



Item No. 15 Town of Atherton

CITY COUNCIL STAFF REPORT– PUBLIC HEARING

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

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: JUNE 15, 2022

SUBJECT: ADOPT THE ATTACHED RESOLUTIONS ADOPTING THE FY 2022/23 OPERATIONS AND CAPITAL BUDGET, SALARY & BENEFIT RESOLUTION FOR UNREPRESENTED STAFF, 2022/23 SALARY AND CLASSIFICATION SCHEDULE, GANN LIMIT APPROPRIATIONS AND ADOPT A FEE RESOLUTION AMENDING VARIOUS FEES AND CHARGES ON THE TOWN MASTER FEE SCHEDULE

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 2022-2023 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 2022-2023 Salary Schedules and Classifications; and
4. Resolution of the City Council of the Town of Atherton Establishing the Appropriations Limit for Fiscal Year 2022-2023 Pursuant to Article XIII B of the California Constitution
5. Resolution of the City Council of the Town of Atherton adopting the attached fee resolution amending various fees and charges on the Town Master Fee Schedule.

EXECUTIVE SUMMARY

Staff is pleased to present the City Council with a balanced Annual Operating Budget for FY 2022/23. The Council held four (4) public sessions in review of the Town Operational and Capital Budgets. The FY 2022/23 Operating Budget reflects a positive outlook, as within the next month the Town Center will be complete, and we move into the post pandemic phase. This budget reflects the final close out of a multi-year, multi-million-dollar construction project for new Town facilities. There is a renewed focus of capital infrastructure spending on Town Master Plans as we still have many long-term infrastructure needs. We continue to be fiscally prudent with our

resources but are mindful of operational and infrastructure needs. 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.

Staff incorporated all City Council feedback from the FY 2022/23 Budget meetings, together with additional adjustments, if any, to the Operational and CIP budgets based on identified priorities or projects that need to move forward to the subsequent fiscal year.

CIP projects continue to be identified from the various master plans and residual funding remaining from the Town Parcel Tax is being used. This budget includes an allocation from the Town Unallocated General Fund Balance toward the Town Capital Improvement Fund for CIP projects. This was a result of review of our Financial Planning Model as we discussed our year saving and spending plans based on Council priorities for the Unallocated General Fund Balance. The Town will maintain its annual street maintenance, Neighborhood Traffic Management Action plans, work on Park Master Plan, continue to identify bike pedestrian and drainage maintenance projects.

During the current fiscal year, the CIP has focused on:

- Annual Road Maintenance and Rehabilitation program;
- Green Infrastructure - minor projects;
- Contribution to the Bayfront Canal Collaborative Project;
- Neighborhood Traffic Management plan minor project implementations;
- Atherton Station Building Design;
- Holbrook Palmer Park Access and Circulation Plan Design; and
- Town Center Project

FY 2022/23 Total General Fund revenues are projected at \$19,583,306 against \$17,729,676 in expenditures. This is a single year surplus of \$1,853,631 before the addition below the line of ERAF and transfers in/out. There is a projected year-end positive fund balance in the General Fund of \$12.56 million. Staff seeks to ensure that the Town's fiscal position remains positive while continuing current programs, policies, and services.

REVENUE HIGHLIGHTS

The Town's total General Fund revenue for FY 2022/23 is projected to be \$19,583,306. 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 \$155,000 are included as known revenues. Additional notable grant funds the Town received from various organizations/individuals in the current fiscal year is \$1,264,131 toward the construction of the Town Center project.

FY 2022/23 Town Operations Budget

June 15, 2022

Page 3 of 24

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.

	Actual	Orig. Budget	Adjusted Estimate-	Recommended
Category	FY 2020/21	FY 2021/22	FY 2021/22	FY 2022/23
<i>Secured Property Tax</i>	\$9,834,557	\$10,363,791	\$10,578,791	\$11,107,730
<i>Other</i>	\$2,215,794	\$2,223,107	\$2,541,738	\$3,171,428
Subtotal Property Tax	\$12,050,352	\$12,586,898	\$13,120,529	\$14,279,158
Sales Taxes	\$227,335	\$267,000	\$285,000	\$295,000
Franchise Fees	\$908,381	\$938,000	\$959,000	\$1,005,000
Intergovernmental	\$38,942	\$42,600	\$42,600	\$43,000
Business License Tax				
	\$264,162	\$260,000	\$264,000	\$268,000
Planning Fees	\$231,710	\$220,300	\$220,300	\$225,300
Building Fees	\$1,797,832	\$1,624,000	\$1,752,000	\$1,817,000
Policing Fees	\$67,934	\$158,050	\$209,550	\$294,890
Public Works Fees	\$690,692	\$625,700	\$640,700	\$658,700
Park Program Fees				
<i>Social Fees</i>	\$14,584	\$15,000	\$70,000	\$90,100
<i>Meeting Fees</i>	\$478	\$10,000	10,000	\$10,000
<i>Class Fees</i>	00	\$15,000	15,000	\$15,000
<i>Weddings</i>	\$19,573	\$20,000	\$30,000	\$40,000
<i>Day Use Fees</i>	\$11,288	\$10,500	\$10,500	\$16,500
<i>Catering Service Fee</i>			\$5,000	\$5,200
<i>Admin Fees</i>	\$9,683	\$25,550	\$25,550	
Subtotal	\$55,603	\$96,050	\$166,050	\$176,800
Misc. Revenues				
<i>Admin Citations</i>	\$114,850	\$15,000	\$55,000	\$32,000
<i>Cell Lease(s)</i>	\$64,663	\$65,441	\$65,441	\$70,775
<i>Interest Income</i>	(\$89,438)	\$175,000	\$175,000	\$132,000
<i>Knox Playschool</i>	\$41,668	\$89,533	\$89,533	\$89,533
<i>C&D Forfeiture</i>	\$322,600	\$65,000	\$65,000	\$65,000
<i>Other</i>	\$125,465	\$131,225	\$175,625	\$131,150
<i>COVID-19 Relief</i>	\$86,813			
<i>Rule 20A Funds</i>	\$642,521			
Subtotal	\$1,309,142	\$541,199	\$626,199	\$520,458
Total General Fund				
	\$17,642,085	\$17,359,797	\$18,285,928	\$19,583,306
<i>Excess ERAF</i>	\$1,863,658	\$1,100,000	\$2,279,468	\$2,316,000
Total Revenues	\$19,505,743	\$18,459,797	\$20,565,396	\$21,899,306

- Note – table includes ERAF.

Educational Revenue Augmentation Fund (ERAF)

During the budget study sessions, it was discussed that there was recent State legislation regarding Property Taxes in Lieu of VLF and the proposed deficiency solution. The State legislation proposed that if a County has insufficient funds to pay for the mandated Property Taxes in Lieu of VLF, funds to close the gap shall be redirected from Excess ERAF. Further, the State legislation proposed that Excess ERAF be capped at FY 2021/22 amounts and any growth in excess ERAF thereafter, be set aside to pay for insufficient VLF amounts. If there are *still* insufficient funds to pay for VLF, the County shall file a claim with the State to be made whole for the VLF shortfall.

Recently during its joint legislation budget meetings, the **excess ERAF/VLF shortfall Trailer Bill was rejected and the FY 19-20 \$96M VLF shortfall backfill was approved.** The Town's Excess ERAF for FY 2021/22 was \$2.31 million. Staff adjusted the FY 2022/23 Budget based on the \$2.31 million received in the current year. During Mid-Year staff will adjust Excess ERAF if it comes in higher as currently the exact amount of ERAF is now unknown, however staff anticipates at least \$2.31 million for the budget.

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. During the last several years, ERAF was instrumental funding for the Town Center construction project. Staff set future ERAF at \$2.31 million per year. This will be monitored each year through the budget process.

Workers' Compensation and OPEB Contributions

In the FY 2021/22 budget, the City Council allocated \$221,551 to replenish the reserve from the Workers Compensation Fund residual balance. The current year assessment is \$165,000 and is expected to remain the same amount in FY 2022/23. To maintain the required equity reserve, a replenishment is necessary. The Town equity reserve needs a replenishment of \$62,325 to maintain its reserve requirement. Staff included an allocation of \$62,325 to replenish the reserve from the Workers Compensation Fund residual balance. There was a decrease in Workers Compensation expense as staff recommended a reduction in allocation to Town departments as there were enough reserves in the Town's Workers' Compensation Fund. The Police Department allocation was reduced from 11% to 7%. This led to a reduction in Workers Compensation expense of \$119,474. There was reduction of Workers Compensation allocation expense to all other departments from four percent (4%) to approximately three percent (3%).

In previous fiscal years, the Town made significant contributions toward the OPEB Trust. The Town has taken such steps by significantly funding its Other Post Employment Benefit (OPEB) trust with a total allocation of \$5 million to the Trust. The target contribution was set at \$5 Million. There is now an estimated balance of \$8.66 million in the Trust. The Town has a pay as you go expense for retiree health benefits. For FY 2022/23 the "pay as you go" base amount is expected to be \$566,333. The Town will make an additional contribution of \$67,000 towards the Town OPEB trust to satisfy the amortization of Net OPEB liability. These costs are included and charged

to respective departments and allocated to the Employee Benefits Fund. With the next OPEB Actuarial Report, staff will determine if there is a funding plan that will allow withdrawals from the Trust to fund, in part, operational costs.

Revenue Assumptions

In FY 2022/23, **Property Taxes** represent 74% of the Town General Fund Revenues. The total projected revenue from property taxes is \$14,279,158, approximately 8% or \$1,158,629 over the FY 2021/22 Mid-Year estimate. The Town uses the services of HdL, Property Tax Consultant, to assess future projections. HdL projects that CPI growth will be 2% and that there will be another approximately 2.5% increase due to growth increase in sales prices and low inventory. From early estimates for FY 2022/23 Assessed Property Values are projected to increase \$585 million or 4.5% over FY 2021/22. From FY 2011/12 to FY 2021/22, Atherton has seen a growth in *assessed value* of approximately 205%. Staff projects base property tax revenue to increase by about 4.8% in FY 2022/23.

According to HdL, tax revenue is anticipated to hover 3.5% to 4% over the next couple of years due to gains in median house prices and looks to be valid in the upcoming fiscal year. Property value increases will be at the maximum 2% CPI, and the high value home prices in the Town could continue to carry the increase in property tax revenue in the coming years. In previous years property tax increases have been budgeted between 4.5% to 5%.

Other General Fund revenues for FY 2022/23 include conservative revenue assumptions and reflect minor impacts from COVID-19 pandemic operations. 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.

- Building Department and Planning Department revenues are projected to increase by 3.7 percent (%). Staff is projecting that building permit revenues are moving back to normal levels prior to pandemic, as the assumption building activity continues with residential improvements and new construction.
- Public Works revenue reflects a 2.7 percent (%) or \$18,000 increase in revenue. The Department issues Encroachment Permits for construction activity and currently is on pace to return to pre-pandemic levels.
- Franchise revenues are projected at 2 to 4 percent (%) or \$1,005,000 and are based on current FY 2021/22 year-end projections Miscellaneous revenues were evaluated on current trends, one-time revenues, and eliminated revenues.

EXPENDITURE HIGHLIGHTS

Overall General Fund expenditures are estimated at \$17.72 million. Expenditures continue to be evaluated based on operational needs to provide consistent services to the community. Staff reviewed operational expenditures and known expenditure adjustments were incorporated wherever possible based on upcoming contract costs, projected dues/fees for member agencies, as well as corresponding changes in rate adjustments for CalPERS, health costs, and Workers'

Compensation rates. With the move to the new Town Center, service and maintenance needs were projected in the current budget; however, actual costs have not yet been fully realized as we continue the transition into the new buildings.

Town Center Impacts

The Town Center will complete in FY 2021/22; however, operational costs of the new Town Center are yet to be fully realized. The FY 2022/23 Budget includes estimates for the first year of operations of the new facilities. These estimates cover items such as the costs of a Facility Manager, expanded custodial services, maintenance, and monitoring requirements for the building systems (heating systems, chilled water systems, BMS systems, radiant ceiling and flooring, elevator, green infrastructure, permeable paving, etc.), expanded landscape services, and overall utility costs. These numbers can be adjusted at mid-year once staff has a better understanding of the operational needs of the facilities. Where appropriate, costs are split between the Town and the Library. Costs are also spread across multiple departments, when necessary, to reflect a distributed services budget approach.

Overall Personnel Costs and Benefits

Basic CalPERS employee-paid pension costs are 7% of salary for Miscellaneous employees (non-sworn personnel) and 9% of salary for Public Safety employees (sworn personnel). Through cost-sharing agreements with employees, in addition to the preceding rates, employees pay an additional 1% (local miscellaneous) and 3% (public safety) of the *employer* retirement cost. This has also resulted in an operational savings of \$102,027 in the FY 2019/20, \$112,487 in FY 2020/21, \$122,768 FY 21/22 and \$127,946 FY 22/23 for total savings of \$465,228 since FY 2019/20.

The employer cost for CalPERS pensions for Miscellaneous employees is 11.06% (no change from the prior year). As noted above, the Town’s *actual* cost is reduced to 10.06% through the cost-sharing agreement. The Public Safety employer cost is 25.64% (an increase of 0.05%). Through the cost-sharing agreement, the Town’s *actual* cost is 22.64%.

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 2021/22. The anticipated FY 2022/23 total UAL payment *was* \$1,653,328 and is an increase of \$239,490. 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	\$333,762
Public Safety Employees	\$325,906	\$402,865	\$498,416	\$607,679	\$750,799	\$860,123
Total Contribution	\$442,229	\$548,950	\$682,064	\$838,215	\$1,039,269	\$1,193,885

The City Council directed staff allocate \$5 million toward the Town’s Unfunded Accrued Liability (UAL) for the Public Safety Plan. The minimum required employer contribution towards the UAL for this plan for FY 2022/23 is \$1,172,082. CalPERS has provided the following projection of the effects of the \$5 million ADP to the Public Safety UAL.

CalPERS UAL Contribution	UAL FY 2022/23	UAL FY 2023/24	UAL FY 2024/25	UAL FY 2025/26	UAL FY 2026/27
Public Safety UAL	\$1,172,082	\$1,235,697	\$1,323,634	\$1,380,442	\$1,434,332
Public Safety UAL w/\$5m	\$830,635	\$898,986	\$974,878	\$1,021,921	\$1,065,772
Difference – Savings	\$341,447	\$336,711	\$348,756	\$358,521	\$368,560

The Town made a \$5 million ADP contribution to CalPERS in April 2022, and as illustrated above, the Town UAL Safety Plan this provided a savings of \$341,447 in the FY 2022/23. Over the next five (5) fiscal years this would net savings of approximately \$1.75 million in Public Safety UAL pension expense. In the Police Department FY 2022/23 budget, the UAL expense is \$843,654. The Miscellaneous Plan FY 2022/23 UAL is \$468,227. With the \$5 million ADP, the total UAL payment for the Town is \$1,311,881 as compared to \$1,653,328 without the additional payment. 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.

BUDGETS BY DEPARTMENT

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 OVERALL NET INCREASE OF \$7,157

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.

Operations

FY 2022/23 includes a municipal election budget line item at \$12,000. This increase is offset by smaller adjustments across various items such as meeting costs, office supplies, workshops, memberships and dues, and other minor adjustments. The overall increase is \$7,157.

ADMINISTRATION DEPARTMENT OVERALL NET INCREASE OF \$17,043

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.

Personnel and Benefits

Overall, the salaries and benefits categories increase by \$10,744. Workers' Compensation and Unemployment Insurance allocations were adjusted. There were reductions for retiree and active employee health insurance costs due to the reduction in OPEB annual required contribution. There was an elimination of \$6,000 for auto allowance expense for the City Manager. The CalPERS UAL payment increased by \$10,370. The CalPERS normal cost expense increased slightly by \$1,908.

Operations

There was an increase in utility expenses of \$7,696. Training and Workshops includes \$7,500 for a staff team building workshop. There was a decrease in other contract services in the amount of \$17,996 due to County election division GIS shapefiles and data work completing in FY 2021/22 and a reduction of \$10,000 in the Sustainability Contract Coordinator expense. There was a \$5,000 increase for the Environmental Programs Committee expense now housed in the City Manager's Office. There was also an increase in office supplies, special events and awards of \$5,000.

**CITY ATTORNEY'S OFFICE
INCREASE OF \$0**

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 budget also includes a line item for Additional Services as needed.

**FINANCE DEPARTMENT
OVERALL NET INCREASE OF \$54,402**

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.

Personnel and Benefits

Overall, the salaries and benefits category increased by \$19,506. Slight increase in Workers' Compensation and Unemployment Insurance allocations for a total increase of \$899. The allocations for retiree and active employee health insurance costs decreased by \$7,624. The CalPERS normal cost contribution increased by \$1,523 and the UAL payment increased by \$6,212.

Operations

Operation expenses for the Department increased by \$35,409. Most of the increase is in Other Contract services expense of \$36,150 to complete a Cost Allocation Study for Town fees and services. There were slight increases in various expense accounts audit & financial, technical services, banking services, transfer equipment replacement, training & workshops for a total of \$2,539. Business license processing fee had a decrease of \$2,380 and reduction of \$1,000 in COVID-19 emergency expense.

**PLANNING DEPARTMENT
OVERALL NET INCREASE OF \$308,288**

The Planning Department budget consists of contract planning services and associated services and costs. The Department also includes an allocation of arborist service costs related to planning activities. The Planning Department reflects one of the more significant adjustments due to one-time programmatic expenditures related to the various General Plan Updates (Safety Element, Housing Element, etc.) and associated Zoning Code updates.

Operations

Costs related to updates to the General Plan total \$283,000. These costs are offset by a Local Early Action Plan Grant the Town received from the State in support of the Town's Housing Element Update. There is also a contractual CPI update and an increase in the utility allocation for the Department for the Town Center.

**BUILDING DEPARTMENT
OVERALL NET INCREASE OF \$57,375**

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.

Personnel and Benefits

Overall, the salaries and benefits category increased \$7,748. There were minor adjustments in Employee Benefits Earned, Workers' Compensation, and Unemployment Insurance allocations. Allocations for retiree and active employee health insurance costs decreased by \$3,320. The CalPERS UAL payment increased by \$14,141.

Operations

The majority of the increase is due to a corresponding Building and Life Safety Contract Services increase - \$31,350. This is based on the revenue assumption for the department for the upcoming fiscal year. There was an increase in utilities of \$7,096

**INTERDEPARTMENTAL
OVERALL NET INCREASE OF \$46,171**

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.

Operations

There is a decrease in utilities telephone by \$6,315 as the Town completed a phone line audit as relocation to the Town Center. General liability, employment practice, and property insurance costs increased \$68,198 to maintain the Town's cost for insurance and self-insured retention. IT support amount remained static and provides three (3) days of onsite support as we transition to the Town Center and for work on needed network upgrades, phone system replacement, and other application maintenance. There is a decrease of (\$39,245) in other rents and leases, dues and memberships, and post office expense. This is mainly due to no need for temporary trailer rentals as we moved to the new Town Center. There was a decrease of (\$4,650) in Miscellaneous Computer Parts expense. IT Infrastructure expense had an increase of \$28,093 as new needs and upgrades have been identified with the move to the new Town Center. The FY 2021/22 Budget include updates to the Town's phone system that did not occur. These costs were moved forward to FY 2022/23. General technology services are within this department (maintenance as well as infrastructure) and include current Shoretel Phone Services, Data Storage Plans, Servers, virus protection systems, software licensing and transparency tools. There are no salaries or benefits in the Inter-Departmental budget.

**PUBLIC WORKS DEPARTMENT
OVERALL NET INCREASE OF \$336,875**

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, new Landscape Maintenance Services, Facility Maintenance 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.

The Public Works Department also reflects one of the more significant adjustments due to anticipated costs for the Facilities Manager, new maintenance contract, expanded custodial services and building system costs. Many of these items will be reviewed at mid-year to address a more refined understanding of service needs.

Personnel and Benefits

Overall, the salaries and benefits category increased \$17,265. There were adjustments in Workers' Compensation and Unemployment Insurance allocations. The allocations for retiree and active employee health insurance costs reflect a decrease of (\$24,163) a result of reduction in OPEB annual required contribution. The CalPERS normal cost had an increase of \$1,570 and CalPERS UAL payment increased by \$21,182.

Operations

There are couple significant areas of change in the operations budget largely related to existing and new contract services: MCE Contract Services, New Town Landscaping services, facility maintenance services, Park Event Services, and custodial services. There are new servicing needs for Town facilities and park facilities. These include systems maintenance and monitoring, landscaping, custodial, and utilities for these new facilities. Utility costs are estimated at \$242,000 with 70% for the Town Center. These costs have been distributed across the respective departments and the Public Works budget increased \$6,438. The total current contract DPW maintenance service budget is estimated at \$910,000 an increase of \$162,493 This is inclusive of a contractual adjustment in the MCE contract for CPI, the new Landscape Services for Town Center and Park facilities, and facility system maintenance and monitoring. This includes as follows:

- Contract maintenance for streets, building maintenance, and park events - \$510,000
- Facilities Manager \$75,000; Library \$30,000
- New Landscape maintenance - Town Center Campus and Holbrook Palmer Park -\$325,000; includes park enhancements of \$60,000

Additional impact needs and services for the Town Center increased the Equipment Repair and Maintenance budget by \$70,000 for potential service contracts with the vendors of the various systems and equipment of the new facilities. Vehicle Repairs and Maintenance increased by \$2,500 for maintenance of Town vehicles. The Facility Repairs and Maintenance expense increased by \$26,500 for anticipated minor facility repairs at park facilities, carpet cleaning, sound systems, roof, Gilmore house, and floor upgrades to the Playschool site. There was an increase in contract custodial services of \$83,178 for the Town Center.

Contract Landscape Maintenance decreased (\$29,687). Contract tree maintenance increased by \$10,000 for additional maintenance in Town right of ways and in the Park. There was an increase in Equipment replacement charges of \$5,000 to address the City Manager's vehicle. There are minor areas of adjustment in contract inspection & testing, membership dues, other contract

services, gas & oil, and emergency preparedness. Building Improvements expense budget increased \$20,000 for carryover budget of the renovation of the Carriage House bathrooms, painting of Little League building, and for routine path maintenance and rehabilitation at the Park. Contract Park Event services decreased by \$50,000. The Park Event services contract is based on exclusive catering for events held at park facilities, no longer based on split of facility rental revenues.

POLICE DEPARTMENT
OVERALL NET INCREASE OF \$271,561

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 Department experienced some retirements and lateral promotions from officers to sergeant supervisor positions.

There are several **public safety equipment and technology costs** that are incorporated into the FY 2022/23 Budget. These include renewal of the Town's Axon Agreements for tasers, incorporating new integrated and transparency technologies for body cameras, interview cameras, and fleet vehicles. This will be part of a multi-year agreement that includes licensing, storage, and technology upgrades. The multi-year, integrated system agreement will represent an overall long-term savings to the Town and will vastly improve staff efficiency and data transparency. These costs represent the bulk of the increase and can be offset by the use of ARPA funds.

Personnel and Benefits

Overall, the salary and benefits category increased \$305,610. This is largely due to the negotiated, 4-year Memorandum of Understanding (MOU) with the Atherton Police Officer's Association (APOA) expires in FY 2022/23. The MOU included annual adjustments based on the February CPI-U of no less than 2% and no more than 4%. The February 2022 CPI-U is 5.2%; this results in a salary adjustment for FY 2022/23 of 4% (~\$182,000). This is for personnel represented by the APOA only. There was an increase in EE Benefits allocation expense from 3 percent % to 4 percent.

Also included is a decrease in retiree and active health insurance expense of (\$88,507). There were adjustments in Workers' Compensation allocation expense decrease of \$119,474. The normal cost for CalPERS contribution decreased by (\$5,025) and there was a minor increase Unemployment/LTD Insurance. The CalPERS UAL payment decreased by (\$198,042), this projected due to the ADP of \$5 million to CalPERS.

Operations

Overall, the Operations expenditure budget for the Police Department increased by \$256,019. The majority of this was due to an increase in the equipment replacement fund expense of \$72,400 and computer equipment/software for \$162,406.

The Department is updating and enhancing its technology. Some of these upgrades coincide with expiring service contracts and others are due to the transition to the new Town Center. As previously discussed, the major outlay is for a multi-year contract with Axon. This is a yearly contract with an annual cost of approximately \$96,800. Integrating this contract across multiple systems represents an overall savings to the Town and provides ongoing replacement of equipment and cloud data support for our existing Axon equipment. Additional budget items include ten (10) E-citations machines for parking and traffic enforcement, RIMS mapping; creation of GIS mapping project \$14,000, and software upgrades totaling \$10,865. The Department has a standard Equipment Replacement Fund allocation of \$175,000 that accounts for the purchase of 1.5 vehicles each year as part of the regular maintenance and replacement schedule for vehicles. This year the department will purchase two new replacement vehicles. These purchases will be from the Equipment Replacement Fund. There are also several small equipment purchases included as part of the equipment schedule. These include a wrap, a Halligan tool, ram, sledge, variable message trailer sign and traffic data collector for use for radar speed displays, traffic data collection, and message signs, two (2) laptops for field Command use/internal trainings for offsite and backups for vehicles.

GENERAL FUND SUMMARY

For FY 2022/23 the Town's General Fund Revenues are projected at \$19,583,306 against \$17,729,676 in expenditures. This will result in a single year-end positive balance of \$1,853,631 and a total projected year ending positive Fund Balance of \$12,567,502.

FY 2022/23 includes below the line items of \$2,316,000 for ERAF, budgeted debt service payment of \$861,000, Transfer Out to CIP Fund 401 for capital projects of \$3,340,000. There will be a single-year projected change in fund balance by negative \$31,369. The negative change reflects the increase in ERAF revenue amount from \$1.6 million to \$2.31 million and drawdown of unallocated reserves Fund Balance of \$3.34 million for capital projects.

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 most recent use of excess funds have been for the Town Center Project – Library – as well as extended library hours of daily operation, utilities, and

maintenance costs. In FY 2020/21 the SMCL agreed to the advancement of \$5,391,725 in Library Trust funds for the completion of the project. Upon completion of the new Atherton Library, annual excess funds minus amounts needed for yearly operation of the Library will be retained by the Library JPA until the total advancement amount is reimbursed. Once the advancement of funds is reimbursed, any remaining funds will be evenly split between the Library and the Town for library-related activities.

The anticipated FY 2021/22 ending balance for the Library Fund is \$1,775,262. Funds are now held by the Town. The Town currently holds \$1,462,232 of remaining advancement of funds previously held by SMCL. The County holds all future excess funds. During the agreement of advancement of Library funds, it was estimated that the projected Library Fund Revenue would be in the range of \$1,500,000. The Town will not receive excess funds from the JPA until the advancement of funds are paid back. It is estimated that it will take approximately 3.5 to 4 years for reimbursement of the advancement of Library JPA funds. This could occur sooner dependent upon property tax revenues. The estimated available funding for FY 2022/23 including the remaining advancement of Library Trust funds, is \$1,500,353.

EXPENDITURES

The construction cost for the Library is approximately \$19.5m. For the FY 2022/23 budget, staff has allocated \$300,000 for the Project's close out.

Remaining allocations include \$249,000 for operations, utilities, and maintenance costs. These amounts are based on the new building needs and operations, campus wide.

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 set aside accumulation account to replace large equipment assets over time – such as computer equipment, software assets, vehicles, trailers, emergency equipment, etc. Annual depreciation-style departmental allocations to this Fund reduces the impact to the Town's Operational year funding to replace the equipment. There remains sufficient funds in the fund to accommodate emergency replacement needs as well as planned needs.

The FY 2022/23, departmental allocations (revenues) total \$282,300 and the expenditures total \$249,200. The largest allocation charge is \$175,000 in the Police Department for FY 2022/23. This allocaton reflects the purchase of 1.5 vehicles each year as part of the regular maintenance

and replacement schedule for vehicles. It allows the Town to use the State and Federal Multiple-Award Schedule pricing to purchase vehicles from the Equipment Replacement Fund. In FY 2022/23 the Police Department will replace two vehicles using the Equipment Replacement as well as purchase other miscellaneous small equipment assets. These were noted in the General Fund Budget presentation. Public Works will also be replacing an older vehicle. The FY 2022/23 ending fund balance is projected at \$1,075,780.

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.

The Town maintains an equity reserve designed to keep overall operational rates low. If the equity reserve maintained, annual operational rates are subject to increase due to a “special assessment” imposed by the Cities Group JPA. The current year assessment is \$165,000 and is expected to remain the same amount in FY 2022/23. To maintain the required equity reserve, an allocation of \$62,325 is needed. This will come from the Workers' Compensation Fund residual balance in FY 2022/23. Currently, there are enough reserves in the Town's Worker's Compensation Fund for future allocations of approximately two and half years for equity replenishment.

There was a decrease in Workers Compensation expense as staff recommended a reduction in allocation to Town departments as there were enough reserves in the Town's Workers' Compensation Fund. The Police Department allocation was reduced from 11% to 7%. There was reduction of Workers Compensation allocation expense to all other departments from four percent (4%) to approximately three percent (3%). Thereby this led to a reduction in Workers Compensation expense reducing the General Fund budget expense \$140,496.

Projected revenues to the fund are \$311,499 and expenditures for FY 2022/23 total \$228,207. This includes the FY 2022/23 JPA assessment expense of \$159,264 and safety compliance expense of \$6,618. There is an equity replenishment contribution of \$62,325 As the Town has experienced underfunded reserves over the years within the JPA, the revenue charges to the Fund have 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 2022/23 are estimated at \$372,460. The total FY 2022/23 projected expenditures for this fund are \$370,260. This includes the self-insurance retention expense of \$100,000 that allows the payout of four (4) claims at \$25,000 per claim. The Town does not anticipate expending retention expenses of 4 claims in the fiscal year, however, the amount is a requirement established by PLAN JPA. Average retention claims are about 1.5 per year.

EMPLOYEE BENEFITS FUND

The Employee Benefits Fund tracks expenditures across various departments for employment, unemployment, retirement, and healthcare benefits. The Fund also represents an audit-compliant set aside for compensated absences (time earned) – vacation, sick leave, holiday, compensatory time, etc.). 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 2022/23 is \$1,056,011. Expenditures for FY 2022/23 are \$848,335. Most of this expenditure is the \$633,335 “pay as you go” retiree health care benefit contribution.

Within this fund is also the employee benefits charge of \$222,861. This is a charge of 2% to 3% of the General Fund Operational Departments salary expense that is allocated for personal leave contributions of sick, vacation, and holiday pay. Staff is recommending an increase in the employee benefits allocation charge for accrual calculations for vacation, sick leave, and holiday pay. The Police Department allocation will increase from 3% to 4% and all other departments will increase from 2% to 3%. This increase will be reflected in the next reiteration of the Operations budget. The Town has a total compensated absences balance of \$982,163. 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. As noted, 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 \$60,878. During the General Fund Operations presentation, staff recommended the Town make an additional contribution of \$67,000 towards the Town OPEB trust to satisfy the amortization of Net OPEB liability. These costs are included and charged to respective departments based on retiree health costs and allocated to the Employee Benefits Fund.

The projected ending fund balance for FY 2022/23 for the fund is \$841,797.

TENNIS FUND

The Tennis Fund projected revenues are \$58,900. The majority of this revenue comes through the facility management services contract with Player Capital. This contract provides additional yearly revenue of \$40,000 to the Park. Keys are sold on an annual basis to any person (resident or non-resident) that wishes to use the Tennis courts. The Tennis Key fees were increased in January 2020 for future court increased maintenance needs and expanded use of the courts. The standard key for residents was increased from \$50 to \$100 and includes clay court key, and the non-resident key increased from \$200 to \$275.

Every year the Town tries to resurface and maintain the courts. This is done on approximately every 3-5 years on a cyclical basis on each of the five (5) non-clay tennis courts. The tennis court resurfacing treatment includes crack filling and taping, followed by a new surface coating and striping. Over the years the Tennis Fund has slowly accumulated reserves of approximately \$200,000 that could be used for the more comprehensive repair. The current fiscal year budget included appropriations for maintenance of the courts. The Town went out to bid for an overlay on three (3) of the rear courts at the facility. The work is set to begin in the next month for maintenance and repair for approximately six (6) weeks.

The FY 2022/23 budget includes the purchase of tennis keys by residents and non-residents providing annual revenue of approximately \$18,300. The charges for keys are \$100 for Atherton Residents for a standard tennis key/with clay court access.. The standard key fee for non-residents is \$275 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 2022/23, the Town anticipates expenditures of \$117,500. This includes \$10,000 for contract maintenance services for MCE, general court maintenance urgent needs rehabilitation of remaining two tennis courts and clay court maintenance \$100,000 and \$5,000 for building security court gates upkeep. The Town will continue maintenance on the clay court in FY 2022/23.

The beginning fund balance is estimated at \$101,325. The fund projects total revenues of \$58,900 to expenditures of \$117,500. The FY 2022/23 ending fund balance is projected at \$42,725.

CITIZEN'S OPTION FOR PUBLIC SAFETY "COPS" FUND

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 \$155,000 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.

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 (6) capital improvement fund sources that the Town uses for capital improvement/infrastructure needs and include:

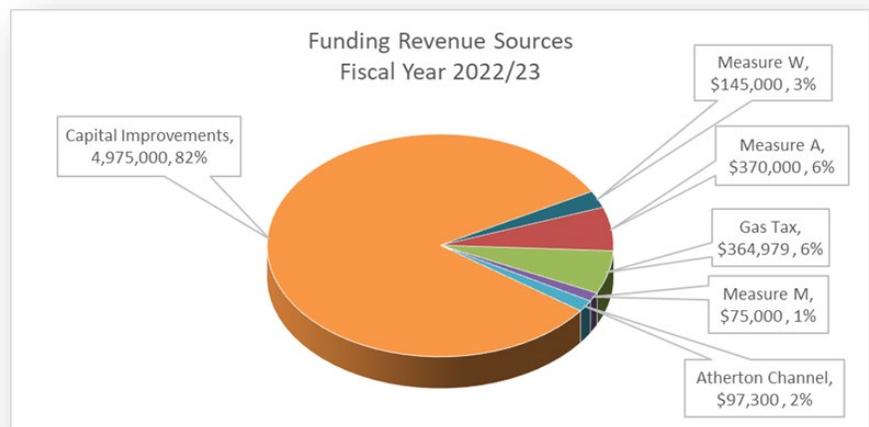
- Atherton General Fund
- Measure M – County Congestion Management Fee on vehicle registration
- Measure A – County ½-cent Transportation Sales Tax
- Measure W- County ½ cent sales tax Transportation Congestion Relief Plan
- Gas Tax
- Atherton Channel Fund

The five-year CIP proposes projects to analyze, repair or improve Town infrastructure, and the funding for those projects. The fifteen (15) projects are categorized into three areas:

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

Projects have been developed based on needs identified by City Council, residents, staff, and adopted master plans. Projects recommended in the five-year CIP reflect the priority funding as directed by the Council when reviewing the Financial Planning Model.

The 1st year (FY 2022/23) 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 will be reviewed by the Planning Commission at their May 25 meeting. The Commission will send their comments in writing to the City Council prior to Council’s June 15 meeting at which the Council is scheduled to adopt the budget, inclusive of the CIP.

The 5-year CIP is presented to City Council tonight in the Study Session workshop format 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:

- \$1.7 million for Park Master Plan Implementation;
- \$1.5 million for the Road Maintenance Program; and
- \$0.85 million for Drainage Improvements Program;

The total allocation for the 5-year period from FY 2022/23 through FY 2026/27 totals nearly \$21.6 million – the largest expenditures attributable to the Holbrook-Palmer Park Access and Circulation Project.

There are funds remaining from the Special Parcel Tax and there is an allocation of the remaining balance of Special Parcel funds in the FY 2022/23 budget. The Special Parcel Tax provided funding to maintain police emergency response services, street repair and maintenance, drainage facility repair and maintenance, and other capital improvements.

The FY 2022/23 Capital Improvement Fund includes funding sources of \$6.027 million for capital projects.

Funding Source	FY 2022/23 Allocation
CIP Fund	\$4,975,000
Gas Tax	\$364,979
Measure M	\$75,000
Atherton Channel Fund	\$97,300
Measure A	\$370,000
Measure W	\$145,000
Total	\$6,027,279

Expenditures in FY 2022/23 for the CIP are \$5.98 million. The following are project/program expenditures:

Project	FY 2022/23 Funding
Traffic Safety Improvements	\$640,000
Accessibility Improvements	\$10,000
Streets/Roads Maintenance	\$1,500,000
Park Improvement Program Projects	\$1,700,000
Drainage Improvement Projects	\$850,000
Bike/Ped Master Plan Program	\$650,000

Project	FY 2022/23 Funding
Atherton Station Building	\$450,000
Neighborhood Traffic Management	\$160,000
Traffic Control Devices	\$15,000
Upper Channel Monitoring	\$10,000
Total*	\$5,985,000

*Expenditures include residual funds from the Special Parcel Tax, one-time grants and carryover funds

OVERALL SUMMARY

For FY 2022/23 the Town’s General Fund Revenues are projected at \$19,583,306 against \$17,729,676 in expenditures. This will result in a single year-end positive balance of \$1,853,631 and a total projected year ending positive Fund Balance of \$12,567,502.

FY 2022/23 includes below the line items of \$2,316,000 for ERAF, budgeted debt service payment of \$861,000, Transfer Out to CIP Fund 401 for capital projects of \$3,340,000. There will be a single-year projected change in fund balance by negative \$31,369. The negative change reflects the increase in ERAF revenue amount from \$1.6 million to \$2.31 million and drawdown of unallocated reserves Fund Balance of \$3.34 million for capital projects.

RESERVES

Currently, the Town maintains a thirty five percent (35%) reserve requirement policy. This includes a fifteen (15%) Emergency Reserve and a twenty percent (20%) Budget Stabilization Policy. During the April 6 Study Session, there was discussion and recommendation by the Council to change the Town Budget Stabilization Reserve policy percentage from 20% to 15%. In this current iteration of the General Fund Balance, the reserve policy is adjusted to thirty percent (30%). With the above revenue and expenditure changes, reducing the Budget Stabilization Reserve to 15% increased the Unallocated available fund balance by \$886,484. Any remaining fund balance not reserved or committed is designated as Unallocated Fund Balance. *The projected unallocated available ending fund balance for FY 2022/23 is \$7,248,600.*

With Council direction, the unallocated reserve balance can be appropriated towards operational use, capital projects or to pay down liabilities. During its review of the Town Financial Planning model during the fiscal year, staff recommended that the Council consider uses for the unallocated funds. During discussions the Town allocated \$5 million toward CalPERS Public Safety Pension Liabilities in FY 2021/22. For FY 2022/23, there is an allocation of \$3.34 million for various set aside buckets for capital projects in the Town CIP.

The beginning FY 2021/22 General Fund Balance was \$16,318,279. The table below reflects all changes noted above.

FY 2022/23 Beginning Fund Balance	\$12,598,872
FY 2022/23 Projected Revenues (inclusive of ERAF)	\$21,899,306

Total Available Funds	\$34,498,178
COP Debt Service for FY 2022/23	(\$861,000)
FY 2022/23 Expenditures (Projected Budget)	(\$17,729,676)
FY 2022/23 Transfer Out CIP 401 Fund -Financial Planning	(\$3,340,000)
Projected FY 2022/23 Ending Fund Balance	\$12,567,502

As shown below, the Town will meet its new 30% reserve requirements total of \$5,318,902 in FY 2022/23 and projects an unallocated reserve that is 57% of projected expenditures.

Unallocated Fund Balance

Any remaining fund balance not reserved or committed are designated as Unallocated Fund Balance. The projected unallocated available fund balance for FY 2022/23 is \$7,248,600. 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.

FY 2022/23 Expenditures	\$17,729,676
Projected FY 2021/22 Ending Fund Balance	\$12,567,502
15% Emergency Reserve	\$2,659,451
15% Budget Stabilization Reserve	\$2,659,451
TOTAL RESERVE REQUIREMENT	\$5,318,902
<i>Less Above Reserve Requirement = Unallocated Reserves</i>	<i>\$7,248,600</i>

GANN LIMIT CALCULATION

The Finance Director calculated the FY 2022/23 GANN limit using the percentage change in population and the cost of living provided by the State Department of Finance. The GANN limit for 2022/23 is \$16,027,165. The Town is in compliance with the GANN limit requirement for FY 2022/23.

MASTER FEE SCHEDULE CPI ADJUSTMENT

As part of the Fiscal Year 2022/23 Budget, staff is presenting a fee resolution for amending various fees and charges to the Town Master Fee Schedule. The Town last performed a Master Fee Study in 2013. The 2013 Study recommended that a complete review of fees be conducted every three to five years. The Study recommended the Town also consider a regular escalator based on a local Consumer Price Index in the periods between adoption of the fee resolution and the next comprehensive fee review. The fee schedule includes the fully loaded hourly rate for staff. It was suggested that the escalator be based on the labor cost adjustments since the last

Master Fee Study. Staff recommendation was to adjust the fees based on increases in labor costs. The last increase to the Master Fee Study was in 2020. The Master Fee schedule was adjusted by 19.5%. This was the documented increase in Town labor costs since 2013 when the Town last performed a Master Fee Study. *The Master Fee resolution for amending various fees is considered as needed.*

Town staff recommends that the Master Fee Schedule fees be amended for FY 2022/23 and be based on labor cost adjustments based on based on a local Consumer Price Index (CPI). The Town will embark on a Master Fee Study in FY 2022/23. It was recommended that the Town conduct another fee study once the Town Center is complete and there is sufficient data related to administrative overhead. It is now timely for the Town to consider a full fee study. Fees studies provide detailed cost analyses on which to base new fees.

The Fee Study is a detailed review that includes a cost allocation plan, hourly rate calculation, and user fee study. The Master Fee Study will entail all fees charged by all Town Departments and a detailed cost analysis of user fees. The objectives are to ensure that Town is using comprehensive overhead rates and to accurately account for the true cost of providing Town's various services. Fees for *at market rental* of public spaces may be adjusted independent of a cost analysis. Until the Fee Study is completed, staff recommends that the Town consider a CPI escalator to amend various fees in the Master Fee Schedule. Since 2020, the documented cumulative increase in Town labor costs is 6.9%. Planning services are largely outsourced to a consulting firm. These fees have increased by 6.9%.

As per discussion with the City Council, the attached Resolution adjusts fees as follows in the Master Fee Schedule:

- Fees on the Master Fee Schedule that have a labor component be increased by 6.9%.
- A 6.9% adjustment to Planning fees.
- No changes have been made to valuation-driven fees at this time until a new cost study is performed.

The Master Fee Schedule sets the fees for Planning, Building, Engineering, Public Works, Administrative, Police, and Parks and Facility Rentals. Fees that have been adjusted by 6.9% *have been highlighted in Attachment A Master Fee Schedule.*

Park Revenue

Staff discussed that fees for at market rental of public spaces may be adjusted independent of a cost analysis. The labor cost incorporated into any rental fees have been adjusted accordingly.

The Council directed that the Park and Recreation Committee review and prepare a recommendation for consideration by the Council for modification rental facilities at Holbrook Palmer Park. At its April 20 Council Meeting, the Council received a presentation from the Park and Recreation committee recommending adjustment to the current Park Facilities fee structure.

The Park and Recreation Committee recommended pricing and grouping adjustments to facility rentals and kept them consistent with current pricing levels. The recommendations were as follows:

- Convert from flat rate to hourly pricing - this reduces the number of price bands while earning same revenue;
- Show hourly pricing in two columns (residents & non-residents) Administration fees are built into the pricing;
- Round prices to the nearest ‘0’ or “5”- subcommittee recommended to round prices to the nearest \$5 per hour;
- Align Holiday rental pricing with the weekend rental pricing;
- Allow exclusive outdoor venues to be rented a la carte;
- Improve day use reservation compliance by increasing the same day registration fee and eliminating the penalty;

The Park and Recreation committee’s recommendation for pricing and facility rental fees are incorporated in the Master Fee schedule as presented at the April 20 meeting. The fees have also been adjusted by the CPI labor component of 6.9%. Staff recommends the new Park fees convert to hourly pricing. During the FY 2022/23, staff will conduct a study of comparable park and recreation facilities of other agencies to verify the Town pricing metrics.

CONCLUSION

This budget presents a plan/roadmap for accomplishing the goals and objectives of the City Council within existing resources and core strategy of financial stability. We continue to be fiscally prudent with our resources but are mindful of operational and infrastructure needs. As the Town Center project heads to final completion, we still have many long-term infrastructure needs. Town priorities will focus again on CIP Master Plan projects and paying down long-term liabilities.

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.

GOAL ALIGNMENT

This Report and its contents are in alignment with the following Council Policy Goals:

- Goal A – Maintain Fiscal Transparency
- Goal F – Be Forward-Thinking, Well-Managed and Well-Planned

PUBLIC NOTICE

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

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

Fiscal Transparency Web Page:

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

Archive of Town Budgets:

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

Financial Data Portal (OpenGov):

<http://www.ci.atherton.ca.us/index.aspx?nid=361>

Financial Audit Archive:

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

Actuarial Valuations Archive:

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

Labor Contracts, Agreements, and Salary/Benefit Information:

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

ATTACHMENTS

FY 2022/23 Operating Budget Document of the Town and accompanying Resolutions

RESOLUTION NO. 22-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE
TOWN OF ATHERTON APPROVING FISCAL YEAR
2022-2023 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 2022-23, incorporated in "Exhibit A" attached hereto.

WHEREAS, the 2022-23 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 15th day of June, 2022 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 2022-2023									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
CM Rate effective 7/01/2021									
City Manager	Management/Misc	City Manager	12	1100	D	117.61	9,408.58	20,385.25	244,623.00
Dept Head Rate Effective 07/01/2022									
Department Heads	Management/Misc	Finance Director	18	1104	A	92.21	7,377.16	15,983.86	191,806.28
					B	96.82	7,745.85	16,782.68	201,392.15
					C	101.66	8,132.77	17,621.01	211,452.13
					D	106.75	8,539.64	18,502.55	222,030.66
Department Heads	Management/Sworn	Chief of Police	40	1105	A	98.38	7,870.77	17,053.35	204,640.15
					B	103.31	8,264.57	17,906.58	214,878.95
					C	108.47	8,677.54	18,801.34	225,616.10
					D	113.89	9,111.43	19,741.42	236,897.06
		Chief of Police	40	1105	A	86.85	6,947.69	15,053.34	180,640.07
		Housing Reduction Salary			B	91.77	7,341.49	15,906.57	190,878.87
					C	96.93	7,754.46	16,801.34	201,616.02
					D	102.35	8,188.35	17,741.41	212,896.98
Department Heads	Management/Misc	City Clerk/Deputy City Manager	12		A	74.52	5,961.84	12,917.32	155,007.83
					B	78.25	6,259.84	13,563.00	162,755.95
					C	82.16	6,572.95	14,241.40	170,896.77
					D	86.26	6,901.16	14,952.52	179,430.28
Department Heads	Management/Misc	Public Works Director/City Engineer	50		A	91.89	7,351.03	15,927.24	191,126.86
					B	96.48	7,718.58	16,723.59	200,683.06
					C	101.31	8,104.51	17,559.77	210,717.28
					D	106.37	8,509.74	18,437.77	221,253.18
Mid Mgmt Rate Effective 07/01/2022									
Mid-Management	Management/Misc	Commander	40	2204	A	86.74	6,939.50	15,035.59	180,427.05
					B	91.08	7,286.45	15,787.30	189,447.62
					C	95.63	7,650.29	16,575.62	198,907.45
					D	100.40	8,032.23	17,403.16	208,837.92
Mid-Management	Management/Misc	Senior Engineer/Maintenance Manager	50		A	67.95	5,435.90	11,777.77	141,333.29
					B	71.35	5,707.69	12,366.67	148,399.98
					C	74.91	5,993.07	12,984.99	155,819.89
					D	78.66	6,292.73	13,634.24	163,610.89
Mid-Management	Management/Misc	Town Arborist/Parks Manager	25/50		A	61.61	4,928.75	10,678.96	128,147.46
					B	64.69	5,175.18	11,212.90	134,554.75
					C	67.92	5,433.95	11,773.55	141,282.59
					D	71.32	5,705.64	12,362.22	148,346.65

TOWN OF ATHERTON									
Salary Schedule									
FY 2022-2023									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
General Gov Rate Effective 07/01/2022									
Confidential	Confidential/Misc	Jr. Accountant	18		A	44.45	3,556.38	7,705.49	92,465.86
					B	46.44	3,715.36	8,049.96	96,599.49
					C	48.76	3,901.13	8,452.46	101,429.46
					D	51.21	4,096.59	8,875.94	106,511.30
Confidential	Confidential/Misc	Accountant	18		A	51.26	4,100.58	8,884.58	106,615.02
					B	53.82	4,305.72	9,329.06	111,948.73
					C	56.51	4,521.12	9,795.76	117,549.13
					D	59.33	4,746.78	10,284.68	123,416.21
Confidential	Confidential/Misc	Assistant to Chief/Training Manager	40		A	46.37	3,709.76	8,037.82	96,453.89
					B	48.69	3,895.25	8,439.72	101,276.58
					C	51.13	4,090.02	8,861.70	106,340.41
					D	53.68	4,294.52	9,304.79	111,657.44
General Gov Rate Effective 07/01/2022									
General Government	General Gov/Misc	Office Specialist	"12/25/50	3304	A	34.55	2,763.73	5,988.08	71,856.98
					B	36.28	2,902.20	6,288.10	75,457.24
					C	38.09	3,047.51	6,602.94	79,235.28
					D	40.00	3,199.66	6,932.59	83,191.12
General Government	General Gov/Misc	Town Arborist/Public Works Specialist	25	3306	A	53.34	4,267.54	9,246.34	110,956.07
					B	56.01	4,480.66	9,708.10	116,497.20
					C	58.81	4,704.61	10,193.32	122,319.84
					D	61.75	4,939.95	10,703.23	128,438.80

TOWN OF ATHERTON									
Salary Schedule									
FY 2022-2023									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
	Police/APOA Rate Effective 07/01/2022								
Police-Civilian/APOA	Police/Misc	Support Service Coordinator/Dispatcher	40	4401	A	41.25	3,299.64	7,149.23	85,791
	80 hours shift				B	43.31	3,464.63	7,506.69	90,080
					C	45.47	3,637.86	7,882.03	94,584
					D	47.75	3,819.75	8,276.13	99,314
					E	50.13	4,010.74	8,689.93	104,279
Police-Civilian/APOA	Police/Misc	Support Service Coordinator/Dispatcher	40	4402	A	41.25	3,464.63	7,506.69	90,080
	84 hours shift				B	43.31	3,637.86	7,882.03	94,584
					C	45.47	3,819.75	8,276.13	99,314
					D	47.75	4,010.74	8,689.93	104,279
					E	50.13	4,211.28	9,124.43	109,493
Police-Civilian/APOA	Police/Misc	Code Enforcement	40	4401	A	40.91	3,272.77	7,091.01	85,092
	80 hours shift	(new Position 02/17/2015)			B	42.96	3,436.41	7,445.56	89,347
					C	45.10	3,608.23	7,817.84	93,814
					D	47.36	3,788.64	8,208.73	98,505
					E	49.73	3,978.08	8,619.16	103,430
Police-Civilian/APOA	Police/Misc	Code Enforcement	40	4402	A	40.91	3,436.41	7,445.56	89,347
	84 hours shift	(new Position 02/17/2015)			B	42.96	3,608.23	7,817.84	93,814
					C	45.10	3,788.64	8,208.73	98,505
					D	47.36	3,978.08	8,619.16	103,430
					E	49.73	4,176.98	9,050.12	108,601
Police-Civilian/APOA	Police/Misc	Code Enforcement/Dispatcher Hybrid			A	41.13	3,290.35	7,129.08	85,549
	80 hours shift	(new Position 07/1/2021)			B	43.19	3,454.86	7,485.54	89,826
					C	45.35	3,627.61	7,859.81	94,318
					D	47.61	3,808.99	8,252.80	99,034
					E	49.99	3,999.44	8,665.44	103,985
Police-Civilian/APOA	Police/Misc	Code Enforcement/Dispatcher Hybrid			A	41.13	3,454.86	7,485.54	89,826
	84 hours shift	(new Position 07/1/2021)			B	43.19	3,627.61	7,859.81	94,318
					C	45.35	3,808.99	8,252.80	99,034
					D	47.61	3,999.44	8,665.44	103,985
					E	49.99	4,199.41	9,098.71	109,185

TOWN OF ATHERTON

Salary Schedule

FY 2022-2023

Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
Police-Civilian/APOA	Police/Misc 80 hours shift	Communication Supervisor (new Position 07/1/2021)			A	54.89	4,390.86	9,513.52	114,162
					B	57.63	4,610.40	9,989.20	119,870
					C	60.51	4,840.92	10,488.66	125,864
					D	63.54	5,082.97	11,013.09	132,157
					E	66.71	5,337.11	11,563.75	138,765
Police-Civilian/APOA	Police/Misc 84 hours shift	Communication Supervisor (new Position 07/1/2021)			A	54.89	4,610.40	9,989.20	119,870
					B	57.63	4,840.92	10,488.66	125,864
					C	60.51	5,082.97	11,013.09	132,157
					D	63.54	5,337.11	11,563.75	138,765
					E	66.71	5,603.97	12,141.94	145,703
Police-Civilian/APOA	Police/Misc 80 hours shift	Dispatcher/Records assistant	40	4405	A	43.42	3,473.31	7,525.51	90,306
					B	45.59	3,646.98	7,901.78	94,821
					C	47.87	3,829.32	8,296.87	99,562
					D	50.26	4,020.79	8,711.71	104,541
					E	52.77	4,221.83	9,147.30	109,768
Police- Per-Diem	80 hours shift	Per-Diem Dispatcher	40		A	43.42	3,473.31	7,525.51	90,306
					B	45.59	3,646.98	7,901.78	94,821
					C	47.87	3,829.32	8,296.87	99,562
					D	50.26	4,020.79	8,711.71	104,541
					E	52.77	4,221.83	9,147.30	109,768
Police-Civilian	Police/Misc	Police Trainee	40	4406	D	48.31	3,865.01	8,374.18	100,490
Police-Civilian/APOA	Police/Misc 84 hours shift	Dispatcher/Records assistant	40	4405	A	43.42	3,646.98	7,901.78	94,821
					B	45.59	3,829.32	8,296.87	99,562
					C	47.87	4,020.79	8,711.71	104,541
					D	50.26	4,221.83	9,147.30	109,768
					E	52.77	4,432.92	9,604.66	115,256

TOWN OF ATHERTON									
Salary Schedule									
FY 2022-2023									
Group	Job Class	Title	Dept	Code	Step	Hourly	Bi-Weekly	Monthly	Annually
Police/APOA Rate Effective 07/01/2022									
Police-Sworn/APOA	Police/Sworn/84	Police Officer	40	5505	A	52.36	4,398.57	9,530.23	114,363
	84 hours shift				B	54.98	4,618.49	10,006.74	120,081
					C	57.73	4,849.42	10,507.08	126,085
					D	60.62	5,091.89	11,032.43	132,389
					E	63.65	5,346.48	11,584.05	139,009
Police-Sworn/APOA	Police/Sworn/84	Police Sergeant	40	5520	A	63.71	5,352.03	11,596.07	139,153
	84 hours shift				B	66.90	5,619.63	12,175.87	146,110
					C	70.25	5,900.61	12,784.66	153,416
					D	73.76	6,195.64	13,423.90	161,087
					E	77.45	6,505.43	14,095.09	169,141
Police-Sworn/APOA	Police/Sworn/80	Police Officer	40	5506	A	52.36	4,189.11	9,076.41	108,917
	80 hours shift				B	54.98	4,398.57	9,530.23	114,363
					C	57.73	4,618.49	10,006.74	120,081
					D	60.62	4,849.42	10,507.08	126,085
					E	63.65	5,091.89	11,032.43	132,389
Police-Sworn/APOA	Police/Sworn/80	Police Sergeant	40	5528	A	63.71	5,097.17	11,043.87	132,526
	80 hours shift				B	66.90	5,352.03	11,596.07	139,153
					C	70.25	5,619.63	12,175.87	146,110
					D	73.76	5,900.61	12,784.66	153,416
					E	77.45	6,195.64	13,423.90	161,087
Rate Effective 07/01/22									
Police-Sworn	Police/Sworn/84	Police Reserve	40		A	52.36	4,398.57	9,530.23	114,362.73
					B	54.98	4,618.49	10,006.74	120,080.86
					C	57.73	4,849.42	10,507.08	126,084.91
					D	60.62	5,091.89	11,032.43	132,389.15
					E	63.65	5,346.48	11,584.05	139,008.61

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 2022-2023 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 2022-23, 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 2022-23 shall be and is hereby set in the amount of **\$16,027,165** 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 15th day of June, 2022, 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

Appendix-C

APPROPRIATIONS SPENDING LIMIT (GANN LIMIT)

**Town of Atherton
APPROPRIATIONS SPENDING LIMIT
Prop 4 - Gann Limit FY 2022-2023**

Schedule 1: Calculation of Spending Limit

Last Year's Limit (FY 2021-22)	15,040,431
Prior Year Parcel Tax Adjustment	
Adjusted Last Year's Limit (FY 2020-21)	<u>15,040,431</u>

Adjustment Factors:

A. Population (County)	0.9908
C. Inflation	1.0755
A times C	<u>1.07</u>

Total Adjustment (Percent) 0.0656

Total Adjustment (Dollars) 986,733

Other Adjustments:

Parcel Tax Adjustment (+)

New Appropriation Limit for Fiscal Year 2022-23 16,027,165

Schedule 2: Appropriations Compared to Limit

Proceeds from Taxes (Fm Schedule 3) 14,880,446

Appropriations Subject to Limit FY 2022-23 14,880,446

Appropriations Limit for FY 2022-23 **16,027,165**

Amount under Appropriations Limit 1,146,718

Schedule 3: Determination of Proceeds of Taxes

Per Budget for FY 2022-23

	Proceeds of Taxes	Non- Proceeds	Total
Revenues			
Property Tax	14,279,158		14,279,158
Sales Tax	195,000		195,000
Public Safety Sales Tax		100,000	100,000
Parcel Tax			-
County Measure A	370,000		370,000
Business License	268,000		268,000
Motor Vehicle License Fee			-
Homeowners Exemption	37,400		37,400
Franchise Fees		1,005,000	1,005,000
Development Fees/Permits		2,665,300	2,665,300
Fines & Forfeiture		42,000	42,000
Fees for Services		176,800	176,800
Rentals		163,008	163,008
Miscellaneous		519,640	519,640
	<u>15,149,558</u>	<u>4,671,748</u>	<u>19,821,306</u>
Interest Income	100,888	31,112	132,000
Reduction for CIP	(370,000)		
Total	<u><u>14,880,446</u></u>	<u><u>4,702,860</u></u>	<u><u>19,953,306</u></u>

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
ADOPTING THE FISCAL YEAR 2022-2023 OPERATING AND
CAPITAL IMPROVEMENT PROGRAM BUDGET**

WHEREAS, the City Council of the Town of Atherton set June 15, 2022, at the Town of Atherton City Council Chambers 80 Fair Oaks Lane, Atherton, California, as the time and place for the public hearing on the introduction of the Fiscal Year 2022-2023 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 2022-2023 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 2022-2023 are incorporated in as a resolution within the proposed budget

WHEREAS, the budget was made available for public view at the Town Center, 80 Fair Oaks Lane, Atherton, California, and the Town Library, 2 Dinkelspiel Station Lane, Atherton, California.

NOW THEREFORE, BE IT RESOLVED, that the Fiscal Year 2022-2023, Operating and Capital Improvement Program Budget projected appropriations /expenditures totaling \$26,456,564, which includes the General Fund Operating Budget of \$17,729,676, Other Funds Operating Budgets of \$2,591,888, and the Capital Projects Budget of \$6,135,000, as set forth in Exhibit A, attached hereto and by reference incorporated herein, be adopted for Fiscal Year 2022-2023.

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 15th day of June, 2022, 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 15, 2022
Appendix D Page 2 of 5
Page 35 of 67

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 2022-2023.
- All CIP encumbered expenditures from the Fiscal Year 2021-2022 Adopted/Revised Budget shall be carried forward and re-appropriated in Fiscal Year 2022-2023. Said encumbered expenditures to be re-appropriated in Fiscal Year 2022-2023 must be initiated by the Public Works Director, recommended by the Finance Director, and approved by the City Manager.
- Capital Project Commitments: Capital projects for which funds are appropriated in the budget year shall have those funds restricted for use for that project. Such appropriations will continue to be valid in subsequent fiscal years until the project is completed or the Council takes subsequent action to de-appropriate all or part of the funds originally restricted. If a capital project requires an additional appropriation, then City Council approval shall be required.
- General Fund Balance: The balance shall be established in accordance with the Fund Balance Policy for the General Fund as adopted by the City Council.
- The City Manager is authorized to make budget transfers within the same department. Any transfers between departments or funds shall require the approval of City Council.
- Expenditures are budgeted at, and may not legally exceed, the department level for the general fund and the fund level for Special Revenue and Capital Projects Funds. Budgeted amounts shown are as originally adopted, or as amended by the Town Council during the year.

- This budget system assumes existing service levels; Council approval will be required for any significant changes involving increased or decreased service levels.
- The Finance Department shall be responsible for constant monitoring of the budget and shall establish and implement appropriate control mechanisms necessary for said purpose after consultation with city staff and approval by the City Manager.
- A monthly financial report shall be made available by the Finance Director for each department and/or program and/or capital project.

BUDGET RESOLUTION

Town of Atherton

Section 2: FY 2022-2023 all Funds Operating and Capital Budgets are hereby adopted, establishing the following revenue estimates and expenditure budgets:

Town of Atherton Budget for FY 2022-2023									
	Projected Fund Balance 06/30/22	Budgeted Revenues	Budgeted Expenditures	Budgeted Transfer In	Library JPA Est. Advance excess funds	Budgeted Transfer Out/Lease Payment	Lease Payment	ERAF	Projected Fund Balance 06/30/23
General Fund									
101 General Fund	\$ 12,598,872	\$ 19,583,306	\$ 17,729,676			\$ (3,340,000)	\$ (861,000)	\$ 2,316,000	\$ 12,567,502
Special Revenue Funds									
105 Tennis Fund	101,325	58,900	117,500	-					42,725
209 Police (COPS) Grant	-	155,146	155,146						-
213 Library Fund	1,775,262	274,000	548,909						1,500,353
215 Evan Creative Design	-	-	-						-
Total Special Revenue	1,876,587	488,046	821,555	-	-	-			1,543,078
Capital Project Funds									
201 Special Tax	495,331	-	495,000						331
202 Measure A	559,830	370,000	625,000						304,830
203 Gas Tax	221,800	364,979	300,000						286,779
204 Measure M	160,835	75,000	75,000						160,835
205 Measure W	174,766	145,000	130,000						189,766
401 Capital Improvement	1,371,788	4,975,000	4,300,000						2,046,788
402 Storm Drainage	-	-	-						-
403 Channel Drainage Dt.	615,276	97,300	210,000						502,576
406 Facilities Construction	-	-	-						-
Total Capital Projects	3,599,626	6,027,279	6,135,000	-		-			3,491,905
Internal Service Funds									
610 Equipment Repl.	1,047,680	282,300	254,200						1,075,780
614 Worker's Comp.	1,734,924	311,499	228,207						1,818,216
615 General Liability	735,458	441,791	439,591						737,658
616 Employee Benefits	634,121	1,056,011	848,335						841,797
Total Internal Service	4,152,183	2,091,601	1,770,333	-		-			4,473,451
Total All Funds	\$ 22,227,268	\$ 28,190,232	\$ 26,456,564	\$ -	\$ -	\$ (3,340,000)	\$ (861,000)	\$ 2,316,000	\$ 22,075,936

Resolution No.

Adopted June 15, 2022
Appendix D Page 1 of 5
Page 38 of 67

RESOLUTION NO. 22-

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON
UPDATE OF FEES TO THE TOWN MASTER FEE SCHEDULE

WHEREAS, the City Council established a Master Fee Schedule for the Town in September, 2013;

WHEREAS, it is proposed that the Master Fee Schedule be updated to include increase in fees with a labor component escalator based on cumulative labor costs of 6.9% since 2020. The following increase in charges within the Engineering, Park and Facility, and Police Departments Fees; and

WHEREAS, also the proposed 6.9% adjustment to Planning fees; and

WHEREAS, conversion of Park Facility Rentals from flat rates to hourly pricing rentals to also included pricing for residents and non-residents, aligning holiday rental pricing with weekend pricing, and improve day use compliance by increasing same day registration fee, and

WHEREAS, there are no changes to the valuation driven fees at this time until a new cost study is performed; and

WHEREAS, the City Council must take action to adjust fees based on simple cumulative labor costs escalator to the Town approved Master Fee Schedule.

* * * * *

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton passed and adopted the fees in Exhibit A. I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on this 15th day of June, 2022, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Rick DeGolia, Mayor

ATTEST:

Anthony Suber, City Clerk

APPROVED AS TO FORM:

Mona Ebrahimi, City Attorney

EXHIBIT A

Proposed increases are adjusted to the Town Master Fee Schedule.

Until such time as the Town conducts a Master Fee Study, each year thereafter, the labor costs associated with fees shall be adjusted by the Consumer Price Index - All Urban Consumers (CPI-U), as reported by the Bureau of Labor Statistics for the San Francisco Area, using the percentage change in price index from April to April.

Appendix C: Building Fees

Town of Atherton
Town of Atherton - Building Fees

		Unit Cost Summary	
Fee Name	Unit	Fee	
Flat Fees			
			0.00%
			0.00%
			0.00%
			0.00%
Permitted Value of Construction			
New Habitable Construction	Valuation base: per SF	\$	350
Remodeled Habitable Construction	Valuation base: per SF	\$	300
New or Remodeled Non-Habitable Construction	Valuation base: per SF	\$	125
Valuation - non defined project	Valuation base	\$	1
Non-habitable construction: i.e. Patio covers & gazebos (> 1000 Sq Ft or attached to new construction)	Valuation base: per SF	\$	100
Flat Fees**			
Swimming pools (first 1000 sf)	Plan check and inspection	\$	1,095
Swimming pools (Over 1000 sf)	Plan check and inspection	\$	1,313
Patio covers & gazebos (up to 1000 Sq Ft)	Plan check and inspection	\$	813
Drive way gates	Plan check and inspection	\$	661
Non Habitable new pool house including cabanas (up to and including 1500 sf)	Plan check and inspection	\$	1,336
Other Building (Flat) Fees			
Plumbing, Mechanical, Electrical (MP&E) Permit (single inspection)		\$	143
MP&E each additional inspection		\$	97
MP&E plan check (min .5 hour)		\$	88
Demolition Permit Fee		\$	286
Landscape Screening Permit Fee		\$	389
Water Well Permit Fee		\$	397
Solar Panels Permit Fee *		\$	500
Heritage Tree Removal - Staff Level (First Tree)		\$	261
Heritage Tree Removal - Staff Level (Each Additional Tree)		\$	103
Dead Tree Permit Refunded if ONLY identified and approved by the Town Arborist			
Excavation Permit			
Plan check revision Fee (1 hour min)	Hourly	\$	198.00
Address Change		\$	275.00
Property Search (plus photocopying and/or printing posts and excludes public records searches)	Hourly	\$	92.00
Reactivation of an Expired Permit (Up to One-Half the Amount Required for a New Permit for Such Work)			(Up to One-Half the Amount Required for a New Permit for Such Work)

Town of Atherton
Town of Atherton - Building Fees

		Unit Cost Summary	
Fee Name	Unit	Fee	
Code Enforcement - Administrative (Penalty)	Hourly		
Second Utility Deposit (Ordinance 15.04.040)		\$	5,000
Landscape Screening Deposit (Ordinance 17.50.060)		\$	5,000
Temporary Occupancy Deposit:		\$	5,000
		\$	176
Administrative Fee (TOC)		\$	176
Excavation Road Deposit (Ordinance 15.04.045)		\$	5,000
Recycled Deposit		\$1000 Min & \$500 Min for reroof permits	
Reinspection and additional inspections exceeding the normal number of inspections	T&M	\$	120
Unusual custom projects not reflected in the fee schedule	T&M		
Technology surcharge (to fund updates and new acquisition of permit systems and digital storage of plans) (3.3% of fee)			3.30%
Storm water compliance review/inspection	T&M	\$	500
Tree protection verification (deposit) + COP	T&M	\$	2,500
Tree protection administration for flat fee permits (initial inspection)		\$	293
Tree protection administration for flat fee permits (full inspection)		\$	732
Surcharge for General Plan Maintenance and Update (2.55%)			2.55%
Reroofing < 5000SF	Per app	\$	328
Reroofing > 5000SF	Per app	\$	458
Reroofing requiring additional inspections	Per insp.	\$	130
Reroofing requiring plan check (min one hour)	Per PC	\$	176
SMIP Fee (State Mandate)		Residential: valuation amount X 0.00013 Commercial: valuation Amount X 0.00028	
Building Standards Administration Special Revolving Fund (Senate Bill No. 1473 State Mandate)		Permit Valuation: \$1-25,000 = \$1; \$25,001-50,000 = \$2; \$50,001 - 75,000 = \$3; \$75,001 - 100,000 = \$4; Every \$25,000 or fraction thereof above \$100,000 = Add \$1	

* State mandated limit of \$500

** Current fee = comparable average current valuation based fee

POSITION HOURLY RATES			
Chief Building Official	Hourly	\$	194
Building Inspector	Hourly	\$	127
Building Plans Reviewer	Hourly	\$	172
Building Technician	Hourly	\$	89
Town Arborist	Hourly	\$	87
Code Enforcement	Hourly	\$	70

ATTACHMENT 1

Table for 10.43% increase		
Total Valuation	Building Permit Fee	Plan Review Fee
\$1.00 to \$500	\$24.70	65% of Building Permit Fee
\$501 to \$2,000	\$25.95 for the first \$2,000, plus \$3.37 for each additional \$1,000, or fraction thereof, to and including \$2,000	65% of Building Permit Fee
\$2,001 to \$25,000	\$76.47 for the first \$2,000, plus \$15.46 for each additional \$1,000, or fraction thereof, to and including \$25,000	65% of Building Permit Fee
\$25,001 to \$50,000	\$432.06 for the first \$25,000, plus \$11.15 for each additional \$1,000, or fraction thereof, to and including \$50,000	65% of Building Permit Fee
\$50,001 to \$100,000	\$710.89 for the first \$50,000, plus \$7.73 for each additional \$1,000, or fraction thereof, to and including \$100,000	65% of Building Permit Fee
\$100,001 to \$500,000	\$1,097.40 for the first \$100,000, plus \$6.18 for each additional \$1,000, or fraction thereof, to and including \$500,000	65% of Building Permit Fee
\$500,001 to \$1,000,000	\$3571.03 for the first \$500,000, plus \$5.25 for each additional \$1,000, or fraction thereof, to and including \$1,000,000	45% of Building Permit Fee
1,000,001 and up	\$6,193.74 for the first \$1,000,000, plus \$4.03 for each additional \$1,000, or fraction thereof.	45% of Building Permit Fee

Appendix B: Planning Fees

Town of Atherton
Town of Atherton Planning Fees

		Unit Cost Summary	
Fee Name	Unit	Fee	
PLANNING FEES			
Conditional Use Permit/Special Structure Permit		\$	2,920
Variance		\$	2,920
Heritage Tree Removal Permit		\$	2,245
Exception Review			
Excessive Height			
Lot Line Redesignation		\$	2,920
Lot Line Adjustment		\$	1,685
Tentative Parcel Map		\$	2,920
Final Parcel Map		\$	2,920
Appeal		\$	842
School Master Plan		\$	842
Initial Review/Negative Declaration		\$	2,245
Zoning Ordinance Amendment		\$	5,615
General Plan Amendment		\$	5,615
Zoning Review for Home Occupation Business		\$	107
Pre-Application Review		\$	51
Street Easement Vacation		\$	-
Code Enforcement - Administrative (Penalty)		\$	1,065
Initial Review (2 reviews for fee amount; additional reviews billed hourly):			
a. Fence	Per app	\$	180
b. Accessory Structures (includes pools)	Per app	\$	506
c. Accessory Buildings	Per app	\$	1,067
d. Additions	Per app	\$	1,095
e. New Construction	Per app	\$	1,570
Revisions to Previously Approved Plans			
Technology Surcharge (upgrade and maintain development technology) (3.60% of fee)			3.60%
POSITION HOURLY RATES			
Town Planner:	Hourly	\$	252
Deputy Town Planner:	Hourly	\$	200
Senior Planner:	Hourly	\$	190
Associate Planner:	Hourly	\$	152
Administrative Staff:	Hourly	\$	134
Composite Rate for Fee Setting:	Hourly	\$	181

Appendix D: Engineering Fees

Town of Atherton
Town of Atherton Engineering Fees

Unit Cost Summary		
Fee Name	Unit	Fee
Encroachment Permits		
Class A - One Inspection Required:	Per app	
Driveway Connection to Street:	Per app	\$ 270
Additional Plan Check	Per app	\$ 61
Additional Inspection	Per app	\$ 91
	Per app	
Class B - Two Inspections Required:	Per app	
Driveway Connection to Street:	Per app	\$ 360
Additional Plan Check	Per app	\$ 61
Additional Inspection	Per app	\$ 91
	Per app	
Class C - Three or More Inspections Required:	Per app	
Driveway Connection to Street - Asphalt/Pavers:	Per app	
Without Driveway Culvert (up to 3 inspections)	Per app	\$ 450
Additional Plan Check	Per app	\$ 61
Additional Inspection	Per app	\$ 91
	Per app	
With Driveway Culvert (up to 4 inspections)	Per app	\$ 560
Additional Plan Check	Per app	\$ 80
Additional Inspection	Per app	\$ 91
	Per app	
Driveway Connection to Street - Concrete:	Per app	
Without Driveway Culvert (up to 4 inspections)	Per app	\$ 560
Additional Plan Check	Per app	\$ 80
Additional Inspection	Per app	\$ 91
	Per app	
With Driveway Culvert (up to 5 inspections)	Per app	\$ 650
Additional Plan Check	Per app	\$ 80
Additional Inspection	Per app	\$ 91
Class D - Public Right of Way	Per app	
Right-of-Way Landscaping, Fence, Etc. - Minor Construction (up to 2 inspections)	Per app	\$ 362
Additional Plan Check	Per app	\$ 122
Additional Inspection	Per app	\$ 123
	Per app	
Right-of-Way Landscaping, Fence, Etc. - Standard (up to 2 inspections)	Per app	\$ 484
Additional Plan Check	Per app	\$ 123
Additional Inspection	Per app	\$ 123
	Per app	
Connection to Storm Drain or Atherton Channel:	Per app	
a. In Pavement	Per app	\$ 602
Additional Plan Check	Per app	\$ 123
Additional Inspection	Per app	\$ 91
	Per app	
b. Outside Pavement	Per app	\$ 511
Additional Plan Check	Per app	\$ 123
Additional Inspection	Per app	\$ 91
	Per app	

Town of Atherton
Town of Atherton Engineering Fees

			Unit Cost Summary
Fee Name	Unit	Fee	
Encroachment Permits			
Utility - Minor (One Inspection Required):	Per app	\$	331
Additional Plan Check	Per app	\$	61
Additional Inspection	Per app	\$	91
	Per app		
Utility Connect/Disconnect:	Per app		
a. In Pavement	Per app	\$	450
Additional Plan Check	Per app	\$	61
Additional Inspection	Per app	\$	91
	Per app		
b. Outside Pavement	Per app	\$	359
Additional Plan Check	Per app	\$	61
Additional Inspection	Per app	\$	91
	Per app		
Utility Main:	Per app		
a. In Pavement	Per app	\$	602
Additional Plan Check	Per app	\$	123
Additional Inspection	Per app	\$	91
	Per app		
b. Outside Pavement	Per app	\$	511
Additional Plan Check	Per app	\$	123
Additional Inspection	Per app	\$	91
	Per app		
Telecommunication and Utilities Installation Permit (25 ft or less):	Per app		
i. Without Trenching	Per app	\$	2,246
ii. With Trenching	Per app	\$	2,337
iii With Trenching > 25 LF (per 100 LF or fraction thereof)	Per app	\$	426
Property Improvement Permits and Reviews	Per app		
Grading and Drainage:	Per app		
a. Without Detention System	Hourly/mi n	\$	1,625
b. With Detention System	Hourly/mi n	\$	1,625
c. With Multiple Detention Systems	Hourly/mi n	\$	2,167
	Per app		
Detention System Annual Report Filing	Per app	\$	542
Detention System Annual Report - Submittals Out of Compliance	Per app	\$	542
StormWater Permit Compliance Review/Inspection Deposit	Hourly	\$	639
StormWater Permit Compliance Review/Inspection	Hourly		
Stop Work Order (Penalty)	50% of permit		
Code Enforcement - Administrative (Penalty)	Hourly		
	Per app		
Public Works application fee	Per app	\$	150
Oversized load permit (outside of right of way)	Per app	\$	426
Technology Surcharge (upgrade and maintain development technology) (2.37% of fee)	Per app		2.37%
Additional work not reflected above - at cost	Hourly		

Town of Atherton
Town of Atherton Engineering Fees

Unit Cost Summary		
Fee Name	Unit	Fee
Encroachment Permits		
PW Staff Hourly Rates		
Public Works Superintendent	Houly	\$ 170
Asst/Assoc Engineer	Houly	\$ 170
Eng Tech	Houly	\$ 170
Office Specialist	Houly	\$ 118
PW Director/Engineer		\$ 170

Appendix F: Parks and Facility Rental Fees

Town of Atherton
Town of Atherton Park

				Unit Cost Summary	
Fee Name	Unit	Fee	Fee		
Park Rental Fees					
The Main House		ATHERTON RESIDENT	NON-ATHERTON RESIDENT		
Includes outdoor area adjacent porch or lower patio					
(Monday - Friday) 4 hour minimum		\$150 per hour	\$170 per hour		
Saturday, Sunday, or Holidays (2 hour Minimum)		\$375 per hour	\$420 per hour		
Price does not include Refundable Security deposit					
Security Deposit		\$600	\$600		
Outdoor Area (add on to Main House)- Exclusive Use					
Price includes the rental of one of the following: Water Tower Lawn, or Event Garden					
Every day (4 hour minimum)		\$160 per hour	\$185 per hour		
Price does not include Refundable Security deposit					
Security Deposit		\$300	\$300		
Carriage House					
Does Not Include any outdoor areas					
Every Day (4 hour minimum)		\$150 per hour	\$170 per hour		
Price does not include Refundable Security deposit					
Security Deposit		\$600	\$600		
Jennings Pavalion					
Includes Water Tower Lawn, event garden, patio, and side lawn (subject to availability)					
Friday Day Use or Monday - Thursday (4 hour minimum)**		\$300 per hour	\$345 per hour		
Friday Evenings, Saturday, Sunday, or Holidays (4-6 hour minimum)		\$845 per hour	\$955 per hour		
**Day use has 4 hour minimum, up to 4pm. 6 hour minimum ending after 4pm.					
Price does not include Refundable Security deposit					

ATTACHMENT 1

Security Deposit		\$1,200	\$1,200
Tennis Courts Fees		ATHERTON RESIDENT	NON-ATHERTON RESIDENT
Key Purchases:			
1 Standard Key **		\$100	\$275
1 Clay Key ONLY		\$50	
**Resident Clay Court Access included Standard Key Charge			
Clay Court Access (Non-resident)			\$30 per hour
Day Use Permit Fees Holbrook- Palmer Park		ATHERTON RESIDENT	NON-ATHERTON RESIDENT
13-25 people *		\$100	\$130
26-50 people *		\$190	\$260
* Fee when registering at least one day in advance			
Same Day Registration Doubles Day Use Permit Fee with a minimum of \$200			
Penalty		None	None
OTHER PARK RENTAL FEES			
Baseball Field (Per Hour)			\$40 Per hour
Other Fields (Per Hour)			\$35 Per hour
Staff labor rates Per hour			
Facility maintenance staff for services related to facility maintenance and preparation (Before & After Events)			\$130
Facility attendant staff for services related to on-site availability during event			\$65
Photo-Shoot Permits			
One (1) Day			\$130
One (1) Month			\$640
Penalty			none
			\$0
Drone Application Fee/Day			\$190
CLASSES: INDOOR	Per hour		\$35
CLASSES: OUTDOOR	Per hour		\$50

Appendix E: Police Fees

Town of Atherton
Town of Atherton - Police Fees

Fee Name	Unit	Fee
Copy of Police Report:		
Without Photos or Tape Copies		\$ 0.32
With Photos or Tape Copies	Hourly	\$ 64
Vehicle Releases		\$ 83
Vehicle Repossession Fee		\$ 19
Initial Alarm Registration		\$ 100
Alarm Annual Permit Fee		\$ 50
Alarm Alert Signs		\$ 40
Garage Sale/Estate Sale Permits		\$ 27
Fingerprints (plus DOJ processing of \$53)		\$ 96
Solicitor Permit (Valid for six months; business license required)		\$ 40
After Hours Emergency Construction Permits		\$ 79
Special Service Request:		\$ 27
Administrative Fee		\$ -
On-Site Personnel Fee	Hourly (2 Hr min)	\$ 332
Clearance Letter		\$ 27
Microfilmed Reports	Hourly	\$ 79
Civilian Subpoena APD witness		\$ 275
Code Enforcement - Administrative (Penalty)	Hourly	\$ -
False Alarms: (up to 3 false alarms annually)		
4th false alarm		\$ 200
5th false alarm		\$ 300
Each additional false alarm after 5		\$ 400
Records/Communications Staff:	Hourly	\$ 136
Patrol/Investigations Staff:	Hourly	\$ 181
Requires Town ordinance		

Resolution 22-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, 2022; 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, 2022.

* * * * *

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 15th day of June, 2022, 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, 2022. 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 2022-23;

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 workday.

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 sixty (60) 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 buyback 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 \$143 per month (2021 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 to 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 \$3,000 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, 2022.

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.