Budget and is the **only year** for which the City Council specifically allocates 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 reviewed by the Town’s Planning Commission each year for consistency with the Town’s General Plan.

The 5-year CIP is presented to City Council tonight at a Study Session to allow for questions and discussion of individual projects, general discussion about broader objectives to be considered for future proposed projects and priorities for allocating funds. In broad areas of the five largest CIP expenditures, this year’s CIP recommends:

- \$11.2 million for the Civic Center Construction Project;
- \$5.5 million for the new Library Construction;
- \$0.35 million for Drainage Improvements Program;
- \$0.73 million for the Road Maintenance Program; and
- \$0.15 million for Park Improvements

The Civic Center Project inclusive of the new Town Center and Library



dominates the Town’s CIP. Over the next few years, the Civic Center Project will be the primary focus of the CIP program and other projects will largely consist of basic maintenance efforts.

The Special Parcel Tax provided funding to maintain police emergency response services, street repair and maintenance, drainage facility repair and maintenance, and other capital improvements. The Special Parcel Tax generated approximately \$1.86 million annually and was divided 20% to Police Services and 80% to capital projects. The sunset of the Special Parcel Tax required the discontinuation of certain programs and projects. Allocations of the remaining balance of Special Parcel funds have been extended through 2021.

Following the recent Study Session, staff adjusted the drainage improvement program budget for the relining of Euclid parker ditch in FY 2019/20.

- 1) Drainage Improvement Program (page 20 of CIP) – In FY 2019/20 within the drainage program, the budget was reduced by \$500,000. The relining of the Parker Euclid ditch program was adjusted to \$275,000 for *only the design* of the project. With this noted change, the Drainage improvement program budget is \$350,000.

The FY 2019/20 Capital Improvement Fund includes funding sources of \$17.7 million for capital projects.

Funding Source	FY 2019/20 Allocation
Special Parcel Tax	\$0
Library Fund	\$5,507,517
Facilities Fund Private Donation	\$4,576,976
Gas Tax	\$313,738
CIP Fund Civic Center	\$4,100,000
CC Transfer from General Fund	\$2,398,501
Measure M	\$75,000
Atherton Channel Fund	\$97,300
Measure A	\$370,000
Measure A Fund Grant	\$230,646
Total	\$17,669,678

Expenditures in FY 2019/20 for the CIP are \$18.2 Million. The following are project expenditures:

Project	FY 2018/19 Funding
Traffic Safety Improvements	\$25,000
Accessibility Improvements	\$0
Streets/Roads Maintenance	\$725,000
Park Improvement Program Projects	\$149,250
Drainage Improvement Projects	\$350,000
Bike/Ped Master Plan Program Projects	\$25,000
Atherton Library	\$5,507,517

Project	FY 2018/19 Funding
Atherton Civic Center Construction-Donation	\$4,576,976
Atherton Civic Center – Capital Improvement Fund	\$4,241,679
CC Transfer from General Fund	\$2,398,501
Engineering/Staff project support	\$150,000
Neighborhood Traffic Control Devices	\$10,000
Traffic Control Devices & Safety	\$15,000
Upper Channel Phase 2	\$10,000
Accessibility Improvements	\$50,000
Total*	\$18,233,923

*expenditures include residual funds from the expired Parcel Tax

The following is a list of recent contributions to the Town. Some of this revenue is one-time donations, some are ongoing as a result of agreements and reimbursement, and some are specific project cooperative funding plans.

Donations			
Source	Purpose	Fund	Amount
Public Donation	Police Ford Explorer for K-9 Unit	Equipment Replacement	\$80,000
Public Donation	BMW Motorcycles (2)	Equipment Replacement	\$80,000
Public Donation	Ballistic Helmets	Equipment Replacement	\$25,000
		Total	\$185,000

Agreements/Reimbursements			
School Agreements	Support for SRO	General Fund/Police Revenue	\$90,000
COPS Funding	Front Line Law Enforcement	SLESF Fund	\$100,000
ABAG Public Safety Equipment	Public Safety Equipment	General Fund/Police Rev	\$3,200
Highway Maintenance Agreement	Reimbursement for Maintenance of ECR	General Fund/PW Rev	\$35,700
Post Office Annex	Reimbursement for Operation of Postal Station	General Fund/Misc Rev	\$7,000
POST Reimbursements	Police Training Reimbursements	General Fund/Police Rev	\$12,750
Cal-Recycle Grant	Refuse Containers & Recycling Efforts	General Fund/Misc Rev/DOC Grant	\$5,000
		Total	\$253,650

Cooperative Funding Partnerships/Capital Projects			
C/CAG Local Streets and Road Grant	Road Improvements	CIP Fund	\$250,000
SMTCA Measure A Grant	Middlefield Road Project	CIP Fund	\$230,646
		Total	\$480,646

RERSERVE CALCULATIONS

The FY 2019/20 projected year-end fund balance is \$24,153,278. This includes ERAF revenues as allocated above and all reserve requirements. The estimated unallocated fund balance is \$18,540,785.

FY 2019/20 Beginning Fund Balance	\$21,021,394
FY 2019/20 Projected Revenues (inclusive of ERAF)	\$17,834,722
Total Available Funds	\$38,856,116
Transfer out FY 2019/20 Workers Compensation Equity Reserve	(\$110,000)
FY 2019/20 Expenditures (Projected Budget)	(\$14,592,838)
Projected FY 2019/20 Ending Fund Balance	\$24,153,278

As shown below, the Town will meet its 35% reserve requirements at FY 2019/20 and projects an unallocated reserve that is 126% of projected expenditures.

FY 2019/20 Expenditures	\$14,592,838
Projected FY 2019/20 Ending Fund Balance	\$24,153,278
15% Emergency Reserve	\$2,188,926
20% Budget Stabilization Reserve	\$2,918,568
Building Fund/Town Center Contribution	\$505,000
TOTAL RESERVE REQUIREMENT	\$5,612,494
<i>Less Above Reserve Requirement = Unallocated Reserves</i>	<i>\$18,540,785</i>

GANN Limit Calculation

The Finance Director calculated the FY 2019/20 GANN limit using the percentage change in population and the cost of living provided by the State Department of Finance. The GANN limit for 2019/20 is \$13,822,878. The Town is in compliance with the GANN limit requirement for FY 2019/20.

Civic Center Project

Based on recent ERAF revenues received, staff updated the projection for FY 19/20 to \$1,250,000. In previous reports, ERAF was \$1,035,250 for FY 2019/20. With the FY 2019/20 projected unrestricted fund balance, the estimated known revenue allocation and funding toward the Civic Center is as follows:

Civic Center Project General Fund Funding	
Item	Amount
Allocation of FY 2020/21 ERAF (Estimated)	\$1,150,000
Allocation of FY 2021/22 ERAF (Estimated)	\$1,100,000
Estimated ERAF***	\$2,250,000
<i>*** Subject to annual approval by Council</i>	
FY 2019/20 Projected General Fund Unallocated Surplus	\$18,540,785
Building Fund/Town Center Contribution	\$505,000
Existing CIP Unallocated Surplus	\$4,423,138
Estimated Atherton NOW Funds	\$4,576,976
Total Atherton Now & General Funds Available	\$30,295,899

The estimated General Funds available is \$30,295,899. Coupled with the estimated General Fund revenue surplus for FYs 2020 through 2022 of \$2,150,000, the total revenue funding available estimates \$32,445,899. The revenue estimate provided to the Council in December 2018 was \$30,536,382.

Assuming the entirety of unallocated General Funds are allocated to the project, the Council will need to discuss cash flow requirements of the project. It is anticipated that there will be a need for cash flow during the construction project until Town major revenue source of Property Taxes are received in that fiscal year. **Staff will provide an updated cashflow and total estimated costs for the Civic Center Project at a future meeting.**

One important component as the Town begins the FY 2019/20 is the Construction Phase of the Civic Center Project. Part of this project *is met with the additional assumption of revenues over expenditures in FY 2020/2021 through FY 2021/22 cumulative projection of approximately \$2,150,000.* There is an anticipated cash flow need that must be addressed by Summer 2020 until the Town receives its Property Tax allocation in December 2020. Approximately \$23.4 Million of the above funding is from the Town General Fund and cash flow. In addition, the Library component of the project will need to ensure cash flow is available. *San Mateo County Library will be advancing trust funds for the cash requirement needs for the Library portion of the project. Additional Library funding will be met with future borrowed funds.*

In conclusion, this budget presents a roadmap for continuing to accomplish the goals and objectives of the City Council. These are done so within existing resources and the core strategy of financial stability at the forefront. We continue to be fiscally prudent with our resources but are mindful of operational and infrastructure needs. With the commitment of the General Fund unallocated reserves to the Civic Center project, certain CIP master plan 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 and 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. With the start of construction of the Civic Center project, the next couple years will continue to significantly draw on the imagination and commitment of our community and staff.

Labor Relations – Unrepresented and Atherton Police Officers Association

As noted prior, the FY 2019/20 Budget document included a placeholder calculation of 4% for salary and benefit increases (approximately \$350,000). After labor negotiations concluded, the overall estimated cost impact will be less than that 4%.

Atherton Police Officers Association (APOA)

The City Manager met and conferred with the APOA and the City Council in Closed Session. The City Council provided final direction to the City Manager in Closed Session on May 15 and that direction was incorporated and ratified by the APOA on June 5. The attached resolution reflects the direction of the City Council. There have been textual revisions to the Memorandum of Understanding that have little to no fiscal impact, as well as revisions that reflect a fiscal impact. These have been discussed with the City Council in Closed Session and are reflected as final within the attached Resolution. In brief summary, the major fiscal impact revisions include:

- Overhaul of the Salary Schedule for the represented positions to incorporate equity adjustment and a new Step E for each salary range. This is the most significant financial adjustment and as noted prior, represents a cost impact of approximately \$82,000-\$85,000 (salary only) for sworn employees.
- Incorporation of a CPI adjustment over the life of the MOU between 2% and 4% each year based on a designated CPI.

Those changes represent the significant fiscal impact changes. The MOU also incorporates a variety of other changes that have limited to no fiscal impact. These include changes to the vacation and sick leave buyback programs to help remove leave from the Town's books (long term savings); changes to two position titles; the addition of a pair of pants; a work boot allowance; and the addition of a PORAC Long Term Disability Program to replace the Town's current program (at a cost savings). There were also language and clarity changes to the MOU that do not represent any fiscal impact.

Local Miscellaneous/Unrepresented

The City Council authorized a CPI of 3% for local miscellaneous and the adjustment of the salary ranges for those positions who's pay range did not meet the industry averages based on the Town's compensation analysis. The local miscellaneous resolution also includes the opportunity for the buyback of vacation and sick leave consistent with the APOA MOU.

Overall, the salary and benefit adjustments adopted by the Resolutions for the APOA and Unrepresented reflect a cost impact of approximately 3%-3.25% of total salary and benefits. The final budget will reflect a savings as a result.

POLICY FOCUS

At the forefront of the Town operations budget is that it provides the appropriate level of service to the community while also provided the resources needed for the Civic Center Project. 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 noted.

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.

- X 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)
- X Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)

ATTACHMENTS

FY 2019/20 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 2019-2020 OPERATING AND
CAPITAL IMPROVEMENT PROGRAM BUDGET**

WHEREAS, the City Council of the Town of Atherton set June 19, 2019, at the Town of Atherton Holbrook Palmer Park Pavilion 150 Watkins Avenue, Atherton, California, as the time and place for the public hearing on the introduction of the Fiscal Year 2019-2020 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 2019-2020 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 2019-2020 are incorporated in as a resolution within the proposed budget

WHEREAS, the budget was made available for public view at the Temporary Town Hall/Administration, 150 Watkins Avenue, Atherton, California, and the Town Library, 2 Dinkelspiel Station Lane, Atherton, California.

NOW THEREFORE, BE IT RESOLVED, that the Fiscal Year 2019-2020, Operating and Capital Improvement Program Budget projected appropriations /expenditures totaling \$39,951,727, which includes the General Fund Operating Budget of \$14,592,838, Other Funds Operating Budgets of \$7,124,966, and the Capital Projects Budget of \$18,233,923, as set forth in Exhibit A, attached hereto and by reference incorporated herein, be adopted for Fiscal Year 2019-2020.

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 19th day of June, 2019, by the following vote:

AYES: Council Members:
NOES: Council Members:

BUDGET RESOLUTION

Town of Atherton

ABSENT:
ABSTAIN:

Council Members:
Council Members:

Bill Widmer, MAYOR
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM

William B. Conners, City Attorney

Resolution No.

Adopted June 19, 2019
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 2019-2020.
- All CIP encumbered expenditures from the Fiscal Year 2018-2019 Adopted/Revised Budget shall be carried forward and re-appropriated in Fiscal Year 2019-2020. Said encumbered expenditures to be re-appropriated in Fiscal Year 2019-2020 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 2019-2020 all Funds Operating and Capital Budgets are hereby adopted, establishing the following revenue estimates and expenditure budgets:

	Town of Atherton Budget for FY 2019-2020						Projected Fund Balance 06/30/20
	Projected Fund Balance 06/30/19	Budgeted Revenues	Budgeted Expenditures	Budgeted Transfer In	Budgeted Transfer Out	ERAF	
General Fund							
101 General Fund	\$ 21,021,394	\$ 16,534,722	\$ 14,592,838		\$ (110,000)	\$ 1,300,000	\$ 24,153,278
Special Revenue Funds							
105 Tennis Fund	183,079	47,100	79,630	-			150,549
209 Police (COPS) Grant	445	100,146	100,000				591
213 Library Fund	13,551,066	1,525,000	5,555,567				9,520,499
215 Evan Creative Design	7,351	90					7,441
Total Special Revenue	13,741,941	1,672,336	5,735,197	-	-		9,679,080
Capital Project Funds							
201 Special Tax	1,640,312		575,000				1,065,312
202 Measure A	238,605	600,646	325,000				514,251
203 Gas Tax	59,611	313,738	250,000				123,349
204 Measure M	198,273	75,000	125,000				148,273
210 Road Impact	-	-	-				-
401 Capital Improvement	5,368,843	-	149,250		(4,100,000)		1,119,593
402 Storm Drainage	30,829	-	-				30,829
403 Channel Drainage Dt.	313,296	97,300	85,000				325,596
406 Facilities Construction	141,679	12,482,994	16,724,673	4,100,000			-
Total Capital Projects	7,991,448	13,569,678	18,233,923	4,100,000	(4,100,000)		3,327,203
Internal Service Funds							
610 Equipment Repl.	863,072	166,100	125,500				903,672
614 Worker's Comp.	929,182	399,493	275,167	110,000			1,163,508
615 General Liability	548,864	282,412	280,212				551,064
616 Employee Benefits	915,406	850,690	708,890				1,057,206
Total Internal Service	3,256,524	1,698,695	1,389,769	110,000	-		3,675,450
Total All Funds	\$ 46,011,307	\$ 33,475,431	\$ 39,951,727	\$ 4,210,000	\$ -	\$ (4,210,000)	\$ 40,835,011

Resolution No.

Adopted June 19, 2019
Appendix D Page 1 of 5

Resolution 19-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, 2019; 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, 2019.

* * * * *

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 19th day of June, 2019, by the following vote:

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

Bill Widmer, Mayor
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

Attachment A

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, 2019. 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 as listed in Appendix A Salary Schedules FY 2019-20;

The classifications for the employees covered by this Resolution are as follows:

Job Title and Classification
<i>Management</i>
Police Chief
Finance Director
Police Commander
Deputy City Manager/City Clerk
Public Works Director
Senior Engineer/Maintenance Manager
Town Arborist/Park Manager
<i>Non-Management, Confidential</i>
Accountant
Assistant to the Chief/Training Manager
Jr. Accountant
Office Specialist

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.

4. **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.
5. **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

6. **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.
7. **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 any accrued vacation, with the approval of the Town Manager that the employee has satisfied the following condition:

- An employee desiring to implement this option must submit his/her request at the time of vacation sign-up for the upcoming year. To be eligible to sell back vacation time, an employee must have a minimum balance in excess of one half of his/her annual vacation accrual, after any buy back.

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.

The Town recognizes employees who demonstrate an outstanding attendance record over a prior calendar year. Under this program, employees are allowed to convert a portion of their unused sick leave to pay or compensatory time off in the month of December and the month of June each year. In order to be eligible for this recognition, an employee must have been a regular full-time employee of the Town for the full preceding calendar year, and must have used 24 or fewer hours of sick leave during the preceding six months.

Participating employees shall submit a request in writing to Human Resources by the 15th of the month (i.e., June 15th or December 15th). An initial full year's request in 2019 by July 15 shall be permitted upon the initiation of the program.

The option to buy back sick leave is subject to the requirement that the employee maintain 80 hours of combined leave (i.e., vacation, sick, compensatory time off, etc.) once the buy-back is applied. Buy-back shall be calculated at the employee's regular rate of pay.

Level 1: Employees who have not used any sick leave hours over the previous six (6) months have the option to buy back or convert up to 30 hours of unused sick leave.

Level 2: Employees who have used up to 12 sick leave hours over the previous six (6) months have the option to buy-back or convert up to 12 hours of unused sick leave.

Level 3: Employees who have used more than 12 but less than 24 sick leave hours over the previous six (6) months have the option to buy back or convert up to eight (8) hours of unused 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. Non-sworn employees shall pay an additional 1% toward the employers' share of the CalPERS retirement contribution.

C. 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 2019 CalPERS published rates for the Kaiser plan:

- One Party = \$691
- Two Party = \$1,383
- Three + Party = \$1,798

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%.

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, 2019.

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.

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	CM Rate effective 7/01/2019								
City Manager	Management/Misc	City Manager	12	1100	D	104.61	8,368.86	18,132.53	217,590.40
	Dept Head Rate Effective 07/01/2019								
Department Heads	Management/Misc	Finance Director	18	1104	A	84.48	6,758.35	14,643.09	175,717.06
					B	88.70	7,096.11	15,374.90	184,498.84
					C	93.13	7,450.58	16,142.91	193,714.96
					D	97.79	7,823.31	16,950.51	203,406.14
Department Heads	Management/Sworn	Chief of Police	40	1105	A	90.13	7,210.55	15,622.87	187,474.39
					B	94.64	7,571.32	16,404.53	196,854.34
					C	99.37	7,949.65	17,224.24	206,690.83
					D	104.34	8,347.13	18,085.46	217,025.51
		Chief of Police	40	1105	A	79.28	6,342.03	13,741.07	164,892.87
		Housing Reduction Salary			B	83.24	6,659.14	14,428.13	173,137.52
					C	87.40	6,992.09	15,149.53	181,794.39
					D	91.77	7,341.70	15,907.01	190,884.11
Department Heads	Management/Misc	City Clerk/Deputy City Manager	12		A	68.27	5,461.74	11,833.78	142,005.36
					B	71.68	5,734.75	12,425.30	149,103.55
					C	75.27	6,021.60	13,046.79	156,561.50
					D	79.03	6,322.28	13,698.27	164,379.19
Department Heads	Management/Misc	Public Works Director/City Engineer	50		A	84.18	6,734.41	14,591.22	175,094.63
					B	88.39	7,071.12	15,320.77	183,849.24
					C	92.81	7,424.68	16,086.81	193,041.76
					D	97.45	7,795.92	16,891.16	202,693.88
	Mid Mgmt Rate Effective 07/01/2019								
Mid-Management	Management/Misc	Commander	40	2204	A	79.47	6,357.40	13,774.36	165,292.35
					B	83.44	6,675.24	14,463.02	173,556.25
					C	87.61	7,008.56	15,185.21	182,222.57
					D	91.98	7,358.46	15,943.34	191,320.04
Mid-Management	Management/Misc	Senior Engineer/Maintenance Manager	50		A	62.25	4,979.92	10,789.82	129,477.88
					B	65.36	5,228.92	11,329.32	135,951.80
					C	68.63	5,490.36	11,895.78	142,749.31
					D	72.06	5,764.88	12,490.56	149,886.78
Mid-Management	Management/Misc	Town Arborist/Parks Manager	25/50		A	56.44	4,515.31	9,783.18	117,398.12
					B	59.26	4,741.07	10,272.33	123,267.95
					C	62.23	4,978.13	10,785.95	129,431.43
					D	65.34	5,227.04	11,325.25	135,902.94

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	General Gov Rate Effective 07/01/2019								
Confidential	Confidential/Misc	Jr. Accountant	18		A	40.73	3,258.06	7,059.13	84,709.58
					B	42.55	3,403.71	7,374.71	88,496.47
					C	44.67	3,573.90	7,743.44	92,921.29
					D	46.91	3,752.96	8,131.40	97,576.86
Confidential	Confidential/Misc	Accountant	18		A	46.96	3,756.61	8,139.32	97,671.87
					B	49.31	3,944.55	8,546.51	102,558.17
					C	51.77	4,141.88	8,974.07	107,688.80
					D	54.36	4,348.61	9,421.98	113,063.74
Confidential	Confidential/Misc	Assistant to Chief/Training Manager	40		A	42.48	3,398.58	7,363.59	88,363.08
					B	44.61	3,568.51	7,731.77	92,781.24
					C	46.84	3,746.93	8,118.36	97,420.29
					D	49.18	3,934.28	8,524.28	102,291.32
	General Gov Rate Effective 07/01/2019								
General Government	General Gov/Misc	Office Specialist	"12/25/50	3304	A	31.65	2,531.90	5,485.79	65,829.43
					B	33.23	2,658.76	5,760.64	69,127.68
					C	34.90	2,791.88	6,049.07	72,588.82
					D	36.64	2,931.26	6,351.07	76,212.83
General Government	General Gov/Misc	Town Arborist/Public Works Specialist	25	3306	A	48.87	3,909.57	8,470.73	101,648.78
					B	51.31	4,104.81	8,893.76	106,725.11
					C	53.87	4,309.97	9,338.28	112,059.33
					D	56.57	4,525.58	9,805.42	117,665.01

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	Police/APOA Rate Effective 07/01/2019								
Police-Civilian/APOA	Police/Misc	Support Service Coordinator/Dispatcher	40	4401	A	37.79	3,022.86	6,549.53	78,594.41
	80 hours shift				B	39.68	3,174.01	6,877.01	82,524.13
					C	41.66	3,332.71	7,220.86	86,650.34
					D	43.74	3,499.34	7,581.90	90,982.86
					E	45.93	3,674.31	7,961.00	95,532.00
Police-Civilian/APOA	Police/Misc	Support Service Coordinator/Dispatcher	40	4402	A	37.79	3,174.01	6,877.01	82,524.13
	84 hours shift				B	39.68	3,332.71	7,220.86	86,650.34
					C	41.66	3,499.34	7,581.90	90,982.86
					D	43.74	3,674.31	7,961.00	95,532.00
					E	45.93	3,858.02	8,359.05	100,308.60
Police-Civilian/APOA	Police/Misc	Code Enforcement	40	4401	A	37.48	2,998.24	6,496.20	77,954.35
	80 hours shift	(new Position 02/17/2015)			B	39.35	3,148.16	6,821.01	81,852.07
					C	41.32	3,305.56	7,162.06	85,944.67
					D	43.39	3,470.84	7,520.16	90,241.90
					E	45.55	3,644.38	7,896.17	94,754.00
Police-Civilian/APOA	Police/Misc	Code Enforcement	40	4402	A	37.48	3,148.16	6,821.01	81,852.07
	84 hours shift	(new Position 02/17/2015)			B	39.35	3,305.56	7,162.06	85,944.67
					C	41.32	3,470.84	7,520.16	90,241.90
					D	43.39	3,644.38	7,896.17	94,754.00
					E	45.55	3,826.60	8,290.98	99,491.70
Police-Civilian/APOA	Police/Misc	Dispatcher/Records assistant	40	4405	A	39.77	3,181.96	6,894.25	82,730.96
	80 hours shift				B	41.76	3,341.06	7,238.96	86,867.51
					C	43.85	3,508.11	7,600.91	91,210.88
					D	46.04	3,683.52	7,980.95	95,771.43
					E	48.35	3,867.69	8,380.00	100,560.00
Police- Per-Diem	80 hours shift	Per-Diem Dispatcher	40		A	39.77	3,181.96	6,894.25	82,730.96
					B	41.76	3,341.06	7,238.96	86,867.51
					C	43.85	3,508.11	7,600.91	91,210.88
					D	46.04	3,683.52	7,980.95	95,771.43
					E	48.35	3,867.69	8,380.00	100,560.00
Police-Civilian	Police/Misc	Police Trainee	40	4406	D	44.26	3,540.80	7,671.73	92,060.80
Police-Civilian/APOA	Police/Misc	Dispatcher/Records assistant	40	4405	A	39.77	3,341.06	7,238.96	86,867.51
	84 hours shift				B	41.76	3,508.11	7,600.91	91,210.88
					C	43.85	3,683.52	7,980.95	95,771.43
					D	46.04	3,867.69	8,380.00	100,560.00
					E	48.35	4,061.08	8,799.00	105,588.00

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	Police/APOA Rate Effective 07/01/2019								
Police-Sworn/APOA	Police/Sworn/84	Police Officer	40	5505	A	47.97	4,029.60	8,730.81	104,769.68
	84 hours shift				B	50.37	4,231.08	9,167.35	110,008.16
					C	52.89	4,442.64	9,625.71	115,508.57
					D	55.53	4,664.77	10,107.00	121,284.00
					E	58.31	4,898.01	10,612.35	127,348.20
Police-Sworn/APOA	Police/Sworn/84	Police Sergeant	40	5520	A	58.37	4,903.09	10,623.36	127,480.30
	84 hours shift				B	61.29	5,148.24	11,154.53	133,854.31
					C	64.35	5,405.65	11,712.25	140,547.03
					D	67.57	5,675.94	12,297.87	147,574.38
					E	70.95	5,959.73	12,912.76	154,953.10
Police-Sworn/APOA	Police/Sworn/80	Police Officer	40	5506	A	47.97	3,837.72	8,315.05	99,780.65
	80 hours shift				B	50.37	4,029.60	8,730.81	104,769.68
					C	52.89	4,231.08	9,167.35	110,008.16
					D	55.53	4,442.64	9,625.71	115,508.57
					E	58.31	4,664.77	10,107.00	121,284.00
Police-Sworn/APOA	Police/Sworn/80	Police Sergeant	40	5528	A	58.37	4,669.61	10,117.48	121,409.81
	80 hours shift				B	61.29	4,903.09	10,623.36	127,480.30
					C	64.35	5,148.24	11,154.53	133,854.31
					D	67.57	5,405.65	11,712.25	140,547.03
					E	70.95	5,675.94	12,297.87	147,574.38
	Rate Effective 07/01/19								
Police-Sworn	Police/Sworn/84	Police Reserve	40		A	47.97	4,029.60	8,730.81	104,769.68
					B	50.37	4,231.08	9,167.35	110,008.16
					C	52.89	4,442.64	9,625.71	115,508.57
					D	55.53	4,664.77	10,107.00	121,284.00
					E	58.31	4,898.01	10,612.35	127,348.20

RESOLUTION NO. 19-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE
TOWN OF ATHERTON APPROVING FISCAL YEAR
2019-2020 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 2019-20, incorporated in "Exhibit A" attached hereto.

WHEREAS, the 2019-20 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 19th day of June, 2019 by the following vote:

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

Bill Widmer, MAYOR
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	CM Rate effective 7/01/2019								
City Manager	Management/Misc	City Manager	12	1100	D	104.61	8,368.86	18,132.53	217,590.40
	Dept Head Rate Effective 07/01/2019								
Department Heads	Management/Misc	Finance Director	18	1104	A	84.48	6,758.35	14,643.09	175,717.06
					B	88.70	7,096.11	15,374.90	184,498.84
					C	93.13	7,450.58	16,142.91	193,714.96
					D	97.79	7,823.31	16,950.51	203,406.14
Department Heads	Management/Sworn	Chief of Police	40	1105	A	90.13	7,210.55	15,622.87	187,474.39
					B	94.64	7,571.32	16,404.53	196,854.34
					C	99.37	7,949.65	17,224.24	206,690.83
					D	104.34	8,347.13	18,085.46	217,025.51
		Chief of Police	40	1105	A	79.28	6,342.03	13,741.07	164,892.87
		Housing Reduction Salary			B	83.24	6,659.14	14,428.13	173,137.52
					C	87.40	6,992.09	15,149.53	181,794.39
					D	91.77	7,341.70	15,907.01	190,884.11
Department Heads	Management/Misc	City Clerk/Deputy City Manager	12		A	68.27	5,461.74	11,833.78	142,005.36
					B	71.68	5,734.75	12,425.30	149,103.55
					C	75.27	6,021.60	13,046.79	156,561.50
					D	79.03	6,322.28	13,698.27	164,379.19
Department Heads	Management/Misc	Public Works Director/City Engineer	50		A	84.18	6,734.41	14,591.22	175,094.63
					B	88.39	7,071.12	15,320.77	183,849.24
					C	92.81	7,424.68	16,086.81	193,041.76
					D	97.45	7,795.92	16,891.16	202,693.88
	Mid Mgmt Rate Effective 07/01/2019								
Mid-Management	Management/Misc	Commander	40	2204	A	79.47	6,357.40	13,774.36	165,292.35
					B	83.44	6,675.24	14,463.02	173,556.25
					C	87.61	7,008.56	15,185.21	182,222.57
					D	91.98	7,358.46	15,943.34	191,320.04
Mid-Management	Management/Misc	Senior Engineer/Maintenance Manager	50		A	62.25	4,979.92	10,789.82	129,477.88
					B	65.36	5,228.92	11,329.32	135,951.80
					C	68.63	5,490.36	11,895.78	142,749.31
					D	72.06	5,764.88	12,490.56	149,886.78
Mid-Management	Management/Misc	Town Arborist/Parks Manager	25/50		A	56.44	4,515.31	9,783.18	117,398.12
					B	59.26	4,741.07	10,272.33	123,267.95
					C	62.23	4,978.13	10,785.95	129,431.43
					D	65.34	5,227.04	11,325.25	135,902.94

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
General Gov Rate Effective 07/01/2019									
Confidential	Confidential/Misc	Jr. Accountant	18		A	40.73	3,258.06	7,059.13	84,709.58
					B	42.55	3,403.71	7,374.71	88,496.47
					C	44.67	3,573.90	7,743.44	92,921.29
					D	46.91	3,752.96	8,131.40	97,576.86
Confidential	Confidential/Misc	Accountant	18		A	46.96	3,756.61	8,139.32	97,671.87
					B	49.31	3,944.55	8,546.51	102,558.17
					C	51.77	4,141.88	8,974.07	107,688.80
					D	54.36	4,348.61	9,421.98	113,063.74
Confidential	Confidential/Misc	Assistant to Chief/Training Manager	40		A	42.48	3,398.58	7,363.59	88,363.08
					B	44.61	3,568.51	7,731.77	92,781.24
					C	46.84	3,746.93	8,118.36	97,420.29
					D	49.18	3,934.28	8,524.28	102,291.32
General Gov Rate Effective 07/01/2019									
General Government	General Gov/Misc	Office Specialist	"12/25/50	3304	A	31.65	2,531.90	5,485.79	65,829.43
					B	33.23	2,658.76	5,760.64	69,127.68
					C	34.90	2,791.88	6,049.07	72,588.82
					D	36.64	2,931.26	6,351.07	76,212.83
General Government	General Gov/Misc	Town Arborist/Public Works Specialist	25	3306	A	48.87	3,909.57	8,470.73	101,648.78
					B	51.31	4,104.81	8,893.76	106,725.11
					C	53.87	4,309.97	9,338.28	112,059.33
					D	56.57	4,525.58	9,805.42	117,665.01

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	Police/APOA Rate Effective 07/01/2019								
Police-Civilian/APOA	Police/Misc	Support Service Coordinator/Dispatcher	40	4401	A	37.79	3,022.86	6,549.53	78,594.41
	80 hours shift				B	39.68	3,174.01	6,877.01	82,524.13
					C	41.66	3,332.71	7,220.86	86,650.34
					D	43.74	3,499.34	7,581.90	90,982.86
					E	45.93	3,674.31	7,961.00	95,532.00
Police-Civilian/APOA	Police/Misc	Support Service Coordinator/Dispatcher	40	4402	A	37.79	3,174.01	6,877.01	82,524.13
	84 hours shift				B	39.68	3,332.71	7,220.86	86,650.34
					C	41.66	3,499.34	7,581.90	90,982.86
					D	43.74	3,674.31	7,961.00	95,532.00
					E	45.93	3,858.02	8,359.05	100,308.60
Police-Civilian/APOA	Police/Misc	Code Enforcement	40	4401	A	37.48	2,998.24	6,496.20	77,954.35
	80 hours shift	(new Position 02/17/2015)			B	39.35	3,148.16	6,821.01	81,852.07
					C	41.32	3,305.56	7,162.06	85,944.67
					D	43.39	3,470.84	7,520.16	90,241.90
					E	45.55	3,644.38	7,896.17	94,754.00
Police-Civilian/APOA	Police/Misc	Code Enforcement	40	4402	A	37.48	3,148.16	6,821.01	81,852.07
	84 hours shift	(new Position 02/17/2015)			B	39.35	3,305.56	7,162.06	85,944.67
					C	41.32	3,470.84	7,520.16	90,241.90
					D	43.39	3,644.38	7,896.17	94,754.00
					E	45.55	3,826.60	8,290.98	99,491.70
Police-Civilian/APOA	Police/Misc	Dispatcher/Records assistant	40	4405	A	39.77	3,181.96	6,894.25	82,730.96
	80 hours shift				B	41.76	3,341.06	7,238.96	86,867.51
					C	43.85	3,508.11	7,600.91	91,210.88
					D	46.04	3,683.52	7,980.95	95,771.43
					E	48.35	3,867.69	8,380.00	100,560.00
Police- Per-Diem	80 hours shift	Per-Diem Dispatcher	40		A	39.77	3,181.96	6,894.25	82,730.96
					B	41.76	3,341.06	7,238.96	86,867.51
					C	43.85	3,508.11	7,600.91	91,210.88
					D	46.04	3,683.52	7,980.95	95,771.43
					E	48.35	3,867.69	8,380.00	100,560.00
Police-Civilian	Police/Misc	Police Trainee	40	4406	D	44.26	3,540.80	7,671.73	92,060.80
Police-Civilian/APOA	Police/Misc	Dispatcher/Records assistant	40	4405	A	39.77	3,341.06	7,238.96	86,867.51
	84 hours shift				B	41.76	3,508.11	7,600.91	91,210.88
					C	43.85	3,683.52	7,980.95	95,771.43
					D	46.04	3,867.69	8,380.00	100,560.00
					E	48.35	4,061.08	8,799.00	105,588.00

TOWN OF ATHERTON									
Salary Schedule									
FY 2019-2020									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	Police/APOA Rate Effective 07/01/2019								
Police-Sworn/APOA	Police/Sworn/84	Police Officer	40	5505	A	47.97	4,029.60	8,730.81	104,769.68
	84 hours shift				B	50.37	4,231.08	9,167.35	110,008.16
					C	52.89	4,442.64	9,625.71	115,508.57
					D	55.53	4,664.77	10,107.00	121,284.00
					E	58.31	4,898.01	10,612.35	127,348.20
Police-Sworn/APOA	Police/Sworn/84	Police Sergeant	40	5520	A	58.37	4,903.09	10,623.36	127,480.30
	84 hours shift				B	61.29	5,148.24	11,154.53	133,854.31
					C	64.35	5,405.65	11,712.25	140,547.03
					D	67.57	5,675.94	12,297.87	147,574.38
					E	70.95	5,959.73	12,912.76	154,953.10
Police-Sworn/APOA	Police/Sworn/80	Police Officer	40	5506	A	47.97	3,837.72	8,315.05	99,780.65
	80 hours shift				B	50.37	4,029.60	8,730.81	104,769.68
					C	52.89	4,231.08	9,167.35	110,008.16
					D	55.53	4,442.64	9,625.71	115,508.57
					E	58.31	4,664.77	10,107.00	121,284.00
Police-Sworn/APOA	Police/Sworn/80	Police Sergeant	40	5528	A	58.37	4,669.61	10,117.48	121,409.81
	80 hours shift				B	61.29	4,903.09	10,623.36	127,480.30
					C	64.35	5,148.24	11,154.53	133,854.31
					D	67.57	5,405.65	11,712.25	140,547.03
					E	70.95	5,675.94	12,297.87	147,574.38
	Rate Effective 07/01/19								
Police-Sworn	Police/Sworn/84	Police Reserve	40		A	47.97	4,029.60	8,730.81	104,769.68
					B	50.37	4,231.08	9,167.35	110,008.16
					C	52.89	4,442.64	9,625.71	115,508.57
					D	55.53	4,664.77	10,107.00	121,284.00
					E	58.31	4,898.01	10,612.35	127,348.20

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 2019-2020 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 2019-20, 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 2019-20 shall be and is hereby set in the amount of **\$13,822,878** 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 19th day of June, 2019, by the following vote:

Appendix C

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Bill Widmer, MAYOR

Town of Atherton

ATTEST:

Anthony Suber, 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 2019-2020

Schedule 1: Calculation of Spending Limit

Last Year's Limit (FY 2018-19)	13,257,397
Prior Year Parcel Tax Adjustment	
Adjusted Last Year's Limit (FY 2018-19)	13,257,397

Adjustment Factors:

A. Population (County)	1.0040
C. Inflation	1.0385
A times C	1.04

Total Adjustment (Percent)	0.0427
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Total Adjustment (Dollars)	565,481
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Other Adjustments:

Parcel Tax Adjustment (+)	
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New Appropriation Limit for Fiscal Year 2019-20	13,822,878
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Schedule 2: Appropriations Compared to Limit

Proceeds from Taxes (Fm Schedule 3)	12,379,851
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Appropriations Subject to Limit FY 2019-20	12,379,851
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Appropriations Limit for FY 2019-20	13,822,878
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Amount under Appropriations Limit	1,443,026
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Schedule 3: Determination of Proceeds of Taxes

Per Budget for FY 2019-20

	Proceeds of Taxes	Non- Proceeds	Total
Revenues			
Property Tax	11,816,864		11,816,864
Sales Tax	214,146		214,146
Public Safety Sales Tax		86,293	86,293
Parcel Tax			-
County Measure A	370,000		370,000
Business License	252,033		252,033
Motor Vehicle License Fee			-
Homeowners Exemption	36,471		36,471
Franchise Fees		871,161	871,161
Development Fees/Permits		2,417,809	2,417,809
Fines & Forfeiture		57,541	57,541
Fees for Services		210,700	210,700
Rentals		155,773	155,773
Miscellaneous		335,932	335,932
	12,689,514	4,135,209	16,824,723
Interest Income	60,337	19,663	80,000
Reduction for CIP	(370,000)		
Total	12,379,851	4,154,872	16,904,723

Resolution 19-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
RATIFYING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN
AND THE ATHERTON POLICE OFFICERS ASSOCIATION FOR THE PERIOD
COMMENCING JULY 1, 2019 THROUGH JUNE 30, 2023**

WHEREAS, the City Manager, representing the Town, has met and conferred with the Atherton Police Officers Association; and

WHEREAS, the Atherton Police Officers Association and the Town have reached a tentative agreement, the tenants of which are embodied in the attached Memorandum of Understanding for the period of July 1, 2019 through June 30, 2023; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the Town of Atherton does hereby ratify the attached Memorandum of Understanding and the City Manager is authorized and directed to sign said Memorandum on behalf of the Town.

PASSED AND ADOPTED at a meeting of the City Council of the Town of Atherton held on June 19, 2019 by the following roll call vote:

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

Bill Widmer, Mayor
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

William B. Connors, City Attorney

TABLE OF CONTENTS

Article I – Term of Memorandum	3
Section 1 – Term	3
Article II – Recognition & Rights	4
Section 1 – Recognition	4
Section 2 – POA Rights	4
Section 3 – Town Rights	4
Article III – Authorized Agents	5
Article IV – Purpose	6
Article V – Salary and Benefits	6
Section 1 – Classifications covered by this MOU	6
Section 2 – Salary	6
Section 3 – POST Certificate	7
Section 4 – Per Diem Expense	7
Section 5 – Insurance Coverage	7
Section 6 – Working in a Higher Classification	11
Section 7 – Life Insurance	11
Section 8 – Uniform Allowance	11
Section 9 – Workers’ Compensation Insurance	12
Section 10 – Retirement	12
Section 11 – Deferred Compensation Plan	13
Section 12 – Sick Leave	13
Section 13 – Probationary Period	14
Section 14 – Holidays	14
Section 15 – Vacation	15
Section 16 – Off-Duty Court Time Reimbursement	16
Section 17 – Bereavement Leave	16
Section 18 – Overtime Pay	16
Section 19 – Long Term Disability	16
Section 20 – Compensatory Time	17
Section 21 – Employee Assistance Program	17
Section 22 – Bilingual Pay	17
Section 23 – Educational Reimbursement	17
Section 24 – Drug/Alcohol Screening/Testing	17
Section 25 – CalPERS/Social Security Contingency	17
Section 26 – Physical Fitness Program	18
Section 27 – Alternative Scheduling	18
Section 28 – Field Training Officer (FTO) and Communications Training Dispatcher (CTD) Pay	19
Section 29 – Assignment Pay	19
Section 30 – Jury Duty	20
Section 31 – Employee Referral Program	20
Article VI – Non-Discrimination	21
Article VII – Grievance Procedure	21

Section 1 – Definitions	21
Section 2 – Informal Grievance Procedure	21
Section 3 – Formal Grievance Procedure	21
Article VIII – Day for a Day	
22	
Article IX – Leaves of Absence	22
Article X – Layoff and Recall	22
Article XI – Medical Physical Examination of Employees	23
Section 1 – Examinations	23
Section 2 – Failure of Examination	24
Article XII – Safety Equipment	25
Article XIII – Americans with Disabilities Act	25
Article XIV – Severability	25
Article XV – Full Understanding, Modification and Wavier	26

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE TOWN OF ATHERTON

AND

THE ATHERTON POLICE OFFICERS' ASSOCIATION

FOR THE PERIOD JULY 1, 2019 THROUGH JUNE 30, 2023

This Memorandum of Understanding (hereinafter referred to as "MOU") is made this _____ day of _____, 2019, by the Town of Atherton (hereinafter "Town" or "Employer"), and the Atherton Police Officers' Association (hereinafter "Association"). The use of the terms "Memorandum of Understanding," "MOU," and "Agreement" is to be construed to mean the same as the term "Memorandum of Understanding" contained in Section 3505.1 of the California Government Code, commonly known as the Meyers-Milias-Brown Act.

ARTICLE I
TERM OF MEMORANDUM

Section 1: Term

The term of this MOU shall be for the period July 1, 2019 through June 30, 2023. This MOU shall apply to employees within job classifications covered by this MOU and in the Town's active employment on the effective date of this MOU and for the duration thereafter.

The parties shall commence negotiations for a successor MOU no later than February 1st of the final year of this Agreement.

ARTICLE II RECOGNITION & RIGHTS

Section 1: Recognition

Pursuant to Ordinance Number 377 of the Town of Atherton, and provisions of the applicable state law, the Atherton Police Officers' Association is recognized as the exclusive representative for the purpose of meeting and conferring on matters within the scope of representation for employees assigned to the following classifications that the parties agree constitute an appropriate unit:

- a. Non-Sworn Classifications
 - i. Dispatcher / Records Assistant
 - ii. Support Services Coordinator / Dispatcher
 - iii. Code Enforcement Officer
 - iv. Police Trainee

- b. Sworn Classifications
 - i. Police Officer
 - ii. Police Sergeant

In the event the Town decides to establish a permanent supervisory classification to oversee the dispatch/communications center, the Parties agree to meet and confer in good faith regarding the wages, hours, and other terms and conditions of the new classification prior to any announcement of the classification, recruitment, or application process.

In recognition of the duties and responsibilities of the employees in the Community Service Officer classification, this classification has been reclassified as the Support Services Coordinator / Dispatcher. In recognition of the duties and responsibilities of the employees in the Community Service Officer / Code Enforcement Officer classification, this classification has been reclassified as the Code Enforcement Officer.

Section 2: Association Rights

A. Use of Town Facilities

The Association shall have the right to reasonable use of Town facilities with the prior consent of the Town Manager or the Chief of Police. Consent for the reasonable use of Town facilities will be given, if it does not interfere with the regular business of the Town.

B. Association Dues and Access to New Employee Orientation

a. General

All employees within the bargaining unit represented by the Association may voluntarily join the Association and pay dues, initiation fees, and general assessments, as well as payment of any other membership benefit program sponsored by the organization (hereinafter "payroll deductions") as determined by the Association. It shall be the responsibility of the Association to maintain a record of employees who have given their written consent to join and pay dues to the Association. The Association shall certify to the Town the amount of such payroll deductions to be deducted.

b. New Employee Orientation

The Town shall provide the Association with two (2) weeks advance notice of the start date of any new hire to a represented classification. The Town shall provide the Association with an exclusive one (1) hour meeting with any new employee or group of employees covered by this MOU, during the employee orientation (i.e., the first two (2) days of employment). The specific date, time, and location of the one (1) hour union meeting with new employees will be coordinated by the Chief of Police and the President of the Association.

c. Payroll Deductions/Authorizations

The Town agrees to deduct the periodic payroll deductions from the paycheck of each employee who voluntarily executes a valid authorization form as certified by the Association, or pursuant to an authorization form tendered to the Town by either the Association or the employee. All sums deducted by the Town shall be remitted to the Association in an expedient manner and at the intervals requested by the Association (i.e., no more than seven (7) calendar days after the deduction), together with a list of names of each employee for whom a deduction was made.

The Town will implement any change to an employee's payroll deductions in the first full pay period following notification of such change by the Association.

If an employee member in the bargaining unit desires to revoke, cancel or change prior dues deduction authorization, the Town shall direct the employee member to the Association. Any such dues deduction revocation, cancellation and/or change shall only be effective when submitted by the Association directly to the Town and is subject to the terms and conditions as set forth in the original payroll deduction/authorization.

It is understood that all bargaining unit members who decline to join the Association may forego certain benefits exclusively provided via the Association to its members.

d. Indemnification

The Association shall indemnify and hold the Town harmless from any cost or liability resulting from any and all claims, demands, suits, or any other action by employees for Payroll Deductions made in reliance on information provided by the Association.

Section 3: Town Rights

The Town hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it by the laws of the Constitution of the State of California, and of the United States, including but not limiting the generality of the foregoing, the right:

- To set standards and levels of service;
- To determine the procedures and standards of selection for employment;
- To assign work to and direct its employees;
- To determine the methods and means to relieve its employees from duty because of lack of funds or other lawful reasons;
- To determine the methods, means and numbers and kinds of personnel by which Town operations are to be conducted, including the right to contract or subcontract bargaining unit work provided that the Town will meet and confer in good faith in advance;
- To determine methods of financing;
- To determine size and composition of the work force and allocate and assign work by which the Town operations are to be conducted;
- To determine and change the number of locations, relocations, and types of operations, processes and materials to be used in carrying out all Town functions;
- To make all decisions relating to merit, necessity or organization of Town service;
- To discharge, suspend, demote, reprimand, or otherwise discipline employees for just cause in accordance with applicable laws;
- To establish employee's performance standards including, but not limited to, quality and standards, and to require compliance therewith;
- To take necessary actions to carry out its mission in emergencies; and
- To exercise complete control and discretion over its organization and the technology of performing its work.

The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the Town, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Memorandum and then only to the extent such specific and express terms hereof are in conformance with the Constitution and laws of the United States and the Constitution and laws of the State of California.

The exercise by the Town through its Council and Town representatives of its rights hereunder shall not in any way, directly or indirectly, be subject to any grievance procedure. In the event the Town's exercise of its management rights impacts a mandatory subject of bargaining not covered under the terms of this Agreement, the Town will meet and confer on the impacts at the request of the Association.

Nothing herein shall be deemed as a waiver by the Association or its Members of rights granted under Meyers-Milias-Brown Act (Government Code Sections 3500-3511, as amended) or the Public Safety Officer's Procedural Bill of Rights (Government Code Sections 3300 et seq.).

**ARTICLE III
AUTHORIZED AGENTS**

For the express purpose of administering the terms and provisions of this MOU:

- A. Town's principal authorized agent shall be the Town Manager or the Town Manager's designee; (address: 150 Watkins Avenue, Atherton, CA 94027; telephone: (650) 752-0504).
- B. The Atherton Police Officers Association principal authorized agent shall be the Association's President; or the President's designee; (address: PO Box 1427, Menlo Park CA 94025).

**ARTICLE IV
PURPOSE**

The purpose of this MOU is to promote and provide harmonious relations, cooperation and understanding between the Town and the Employees covered herein; to provide an orderly and equitable means of resolving differences which may arise under this MOU, and to set forth the full agreements of the parties reached as a result of meeting and conferring in good faith regarding wages, hours and other terms and conditions of employment of the employees represented by the Association.

**ARTICLE V
SALARY AND BENEFITS**

Section 1: Salary

- A. The salary schedules for the covered classifications within the police department are set by separate resolution adopted by the Town Council.
- B. Monthly salary ranges for employees covered by this MOU shall be increased on the first pay period that begins on or after the dates below as follows:
 - a. Effective the pay period including July 1, 2019, the Town shall establish a new top step salary range (Step E) for each of the represented classifications. For classifications determined to be below average market compensation as determined by the Town's compensation survey, a variable market equity adjustment will also be applied to the salary schedule in order to bring the classification to market. The revised salary schedule to be available to employees in represented classifications on July 1, 2019 is set forth in Appendix A. Employees who have completed 12 months of service at Step D shall be eligible for advancement to Step E. Employees who have already provided at least one year of service at Step D shall advance to Step E effective July 1, 2019. The parties mutually acknowledge that in recognition of the multiple functions performed by the Support Services Coordinator / Dispatcher, the wages for this classification have been set as five percent (5%) below that of a Dispatcher/Records

Assistant. In setting the wage schedule for the Support Services Coordinator / Dispatcher as five percent (5%) below that of a Dispatcher/Records Assistant, the parties have incorporated any applicable POST Certificate premiums available to the Support Services Coordinator / Dispatcher into base pay.

- b. Effective the pay period including July 1, 2020, the Town shall provide a cost of living adjustment equal to the Consumer Price Index – All Urban Consumers (CPI-U), as reported by the Bureau of Labor Statistics for the San Francisco Area, using the percentage change in price index from February 2019 to February 2020. The increase provided shall be no less than two percent (2%) and no greater than four percent (4%).
 - c. Effective the pay period including July 1, 2021, the Town shall provide a cost of living adjustment equal to the Consumer Price Index – All Urban Consumers (CPI-U), as reported by the Bureau of Labor Statistics for the San Francisco Area, using the percentage change in price index from February 2020 to February 2021. The increase provided shall be no less than two percent (2%) and no greater than four percent (4%).
 - d. Effective the pay period including July 1, 2022, the Town shall provide a cost of living adjustment equal to the Consumer Price Index – All Urban Consumers (CPI-U), as reported by the Bureau of Labor Statistics for the San Francisco Area, using the percentage change in price index from February 2021 to February 2022. The increase provided shall be no less than two percent (2%) and no greater than four percent (4%).
- C. Employees may 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 the Town. Employees may progress to each subsequent step twelve (12) months after the date of entry into their existing step, provided they have received a satisfactory performance evaluation conducted by the Town.
- D. Changes between ranges and/or steps shall be made at the beginning of the pay period immediately following the employee's anniversary date.
- E. Sergeants exercise supervisory responsibilities and are considered supervisory employees within the meaning of the Town's municipal code and State and Federal laws.

The Association and the Town agree that the Town will conduct a compensation survey at least 90 days prior to the termination of this MOU utilizing the following benchmark agencies: Palo Alto, Redwood City, Menlo Park, San Mateo County Sheriffs Department, Hillsborough, Los Gatos, Belmont, Brisbane, San Bruno, and Los Altos. The "compensation" used for this comparison includes base salary, assignment pay, the value of CalPERS EPMC (employer paid member contribution), and the employer cost of the following benefits: health, vision, dental, clothing, deferred compensation, life insurance, LTD, career incentive, and holiday pay, as reported by the Employee Relations Service on their Web Site of municipal compensation for Bay Area cities. The resulting data shall be utilized for informational purposes only.

Section 2: P.O.S.T. Certificate

Any Officer or Sergeant possessing or qualifying for an Intermediate P.O.S.T. certificate shall receive an incentive of five percent (5.0%) in wages above the base salary. Any Officer or Sergeant possessing or qualifying for an Advanced P.O.S.T. certificate shall receive an incentive of seven and one half percent (7.5%) in wages above the base salary. The maximum P.O.S.T. incentive for an Officer or Sergeant is seven and one half percent (7.5%) above base salary.

Any Dispatcher/Records Assistant possessing or qualifying for an Intermediate P.O.S.T. certificate shall receive an incentive of three and one quarter percent (3.25%) in wages above the base salary. Any Dispatcher/Records Assistant possessing or qualifying for an Advanced P.O.S.T. certificate shall receive an incentive of five percent (5.0%) in wages above the base salary. The maximum P.O.S.T. incentive for any Dispatcher/Records Assistant is five percent (5.0%) above base salary.

Section 3: Per Diem Expense

The Town shall provide suitable lodging or reimburse expenses incurred pursuant to current P.O.S.T reimbursement rates for employees assigned to mutual aid, riot or civil demonstrations, or training where employees are required to remain overnight. The Town shall provide meals or reimburse for meals pursuant to current reimbursement rates for employees assigned to mutual aid and/or training. These reimbursements shall be consistent with the Town's Human Resources Policies and Procedures – Policy #212. The parties shall meet annually to ensure that its Per Diem Expense Rates minimally meet the U.S. General Services Administration (GSA) per diem rates.

Section 4: Insurance Coverage

- 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. For any CalPERS Health Plan program, the Town shall pay the minimum amount required by law for hospital and medical care benefits under the CalPERS (PEMHCA) Health Plan. 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.
- C. Town shall provide an IRS Section 125 Cafeteria Flex Plan account to be utilized exclusively for the payment of qualifying health, dental and vision insurance premiums. Each month, the Town shall deposit the amounts defined below, based on the employee's level of medical plan enrollment, to each participating active employee's IRS Section 125 Cafeteria Flex Plan account. The Town contribution will be equivalent to the costs for health, dental and vision plans as described below;

- a. Based on the 2019 CalPERS published rates for the Kaiser plan according to the following scheme:

- One Party = \$691
- Two Party = \$1,383
- Three + Party = \$1,798

For any future 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%.

- b. Dental

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

- c. 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 to receive during the open enrollment period.

- D. 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.
- E. The following provisions shall apply only to those represented employees employed prior to October 1, 2013 and who have qualifying service with the Town of Atherton.
- i. Each employee retiring from employment with the Town while in a job classification

covered by this MOU with at least five (5) years of PERS-credited service with the Town shall receive a Town contribution of the current minimum required by the Public Employees Medical and Hospital Care Act (PEHMCA) for health insurance under CalPERS health plan.

- ii. Each employee retiring from employment with the Town while in a job classification covered by this MOU with at least ten (10) years of PERS-credited service with the Town shall receive health benefits equal to the contribution of active employees, inclusive of the current PEMHCA contribution, so long as such retired employee maintains CalPERS health insurance based on the following PEHMCA-approved vesting schedule:

Credited Years of Service	% of Town Contribution
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

- iii. Employees retiring on disability from the employment of the Town while in a job classification covered by this MOU and said disability arising from employment with the Town, shall receive 100% of the Town contribution, including the PEMHCA minimum contribution so long as such retired employee maintains CalPERS health insurance and for such period of time as the individual is totally disabled from employment as determined by the Town Manager with recourse to the grievance procedure.
- iv. Notwithstanding the foregoing or type of retirement, the total monthly payment from the Town shall not exceed the actual cost of CalPERS health insurance obtained by the retired employee, nor shall it exceed the Town contribution to active employees in the same classifications during the same time period through any cafeteria or other established healthcare compensation plan. As a condition of the foregoing, retired employees shall provide the Town with proof of CalPERS insurance coverage and a continuation thereof in a form satisfactory to the Town at such times as it might request such. The retiree medical benefit provided for by this section may not be resumed when a retired employee discontinues CalPERS health insurance coverage.
- v. In consideration for employees agreeing to the above vesting schedules each retiree shall have a vested right to receive the retiree health benefits provided within this MOU, together with any adjustments as articulated above. Prospectively, vested rights shall

terminate following any break in service.

- vi. This MOU does not affect the retirement health benefits of current annuitants. Employees classified as annuitants prior to the ratification date of this MOU shall receive the retiree health benefit paid to them under the contract conditions upon which they retired.

F. The following provisions shall apply to any represented employee hired after September 30, 2013:

- i. Each employee who has retired from employment of the Town while in a job classification covered by this MOU shall receive a Town contribution of the current minimum PEMHCA required contribution for health insurance.

There shall be no payment or accrual of medical benefits, earned or accruing to any employee upon retirement from the employment of the Town regardless of when it occurs. No employer paid medical benefit is intended to be guaranteed to any such retired employee.

G. Town may implement a voluntary retiree dental plan for as long as the Town uses Delta Dental for dental insurance. The plan can only be offered at the time of retirement from the Town of Atherton and CalPERS concurrently. Option for enrollment expires 60 days after separation of employment from the Town and CalPERS concurrently. If a retiree choose not to take the benefit they cannot be offered it again at a future year.

Continuation of the retiree dental plan is subject to actual participation and may be cancelled by the Town due to lack of participation.

Section 5: Working In A Higher Classification

A supervisor may assign in writing an employee to work “Out of Class” in a higher classification and receive “Out of Class Pay” if:

- a) the employee will assume the full range of duties of the higher classification;
- b) the assignment will not and does not exceed 960 hours in a fiscal year; and
- c) the assignment is to a position in a higher class that is vacant during recruitment for a permanent employee (i.e., does not include a vacancy due to an employee on leave).

Out of Class Pay shall be at the pay step in the higher class closest to but no less than 5% higher than the employee’s base pay and is intended to be PERSable compensation under Government Code section 20480. To qualify as Out of Class Pay rather than Acting Pay (see next paragraph), the assignment must be approved by the Chief of Police of his/her designee and the Human Resources Division.

A supervisor may also assign in writing an employee to work in a higher class and receive “Acting Pay” if the employee will assume the full range of duties of the higher classification and does not qualify for Out of Class Pay. Acting Pay shall also be at the pay step in the higher class closest to

but no less than 5% higher than the employee's base pay but is not PERSable compensation under Government Code section 20480.

All compensation provided under this section shall be on an hour for hour basis, with no minimum number of hours required.

Employees may be returned to their original assignment at any time at the discretion of the Chief of Police, and such return shall not be considered punitive action nor subject to any appeal.

Section 6: Life Insurance

The Town shall provide a life insurance plan in the amount of \$50,000 for covered employees, with the premium for said insurance to be paid solely by the Town if allowable by the Provider of said insurance plan then in effect. Employees may, if available, purchase supplemental insurance at their own cost using the Town's Provider in accordance with conditions established by the Provider. Such additional premiums may be paid through payroll deduction. The Town does not guarantee that the Provider will offer such supplemental insurance program.

Section 7: Uniform Allowance

The Town will provide all required uniforms in accordance with Departmental Policies, Procedures, Rules and Regulations. The Town shall repair or replace uniforms damaged in the line of duty. The determination by the Town as to whether an item shall be repaired or replaced shall be based on what makes the uniform most presentable, not what is least expensive, and is to be determined in the sole discretion of the Chief of Police.

All personnel employed by the Town on the date of ratification of this Agreement shall be provided a new pair of uniform pants on or before August 1, 2019. Each full-time new employee required to wear a uniform will be given uniforms consistent with the needs of the applicable position. New Police Officers will be given the following uniforms and equipment:

- 4 Uniform Shirts (Short or long sleeved - at least one long)
- 4 Uniform Pants
- 1 Uniform Duty Jacket
- 1 Class "A" Dress Jacket
- 10 Atherton Police Department shoulder patches
- 1 Nameplate
- 1 Black basketweave belt
- 1 Uniform tie and tie-bar
- 1 pair shoes or boots
- 1 Uniform hat
- All leather gear except firearm holster and chemical agent holder
- Sam Browne
- Belt keepers
- Handcuffs and case

- Baton ring
- Magazine pouch
- 1 Battle Dress Uniform
- 1 Cap Piece
- Rain Gear
- Police Badge

New Dispatchers will be given the following uniforms and equipment:

- 4 Uniform shirts (Short or long sleeved - at least one long)
- 4 Uniform pants
- 1 Uniform tie and tie-bar
- 1 Uniform jacket or sweater
- 10 Atherton Police Department shoulder patches
- 1 Nameplate
- 1 Black basketweave belt

Employees in special assignments will be given additional required equipment and uniforms as necessary and deemed appropriate by the Chief of Police. The Town will provide employees with cleaning services through a contract with an appropriate uniform cleaning service company.

Additionally, all employees will receive an annual boot/footwear allowance of \$250 to be paid in the first full pay period of each calendar year.

Section 8: Workers' Compensation Insurance

Each employee shall be covered under a Workers' Compensation Program in accordance with State law.

Section 9: Retirement

- A. Classic 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. Classic sworn employees shall contribute an additional three percent (3%) toward the employer's share of the CalPERS retirement contribution for a total contribution of 12%. This amount shall be deducted from employees' paycheck and Town will forward to CalPERS.
- B. The Town shall provide the PERS 1959 Survivor Benefits at a rate of \$3.50 per month per employee. Employee cost of \$2.00 per month shall be paid through employee payroll deduction.

The following provisions shall apply to those employees hired prior to January 2013.

- A. Sworn employees covered by this MOU will continue to be covered by the California Public Employee Retirement System (CalPERS), 3% @ 50 benefit. Sworn officers shall be entitled to have their retirement benefits calculated on the basis of their single highest salary year.

- B. Non-sworn employees covered by this MOU will continue to be covered by the Public Employee Retirement System (CalPERS), 2% at 55. The Town will provide for unused sick leave to be credited toward CalPERS service time at retirement.

Employees hired after December 31, 2012, shall receive retirement benefits and shall be responsible for member contributions as provided by the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement Law (PERL) as amended by Assembly Bill (AB) 340, passed by the California Legislature on August 31, 2012 and signed by the Governor on September 12, 2012.

- A. Sworn employees covered under the terms of PEPRA are considered "new" employees who are covered by the Public Employee Retirement System (CalPERS), 2.7% @ 57.
- B. Non-sworn employees covered under the terms of PEPRA are considered "new" employees who are covered by the Public Employee Retirement System (CalPERS), 2% @ 62.

Section 10: Deferred Compensation Plan

Through regular payroll, the Town shall provide all non-sworn employees covered by this MOU with a contribution of 3% of their base salary to the ICMA Retirement Corporation's Deferred Compensation Program or the CalPERS 457 Deferred Compensation Plan. This contribution is contingent upon a matching contribution by the employee.

Section 11: Sick Leave

Sick leave shall be accumulated at a rate of 3.69 hours per biweekly pay period. There shall be no maximum on sick leave accumulations.

The Town recognizes employees who demonstrate an outstanding attendance record over a prior calendar year. Under this program, employees are allowed to convert a portion of their unused sick leave to pay or compensatory time off in the month of December and the month of June each year. In order to be eligible for this recognition, an employee must have been a regular full-time employee of the Town for the full preceding calendar year, and must have used 24 or fewer hours of sick leave during the preceding six months.

Participating employees shall submit a request in writing to Human Resources by the 15th of the month (i.e., June 15th or December 15th). An initial request in 2019 by July 15 shall be permitted upon the initiation of the program.

The option to buy back sick leave is subject to the requirement that the employee maintain 80 hours of combined leave (i.e., vacation, sick, compensatory time off, etc.) once the buy-back is applied. Buy-back shall be calculated at the employee's regular rate of pay.

Level 1: Employees who have not used any sick leave hours over the previous six (6) months have the option to buy back or convert up to 30 hours of unused sick leave.

Level 2: Employees who have used up to 12 sick leave hours over the previous six (6) months have the option to buy-back or convert up to 12 hours of unused sick leave.

Level 3: Employees who have used more than 12 but less than 24 sick leave hours over the previous six (6) months have the option to buy back or convert up to eight (8) hours of unused sick leave.

Section 13: Probationary Period

Employees shall serve an eighteen (18) month probationary period upon hire and a one (1) year probationary period upon promotion to a higher job classification. The probationary period for employees in the Police Officer job classification shall include time spent in the Police Academy if employed by the Town as a Police Trainee. Lateral employees shall be subject to a twelve (12) month probationary period upon hire.

Section 14: Holidays

A. The Town's designated holidays are as follows:

New Year's Day
Martin Luther King Day
Lincoln's Birthday
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day

B. All employees shall receive eight (8) hours of credit to their holiday balance during the first pay period of the year in recognition of a personal holiday. This time off may be taken as determined by the employee subject to approval of the Chief of Police or his/her designee.

C. Employees who are not scheduled to work on the holiday or who do not work for a full shift which commences on a holiday defined in Section A, shall receive eight (8) hours of credit to their holiday balance.

D. Employees who work a full shift which commences on one of the holidays defined in Section A shall choose one of the following two compensation alternatives:

- a. They shall receive their wage at the normal hourly rate and also receive a holiday hour credit equal to the number hours worked in the shift.
- b. They shall receive their wage at the overtime hourly rate in lieu of any credits to their holiday balance.

- E. Employees who are not scheduled to work, but are called into work for temporary purposes for any portion of one of the holidays scheduled in Section A shall receive holiday credits in accordance with Section C.

Section 15: Vacation

- A. Vacation shall be accrued, per weekly pay period, for regular full-time employees at the following rates:
- a. Less than 3 years of service – 10 working days per year
 - b. 3 to 8 years of service – 15 working days per year
 - c. 8 years of service or more – 20 working days per year
- B. Total accrued vacation can only be accumulated to two times the employee's annual accrual rate, but not to exceed a total of 320 hours. No accrual of vacation hours shall occur beyond 320 hours, and employees shall not accrue any new vacation leave until their balance is 320 hours or less.

Employees shall be allowed to have the Town buy back any accrued vacation, with the approval of the Town Manager that the employee has satisfied the following condition:

- a. An employee desiring to implement this option must submit his/her request at the time of vacation sign-up for the upcoming year. To be eligible to sell back vacation time, an employee must have a minimum balance in excess of one half of his/her annual vacation accrual, after any buy back.

Section 16: Off-Duty Call Back and Court Time Reimbursement

If an employee is required to report to a work assignment during his/her off-duty hours, and those off-duty hours are not contiguous with his/her regularly scheduled shift, he/she shall receive a minimum of four (4) hours pay at one and a half (1-1/2) times the employee's regular rate.

Court time, that is time when employees are required to testify regarding job-related matters as a witness, shall be paid at time and one-half (1.5) the employee's regular rate of pay with a four (4) hour minimum. Court time continuing for more than four (4) hours will be paid at time and one-half (1.5) of the employee's regular rate of pay or by compensatory time off at a rate of time and one-half (1.5) at the option of the employee.

Two (2) hours of court time shall also be paid at straight time when employees receive less than twenty-four (24) hours cancellation of said mandated court appearance by the Town or, District Attorney, or Municipal/Superior Court systems.

Section 17: Bereavement Leave

All employees covered by this MOU shall be allowed paid leave for not more than five (5) working

days when absent because a death has occurred in the immediate family, as defined by and in accordance with the Town's Human Resources Policies & Procedures – Policy #306.

Section 18: Overtime Pay

Overtime shall be paid to an employee at the rate of 1.5 times the employee's regular rate of pay or at the option of the employee, the employee shall receive Compensatory time at the rate of 1.5 times the number of overtime hours worked.

The calculation of overtime shall include all hours in paid status.

Employees shall be eligible for overtime based on the following:

- Sworn employees, who are on a 12 hour work schedule, shall be eligible for overtime or compensatory time for all hours paid in excess of 84 hours in a 14-day work period.
- Sworn employees, who are on a 10 hour work schedule, shall be eligible for overtime or compensatory time for all hours paid in excess of 80 hours in a 14-day work period.
- Non-sworn employees shall be eligible for overtime or compensatory time for all hours for all hours paid in excess of 40 hours in a 7-day work period.

The Town has adopted the 28 day work period under Section 207(k) of the Fair Labor Standards Act (FLSA) for its sworn law enforcement personnel. The exemption is set forth in Section 553.230 of the Code of Federal Regulations.

Section 19: Long-Term Disability

Effective July 1, 2019 or as soon thereafter as administratively feasible, the Town will provide the PORAC Platinum Short and Long Term Disability Plan to sworn (safety) personnel covered under this Agreement, and the PORAC Platinum Short Term Disability Plan to all miscellaneous (non-safety) personnel covered under this Agreement. To the extent permitted by law, the Town will pay applicable premiums in a manner that allows employees receiving PORAC plan benefits on a tax-advantaged basis. In the event the Town discovers that the cost of the designated PORAC plans exceeds the cost available to the Town for its previous long term disability insurance benefit, the Town will provide notice to the Association and an opportunity for the Association to either: (a) select an alternative plan that is cost neutral to the Town; (b) elect to pay the cost of any premium in excess of the Town's long term disability plan premium; or (c) enroll in the Town's long term disability plan.

Section 20: Compensatory Time

As used in this MOU, the term "compensatory time" means paid time off that is earned and accrued by an employee in lieu of immediate cash payment for overtime, and may be taken upon approval of their first line supervisor. An employee's compensatory time accrual shall not exceed 168 hours, and all overtime earned beyond that will be paid as overtime.

Section 21: Employee Assistance Program

The Town shall maintain an Employee Assistance (EAP) program for psychological counseling available for employees and their dependents, with total Town expenditures not to exceed \$3,000 per employee per year for payment of professional psychological counseling fees. Employee family groups are entitled to attend up to six (6) sessions with the Town sponsored counselors during the term of this MOU when he/she/they determine(s) that psychological counseling is needed to ensure continued good mental health. In addition, the Town shall provide a stress awareness seminar for all employees under the Employees Assistance Program during this contract period.

Section 22: Bilingual Pay

Any employee capable of speaking Spanish, or any language designated by the Town as job-related, at a fluency level satisfactory to the Town shall receive \$400.00 per month in additional salary in addition to the base salary. The Town will maintain a standardized testing procedure to ensure fair and consistent standards for determining fluency.

Section 23: Educational Reimbursement

Employees who successfully complete courses approved by the Chief of Police in a job-related area, or an approved degree program may receive up to \$5,000 tuition reimbursement each year, subject to availability of funds in the budget.

Employees receiving tuition reimbursement funds from the Town are required to maintain full employment status with the Town for a period of one year following use of the funds or such funds shall be reimbursed to Town upon separation regardless of whether the separation was voluntary or not.

Section 24: Drug/Alcohol Screening/Testing

The Town policy regarding Alcohol and Drug Abuse shall apply to both pre-employment applicants and employees covered within this MOU.

Section 25: CalPERS/Social Security Contingency

If at any time during the life of this MOU, the Town is required by law to make all new or existing employees part of the Social Security System, then all new employees so required will become members of the CalPERS/Social Security Retirement System and shall make such payments into that system as required by law.

Section 26: Physical Fitness Program

The Town will maintain the Physical Fitness Program negotiated by the parties in accordance with the Department's Wellness Policy (Policy 1031), which is incorporated by reference in this Agreement. The parties agree to meet and confer as needed to ensure that the Department's

Wellness Policy complies with all appropriate State and Federal laws and regulations.

Section 27: Alternative Scheduling

Sworn Personnel Assigned to Patrol and Motors/Traffic:

Sworn personnel assigned to patrol or motors/traffic will be assigned a "12 Plan" work schedule based upon twelve (12) hour working day and a twenty-eight (28) day work cycle with a "four-on three-off, three-on four-off" format within each two week period pursuant to the Department's shift rotation policy.

No officer working twelve (12) hour working days shall be permitted to work more than sixteen (16) consecutive hours. The only exception to this condition may be extenuating circumstances due to disasters or other emergencies, which require prolonged working hours for personnel.

All time worked during the regularly scheduled shift will be paid at the employee's regular hourly rate. Time worked in excess of the regularly scheduled shift will be paid at time and one half of the employee's hourly salary. Briefing time will be included as part of the twelve (12) hour shift.

Each officer must have a minimum of eight (8) hours "off-time" between regularly scheduled shifts. The only exception to this condition may be extenuating circumstances due to disaster or other emergencies, which require prolonged working hours for personnel. Court appearances and the like are not part of the regularly scheduled shift.

Issues such as late calls and reports, dispatcher relief, watch coverage, comp-time off, shift exchanges, meal relief and breaks shall be handled at the direction and discretion of the team Sergeant.

This schedule consists of 168 work hours in accordance with 207(k) during each twenty-eight (28) day cycle.

Dispatchers/Records Assistants:

Dispatchers/Records Assistants will be assigned a "12 Plan" work schedule based upon twelve (12) hour working day and a twenty-eight (28) day work cycle with a "four-on three-off, three-on four-off" format within each two week period pursuant to the Department's shift rotation policy. The standard work week for Dispatchers/Records Assistants assigned to twelve (12) hour working days will begin exactly six (6) hours into an employee's last twelve (12) hour shift, which constitutes the employee's four day work week. It is understood that this may cause an individualized work week for those affected employees.

Additionally, the Police Chief may assign the overlap dispatch, which is a special assignment, position to an alternative work schedule. (The special assignment is defined per this MOU)

No dispatcher working a twelve (12) hour working day shall be permitted to work more than sixteen (16) consecutive hours. The only exception to this condition may be extenuating

circumstances due to disasters or other emergencies, which require prolonged working hours for personnel.

The first twelve (12) hours worked during the regularly scheduled shift will be paid at the employee's regular hourly rate, and time worked in excess of twelve (12) hours during the regularly scheduled shift or in excess forty (40) hours in the assigned work week shall be compensated as overtime as set forth in this MOU. Each employee will have an individually assigned regular workweek. Briefing time will be included as part of the twelve (12) hour shift.

Each dispatcher must have a minimum of eight (8) hours "off-time" between regularly scheduled shifts. The only exception to this condition may be extenuating circumstances due to disaster or other emergencies, which require prolonged working hours for personnel.

If dispatch is returned to an eight (8) hour shift schedule during the term of this MOU, the parties shall meet to agree upon a revision of the Dispatcher/Records Assistant salary ranges to maintain employees' gross income under existing twelve (12) hour shift scheduling.

Issues such as late calls and reports, dispatcher relief, watch coverage, comp-time off, shift exchanges, meal relief and breaks shall be handled at the direction and discretion of the team Sergeant.

Detectives/Investigations

Sworn personnel assigned to detectives/investigations will be assigned a "10.5 Plan" work schedule based upon four consecutive 10.5 hour working day per week with a "four-on three-off" format.

No officer assigned to a 10.5 working day shall be permitted to work more than sixteen (16) consecutive hours. The only exception to this condition may be extenuating circumstances due to disasters or other emergencies, which require prolonged working hours for personnel.

All time worked during the regularly scheduled shift will be paid at the employee's regular hourly rate. Time worked in excess of the regularly scheduled shift will be paid at time and one half of the employee's hourly salary. Briefing time will be included as part of the 10.5 hour working day.

Each officer must have a minimum of eight (8) hours "off-time" between regularly scheduled shifts. The only exception to this condition may be extenuating circumstances due to disaster or other emergencies, which require prolonged working hours for personnel. Court appearances and the like are not part of the regularly scheduled shift.

Issues such as late calls and reports, dispatcher relief, watch coverage, comp-time off, shift exchanges, meal relief and breaks shall be handled at the direction and discretion of the team Sergeant.

This schedule consists of 168 work hours in accordance with 207(k) during each twenty-eight (28) day cycle.

Support Services Coordinator/Dispatcher and Code Enforcement Officers

Employees in the classifications of Support Services Coordinator/Dispatcher and Code Enforcement Officers will be assigned a "10.5 Plan" work schedule based upon four consecutive 10.5 hour working days per week with a "four-on three-off" format.

No Support Services Coordinator/Dispatcher or Code Enforcement Officer assigned to a 10.5 hour working day shall be permitted to work more than sixteen (16) consecutive hours. The only exception to this condition may be extenuating circumstances due to disasters or other emergencies, which require prolonged working hours for personnel.

The first 10.5 hours worked during the regularly scheduled shift will be paid at the employee's regular hourly rate, and time worked in excess of 10.5 hours during the regularly scheduled shift or in excess forty (40) hours in the assigned work week shall be compensated as overtime as set forth in this MOU. Briefing time will be included as part of the 10.5 hour shift.

Each Support Services Coordinator/Dispatcher and Code Enforcement Officer must have a minimum of eight (8) hours "off-time" between regularly scheduled shifts. The only exception to this condition may be extenuating circumstances due to disaster or other emergencies, which require prolonged working hours for personnel.

Issues such as late calls and reports, relief, watch coverage, comp-time off, shift exchanges, meal relief and breaks shall be handled at the direction and discretion of the team Sergeant.

Schedule Implementation:

Regularly scheduled shift changes will occur on the first day of the first pay period of January, May, and September.

Barring an emergency, any change to shift scheduling will be subject to meet and confer. As described in *Sonoma County Organization of Public/Private Employees, Local 707, et al. v. County of Sonoma* (1991) 1 Cal.App.4th 267, 277), an "emergency" is recognized as "an unforeseen situation calling for immediate action" due to "an imminent and substantial threat to public health or safety" such that there is "a substantial likelihood that serious harm will be experienced...unless immediate action is taken."

Section 28: Field Training Officer (FTO) and Communications Training Dispatcher (CTD) Pay

An employee, when qualified as an FTO or a CTD, and when assigned by the Police Chief or his/her designee as such, shall receive FTO/CTD pay in addition to regular pay in an amount equal to 5% of the employee's base salary for each hour of training the employee is so assigned.

Section 29: Assignment Pay

- A. An employee when qualified and assigned by the Chief of Police or his/her designated representative to act in the capacity of School Resource Officer, Motorcycle Officer, or any similar assignment designated by the Chief and approved by the Town Manager shall receive additional assignment pay in an amount equal to 5% of the employee's base salary for each full shift the employee is so assigned. In the event that grant funding for any of these special assignments is reduced or discontinued, in its discretion, the Town may eliminate such assignment and the corresponding assignment pay without any need to meet and confer over the discontinuance of such assignment.
- B. Employees in sworn police classifications assigned to work as detectives shall receive a 5% increase in their normal step rate for such assignment. Officers are assigned as detectives at the discretion of the Chief of Police. Employees may be returned to their original assignments at any time at the discretion of the Chief of Police and such return shall not be considered "punitive action" nor subject to any appeal, nor subject to any requirement to meet and confer regarding such reassignment.
- C. Employees in sworn police classifications assigned to work as K-9 officers shall receive a 5% increase in their normal step rate during such assignment. Officers are assigned as K-9 officers at the discretion of the Chief of Police. Employees may be returned to their original assignments at any time at the discretion of the Chief of Police and such return shall not be considered "punitive action" nor subject to any appeal not subject to any requirement to meet and confer regarding such reassignment.

Employees in sworn police classifications assigned to work as K-9 officers shall be compensated for off-duty K-9 care as follows: The Town and the Association agree that the amount of off-duty compensable working time attributable to all ordinary aspects of canine care (including without limitation, handling, caring, feeding, exercising, grooming, kennel cleaning, cleaning of Town vehicles, and ordinary transport to a veterinarian) by employees assigned to K-9 duty is approximately 20 minutes per day, and that K-9 officers will be paid at the overtime rate of pay for all such time (i.e., 2 hours and 20 minutes per week). K-9 officers will be provided a take-home vehicle for transportation of the K-9 to and from work.

This MOU is made pursuant Fair Labor Standards Act regulation 29 CFR § 785.23. If and when an employee assigned to K-9 duty performs any extraordinary work involving the animal, the employee shall report such work immediately to the Chief of Police in writing and in no event less than 24 hours after completing such work, and where approved, employee shall be paid for such time expended as if worked. "Extraordinary work" includes, but is not limited to, unanticipated trips for emergency veterinarian care and any work which causes a substantial increase in work time beyond the agreed-upon hours necessary for routine care as identified above.

Section 30: Jury Duty

An employee required to report for jury duty shall be granted a leave of absence consistent with

the Town's Administrative Policy Manual.

Section 31: Employee Referral Program

Current employees are eligible to receive an award of compensatory time off for referring a successful candidate for positions within the Association. The referring employee receives twelve (12) hours compensatory time off when the new officer completes field training and another twelve (12) hours compensatory time off when the new officer completes probation.

It is the responsibility of the employee to request the compensatory time under the referral program at each interval mentioned above. A form will be available.

**ARTICLE VI
NON-DISCRIMINATION**

The Association and the Town hereby agree that there shall be no discrimination because of race, color, age, disability, sex, sexual orientation, national origin, political or religious affiliation, or any other protected classification as provided by applicable local, state or federal law. There shall be no discrimination in employment conditions or treatment of employees on the basis of membership or non-membership in the Association, or participation in the lawful activities of the Association.

**ARTICLE VII
GRIEVANCE PROCEDURE**

Section 1: Definitions

A "grievance" is a claimed violation, misinterpretation, inequitable application or non-compliance with any provision of this MOU, including disputes regarding working conditions and terms, but not regarding any imposition of discipline pursuant to this MOU or exercise of any enumerated management right.

A "grievant" is an employee or a group of employees that are members of the APOA.

Section 2. Informal Grievance Procedure

As soon as possible, but no more than ten (10) calendar days after occurrence of an event giving rise to a grievance, the grievant shall present the grievance informally to the supervisor of the involved employee or employees, except if the grievance involves the supervisor, it shall be submitted to the Department Commander. The grievant and the supervisor have a mutual responsibility to resolve the matter at the lowest possible level.

If the grievance is not resolved through supervisor discussions, the grievance shall be presented to the Department Commander who shall review the matter and respond in writing to the grievant as to the Lieutenant's recommended disposition of the matter. If the initial grievance was filed with the Lieutenant, the matter shall be submitted to the Chief of Police for review and written response.

These informal steps shall be utilized and exhausted prior to filing of a formal grievance.

Section 3: Formal Grievance Procedure

If the grievant feels the issue was not satisfactorily resolved by the informal grievance procedure, a formal grievance may be filed within ten (10) calendar days from the receipt of the written informal decision. A formal grievance shall be initiated by submitting a form provided by the Department to the Chief of Police including a clear statement of the nature of the grievance, citing applicable language in the MOU in question and outlining the proposed solution of grievant.

Step 1. Within ten (10) calendar days after receipt of the formal grievance form, the Chief of Police shall investigate the grievance, confer with the grievant and attempt to resolve the issue. The Chief shall, after considering all pertinent information, make a proposed written determination.

Step 2. If the grievant remains dissatisfied with the proposed determination of the Chief of Police, the grievant may within ten (10) calendar days request the matter be submitted to the City Manager for review and determination. Such request shall be in writing on a form provided by the Department to the City Clerk.

Step 3. Within ten (10) calendar days after receipt of the written request, the City Manager shall investigate the grievance, confer with the grievant and other persons involved to the extent deemed necessary, and render a written decision.

The decision of the City Manager shall be final and binding.

Section 4: Discipline

The Town shall follow the principles of corrective progressive discipline as outlined in Police Department Lexipol policies and the Town's Human Resources Policies and Procedures – Policy #204, and in accordance with the Public Safety Officers Procedural Bill of Rights (Government Code Sections 3300 et seq.).

**ARTICLE VIII
DAY FOR A DAY**

Employees will not be compelled to use his/her time off to make up the difference between a regular work shift and a training day or holiday. Specifically, in recognition of the cost attributable to employee travel time, those employees assigned to an alternative work schedule under Section 27 will be credited with working a full shift for all training days scheduled to last at least eight (8) hours that occur on the employee's regularly scheduled work days. Further, employees directed to take a regularly scheduled shift off duty in observance of a holiday shall be credited with working a full shift.

**ARTICLE IX
LEAVES OF ABSENCE**

The Chief of Police, or his/her designee, may grant an employee a leave of absence without pay or benefits, pursuant to the Town's Human Resources Policies & Procedures.

**ARTICLE X
LAYOFF AND RECALL**

Although not limited to the following, layoffs shall ordinarily be for lack of work and/or lack of funds. In the event of layoffs," the Town shall provide laid off employees a written explanation of reasonable purpose for said layoff. If it is determined that layoffs are necessary, employees shall be laid off in the following order:

- A. Temporary employees, seasonal employees, provisional employees of less than one year. Reserve Officers are not included in this description.
- B. Part-time employees, who are defined as employees hired to work less than twenty (20) hours per week. Reserve Officers are not included in this description.
- C. Probationary employees; and
- D. Permanent full-time employees. When layoffs are determined, the order of layoffs shall be by seniority within classification. When seniority by classification is identical for two employees, seniority within the department shall determine senior employee. Those with the least time in classification/department shall be laid off first. An employee in a higher classification may take a position in a lower classification, i.e., Sergeant to Police Officer. Time in the higher classification shall count toward seniority in the lower classification.
- E. Non-sworn positions are considered to be a separate classification not lower than Police Officer.

Employees who are laid off shall be placed on a recall list for a period of one year. If there is a recall, employees who are still on the recall list shall be recalled in the inverse order of their layoff, provided they are presently qualified to perform the work in the job classification to which they are recalled without further training.

If an employee is recalled to a position in a lower paid job classification, he/she shall have the right to return to the job classification he/she held prior to being laid off in the event it subsequently becomes available, providing he/she continues to meet all qualifications for that position. If an employee is recalled to a lower rated job classification, the employee shall have the right to refuse recall and remain on the recall list. The Town shall not hire new employees in covered positions as long as there are still employees on the recall list who are presently qualified to perform the work in the affected job classification and are willing to be recalled to said classification.

Employees who are eligible for recall shall be given fourteen (14) calendar days notice of recall. Such notice shall be sent to the employee by certified mail with a copy to the Association, to the address listed on the recall list. Employee must notify the Town in writing of his/her intention to return to work within three (3) working days after receipt of notice of recall. The Town shall be deemed to have fulfilled its obligations by mailing the recall notice by certified mail, return receipt,

to the mailing address provided by the employee, it being the sole obligation and responsibility of the employee to provide the Town Manager with his/her latest mailing address.

Each employee who receives notice of layoff will be required to take a medical examination provided by the Town before he can be included on a recall eligibility list. This exam will determine ability to perform those tasks described within the police manual.

If recall occurs after a three-month (3) period, an additional medical examination will be required following applicable procedures set forth within the Town's Administrative Policy Manual or this MOU.

Length of service as pertaining to this section shall be determined by computing total continuous service starting from the first day of service in classifications covered by the MOU.

ARTICLE XI MEDICAL PHYSICAL EXAMINATION OF EMPLOYEES

Section 1: Examinations

The Town requires a physical examination of each employee prior to being hired by the Police Department. In addition, where an employee has demonstrated objective signs or symptoms that reasonably suggest that s/he may be unable to meet the demands of the job, s/he may be required to undergo physical examination(s) during employment with the Town as requested by the Chief of Police to determine fitness for duty. The following procedures shall be followed with respect to all such medical examinations:

The physical examination will be conducted by the department's specified physician at the Town's expense.

The physician conducting the examination shall furnish to the Town of Atherton a fitness for duty report, including any functional limitations of the employee based on job descriptions and requirements provided to the physician. No medical information beyond the physician's fitness for duty report, including any functional limitations, shall be provided to the Town unless the officer has executed a voluntary written authorization for release of such records.

Section 2: Failure of Examination

Any employee who fails to pass a physical exam may, at their option, have a review of that determination in the following manner:

The employee may employ a qualified medical examiner acceptable to the Town and at employee's own expense for the purpose of producing a physical examination for the same purpose as the physical examination made by the physician employed by the Town. The qualified medical examiner shall provide the Town with a completed P.O.S.T. Form 3253 (Medical Examination Report), and also furnish to the Town a fitness for duty report, including any functional limitations of the employee. No medical information shall be provided to the Town unless the employee has

executed a voluntary written authorization for release of the records. In the event that such findings verify the findings of the physician employed by the Town, no further review of the case shall be afforded.

In the event that the findings of the qualified medical examiner chosen by the employee shall disagree in any significant respect with the finding of the physician employed by the Town, the Town will, at the request of the employee, ask that the two physicians agree upon and appoint a third qualified and disinterested medical examiner, preferably a specialist, for the purpose of making a further physical examination of the officer.

The disinterested medical examiner shall then make a further medical examination of the employee in question and the case shall be resolved on the bases of that physician's written findings.

The expense of employing the disinterested medical examiner shall be borne by the Town in the event that the findings of that physician concur substantially with the findings of the medical examiner employed by the employee, and shall be borne by the employee in the event that the findings of the disinterested medical examiner concur substantially with the findings of the medical examiner of the Town. Copies of the disinterested medical examiner's report shall be furnished to the Town and to the employee.

In the event that medical examiner employed by the employee or the disinterested medical examiner concurs with the findings of the medical examiner employed by the Town, the officer shall be immediately placed on a forced leave of absence if the findings indicate that the employee may become fit for duty within the next 12 months. Such leave of absence may be subject to the Labor Code Section 4850 in the case of sworn employees, or other applicable state or federal laws. However, should an employee be released from their employment for any medical or medical-related reason payoff unfitness for duty, the Town agrees that COBRA benefits shall be afforded employee. The employee shall have the right to first use up accumulated sick leave and vacation, if any.

Medical examinations shall be scheduled with the interest of the employee and employer in mind. The employee's hours of sleep and days off will be considered in this scheduling. Where the employee, due to shift timing must take the physical examination of on their own time, they will be compensated in accordance with overtime rules as stated elsewhere in the MOU.

ARTICLE XII SAFETY EQUIPMENT

The Town shall provide the following Safety Equipment:

- Riot Baton with rubber grommet.
- Helmet with tilt-up face shield.
- Soft Body Armor
- Taser and Holder
- Pepper Spray and Holder.
- ASP Collapsible Baton and Holder

- Duty Holster
- Firearm with three magazines
- Rain coats and pants; hat covers.
- Flashlight

The Town shall repair or replace safety equipment items damaged in the line of duty. In the event of damages to safety items that are a direct result of the negligence or intentional misconduct of the employee, the employee may be subject to disciplinary action. In the event of a determination of gross negligence or willful misconduct, disciplinary action may include a requirement to reimburse the Town for damages.

ARTICLE XIII AMERICANS WITH DISABILITIES ACT

The Association and Town agree that the provisions of this MOU shall be interpreted and applied by both parties in a manner consistent with the Americans with Disabilities Act.

ARTICLE XIV SEVERABILITY

Notwithstanding any other provision in the MOU to the contrary, in the event any article, or subsection thereof, of this MOU shall be declared invalid by any court of competent jurisdiction, or by any applicable state or federal law or regulation, or should a decision by any court of competent jurisdiction, or any applicable state or federal law or regulation diminish the benefits provided by this MOU, or impose additional obligations on the Town, the parties shall meet and confer on the article or subsections thereof affected. In such event, all other provisions of this MOU not affected shall continue in full force and effect.

ARTICLE XV FULL UNDERSTANDING, MODIFICATION AND WAIVER

- A. This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any and all prior or existing Memoranda of Understanding, Understandings, and Agreements, regarding the matters set forth herein, whether formal or informal are hereby superseded and terminated in their entirety.
- B. It is the intent of the parties that Ordinances, Resolutions, Rules and Regulations enacted pursuant to this MOU be administered and observed in good faith.
- C. During the term of this MOU, the parties, voluntarily and unqualifiedly agree to waive the obligation to negotiate with respect to any practice, subject or matter not specifically referred to or covered in this Agreement. However, nothing shall preclude the parties from meeting and conferring at the request of either party pertaining to matters related to the scope of representation of the Association.
- D. To the extent that any of the provisions of the MOU will have any retroactive effect upon final

ratification of the MOU by the Association and final adoption of the MOU by the Town, such retroactive effect will only apply to those employees covered by the MOU who are actively employed by the Town on the date of the aforementioned final actions of the parties.

This MOU is subject to approval by the Council of the Town of Atherton and the appropriate representative of the Atherton Police Officers' Association.

FOR THE TOWN OF ATHERTON

**FOR THE ATHERTON POLICE
OFFICERS' ASSOCIATION**

Town Manager

President, Atherton Police
Officers' Association