



Item No. 15 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: JUNE 17, 2020

SUBJECT: ADOPT THE ATTACHED RESOLUTIONS ADOPTING THE FY 2020/21 OPERATIONS AND CAPITAL BUDGET, SALARY & BENEFIT RESOLUTION FOR UNREPRESENTED STAFF, 2020/21 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 2020-2021 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 2020-2021 Salary Schedules and Classifications; and
4. Resolution of the City Council of the Town of Atherton Establishing the Appropriations Limit for Fiscal Year 2020-2021 Pursuant to Article XIII B of the California Constitution

BACKGROUND

Staff is pleased to present the City Council with a balanced Annual Operating Budget for FY 2020/21. The Council held three (3) public sessions in review of the Town Operational and Capital Budgets. In general, the FY 2020/21 Operating Budget reflects a positive outlook, despite potential short- and long-term impacts from COVID-19. The Town is weathering the short-term impact of COVID-19 with anticipation that a quick recovery period will resume with ramp up of Town residential construction and the continued construction of the Town Center project. The Town continues to implement current City Council priorities focused upon reducing long-term liabilities, addressing capital project needs, and ensuring that 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.

With the Town in a “save and spend” mode, we use every source of revenue to carry out the Capital Improvement Program (CIP). Projects are identified and designed based on capital project priorities. The principal focus of the CIP is the Town Center Project anticipating completion in first half of FY 2021/22. Funding for this project is through donations, Capital Improvement Fund, Library Fund, General Fund, future revenue over expenditures and Certificates of Participation (COP). At the May 20 Council Meeting, the City Council approved the financing documents for the private placement issuance of the Atherton 2020 COP’s. The amount of financing approved was \$7.5 Million for cash flow purposes for completion of the project.

The Town’s General Fund Operating Budget relies on continued fiscal prudence, especially during this pandemic. We will consider the need to adjust resources to meet any rising demands for Town services, capital improvements, and priorities. The attached Budget *does not include* salary and benefit adjustment place holders for unrepresented staff. This is a reduction of \$66,399 in General Fund expenses.

ANALYSIS

Below is an analysis *by fund and operational area* of the Town’s Operating and Capital Improvement Budgets.

R E V E N U E S

The Town’s total General Fund revenue for FY 2020/21 is projected to be \$16,388,282. Grants and contributions are only budgeted if they have been authorized and approved by the granting agency. 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 received from Atherton Now is in the amount of \$3,324,202 for the construction phase of the Town Center. There are additional anticipated grant funds from various organizations of approximately \$775,000 expected for the project.

The table below reflects major General Fund 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.

FY 2020/21 Town Operating Budget

June 17, 2020

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	Actual	Orig. Budget	Estimated- COVID*	Recommended
Category	FY 2018/19	FY 2019/20	FY 2019/20	FY 2020/21
<i>Secured Property Tax</i>	\$8,662,522	\$9,351,129	\$9,236,129	\$9,611,026
<i>Other</i>	\$2,354,361	\$2,465,735	\$2,238,379	\$2,437,724
Subtotal Property Tax	\$11,016,883	\$11,816,864	\$11,474,508	\$12,048,750
Sales Taxes	\$343,309	\$300,439	\$266,000*	\$285,000
Franchise Fees	\$819,542	\$871,161	\$904,161	\$918,468
Intergovernmental	\$38,086	\$40,311	\$40,311	\$40,733
Business License Tax	\$227,679	\$252,033	\$262,033	\$239,431
Planning Fees	\$191,367	\$220,300	\$220,300*	\$220,300
Building Fees	\$1,596,071	\$1,697,509	\$1,273,132*	\$1,358,000
Policing Fees	\$181,983	\$183,401	\$175,983*	\$178,136
Public Works Fees	\$658,226	\$535,700	\$413,776*	\$460,700
Park Program Fees				
<i>Social Fees</i>	\$93,275	\$87,700	\$64,814	\$68,390
<i>Meeting Fees</i>	\$21,677	\$24,000	\$15,922	\$16,800
<i>Class Fees</i>	\$19,995	\$25,000	\$16,585	\$17,500
<i>Weddings</i>	\$29,487	\$28,000	\$25,209	\$26,600
<i>Day Use Fees</i>	\$12,375	\$12,000	\$7,961	\$8,400
<i>Admin Fees</i>	\$36,045	\$34,000	\$27,534	\$29,050
Subtotal	\$212,854	\$210,700	\$158,025*	\$166,740
Misc. Revenues				
<i>Admin Citations</i>	\$84,200	\$55,000	\$52,850*	\$55,000
<i>Cell Lease(s)</i>	\$58,651	\$60,876	\$60,876	\$63,920
<i>Interest Income</i>	\$726,088	\$80,000	\$110,000*	\$135,000
<i>Knox Playschool</i>	\$85,512	\$87,897	\$65,923*	\$87,897
<i>C&D Forfeiture</i>	\$601,547	\$65,000	\$65,000	\$65,000
<i>Other</i>	\$104,751	\$57,532	\$91,458*	\$65,207
Subtotal	\$1,660,749	\$406,305	\$446,107	\$472,024
Total General Fund	\$16,946,750	\$16,534,722	\$15,634,336	\$16,388,282
<i>Excess ERAF</i>	\$1,691,772	\$1,300,000	\$1,784,091	\$1,312,500
Total Revenues	\$18,638,522	\$17,834,722	\$17,418,427	\$17,700,782

- Note – table includes ERAF.

ERAF is considered a vital revenue component for the use on one-time capital projects, reduction of any long-term liabilities, and Town CIP projects and programs. Allocation is reviewed by the Council as part of the budget process. Once staff determines the amount of ERAF to be received, a recommendation is made to the Council for its use as part of the coming fiscal year budget.

Recently, the State Legislative Analyst Office issued a report focused on Excess ERAF asserting that the five (5) Bay Area Excess ERAF counties are overstating Excess ERAF. To address this potential future loss of ERAF, projections, beginning with FY 2020/21 have been reduced.

Workers' Compensation/OPEB Annual Required Contributions (ARCs)

In FY 2019/20, the Town made a \$110,000 contribution to replenish its 2019 minimum equity reserve for Workers' Compensation from the unallocated General Fund balance. There is no anticipated Workers' Compensation equity replenishment required in the FY 2020/21 Budget.

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 amount was contributed to the Trust. There is now an estimated balance of \$6.8 Million in the Trust. With the recent OPEB actuarial valuation report, the Town's (ARC) for FY 2020/21 is \$628,140. The FY 2020/21 the "pay as you go" base amount is expected to be \$481,458. These costs are included in the respective departments and listed later in the report.

Revenue Assumptions

In FY 2020/21, *Property Taxes* represent 72% of the Town General Fund Revenues. The total projected revenue from property taxes is \$12,048,750, approximately 5% or \$572,242 over the FY 2019/20 mid-year estimate. If there is a decrease in the assessed valuation of property in Town due to COVID-19, HdL projects that this decrease will be gradual and not impact the Town until FY 2021/22. From FY 2011/12 to FY 2019/20, Atherton has seen a growth in *assessed value* of approximately 83%. Staff projects base property tax revenue to increase by about 5% in FY 2020/21.

Other General Fund revenues for FY 2020/21 include conservative revenue assumptions and some reductions due potential COVID-19 impacts. These are short term and it is important to note the Town's main source of revenue comes from property taxes. Most other General Fund revenues have seen steady increases over the years based on current trends, one-time revenues.

- Building Department and Planning Department revenues are projected to decrease by approximately 18 percent (%) due to the short-term prohibition of construction activity. Staff believes the actual impact may be less and short term. Prior to the shutdown there was a projected increase in residential improvements and the razing of existing homes and construction of new homes.
- Public Works revenue reflects a 14% decrease due to a COVID-19 impact in the short-term revenue, similar to the Building Department revenues.
- Franchise revenues are projected at 1.5% percent (%); based on FY 2019/20 levels.
- Sales & Use tax projects a 10% decrease from a partial slow down due to COVID-19; and

- Park Program revenues are projected at approximately \$166,740, a reduction to 70% of FY 19/20 revenues. Park revenue is experiencing a loss of revenue as events and gatherings have been canceled. Staff anticipates that once the stay order is lifted, park rental events will gradually return.

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

Overall General Fund expenditures are estimated at \$15.24 million. **Since the last Budget Study Session, the expenditure budget decreased by \$66,399.** This decrease is attributed to removal of salary and benefit adjustment place holders for unrepresented staff previously discussed.

OVERVIEW

In FY 2020/21 the Town will receive General Fund revenues of \$16,388,282 balanced against operating expenditures of \$15,241,014. There is a single-year operational revenue surplus of \$1,147,268. This leaves a projected year-end positive balance of \$26.9 Million (with the inclusion of excess ERAF and transfers to and from other funds). During the FY 2020/21 budget discussions, the Council supported a contribution of \$146,681 towards the Town OPEB trust. There is no allocation needed toward the Workers’ Compensation equity reserve in FY 2020/21.

Personnel Costs and Benefits

The Public Safety Officer Employer Contribution rate for FY 2020/21 is 25.54% (an increase of 1.886%). The Local Miscellaneous Employer Contribution rate for FY 2020/21 is 11.199% (an increase of 0.872%). These are reduced respectively based on the employee cost-sharing agreement.

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 2019/20. The anticipated FY 2020/21 UAL payment is \$1,234,963 and is an increase of \$195,694. 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	UAL FY 2020/21
Miscellaneous Employees	\$116,323	\$146,085	\$183,648	\$230,536	\$288,470	\$345,245
Public Safety Employees	\$325,906	\$402,865	\$498,416	\$607,679	\$750,799	\$889,718
Total Contribution	\$442,229	\$548,950	\$682,064	\$838,215	\$1,039,269	\$1,234,963

The Town pays the UAL at the beginning of each fiscal year as a lump sum versus monthly as it results in a savings to the Town.

With the current market conditions due to COVID-19, there is anticipation that the CalPERS Investment Returns for FY 2019/20 could be at a negative (-4%). These returns and the amortization of the gains and losses on investment return will appear on the Town's Actuarial report for FY 2021/22. The Town does not currently have any constraints in making its payments and is far better positioned than most agencies that are reliant on sales tax and transient occupancy tax revenues.

MAJOR FISCAL CHANGES

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

CITY COUNCIL OPERATIONS **INCREASE OF \$8,283**

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.

Water utility costs decreased by \$1,880 due to transition of meetings to the Park and the construction of the new Council Chambers. There is a small increase in business meeting and meals, as well as, membership dues for City Council for a total of \$400. There is a Municipal Election in 2020 so there is an additional expense increase of \$10,000.

ADMINISTRATION DEPARTMENT **INCREASE OF \$36,644**

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.

Salaries and benefits increased by \$24,716. There were small adjustments in Workers' Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs. Health Insurance Active and Retiree expense increased by a total of \$6,311. The CalPERS UAL payment increased by \$7,918. The CalPERS employer contribution increased to 11.199%; but with the share cost allocation of 1% to the employee, the contribution rate is 10.199%. The normal cost expense increased \$7,212.

There was increase in Contract Human Resources expense in the amount of \$10,000 for consultant support. Other Equipment expense increased due to a new copier and contract lease. There were small increases in advertising notice expense of \$1,000 and decrease computer equipment software leasing program expense.

**CITY ATTORNEY'S OFFICE
INCREASE OF \$96,000**

The City Attorney's Office budget consists of the legal retainer for the City Attorney and other associated legal services. The Town has a new City Attorney and adjusted retainer amount. The department budget is \$300,000 and includes the City Attorney retainer of \$180,000 (an increase of \$26,000 from prior year). It also includes an expenditure budget of \$120,000 for any additional retainer hours or outside attorney services as needed.

**FINANCE DEPARTMENT
INCREASE OF \$10,875**

The Finance Department budget includes the salaries and benefits of three full-time employees (Finance Director, Accountant and Jr. Accountant). 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.

Salaries and benefits increased by \$7,254. There were small adjustments in Workers' Compensation and Unemployment Insurance allocations for a total increase of \$407. The allocations for retiree and active employee health insurance costs decreased by \$2,528. The CalPERS normal cost contribution increased by \$3,768 and the UAL payment increased by \$4,743.

Operation expenses for the Department decreased by \$2,770. Most of the decrease is related to reduction in banking services, training, and workshops in the total amount of \$8,200. There was a slight increase in contract services for the audit \$1,330 and other contract services \$1,000. There was slight adjustment to miscellaneous computer parts, computer equipment and software.

**PLANNING DEPARTMENT
INCREASE OF \$14,002**

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.

There is an overall increase of 5% related to a contract adjustment for cost of living per contract requirements. This occurred in January 2020. The department expense includes \$52,000 for Sustainability programs management and \$38,000 for leaf blower ordinance outreach.

**BUILDING DEPARTMENT
DECREASE OF \$176,200**

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.

There were minor adjustments in Workers' Compensation and Unemployment Insurance allocations. Allocations for retiree and active employee health insurance costs decreased by \$1,000. The CalPERS UAL payment increased by \$10,797.

There is an operational expense decrease of (\$186,729) due to a corresponding Building and Life Safety Contract Services decrease. This is based on the revenue assumption for the department as a result of COVID-19. There was a small increase in utilities for electricity and rent-machinery and equipment. There were slight decreases in advertising/publishing and subscriptions due as there is no current need to purchase new reference building code materials.

**INTERDEPARTMENTAL
INCREASE OF \$100,127**

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 is an increase in telephone/internet for fiber of \$11,015. General liability and property insurance costs increased \$19,248 to maintain the Town's self-insured retention. There is an increase in IT support of \$85,914 as we prepare for the rollout of needed server and network upgrades, phone system replacement, and community engagement application (SeeClickFix).

These systems will be compatible and function for Town wide system in the new Town Center buildings. There is a decrease of (\$16,050) in dues and memberships, other rents and leases, County Tax Administration, miscellaneous computer parts & supplies, other supplies & materials, and postage. Town specific technology is 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 \$26,057**

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.

There were adjustments in Workers' Compensation and Unemployment Insurance allocations as well as allocations for retiree and active employee health insurance costs resulting in a decrease of (\$21,365). The CalPERS normal cost had an increase of \$3,314 and CalPERS UAL payment increased by \$16,172.

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 by \$8,500 to \$79,000 for plumbing repairs to the playground bathrooms, large playground repairs, replace toddler toy, and well maintenance at the Park. There was an increase of \$7,800 in custodial services contract to \$80,000 and for other incidentals. There was an increase in the street sweeping contract to \$30,000, including contingency. This is offset via franchise revenues. Contract tree maintenance increased by \$5,000 to \$90,000 for additional maintenance in the Park and Town-maintained street trees. There are minor areas of adjustment in construction material, minor tools and equipment, rental machinery and equipment and emergency preparedness. Building Improvements expense budget is maintained at \$160,000 for the renovation of the Carriage house bathrooms, and for path maintenance and rehabilitation at the Park. Contract Park Event services decreased by \$15,250 to \$83,100. This is based on the anticipated revenue for events at the park as the Town anticipates a slow ramp up of events once the COVID-19 SIP order is lifted.

The Contract DPW maintenance service continues to be monitored and enhanced maintenance service and priorities are currently in review with MCE especially with the current COVID-19 SIP order. Some maintenance areas specifically in the Park have been scaled back. There is anticipation that once the order is lifted, deferred maintenance items will begin to take place. The total current contract budget is estimated at \$681,362 an increase of \$18,013 as this assumes an anticipated COLA increase on the contract of 2.5%.

**POLICE DEPARTMENT
INCREASE OF \$412,333**

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. Deployment 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.

The Department is currently not fully staffed and has not been since the fall of 2015. There is a continuing recruitment effort seeking lateral as well as recent academy graduates. These vacancies often result in increased overtime offset by overall salary savings at the end of the year. The Town and local educational institutions entered a cost-sharing agreement in FY 2018/19 whereby the local institutions jointly fund \$80,000 toward one school resource officer position. This revenue is included in the Town's budget on the revenue side. The Town currently expects this to continue in the upcoming fiscal year.

The Police Department total budget reflects an increase of \$412,333 over the FY 2019/20 budget. The Department budget is \$8,401,376 and still comprises 55% of the total General Fund operational budget. There was a decrease of \$17,597 since the last Study Session. This amount is attributed removal of the 2.9% placeholder for staff in the department not part of the APOA MOU.

There were other minor changes in the department regarding Equipment replacement costs.

Within the Equipment Replacement Fund there was an expenditure of \$80,000 for the potential purchase of a pick-up truck for the police fleet. The department received a donation of \$80,000 last summer for public safety equipment. The funds were placed within the Equipment Replacement Fund. The use of these grant funds pending further Council discussion and is presently on hold.

COP Lease Payments

The Town has entered into a tax-exempt lease for cash flow construction financing of the new Town Center. This will be a financing lease through the issuance of COP's. A key characteristic of a tax-exempt lease that distinguishes it from bond indebtedness is a non-appropriation clause. This is a fiscal funding requirement where payments of the lease are dependent upon an annual appropriation by the governing body. This requires that future revenues to the Town be appropriated via installment payments on the debt on an annual basis. It was initially estimated that the annual debt service on a 10-year COP was approximately \$1.1 Million. The Council settled on a COP of \$7.5 Million resulting in an estimated annual debt service for FY 2020/21 of \$837,930.

GENERAL FUND SUMMARY

For FY 2020/21, staff projects the Town's Total General Fund revenues at \$16,388,282 against \$15,241,014 in expenditures. This is a single year surplus of \$1,147,268 before the addition below the line of ERAF. With ERAF and the inclusion of COP debt service, there will be a General Fund revenue surplus of \$1,621,838. There is a projected year-end positive fund balance in the General Fund of \$26.90 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. The Town over the years has experienced an accumulation of excess revenue in the Library Fund. As these are Town revenues, the excess funds may be used to augment library services and/or fund future library capital infrastructure needs. These excess funds are committed as the primary funding source for the construction of the new Atherton Library as well as extended library hours of daily operation, utilities, and maintenance costs. The SMCL has agreed to the advancement of Library Trust funds for the completion of the project. Upon completion of the new Atherton Library, annual excess funds will be retained by the Library JPA until the total amount it reimbursed.

The anticipated FY 2019/20 ending balance for the Library Fund is \$9,110,415. Funds are held in trust in part by the Town and the County of San Mateo. The Town holds \$8,368,929 (this amount includes \$8,045,604 Funds previously held by SMCL as of the June 30, 2018 Audit). In early March, SMCL transferred the \$8.04 million to the Town. The County still holds \$1,783,465 in the SMCL held trust, as this was the amount of excess funds for FY 2018/19. The Town anticipates that this amount held plus advancements of future Library trust funds will be remitted to the Town in FY 2020/21 for completion of the project. The County holds all future excess funds. The projected Library Fund Revenue for FY 2020/21 is \$1,50,000. As the Library funds come from basic property tax allocations, it is unlikely that there will be a COVID-19 impact in FY 2020/21; however, it is anticipated that with the temporary full closure of the Library in March that there will be additional excess funds in FY 2019/20. The estimated available funding for FY 2020/21 not including the advancement of Library Trust funds, is \$12,343,880.

EXPENDITURES

The construction cost for the Library is \$18,375,965 with a current change order amount of \$55,424. For the FY 2020/21 budget, staff has allocated \$14,262,490 for the Library's portion of the Town Center Project. This amount includes construction costs of \$12,923,872, project management oversight of \$300,000 and FF&E of \$1,037,443. This is an estimate only based on a draw down schedule as the project currently has been delayed due to the COVID-19 SIP Order. There could be a potential shift in cash flow draw down schedule due to the stoppage of construction on the Library project in its entirety during the emergency order. Staff may return to the Council to amend the CIP project budget to reflect cash flow more accurately.

Also included in the FY 2020/21 budget is the potential 10 percent (%) contingency of \$1,837,596 of the project costs. This is included for SMCL planning purposes as they intend to advance the Town Library Trust funds for the completion of the Library. Remaining allocations include \$93,050 for operations, utilities, and maintenance costs. In this amount is the yearly rental cost of \$47,600 for the Library temporary trailers. In September 2018, the JPA voted and signed a funding agreement for the advancement of Trust Funds for the Library project. The Town is working with representatives from the San Mateo County Library JPA regarding a funding agreement for the remaining advancement of funds from the County to the Town. The advancement of Funds is now expected to be for up to at least four years of funds or until total construction costs completion of the Library. The total expected need of funds from the SMCL Trust is approximately \$5.6 Million or the equivalent of 4 years excess donors fund at \$1,450,000 per year.

The estimated construction cost for the Library portion of the project, inclusive of all construction, project management, utilities, moving, staging, and FF&E is \$19.7 million. This does not include the contingency amount of \$1.83 Million

The Town Center “project years” are FY 2019/20 through 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. The Town uses this Fund so that when such equipment reaches its useful life, there is no impact to the Town’s Operational year funding to replace the equipment. 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 future 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.

As was previously discussed in Police department expenditures, there was some minor changes since the last budget study session. There were other changes in the department regarding Equipment replacement costs. The purchase of the flock cameras will be charged to the Computer Equipment and Disaster Preparedness Operations budgets respectively instead of Equipment Replacement.

With the suggested changes, the FY 2020/21 revenues total \$45,100 and **the expenditures total increased \$77,000 to \$177,000 from the last study session.** This is due to estimated increased cost for purchase and outfitting of patrol vehicles. There is no charge allocated in the Police Department for FY 2020/21 for the purchase of future vehicles. The Department anticipates the purchase of 2 police vehicles (2 marked), for a total amount of \$177,000 to outfit the vehicles. The additional vehicle (the pick-up truck) was removed for further discussion and is presently on hold.

There are charges in the FY 2020/21 Budget for future equipment for the Public Works Department. The beginning fund balance is estimated at \$1,214,690. The FY 2020/21 ending fund balance is projected at \$1,082,790.

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 related 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. In FY 2018/19 the Police Department rate was increased from 10% to 11% in order to recover the Town's self-insured negative equity reserve. Staff recommends that the Workers' Compensation rate charges be maintained at their current levels.

The Town maintains an active Workers' Compensation Risk Management Program. There are approximately 13 open claims that are incurring a reserve claims set aside cost of approximately \$466,726 in the current year. This is a decrease of \$130,663 from previous year. 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 \$196,022.

Because the Town is self-insured, claims represent an existing liability against the Town's equity reserve. The FY 2019/20 budget included a \$110,000 allocation toward maintaining the required equity reserve. There is no requirement for an equity replenishment in the FY 2020/21 Budget. To prevent special assessments from the Claim's Administrator that affect operational costs, JPA agencies benefit from maintaining their equity reserves. At this time, however, there are reserves in the Town's Worker's Compensation Fund for future allocations.

Total Workers' Compensation charges expense increased by \$17,970 to \$416,213 to recapture losses in self-insured claims.

Projected revenues to the fund are \$420,213 and expenditures for FY 2020/21 total \$125,243. This includes the FY 2020/21 JPA assessment of \$119,448 and safety compliance expense of \$5,795. This produces revenue over expenditures of \$294,970. As the Town has experienced underfunded reserves over the years within the JPA, the revenue charges to the Fund has produced a build-up of net assets in the event claims losses change over time.

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 by 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 2020/21 are estimated at \$300,434. The total FY 2020/21 projected expenditures for this fund are \$298,234. This includes the 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 a requirement established by PLAN JPA.

For the past several years, the Town's liability insurance expense with PLAN JPA has remained static. For FY 2020/21 there is a slight projected budget increase of 5.5 (%) percent in liability insurance for the Town. Total liability and employment practice coverage is estimated to be \$198,234, an increase of \$18,022. The estimated liability insurance expense is \$153,748. The Town liability and employment insurance expense for the current FY was \$184,009. Total current claim retention expense for the FY is \$10,508. The FY 2020/21 ending fund balance is projected at \$651,116. The revenue charges to the Fund over the years has produced a build-up of net assets and if appropriate could see a reduction in charges to the General Fund in future years.

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. Revenue to the Fund for FY 2020/21 is \$787,247. Expenditures for FY 2020/21 are \$643,140. Most of this expenditure is the \$481,459 "pay as you go" retiree health care benefit contribution.

Within this fund is also the employee benefits charge of \$102,801. 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 \$605,940. 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 \$56,306.

With the implementation of GASB 74 and GASB 75 in FY 2017/18, the OPEB liability is now recorded in the Town financial statements. As of June 30, 2019, the net OPEB liability is \$3.64

Million. There is approximately \$6.8 million maintained in the Town OPEB Trust. The projected ending fund balance for FY 2020/21 for the fund is \$1,125,019.

TENNIS FUND

The Tennis Fund projected revenues are \$47,100. A majority of this revenue attributable to the facility management services contract with Player Capital. 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. The Tennis facility closed March due to COVID-19 but reopened in late May.

The FY 2019/20 Budget included the installation and rehabilitation of the tennis shelter area at the courts. There is continued yearly maintenance of the courts with a potential in future years a possible complete rehabilitation of a couple of courts.

The FY 2020/21 budget includes the purchase of tennis keys by residents and non-residents providing 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 get installed in February.

For FY 2020/21, the Town anticipates expenditures of \$52,630 (inclusive of capital costs). This includes \$10,130 for contract maintenance services for MCE, general court maintenance \$40,000 and \$2,500 for building security court gates upkeep. The Town is anticipates rehabilitation of two courts and continued maintenance on the clay court in FY 2020/21.

The beginning fund balance is estimated at \$167,999. The fund projects total revenues of \$47,100 to expenditures of \$52,630. The FY 2020/21 ending fund balance is projected at \$162,469.

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 in recent years has received approximately \$140,000 per year from the grant. Funds must be used for front-line law enforcement only. The Town anticipates receipt of this funding on an annual basis and funds are used for sworn personnel salary related expenditures.

EVANS CREATIVE DESIGN FUND

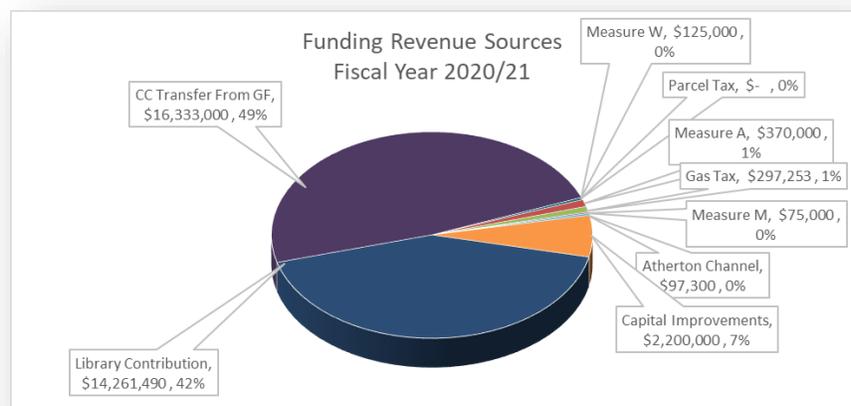
The Evans Creative Design Fund is a bequest of Rita-Corbett-Evans to the Town. A Trust was set up to administer the funds. The funds may be used for distinctive art programming, promoting art awareness, enhancing lifelong learning, and recognizing cultural diversity within the community. In previous 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. During the fiscal year as the fund was nearing depletion, there were a couple of requests for the use of the funds.

In FY 2019/20 the Fund had a balance of approximately \$7,400.

In February 2020, the City Council agreed to split the remaining funds in the Evans Creative Trust to the AAF and the Holbrook Palmer Park Foundation for art room improvements and installation of a statue in the Park. The fund is expected to be depleted at the end of FY 2019/20.

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 (9) capital improvement fund sources that the Town uses for capital improvement and infrastructure needs:



- Atherton General Fund
- Measure M – County Congestion Management Fee on vehicle registration
- Measure A – County ½-cent Transportation Sales Tax
- Measure W- County ½ cent sales tax Transportation Congestion Relief Plan
- Gas Tax
- Atherton Channel Fund
- Measure S – Special Parcel Tax Residual Funds
- Library Fund
- Donations

The five-year CIP proposes projects to analyze, repair or improve Town infrastructure, and the funding for those projects. The seventeen (17) 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 1st year (FY 2020/21) of the CIP is incorporated into the Town's Budget and is the **only year** for which the City Council applies available funding. The remaining four (4) years of the CIP reflect proposed projects and funding. These "out years" are revised annually to reflect changes in City Council priorities, direction, needs and funding availability. The CIP is reviewed by the Town's Planning Commission each year for consistency with the Town's General Plan. This year's CIP was reviewed by the Planning Commission at their May 27 meeting. The Commission found that the Capital Improvement Program for Fiscal Years 2020/2021 – 2024/2025 and the projects included in that program are consistent with the Atherton General Plan.

The 5-year CIP is presented to City Council 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:

- \$16.6 million for the Atherton Town Center;
- \$14.3 million for the new Library;
- \$2.4 million for Drainage Improvements Program;
- \$0.88 million for the Road Maintenance Program; and
- \$.15 million for re-budget of Park Improvements

The total allocation for the 5-year period from FY 2020/21 through FY 2024/25 totals nearly \$51.85 million – the largest expenditures attributable to the Town Center and Library Project. The CIP includes a number of basic maintenance improvement projects that are routine in nature and occur year over year. The CIP includes several projects of which the City Council provided feedback following the recent study session.

Bicycle and Pedestrian Master Plan Implementation – Page 16, #56059

- \$200,000 of Special Parcel Tax & Measure A funds are budgeted. These funds will be used in support of grant applications for larger projects as a local match and/or project grant applications.

Stormwater Capture Facility at Cartan Field – Page 20, #56034

- Staff is working with Caltrans to determine if alternatives are feasible for a distributed system along El Camino Real or other areas that may provide benefit to Caltrans and the

Town’s Green Infrastructure Plan. Absent such a solution the project will not proceed forward as Menlo College and Menlo School are unable to commit resources to the project. Bayfront Canal Improvements – Page 20, #56034

- The Project is contingent on the Council’s agreement with the County for participation in the construction phase; and, an agreement with the County for funding/loan of the full contribution amount of \$1.3 million.

Following the recent Study Session, staff adjusted the park improvement program budget for the re-budget of the FY 2019/20 park pavilion turnaround parking lot and site lighting projects.

1. Park Master Plan Implementation Program (page 26 of CIP)- In FY 2019/20 within the Park program, the budget included \$149,250 for creation of a turnaround at end of Pavilion parking lot (hammerhead) estimate \$18,500 and site lighting, replacement of ten poles and fixtures-estimate \$130,750. These projects did not take place in FY 2019/20 and are re-budgeted in FY 2020/21. With this noted change, the Park Master Plan implementation program budget is \$149,250.

The FY 2020/21 Capital Improvement Fund includes funding sources of \$33.75 million for capital projects.

Funding Source	FY 2020/21 Allocation
Library Fund	\$14,261,490
CIP Fund- Drainage WCF & Bayfront	\$2,200,000
Gas Tax	\$297,253
CC Transfer from General Fund	\$16,333,000
Measure M	\$75,000
Atherton Channel Fund	\$97,300
Measure A	\$370,000
Measure W	\$125,000
Total	\$33,759,043

Expenditures in FY 2020/21 for the CIP are \$34.70 Million. The following are project expenditures:

Project	FY 2020/21 Funding
Traffic Safety Improvements	\$35,000
Accessibility Improvements	\$10,000
Streets/Roads Maintenance	\$875,000
Park Improvement Program Projects Rebudget	\$149,250
Drainage Improvement Projects	\$2,365,000
Bike/Ped Master Plan Program Projects	\$200,000
Atherton Library	\$14,261,490
CC Transfer from General Fund	\$16,622,934
Engineering/Staff project support	\$150,000

Project	FY 2020/21 Funding
Neighborhood Traffic Control Devices	\$10,000
Traffic Control Devices & Safety	\$15,000
Upper Channel Phase 2	\$10,000
Total*	\$34,703,674

*expenditures include residual funds from the expired Parcel Tax

Once a Cooperative MOU is developed with the County of Santa Clara, the Park Circulation Project may be moved forward into the FY 2021/22 CIP.

RERSERVE CALCULATIONS

Since the last Study Session, the projected year-end fund balance increased \$66,399. The FY 2020/21 projected year-end fund balance is \$26,909,417. This includes ERAF revenues as allocated above and all reserve requirements. It is important to note that the unallocated fund balance is allocated toward the construction of the Town Center. Since the prior Study Session, the unallocated fund balance was increased by \$89,639. This is mainly attributed to the increase the \$66,399 decrease of budgeted expenditures.

FY 2020/21 Beginning Fund Balance	\$25,287,579
FY 2020/21 Projected Revenues (inclusive of ERAF)	\$17,700,782
Total Available Funds	\$42,988,361
COP Debt Service for FY 2020/21	(\$837,930)
FY 2020/21 Expenditures (Projected Budget)	(\$15,241,014)
Projected FY 2019/20 Ending Fund Balance	\$26,909,417

The beginning FY 2019/20 General Fund Balance was \$22,573,069. The FY 2019/20 updated projected year-end fund balance is \$25,278,579. This includes the ERAF revenues, as allocated. With the inclusion of the transfers out, there is a total General Fund projected year end fund balance of \$26,909,417.

Unallocated Fund Balance -Reserves

Any remaining fund balance not reserved or committed are designated as Unallocated Fund Balance. The projected unallocated available fund balance for FY 2020/21 is \$21,070,062. This Unallocated Fund Balance represents funds that have not yet been assigned. With Council direction, the unallocated reserve balance can be appropriated towards operational use, capital projects or to pay down liabilities. It is expected that the General Fund unallocated reserve balance will be used toward the Town Center project.

As shown below, the Town will meet its reserve requirements in FY 2020/21 and projects an unallocated reserve that is approximately 138% of projected expenditures.

FY 2020/21 Expenditures	\$15,241,014
Projected FY 2020/21 Ending Fund Balance	\$26,909,417
15% Emergency Reserve	\$2,286,152
20% Budget Stabilization Reserve	\$3,048,203
Building Component for the Town Center (formerly Facilities Reserve)	\$505,000
TOTAL RESERVE REQUIREMENT	\$5,839,355
<i>Less Above Reserve Requirement = Unallocated Reserves</i>	<i>\$21,070,062</i>

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 Town Center project, certain CIP master plan projects will be on hold until additional funding is identified and/or when the Town Center project is completed. As we weather the COVID-19 impacts, the Town is still heavily reliant on property taxes and continues to explore revenue alternatives to the General Fund. There is no immediate impact to property tax revenues to the Town and residential building construction has been ramping back up. Town staff will continue to work efficiently and creatively to maximize available revenues by seeking outside grants, forging community, and regional partnerships.

POLICY FOCUS

The City Council adopts a fiscal year budget that addresses any policies and or priorities of the Council while addressing the needs of the community. 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

None.

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 provides (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 2020/21 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 2020-2021 OPERATING AND
CAPITAL IMPROVEMENT PROGRAM BUDGET**

WHEREAS, the City Council of the Town of Atherton set June 17, 2020, 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 2020-2021 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 2020-2021 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 2020-2021 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 2020-2021, Operating and Capital Improvement Program Budget projected appropriations /expenditures totaling \$67,580,804, which includes the General Fund Operating Budget of \$15,241,014, Other Funds Operating Budgets of \$17,636,116, and the Capital Projects Budget of \$34,703,674, as set forth in Exhibit A, attached hereto and by reference incorporated herein, be adopted for Fiscal Year 2020-2021.

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 17th day of June, 2020, by the following vote:

AYES: Council Members:
NOES: Council Members:

BUDGET RESOLUTION

ATTACHMENT 1
Town of Atherton

ABSENT:
ABSTAIN:

Council Members:
Council Members:

Rick DeGolia, MAYOR
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM

Mona Ebrahimi, City Attorney

Resolution No.

Adopted June 17, 2020
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 2020-2021.
- All CIP encumbered expenditures from the Fiscal Year 2019-2020 Adopted/Revised Budget shall be carried forward and re-appropriated in Fiscal Year 2020-2021. Said encumbered expenditures to be re-appropriated in Fiscal Year 2020-2021 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.

Resolution No.

Adopted June 17, 2020
Appendix D Page 3 of 5

- 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 2020-2021 all Funds Operating and Capital Budgets are hereby adopted, establishing the following revenue estimates and expenditure budgets:

	Town of Atherton Budget for FY 2020-2021							
	Projected Fund Balance 06/30/20	Budgeted Revenues	Budgeted Expenditures	Budgeted Transfer In	Library JPA Est. Advance excess funds	Budgeted Transfer Out/Lease Payment	ERAF	Projected Fund Balance 06/30/21
General Fund								
101 General Fund	\$ 25,287,581	\$ 16,388,282	\$ 15,241,014			\$ (837,930)	\$ 1,312,500	\$ 26,909,419
Special Revenue Funds								
105 Tennis Fund	167,999	47,100	52,630	-				162,469
209 Police (COPS) Grant	146	140,146	140,292					-
213 Library Fund	9,110,415	1,550,000	16,192,136		5,600,000			68,279
215 Evan Creative Design	7,351	90	7,441					-
Total Special Revenue	9,285,911	1,737,336	16,392,499	-	5,600,000	-		230,748
Capital Project Funds								
201 Special Tax	1,107,493		575,000					532,493
202 Measure A	761,746	370,000	325,000					806,746
203 Gas Tax	110,342	297,253	300,000					107,595
204 Measure M	178,298	75,000	75,000					178,298
205 Measure W	133,000	125,000	100,000					158,000
401 Capital Improvement	1,273,482	2,200,000	2,359,250					1,114,232
402 Storm Drainage	31,347	-	-					31,347
403 Channel Drainage Dt.	382,567	97,300	85,000					394,867
406 Facilities Construction	289,934	30,594,490	30,884,424					-
Total Capital Projects	4,268,209	33,759,043	34,703,674	-		-		3,323,578
Internal Service Funds								
610 Equipment Repl.	1,214,690	45,100	177,000					1,082,790
614 Worker's Comp.	1,167,668	420,213	125,243					1,462,638
615 General Liability	648,916	300,434	298,234					651,116
616 Employee Benefits	976,412	791,747	643,140					1,125,019
Total Internal Service	4,007,686	1,557,494	1,243,617	-		-		4,321,563
Total All Funds	\$ 42,849,387	\$ 53,442,155	\$ 67,580,804	\$ -	\$ 5,600,000	\$ (837,930)	\$ 1,312,500	\$ 34,785,308

Resolution No.

Adopted June 17, 2020
Appendix D Page 1 of 5

RESOLUTION NO. 20-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE
TOWN OF ATHERTON APPROVING FISCAL YEAR
2020-2021 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 2020-21, incorporated in "Exhibit A" attached hereto.

WHEREAS, the 2020-21 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 17th day of June, 2020 by the following vote:

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

Rick DeGolia, MAYOR
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

Mona Ebrahimi, City Attorney

TOWN OF ATHERTON									
Salary Schedule									
FY 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	CM Rate effective 7/01/2020								
City Manager	Management/Misc	City Manager	12	1100	D	112.11	8,969.08	19,433.00	233,196.00
	Dept Head Rate Effective 07/01/2020								
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 07/01/2020								
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 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
General Gov Rate Effective 07/01/2020									
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 07/01/2020									
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 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
Police/APOA Rate Effective 07/01/2020									
Police-Civilian/APOA	Police/Misc 80 hours shift	Support Service Coordinator/Dispatcher	40	4401	A	38.88	3,110.53	6,739.47	80,873.65
					B	40.83	3,266.05	7,076.44	84,917.33
					C	42.87	3,429.35	7,430.27	89,163.20
					D	45.01	3,600.82	7,801.78	93,621.36
					E	47.26	3,780.86	8,191.87	98,302.43
Police-Civilian/APOA	Police/Misc 84 hours shift	Support Service Coordinator/Dispatcher	40	4402	A	38.88	3,266.05	7,076.44	84,917.33
					B	40.83	3,429.35	7,430.27	89,163.20
					C	42.87	3,600.82	7,801.78	93,621.36
					D	45.01	3,780.86	8,191.87	98,302.43
					E	47.26	3,969.91	8,601.46	103,217.55
Police-Civilian/APOA	Police/Misc 80 hours shift	Code Enforcement (new Position 02/17/2015)	40	4401	A	38.56	3,085.19	6,684.59	80,215.03
					B	40.49	3,239.45	7,018.81	84,225.78
					C	42.52	3,401.43	7,369.76	88,437.07
					D	44.64	3,571.50	7,738.24	92,858.92
					E	46.88	3,750.07	8,125.16	97,501.87
Police-Civilian/APOA	Police/Misc 84 hours shift	Code Enforcement (new Position 02/17/2015)	40	4402	A	38.56	3,239.45	7,018.81	84,225.78
					B	40.49	3,401.43	7,369.76	88,437.07
					C	42.52	3,571.50	7,738.24	92,858.92
					D	44.64	3,750.07	8,125.16	97,501.87
					E	46.88	3,937.58	8,531.41	102,376.96
Police-Civilian/APOA	Police/Misc 80 hours shift	Dispatcher/Records assistant	40	4405	A	40.93	3,274.24	7,094.18	85,130.16
					B	42.97	3,437.95	7,448.89	89,386.67
					C	45.12	3,609.85	7,821.33	93,856.00
					D	47.38	3,790.34	8,212.40	98,548.80
					E	49.75	3,979.86	8,623.02	103,476.24
Police- Per-Diem	80 hours shift	Per-Diem Dispatcher	40		A	40.93	3,274.24	7,094.18	85,130.16
					B	42.97	3,437.95	7,448.89	89,386.67
					C	45.12	3,609.85	7,821.33	93,856.00
					D	47.38	3,790.34	8,212.40	98,548.80
					E	49.75	3,979.86	8,623.02	103,476.24

TOWN OF ATHERTON									
Salary Schedule									
FY 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
Police-Civilian	Police/Misc	Police Trainee	40	4406	D	45.54	3,643.48	7,894.21	94,730.56
Police-Civilian/APOA	Police/Misc	Dispatcher/Records assistant	40	4405	A	40.93	3,437.95	7,448.89	89,386.67
	84 hours shift				B	42.97	3,609.85	7,821.33	93,856.00
					C	45.12	3,790.34	8,212.40	98,548.80
					D	47.38	3,979.86	8,623.02	103,476.24
					E	49.75	4,178.85	9,054.17	108,650.05
	Police/APOA Rate Effective 07/01/2020								
Police-Sworn/APOA	Police/Sworn/84	Police Officer	40	5505	A	49.36	4,146.46	8,984.00	107,808.00
	84 hours shift				B	51.83	4,353.78	9,433.20	113,198.40
					C	54.42	4,571.47	9,904.86	118,858.32
					D	57.14	4,800.05	10,400.10	124,801.24
					E	60.00	5,040.05	10,920.11	131,041.30
Police-Sworn/APOA	Police/Sworn/84	Police Sergeant	40	5520	A	60.06	5,045.28	10,931.44	131,177.23
	84 hours shift				B	63.07	5,297.54	11,478.01	137,736.09
					C	66.22	5,562.42	12,051.91	144,622.89
					D	69.53	5,840.54	12,654.50	151,854.04
					E	73.01	6,132.57	13,287.23	159,446.74
Police-Sworn/APOA	Police/Sworn/80	Police Officer	40	5506	A	49.36	3,949.01	8,556.19	102,674.29
	80 hours shift				B	51.83	4,146.46	8,984.00	107,808.00
					C	54.42	4,353.78	9,433.20	113,198.40
					D	57.14	4,571.47	9,904.86	118,858.32
					E	60.00	4,800.05	10,400.10	124,801.24
Police-Sworn/APOA	Police/Sworn/80	Police Sergeant	40	5528	A	60.06	4,805.03	10,410.89	124,930.69
	80 hours shift				B	63.07	5,045.28	10,931.44	131,177.23
					C	66.22	5,297.54	11,478.01	137,736.09
					D	69.53	5,562.42	12,051.91	144,622.89
					E	73.01	5,840.54	12,654.50	151,854.04
	Rate Effective 07/01/19								
Police-Sworn	Police/Sworn/84	Police Reserve	40		A	49.36	4,146.46	8,984.00	107,808.00
					B	51.83	4,353.78	9,433.20	113,198.40
					C	54.42	4,571.47	9,904.86	118,858.32
					D	57.14	4,800.05	10,400.10	124,801.24
					E	60.00	5,040.05	10,920.11	131,041.30

Resolution 20-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, 2020; 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, 2020.

* * * * *

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 17th day of June, 2020, by the following vote:

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

Rick DeGolia, Mayor
Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

Mona Ebrahimi, 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, 2020. 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 2020-21;

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 Commander: \$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, 2020.

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 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	CM Rate effective 7/01/2020								
City Manager	Management/Misc	City Manager	12	1100	D	112.11	8,969.08	19,433.00	233,196.00
	Dept Head Rate Effective 07/01/2020								
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 07/01/2020								
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 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
General Gov Rate Effective 07/01/2020									
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 07/01/2020									
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 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
Police/APOA Rate Effective 07/01/2020									
Police-Civilian/APOA	Police/Misc 80 hours shift	Support Service Coordinator/Dispatcher	40	4401	A	38.88	3,110.53	6,739.47	80,873.65
					B	40.83	3,266.05	7,076.44	84,917.33
					C	42.87	3,429.35	7,430.27	89,163.20
					D	45.01	3,600.82	7,801.78	93,621.36
					E	47.26	3,780.86	8,191.87	98,302.43
Police-Civilian/APOA	Police/Misc 84 hours shift	Support Service Coordinator/Dispatcher	40	4402	A	38.88	3,266.05	7,076.44	84,917.33
					B	40.83	3,429.35	7,430.27	89,163.20
					C	42.87	3,600.82	7,801.78	93,621.36
					D	45.01	3,780.86	8,191.87	98,302.43
					E	47.26	3,969.91	8,601.46	103,217.55
Police-Civilian/APOA	Police/Misc 80 hours shift	Code Enforcement (new Position 02/17/2015)	40	4401	A	38.56	3,085.19	6,684.59	80,215.03
					B	40.49	3,239.45	7,018.81	84,225.78
					C	42.52	3,401.43	7,369.76	88,437.07
					D	44.64	3,571.50	7,738.24	92,858.92
					E	46.88	3,750.07	8,125.16	97,501.87
Police-Civilian/APOA	Police/Misc 84 hours shift	Code Enforcement (new Position 02/17/2015)	40	4402	A	38.56	3,239.45	7,018.81	84,225.78
					B	40.49	3,401.43	7,369.76	88,437.07
					C	42.52	3,571.50	7,738.24	92,858.92
					D	44.64	3,750.07	8,125.16	97,501.87
					E	46.88	3,937.58	8,531.41	102,376.96
Police-Civilian/APOA	Police/Misc 80 hours shift	Dispatcher/Records assistant	40	4405	A	40.93	3,274.24	7,094.18	85,130.16
					B	42.97	3,437.95	7,448.89	89,386.67
					C	45.12	3,609.85	7,821.33	93,856.00
					D	47.38	3,790.34	8,212.40	98,548.80
					E	49.75	3,979.86	8,623.02	103,476.24
Police- Per-Diem	80 hours shift	Per-Diem Dispatcher	40		A	40.93	3,274.24	7,094.18	85,130.16
					B	42.97	3,437.95	7,448.89	89,386.67
					C	45.12	3,609.85	7,821.33	93,856.00
					D	47.38	3,790.34	8,212.40	98,548.80
					E	49.75	3,979.86	8,623.02	103,476.24

TOWN OF ATHERTON									
Salary Schedule									
FY 2020-2021									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
Police-Civilian	Police/Misc	Police Trainee	40	4406	D	45.54	3,643.48	7,894.21	94,730.56
Police-Civilian/APOA	Police/Misc	Dispatcher/Records assistant	40	4405	A	40.93	3,437.95	7,448.89	89,386.67
	84 hours shift				B	42.97	3,609.85	7,821.33	93,856.00
					C	45.12	3,790.34	8,212.40	98,548.80
					D	47.38	3,979.86	8,623.02	103,476.24
					E	49.75	4,178.85	9,054.17	108,650.05
	Police/APOA Rate Effective 07/01/2020								
Police-Sworn/APOA	Police/Sworn/84	Police Officer	40	5505	A	49.36	4,146.46	8,984.00	107,808.00
	84 hours shift				B	51.83	4,353.78	9,433.20	113,198.40
					C	54.42	4,571.47	9,904.86	118,858.32
					D	57.14	4,800.05	10,400.10	124,801.24
					E	60.00	5,040.05	10,920.11	131,041.30
Police-Sworn/APOA	Police/Sworn/84	Police Sergeant	40	5520	A	60.06	5,045.28	10,931.44	131,177.23
	84 hours shift				B	63.07	5,297.54	11,478.01	137,736.09
					C	66.22	5,562.42	12,051.91	144,622.89
					D	69.53	5,840.54	12,654.50	151,854.04
					E	73.01	6,132.57	13,287.23	159,446.74
Police-Sworn/APOA	Police/Sworn/80	Police Officer	40	5506	A	49.36	3,949.01	8,556.19	102,674.29
	80 hours shift				B	51.83	4,146.46	8,984.00	107,808.00
					C	54.42	4,353.78	9,433.20	113,198.40
					D	57.14	4,571.47	9,904.86	118,858.32
					E	60.00	4,800.05	10,400.10	124,801.24
Police-Sworn/APOA	Police/Sworn/80	Police Sergeant	40	5528	A	60.06	4,805.03	10,410.89	124,930.69
	80 hours shift				B	63.07	5,045.28	10,931.44	131,177.23
					C	66.22	5,297.54	11,478.01	137,736.09
					D	69.53	5,562.42	12,051.91	144,622.89
					E	73.01	5,840.54	12,654.50	151,854.04
	Rate Effective 07/01/19								
Police-Sworn	Police/Sworn/84	Police Reserve	40		A	49.36	4,146.46	8,984.00	107,808.00
					B	51.83	4,353.78	9,433.20	113,198.40
					C	54.42	4,571.47	9,904.86	118,858.32
					D	57.14	4,800.05	10,400.10	124,801.24
					E	60.00	5,040.05	10,920.11	131,041.30

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 2020-2021 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 2020-21 shall be and is hereby set in the amount of **\$14,319,831** 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 17th day of June, 2020, by the following vote:

Appendix C

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

Rick DeGolia, MAYOR

Town of Atherton

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

Mona Ebrahimi, City Attorney

SECTION G

GANN LIMIT CALCULATION

Town of Atherton

Appendix-C

APPROPRIATIONS SPENDING LIMIT (GANN LIMIT)

Town of Atherton
APPROPRIATIONS SPENDING LIMIT
Prop 4 - Gann Limit FY 2020-2021

Schedule 1: Calculation of Spending Limit

Last Year's Limit (FY 2019-20)	13,822,878
Prior Year Parcel Tax Adjustment	
Adjusted Last Year's Limit (FY 2019-20)	13,822,878

Adjustment Factors:

A. Population (County)	0.9987
C. Inflation	1.0373
A times C	1.04

Total Adjustment (Percent)	0.0360
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Total Adjustment (Dollars)	496,953
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Other Adjustments:

Parcel Tax Adjustment (+)	
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New Appropriation Limit for Fiscal Year 2020-21	14,319,831
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Schedule 2: Appropriations Compared to Limit

Proceeds from Taxes	(Fm Schedule 3)	12,639,820
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Appropriations Subject to Limit FY 2020-21	12,639,820
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Appropriations Limit for FY 2020-21	14,319,831
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Amount under Appropriations Limit	1,680,011
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Schedule 3: Determination of Proceeds of Taxes

Per Budget for FY 2020-21

	Proceeds of Taxes	Non- Proceeds	Total
Revenues			
Property Tax	12,048,750		12,048,750
Sales Tax	210,000		210,000
Public Safety Sales Tax		75,000	75,000
Parcel Tax			-
County Measure A	370,000		370,000
Business License	239,431		239,431
Motor Vehicle License Fee			-
Homeowners Exemption	36,836		36,836
Franchise Fees		918,468	918,468
Development Fees/Permits		2,003,300	2,003,300
Fines & Forfeiture		39,712	39,712
Fees for Services		166,740	166,740
Rentals		154,617	154,617
Miscellaneous		360,428	360,428
	12,905,017	3,718,265	16,623,282
Interest Income	104,803	30,197	135,000
Reduction for CIP	(370,000)		
Total	12,639,820	3,748,462	16,758,282