



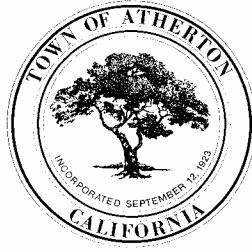
**FOR SUPPORT OF OPERATING AND CAPITAL  
EXPENDITURES**

**8:40 P.M.      7.      ADJOURNMENT**

*Agendas and staff reports may be accessed on the Town website at: [www.ci.atherton.ca.us](http://www.ci.atherton.ca.us)*

*☛ Please contact the City Clerk's Office at 650.752.0529 with any questions*

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the City Clerk's Office at (650) 752-0529. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (29 CRF 35.104 ADA Title II)



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: JOHN P. JOHNS, FINANCE DIRECTOR**

**DATE: FOR THE SPECIAL MEETING OF JUNE 14, 2004**

**SUBJECT: APPROVAL OF A RESOLUTION ADOPTING THE FY 2004-05  
OPERATING AND CAPITAL BUDGET**

#### **RECOMMENDATION:**

**Approve the adoption of the FY 2004-05 Operating and Capital Budget.**

#### **DISCUSSION**

On June 7, 2004, staff distributed a draft copy of the City Manager's recommended operating and capital budget for Fiscal Year 2004-05. This document includes:

- A transmittal letter providing an overview of the FY 2004-05 budget, including a statement of assumptions used by staff to prepare the budget as well as a discussion of significant changes from the previous fiscal year;
- An itemization of recommended appropriations and revenue estimates for the upcoming fiscal year by fund, account and program;
- Recommended funding levels for the fourth year of the Town's capital improvement program;
- A host of supplementary information, such as a comparative analysis of current and prior year staffing levels, general fund balance, real property assessments and apportionments; and
- An intermediate-range financial plan illustrating the anticipated revenues, expenditures and general fund balance for the years ended June 30, 2004 through 2008.

During the special meeting of June 14, 2004, staff is prepared to respond to questions from the Council or from the public relevant to the proposed FY 2004-05 operating and capital budget.

Upon closure of the public hearing, staff recommends the adoption of Resolution 04-\_\_\_\_ as presented or as modified pursuant to any changes in the budget that the Council wishes to be made.

**FISCAL IMPACT:**

The fiscal impact of staff's recommendation is documented within the proposed FY 2004-05 budget.

Prepared by:

Approved by:

\_\_\_\_\_  
John P. Johns  
Finance Director

\_\_\_\_\_  
James H. Robinson  
City Manager

Attachment

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF  
ATHERTON ADOPTING THE FISCAL YEAR 2004-2005  
OPERATING AND CAPITAL BUDGET**

**WHEREAS**, the City Council of the Town of Atherton set June 14, 2004 at the Town of Atherton City Council Chambers, 94 Ashfield Road, Atherton, California, as the time and place for the public hearing on the adoption of the Fiscal Year 2004-2005 Operating and Capital Budget; and

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

**WHEREAS**, said Council held a public hearing on the Proposed Fiscal Year 2004-2005 Operating and Capital Budget on June 14, 2004; and

**WHEREAS**, it appears to be in the best interest of the citizens of the Town of Atherton that the Fiscal Year 2004-2005 Operating and Capital Budget be adopted in the format set forth in Exhibit A, attached hereto, and by reference incorporated herein; and

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

**NOW THEREFORE, BE IT RESOLVED**, that the Fiscal Year 2004-2005 Operating and Capital Budget totaling \$13,026,159 which includes the General Fund Operating Budget and Reserves of \$8,121,493, Other Funds' Operating Budgets of \$684,540, and the Capital Budget of \$4,220,126 as set forth in Exhibit A, attached hereto and by reference incorporated herein, be adopted for Fiscal Year 2004-2005.

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

\* \* \* \* \*

*I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a special meeting thereof held on the \_\_\_<sup>th</sup> day of \_\_\_\_\_ 2003, by the following vote:*

*AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:*

\_\_\_\_\_  
Kathy McKeithen, Mayor  
Town of Atherton

ATTEST:

\_\_\_\_\_  
*Kathi Hamilton, City Clerk*

Approved as to Form

\_\_\_\_\_  
Marc Hynes, City Attorney

## **EXHIBIT “A”**

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

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

- Present Personnel Policies, Procedures, and Memorandum of Understanding, including salary schedules and benefits, except as hereinafter changed by resolution or ordinance of the City Council.
- The Expenditure Control Budget will show overall General Fund and other funds and/or departments.
- This system will apply to Operating and Capital Budget Expenditures as intended for use in Fiscal Year 2004-2005.
- All encumbered expenditures from the Fiscal Year 2003-2004 Adopted Budget shall be carried forward and re-appropriated in Fiscal Year 2004-2005. Said encumbered expenditures to be re-appropriated in Fiscal Year 2004-2005 must be initiated by the Department Heads, recommended by the Finance Director, and approved by the City Manager.
- Capital Project Commitments: Capital projects for which funds are appropriated in the budget year shall have those funds restricted for use for that project. Such appropriations will continue to be valid in subsequent fiscal years until the project is completed or the Council takes subsequent action to de-appropriate all or part of the funds originally restricted. If a capital project requires an additional appropriation in excess of 5% of its budget, then City Council approval shall be required.
- General Fund Balance: The General Fund will maintain a Reserved Balance of \$ 3.7 million to maintain the City’s credit worthiness, and to adequately provide for economic uncertainties, cash flow needs, contingencies, or local disasters.
- The City Manager is authorized to make any transfers of Operating Budget appropriation balances between departments and/or programs whenever he deems it necessary to do so in order to carry out the service level objectives and work programs established by the City Council. The City Council will be promptly advised of transfer of operating budget appropriations.
- This budget system assumes existing service levels; Council approval will be required for any significant changes involving increased or decreased service levels.

- The Department of Finance shall be responsible for constant monitoring of the budget and shall establish and implement appropriate control mechanisms necessary for said purpose after consultation with city staff, and approval by the City Manager.
- A monthly financial report shall be prepared by the Finance Director for each department and/or program and/or capital project. Each Department Head shall be accountable for achieving results of his/her organization unit based upon the objectives set for each department by the City Manager and City Council, and shall be evaluated as to their performance in an annual performance appraisal conducted by the City Manager each year.
- Deflator: A deflator procedure, to be administered by the City Manager, is hereby established for reducing appropriations in the event that projected revenues are reduced due to a reduction in the State subventions or other revenues that may fluctuate downward due to changes in economic conditions. For the 2004-2005 Fiscal Year, if total revenues, as estimated by the City Manager are insufficient, the amount of total Operating Budget appropriations shall be reduced as determined by the City Manager, based on his assessment of total Town needs and consultation with the City Council; no deferral of capital projects will be implemented until discussed with the City Council and staff at a duly called public meeting.



**Section 2: The FY 2004-2005 General Fund Operating Budget Programs are hereby adopted, establishing the following projected General Fund Revenue and General Fund Expenditures:**

**General Fund Revenues:**

Property Tax	\$ 3,060,517
Other Tax	1,062,916
Licenses and Permits	1,615,321
Fines and Forfeitures	50,000
From Other Agencies	118,500
Current Service Charges	401,900
Investment and Rental Income	354,622
Other Revenues	3,000

**Sub-total Revenues:** 6,666,776

**Transfers and Carry-over:**

Carry-over from 2002-2003 Surplus	205,118
Capital Projects Direct Charge	150,000
Transfer from Parcel Tax	799,000
Transfer from Gas Tax and Road Impact	352,161

**Sub-total Transfers and Carryovers:** 1,506,279

**Total Revenues and Transfers:** \$ 8,173,054

**General Fund Expenditures:**

City Council	\$ 20,204
City Manager	512,108
City Attorney	176,228
Finance Dept.	458,684
Building Dept.	983,621
Police Dept.	4,042,672
Public Works Dept.	1,827,976
Contingency	100,000

**Total Expenditures:** \$ 8,121,493

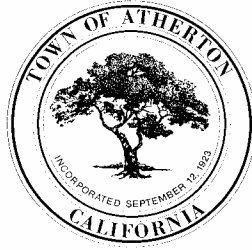
**Section 3: FY 2004-2005 all Funds Operating and Capital Budgets are hereby adopted, establishing the following revenue estimates and expenditure budgets:**

**Revenues & Other Resources:**

GENERAL FUND	\$ 8,173,054
SPECIAL REVENUE FUNDS	
Transportation Fund	178,500
Parcel Tax Fund	1,858,000
Gas Tax Fund	147,000
Road Construction Impact Fees Fund	400,000
State COPS Fund	100,000
Tennis Program Fund	7,010
State Park Grant Fund	220,000
Library Special Revenue Fund	200,000
CAPITAL PROJECT FUNDS	
Capital Improvement Fund	-
Storm Drainage Fund	-
Channel Drainage District Fund	48,530
Middlefield Road Grants Fund	-
Facilities Construction Fund	-
INTERNAL SERVICES FUND	
Information Technology Fund	98,661
Administrative Services Fund	285,815
Workers Comp Insurance Fund	-
Vehicle Replacement Fund	66,000
TRUST & AGENCY FUND	
Evans Estate Fund (Art Committee)	45,150
<b>Total Revenue &amp; Other Resources:</b>	<b>\$ 11,827,720</b>

**Expenditures & Other Uses:**

GENERAL FUND	\$ 8,121,493
SPECIAL REVENUE FUNDS	
Parcel Tax Fund	2,591,910
Transportation Fund	211,120
Gas Tax Fund	147,000
Road Construction Impact Fees Fund	400,000
State COPS Grant	100,000
State Park Grant Fund	80,000
Tennis Program Fund	-
Library Special Revenue	49,870
CAPITAL PROJECT FUNDS	
Storm Drainage Fund	21,394
Channel Drainage District Fund	400,800
Park Playground Fund	-
Facilities Construction Fund	-
Capital Improvement	367,902
INTERNAL SERVICES FUND	
Information Technology Fund	104,625
Administrative Services Fund	287,905
Workers Comp Insurance Fund	-
Vehicle Replacement Fund	98,853
TRUST AGENCY FUND	
Evans Estate Fund (Art Committee)	43,287
<b>Total Expenditures &amp; Other Uses:</b>	<b>\$ 13,026,159</b>



## Town of Atherton

### CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: JOHN P. JOHNS, FINANCE DIRECTOR**

**DATE: FOR THE SPECIAL MEETING OF JUNE 14, 2004**

**SUBJECT: APPROVAL OF A RESOLUTION ADOPTING THE FY 2004-05  
APPROPRIATIONS LIMIT AND SUPPORTING CALCULATIONS**

#### **RECOMMENDATION:**

**Approve the adoption of the FY 2004-05 appropriations limit and supporting calculations.**

#### **DISCUSSION**

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

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

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

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

As indicated in the Attachment II to the appropriations limit resolution, the FY 2004-05 appropriations limit will amount to \$8,478,966. The appropriations limit therefore exceeds the \$3,759,547 of appropriations subject to the appropriations limit by \$4,719,419

**FISCAL IMPACT:**

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

Prepared by:

Approved by:

\_\_\_\_\_  
John P. Johns  
Finance Director

\_\_\_\_\_  
James H. Robinson  
City Manager

Attachment

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ATHERTON  
APPROVING APPROPRIATIONS LIMIT AND CALCULATIONS FOR  
FISCAL YEAR 2004-2005**

**WHEREAS**, the Finance Director has calculated the fiscal year 2004/2005 appropriations limit for the Town of Atherton in accordance with applicable State law; and

**WHEREAS**, the San Mateo County annual percentage change in population is 0.7% and the per capita personal income percentage change over is 3.28% (noting that both amounts are supplied by the Finance Department, State of California).

**WHEREAS**, the Finance Director has recommended approval of said limit at \$8,478,966 and its calculations.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the Town of Atherton does hereby approve the appropriations limit of \$8,578,966 and its calculations as set forth in Attachment 1 through 3, the copies of which are attached hereto.

\* \* \* \* \*

*I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the \_\_\_th day of \_\_\_\_, 2004, by the following vote:*

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

\_\_\_\_\_  
Kathy McKeithen, Mayor

ATTEST:

\_\_\_\_\_  
Kathi Hamilton, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Marc Hynes, City Attorney

**TOWN OF ATHERTON  
GANN LIMIT COMPUTATION  
SUMMARY  
FY 2004-05**

	<u>BUILDING/ENG.</u>	<u>PARKS</u>	<u>OTHER</u>	<u>POLICE</u>	<u>TOTAL</u>
A. COSTS REASONABLY BORNE	1,218,822	437,890	2,759,999	3,992,672	8,409,384
B. FEES	<u>1,322,421</u>	<u>285,010</u>	<u>5,500</u>	<u>7,400</u>	<u>1,620,331</u>
C. FEES OVER(UNDER) COSTS	103,599	(152,880)	(2,754,499)	(3,985,272)	(6,789,053)
D. TRANSFER TO RESERVE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
E. AMOUNT TO TAX PROCEEDS	<u>103,599</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,599</u>
PROCEEDS OF TAXES	3,655,845				
AMOUNT TO TAX PROCEEDS	<u>103,599</u>				
TOTAL PROCEEDS OF TAXES	3,759,444				
APPROPRIATION LIMIT	<u>8,478,966</u>				
<b>AMOUNT OVER / (UNDER) LIMIT</b>	<u>(4,719,522)</u>				

ATTACHMENT II

TOWN OF ATHERTON  
CALCULATION OF APPROPRIATION LIMIT  
2004-05

2002-2003 APPROPRIATIONS LIMIT			\$	5,509,974
County Population Chan,	0.70	1.0070		
Per Capita Personal Inco	3.28	1.0328		
Calculation Factor		1.0400		
Annual Adjustment Increase				181,992
Parcel Tax Adjustment				2,787,000
Total Adjustments				2,968,992
2004-2005 APPROPRIATIONS LIMIT			\$	8,478,966



**TOWN OF ATHERTON  
CALCULATION OF PROCEEDS OF TAXES  
FY 2004-05**

**ATTACHMENT III**

	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	USER FEES	TOTAL
<b><u>10 PROPERTY TAXES</u></b>				
- SECURED	2,569,763			2,569,763
- UNSECURED	359,404			359,404
- SB813 SUPPLEMENTAL	100,000			100,000
- HOPTR	31,349			31,349
- OTHER	0			0
<b><u>011 OTHER TAXES</u></b>				
- FRANCHISE - PG&E		135,000		135,000
- FRANCHISE - CAL WATER		51,000		51,000
- FRANCHISE - BFI		95,510		95,510
- FRANCHISE - CABLE TV & OTHER		50,000		50,000
- SALES & USE TAXES	91,466			91,466
- PUBLIC SAFETY SALES TAX		78,440		78,440
- REAL PROPERTY TRANSFER	140,000			140,000
<b><u>0330 LICENSES AND PERMITS</u></b>				
- BUSINESS LICENSES	350,000			350,000
- HOME OCCUPATIONS	4,900			4,900
- BUILDING PERMITS			1,133,621	1,133,621
- ENCROACHMENT PERMITS			125,000	125,000
- OTHER LICENSES & PERMITS			1,800	1,800
<b><u>0340 FINES AND FORFEITURES</u></b>				
- VEHICLE CODE FINES		40,000		40,000
- OTHER FINES AND FORFEITURES		10,000		10,000
<b><u>0350 USE OF MONEY AND PROPERTY</u></b>				
- INTEREST-GENERAL FUND		280,000		280,000
- INTEREST-TRAFFIC SAFETY				0
- PARKING REVENUE		2,400		2,400
- PROPERTY RENTAL - PLAY SCHOOL		33,484		33,484
- PROPERTY RENTAL - CELLULAR ONE		34,738		34,738
- OTHER		0		0

**0353 HOLBROOK-PALMER PARK**

- SOCIAL FEES		180,000	180,000
- MEETING FEES		75,000	75,000
- FOOD SERVICE		0	0
- SUPERVISORY FEES		20,000	20,000
- LIABILITY INSURANCE FEE		0	0
- EQUIPMENT RENTAL		3,000	3,000
- CLASS FEES		0	0
- TENNIS CLASSES		0	0
- FOUNDATION REIMBURSEMENT	0	0	0

**0360 REVENUE FROM OTHER AGENCIES**

- MOTOR VEHICLE LICENSE FEE	420,000		420,000
- OFF HIGHWAY MVLFF	1,500		1,500
- FEDERAL SRO GRANT	27,500		
- MENLO HS SRO REIMB	55,000		

**0370 CURRENT SERVICES**

- ELECTIONS PROCESSING FEE	0		0
- DOCUMENT/RESEARCH FEE		0	0
- MICROFILM		0	0
- PHOTOCOPY FEE		5,500	5,500
- ALARM MONITORING FEE		0	0
- FALSE ALARM FINES		4,000	4,000
- VEHICLE RELEASE		2,000	2,000
- POLICE REPORT		0	0
- FINGERPRINTING FEE		0	0
- SPECIAL SERVICES - POLICE		1,400	1,400
- ZONING, PLANNING & SUBDIVISION FEES		26,000	26,000
- USE AND OCCUPANCY FEE		0	0
- APPLICATION FEE		36,000	36,000
- INSPECTION FEE		0	0
- ENGINEERING PLANNING FEE		0	0
- SALES OF DOCUMENTS		0	0
- SALES OF EQUIPMENT	1,000		1,000
- POST OFFICE	52,000		52,000
- OTHER SERVICES		0	0
- SMIP (EARTHQUAKES)		0	0
- DONATIONS - SPECIAL GIFTS	0		0
- PG&E UTILITIES	0		0

**0380 MISCELLANEOUS REVENUE**

	3,000		3,000
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**0390 REIMBURSEMENTS**

- BOOKING FEES	0		0
- PERS EQUITY DISTRIBUTION			0
- POST	18,000		18,000
- ERAF	0		0
- OTHER	18,000		18,000

<b>TOTAL GENERAL FUND</b>	<u>4,150,883</u>	<u>902,572</u>	<u>1,613,321</u>	<u>6,666,776</u>
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<b><u>OTHER</u></b>				
PROPERTY TAX - SPECIAL TAX	1,858,000			1,858,000
SALES TAX - TRANSPORTATION		178,500		178,500
INTEREST - TRANSPORTATION		0		0
GAS TAX - 2105		147,000		147,000
ROAD IMPACT FEES	400,000			400,000
DRAINAGE FUNDS	48,530			48,530
MIDDLEFIELD ROAD GRANTS		0		0
STATE COPS		100,000		100,000
TENNIS			7,010	7,010
				0
PARK IMPROVEMENTS		2,205		2,205
PARK GRANTS		220,000		220,000
CAPITAL IMPR.	0			0
<b>TOTAL OTHER REVENUES</b>	<b>2,306,530</b>	<b>647,705</b>	<b>7,010</b>	<b>2,961,245</b>
<b>TOTAL REVENUES W/O INTEREST</b>	<b>6,457,413</b>	<b>1,550,277</b>	<b>1,620,331</b>	<b>9,628,021</b>
<b><u>LESS EXCLUSIONS</u></b>				
- CAPITAL OUTLAY	2,992,710	797,416	400,000	4,190,126
- FEDERAL / STATE MANDATES	0		0	0
<b>NET REVENUES</b>	<b>3,464,703</b>	<b>752,861</b>	<b>1,220,331</b>	<b>5,437,895</b>
	63.7%	13.8%	22.4%	100.0%
<b><u>INTEREST</u></b>	<b>191,142</b>	<b>41,534</b>	<b>67,324</b>	<b>300,000</b>
<b>TOTAL REVENUES</b>	<b>3,655,845</b>	<b>794,395</b>	<b>1,287,655</b>	<b>5,737,895</b>