



TOWN OF PORTOLA VALLEY

7:00 PM – Regular Meeting of the Town Council
 Wednesday, February 13, 2019
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

REVISED

REGULAR MEETING AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Councilmember Richards, Councilmember Hughes, Councilmember Derwin, Vice Mayor Aalfs and Mayor Wengert

ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda.

1. **PRESENTATION** - Report on Station 8 by Woodside Fire Protection District Chief Dan Ghiorso and Fire Chief (3)
 Rob Lindner

CONSENT AGENDA

The following items listed on the Consent Agenda are considered routine and approved by one roll call motion. The Mayor or any member of the Town Council or of the public may request that any item listed under the Consent Agenda be removed and action taken separately.

2. **Approval of Minutes** – January 23, 2019 (4)
3. **Approval of Warrant List** – February 13, 2019 (12)
4. **Recommendation by Finance Director** – Audit and Financial Statements for FYE 06/30/18 (25)

REGULAR AGENDA

STAFF REPORTS AND RECOMMENDATIONS

- 5 **Report by Town Manager** – Annual ALPR Audit (122)
6. **Report by Town Manager** – SB 946 Vendor Compliance - First Reading of Ordinances Amending Chapters (127)
 5.08., 5.16., and 5.24 of Title 5 [Business Taxes, Licenses and Regulations] and Amending Chapters 12.10, and 12.12 of Title 12 [Streets, Trails and Public Places] of the Portola Valley Municipal Code
 - (a) First Reading, Waive Further Reading and Introduce an Ordinance Amending Chapters 5.08 [Definitions], 5.16 [Licenses], 5.24 [Exempt Businesses and Organizations] of Title 5 [Business Taxes, Licenses and Regulations] of the Portola Valley Municipal Code (Ordinance No. __)
 - (b) First Reading, Waive Further Reading and Introduce an Ordinance Amending Chapters 12.10 [Commercial Use of Town Outdoor Recreational Facilities] and 12.12 [Use of Public Rights-of-Way] of Title 12 [Streets, Trails and Public Places] of the Portola Valley Municipal Code (Ordinance No. __)
7. **Report by Town Manager** – Housing Update (159)
8. **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS** (160)
 Council arising out of liaison appointments to both in-town and regional committees and initiatives. *There are no written materials and the Town Council does not take action under this agenda item.*
9. **TOWN MANAGER REPORT** (161)

WRITTEN COMMUNICATIONS

10. **Town Council Digest** – January 24, 2019 (162)
11. **Town Council Digest** – February 1, 2019 (173)
12. **Town Council Digest** – February 7, 2019 (185)

ADJOURNMENT

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley Library located adjacent to Town Hall. In accordance with SB343, Town Council agenda materials, released less than 72 hours prior to the meeting, are available to the public at Town Hall, 765 Portola Road, Portola Valley, CA 94028.

SUBMITTAL OF AGENDA ITEMS

The deadline for submittal of agenda items is 12:00 Noon WEDNESDAY of the week prior to the meeting. By law no action can be taken on matters not listed on the printed agenda unless the Town Council determines that emergency action is required. Non-emergency matters brought up by the public under Communications may be referred to the administrative staff for appropriate action.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Town Council at, or prior to, the Public Hearing(s).

#1

There are no written materials for Woodside Fire Protection District Report

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 961, JANUARY 23, 2019

CALL TO ORDER AND ROLL CALL

Mayor Wengert called the Town Council's Regular meeting to order at 7:00 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

Present: Councilmembers Mary Ann Moise Derwin, Craig Hughes, John Richards; Vice Mayor Jeff Aalfs; Mayor Ann Wengert

Absent: None

Others: Brandi de Garmeaux, Assistant to the Town Manager
Cara Silver, Town Attorney
Howard Young, Public Works Director
Sharon Hanlon, Town Clerk

ORAL COMMUNICATIONS

Florence Eschbach, Portola Valley Ranch. Ms. Eschbach said she was speaking on behalf of Diane Fisher, also a Portola Valley Ranch resident. She requested the Town implement a defensible space matching fund program. Ms. Eschbach read a letter from Diane Fisher. "I have recently lost my house insurance because the carrier AAA will no longer issue policies in this area due to the high fire risk. I have been denied coverage by all the major carriers because of the high fire risk. Most of these carriers will renew existing policies but will not issue new ones. We cannot change the assessment map that indicate our wildfire risk, but we can change how we encourage people to reduce a few loads on their properties and help firefighters defend our home and reduce the chance of any fire turning into a major wildfire in our town. We do not have to reinvent the wheel. The Town of Woodside has had such a program for many years. I have been told that it is widely used and there is no cost to Woodside because the program is funded by private donation. It is time for Portola Valley to implement such a program. I only wonder why it took us so long to realize that we need to do this. Our Town Chipper Days and Cleanup Days are a good start, but we need more. Please implement a defensible space program in Portola Valley. Thank you. Diana Fisher."

Caroline Vertongen, 100 Palmer Lane. In response to Ms. Vertongen's questions, Mayor Wengert said the entire Town Council, Town Manager, as well as the Town Commissions and other committee members do understand and abide by the California Government Ethics laws and the Public Service Ethics laws. She said they participate annually in the required ethics training and have done a very good job in maintaining the highest standards as required by the State of California. She said any letters that come into Town Hall addressed to the Town Council are published weekly in the Council's Weekly Digest, which is public.

Michael Tomars, Portola Valley Ranch. Mr. Tomars said he also had some fire insurance drama but was lucky enough to be able to renew his policy, albeit at a 120% increase. He said there are other residents in Portola Valley who have not been so lucky. He said he met with Deputy Fire Marshal Bullard, who was very helpful in providing additional perspective on what might be going on. Mr. Tomars said there used to be a lot of specific analysis at a particular residence to see if there were risks that could be mitigated. However, in view of the devastating fires that have happened in California, the companies are taking a more holistic view of communities – not necessarily what's happening in his yard but perhaps a mile away. He said they have been updating their risk maps and getting a better perspective of what they want to insure and what they do not want to insure. He said the defensible matching program is a good idea and it's all very carefully articulated on Woodside's Town website. He said the Fire Protection District is very aware that this is a high-risk area and there are things they'd love to do, but cannot due to a lack of resources. Mr. Tomars said he and Deputy Fire Marshal Bullard had a brainstorming session and came up with some ideas. He asked the Town Council to consider calendaring the item for a more formal

discussion at a future meeting. He said they discussed parcel assessments that would specifically fund fuel reduction in Town, not dissimilar to the efforts put forward to fund the school and better educational programs. He said given the mega-threat of big fires, he believes this is something the community would accept. He said there are also a number of grants available from Cal Fire and other organizations. He suggested a study group be developed to come up with a comprehensive way of approaching this risk, a risk that is not going to go away. He said the Town ordinances talk about preserving property values. He said if you cannot sell your house because you cannot get fire insurance that will affect property values.

Mayor Wengert said there are a number of Committees looking at this – Emergency Preparedness and Firewise. Mayor Wengert appreciated Mr. Tomars' suggestions. She said it is an ongoing effort and those considerations and specific suggestions will be addressed this year. Councilmember Hughes said the Town Manager has also been looking at this issue and is aware of the insurance company issues. Mayor Wengert said redlining has occurred before but it is now at a heightened level following last year's fires.

Mr. Tomars said that Deputy Fire Marshal Bullard said there are also trees that should not exist at all, things that can be addressed now, such as the trees at Corte Madera School. Mayor Wengert said there is money set aside in the annual budget for clearing some of the high-risk trees and have been selecting clearing for a number of years whenever there were funds available. Ms. Eschbach said the Portola Valley Ranch Manager has approached the school regarding removing the pine trees because they are right at the junction of the Portola Valley Ranch property and the school but the school said there is no budget for it. Vice Mayor Aalfs said the school is aware of those trees and the hazard they pose. He said they are trying to find the money to take them down.

CONSENT AGENDA

- (1) Approval of Minutes – Town Council Regular Meeting of January 9, 2019. *[Removed from Consent Agenda.]*
- (2) Approval of Warrant List – January 23, 2019, in the amount of \$160,597.93.
- (3) Appointment by Mayor – Commissions and Committees Membership Appointments for 2019.
- (4) Recommendation by Town Attorney – Leaf Blower Ordinance Amendments: Second Reading
 - (a) Second Reading, Waive Further Reading and Adopt an Ordinance Adding Chapter 9.10 [Noise Control] of Title 9 [Public Peace, Health, Morals and Welfare] of the Portola Valley Municipal Code (Ordinance No. 2019-427)
 - (b) Second Reading, Waive Further Reading and Adopt an Ordinance Adding Chapter 8.32 [Leaf Blower Use] of Title 8 [Health and Safety] of the Portola Valley Municipal Code (Ordinance No. 2019-428)

Councilmember Derwin moved to approve Items 2, 3, and 4 of the Consent Agenda. Seconded by Councilmember Aalfs, the motion carried 5-0, by roll call vote.

- (1) Approval of Minutes – Town Council Regular Meeting of January 9, 2019. Councilmember Richards moved to approve Item 1 as amended. Seconded by Councilmember Derwin, the motion carried 4-0-1, with Vice Mayor Aalfs abstaining.

REGULAR AGENDA

STAFF REPORTS AND RECOMMENDATIONS

- (5) Appointment by Mayor – Appointments to the Woodside Highlands Road Maintenance District Citizens Advisory Committee.

Item #5 pulled from the agenda, to be heard at a near future meeting.

Councilmember Hughes noted that he has been working through the Town Manager and other staff to try to locate any possible organizing documents for these Road Maintenance Districts, but they have not yet been found. He said it is possible such documents do not exist as these organizations may preexist the creation of LAFCOs. He said having some kind of organizing document that can inform him of his responsibilities with respect to the Road Maintenance District would be very helpful for clarity before they start acting on these items. He said there is a question of whether or not these Districts should fall under LAFCO. Town Attorney Silver said her understanding was that the LAFCO issue was not as significant as some of the other pending issues. She said staff agrees the organizing documents are very important and they are trying to find them.

- (6) Study Session – The PG&E Bankruptcy Implications for Peninsula Clean Energy, CCAs, and the Electric Industry in California.

Vice Mayor Aalfs led a study session regarding the implications of the anticipated PG&E bankruptcy for PCE and others. He explained how Peninsula Clean Energy (PCE) works and how they relate to PG&E. He explained PG&E's business, the context of which is important to understanding what may or may not happen with their bankruptcy.

He explained that PCE is the CCA provider for San Mateo County, serving 97.5% of all accounts in San Mateo County, with the remainder being people who opted to go back to or stay with PG&E. He further described the PCE governance and operations. He explained that PCE is a Joint Powers Authority (JPA) between the County and all 20 cities and towns within San Mateo County. He said PCE does not provide any transportation or distribution service and all PCE customers are also PG&E customers. He explained that PCE contracts for electricity generation and related services and sets its own generation rates through annual action taken by their Board of Directors. He noted that the CPUC does not oversee CCA rates. He said the current policy is that the PCE generation rates are 5% lower for each rate class than PG&E's rates for their default (ECO-PLUS) product. The 100% renewable product (ECO-100) is \$0.01/kWh more expensive than ECO-plus.

Mayor Wengert asked if the long-term goal of the ECO-100 product is to at least meet and not be higher than PG&E. Vice Mayor Aalfs said, depending on the rate class, PCI is actually cheaper than PG&E for certain times of year and times of day. He said that in the long-term ECO-Plus will become ECO-100, with the two rates converging. He said they've maintained the price premium on ECO-100 for the time being, and they've had an internal debate about how long to keep those two separate products when the goal is for all of the energy to be a carbon free and renewable folio standard.

Vice Mayor Aalfs described the avenues through which PCE contracts for electricity, including three- to five-year full-service contracts with electricity service providers, long-term (5 to 20 years) contracts with individual generation facilities, and short-term contracts with other utilities or institutions. He said their procurement policy is to maintain a diversified portfolio with varied providers, varied contract terms, and varied fuel sources.

Vice Mayor Aalfs explained the billing process. He said that PCE customers are eligible for all PG&E programs and that PCE is also introducing its own programs. He said all of PCE's revenues come from the retail sale of electricity purchased through wholesale contracts.

Councilmember Hughes asked for some examples of some of the programs the PCE is providing. Vice Mayor Aalfs said one program just wrapped up at the end of last year was an added incentive for electric vehicles. He said they made deals with a few local car dealers, offering a \$1,000 rebate in addition to all of the State and Federal rebates, along with a negotiated deal with those car dealers for the Chevrolet Volt, which just got discontinued, the Nissan Leaf, and the BMW I-3. He said the program currently being

rolled out is an EV infrastructure program where they're working with multifamily housing such as apartments and condominiums to install EV chargers. He said that area is a large gap in the EV infrastructure. He said they are also looking at programs to encourage electrification of EVs as well as water and space heating, incentivizing heat-pump water heaters and heat-pump space heating. He said they are also discussing offering something for electric leaf blowers.

Vice Mayor Aalfs further explained the three methods by which PCE buys power and collects revenues. He shared PCE's financial position from 2016 to present. He showed a chart comparing PCE and PG&E rates and how the fees are broken out.

Vice Mayor Aalfs explained the Price Charge Indifference Adjustment (PCIA), which applies to customers who leave PG&E for a CCA or a Direct Access (DA) provider. Bundled customers (those remaining with PG&E) are not charged extra due to CCA customers departing. The adjustment also compensates PG&E for stranded costs of the departing load. This PCIA is adjusted annually by PG&E, approved by the CPUC, and guided by the PUC.

In response to Councilmember Hughes question, Vice Mayor Aalfs said the PCIA is calculated separately for each CCA and for each class, and it is called vintaging.

Vice Mayor Aalfs described the CPUC PCIA Ruling (Phase 1) in October 2018, which allowed PG&E to include utility-owned generation (UOG) built before 2002 in their PCIA calculations (prohibited by State law); removed a 10-year reimbursement limit for utility-owned generation (also contradicts State Law); and altered the benchmark by which unsold generation is valued, significantly increasing PG&E's calculated losses on excess generation. The net effect is that PCIA charges will increase by ~30% in 2019, and could continue to increase significantly for several years.

Councilmember Derwin asked if anyone was appealing the CPUC PCIA ruling. Vice Mayor Aalfs said some things are being contested in court but it's a difficult process.

Vice Mayor Aalfs described the future PCIA steps (proposed Phase II), including the securitization of excess contracts and public auction of excess capacity or contracts, both of which are part of the next phase of the PCIA proceeding at the CPUC, which will last approximately two years.

Vice Mayor Aalfs explained what is known about PG&E's bankruptcy. He said PG&E is expected to file their first day plan around January 29. Because PG&E estimates approximately \$30B in liability from the fires in 2017 and 2018, approximately \$1B in liability insurance policies, and a current market value of approximately \$3.5B, the bankruptcy is unavoidable. He said they have already started trying to market their Natural Gas Division to make up the shortfall.

Vice Mayor Aalfs described PCE concerns about the bankruptcy. He said PCE will probably still get its money from PG&E. He said there is the possibility of one or more liens being placed against PG&E's incoming revenue, but they expect this issue to be resolved quickly. At any rate, PCE has 180 days of operating reserve, just in case. Regarding the question of whether PG&E will be able to honor its energy contracts with PCE and other CCAs, it is possible that there could be a forced sell-off of contracts or facilities, but usually the contracts will follow the sale. He said, however, there is a chance of future interruptions that are unknown. Vice Mayor Aalfs said PG&E will almost certainly continue to operate the grid and deliver power because nobody wants to see disruptions.

Councilmember Hughes asked if the power would still stay on if there was any interruption between PCE and PG&E or if PCE had interruptions or failures. Vice Mayor Aalfs said the power would stay on because PG&E is still the provider of last resort.

Mayor Wengert asked what would happen to PCE if someday it was no longer a viable operation, such as in the worst-case scenario where they are cut out by PG&E, or if PG&E refuses to pay PCE and the six months of reserves deplete. Vice Mayor Aalfs said the JPA is there specifically to shield local jurisdictions

from liability. He said PG&E or somebody would be out there as the provider of last resort because the generation resources are not going anywhere. Mayor Wengert said ironically PG&E's financial problems could ultimately put them back into the surviving spot.

Vice Mayor Aalfs said he thinks PCE will continue to operate, PG&E will keep operating with few interruptions, and their rates will probably increase.

He described the typical steps in a bankruptcy – Filing for Chapter XI and then bankruptcy court to approve the sales of assets, approve restructuring of debt, and prioritizing creditors and expenses.

Mayor Wengert asked what PCE's credit balance is with PG&E. Vice Mayor Aalfs said it's like a working capital budget where they accrue costs. At any given time, he said the monthly revenue is about \$20M, and PG&E probably holds about 1 to 1-1/2 months of their revenue, so at any given time PG&E may have an accrued deficit to PCE of between \$20M and \$40M.

Vice Mayor Aalfs said PG&E is apparently talking about breaking up some of its units, making them subject to more limited, California-only liability.

Vice Mayor Aalfs said the less typical steps, because it's a public benefit monopoly, is that the legislature will almost certainly pass bills related to PG&E's reorganization. He said SB901 (2018) allowed PG&E to pay fire liability claims through rate increases to customers, which was intended to reassure PG&E creditors in wake of 2017 fires (before 2018 fires started). He said that possible future legislation includes (but is not limited to) protection for fire victims, changes in PG&E's regulatory status, and significant changes in PG&E's business model.

Vice Mayor Aalfs said, from PCE's perspective, it is possible that the legislature will finally force PG&E to manage/prune its generation portfolio, including cancelling non-performing contracts, renegotiating current contracts, and directing the sales of some generation facilities, which would change the PCIA significantly. He said they may raise money to address liabilities and costs to ratepayers, and/or create a public market to sell excess contracts.

Vice Mayor Aalfs described the most extreme reform imagined, where PG&E becomes a "wires-only" company and cancels or sells all their generation contracts or spins them off into a separate company. The question would then be who becomes the provider of last resort. He said maybe more CCAs would crop up and take over or all of PG&E's territory could become CCA territory. He said if the legislature sends the right signal in terms of regulation and laws going forward, it may encourage CCAs to form. He said if PG&E gets out of the generation business and the exit fee goes away, there will be a whole new playing field in terms of buying the new, cheap renewable generation that's out there. He said the CCAs may ask that from the legislature, but he thinks it is unlikely to go that far. Vice Mayor Aalfs explained the Distribution System Operator (DSO) model, comparable to CAISO's role in the transmission grid.

Vice Mayor Aalfs said the future grid looks to be decentralized with a lot more local energy resources, more local wind and solar, more local storage, demand management, and microgrids (single meter and community). He said the transmission grid cannot ever be made risk free, but the risk of fire can be substantially reduced. He said that by creating and expanding local resilience and short-term energy independence, we can allow the transmission grid to be shut down during high-risk periods (Red Flag wind alerts, high fire periods) without losing all local power.

Vice Mayor Aalfs said that PG&E's bankruptcy and whatever reform comes out of it could eliminate a lot of obstacles toward the future grid.

A woman from the audience asked about geothermal. Vice Mayor Aalfs said he loves geothermal, but there is not a lot of it, less than 2% of California's capacity. He said it is a good source of power, constant, and carbon free. He said there is geothermal in Lassen. He said Imperial Irrigation District is trying to expand the thermal down by the Salton Sea. He said there is not a lot more potential for it and most of it

is under contract for a long time. With regard to geothermal systems on homes, Vice Mayor Aalfs said they are very expensive and a smaller scale solution. Councilmember Richards said geothermal is not very effective in our climate.

(7) Report by Assistant to the Town Manager – Review of Software

Assistant to the Town Manager de Garneau described the background, the historic perspective on software growth and review of current software in use, guiding philosophy on software purchases, review of recently implemented software, and future software needs, as detailed in the staff report. Staff recommended that the Town's software inventory be reviewed by Council during the first budget discussion in June.

Councilmember Hughes said there are two or three things he will follow up on with staff. He said it will be a complicated process to make Access in its current form work on modern systems. He said he also has a couple of questions on some security and line items.

Vice Mayor Aalfs said he likes seeing it organized this way and it will be very helpful going forward.

Mayor Wengert suggested staff provide an estimate of cost and the timing of the future software programs to construct a future capital projection.

Mayor Wengert said it is astounding that the software costs have tripled in two years. Councilmember Richards said it illustrates how dependent the Town is on the software. Councilmember Hughes said the flip side is that the staff cost has probably gone down about the same as the software costs have gone up. Assistant to the Town Manager de Garneau said she looks at the cost increases as the contracts come up for renewal. She said the website originally wanted a 6% increase per year and she got them down to 3.5%. She said she did not negotiate the Accella contract and it has an automatic 7% increase per year, which is twice the CPI. She said it is important to keep an eye on the automatic increases and negotiate them down. Mayor Wengert said it may also be helpful for the chart to indicate the duration of the remaining contracts.

(8) Appointment by Mayor – Council Liaison Appointments for 2019

Councilmember Hughes moved to approve the Council Liaison Appointments for 2019, as amended. Seconded by Councilmember Richards; the motion carried 5-0.

(9) **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS**

Councilmember Richards – Attended County Emergency Services Council meeting where they had a presentation by the Public Health Department where they discussed that N95 masks should not be handed out because they have been determined to require expert fitting and can cause other health issues. They decided to create a subcommittee to work with the Health Department to come up with a way to provide some help to people. They also discussed SB-821. He said Belmont HAZMAT is now expanding to 30 members, which will cause a budget increase. They also received a report from the Red Cross. He attended the Conservation Committee meeting. He said they did a site review of a new house on Golden Oak that had every inch of the property covered with some kind of planting, all irrigated, mostly non-native. Councilmember Richards was visited by a teenager in Hillsborough who wants to make and donate owl boxes. He attended the Emergency Preparedness meeting where they got a new member.

Councilmember Hughes – Attended a Trails and Paths Committee meeting where they are looking at better instructions for residents for driveway scoring, maintenance items, a project on Meadowood with a sewer extension that caused trail erosion and other trail issues. He attended a Finance Committee meeting where they reviewed the draft of the auditor's report for last year. Councilmember Hughes said it is one of the clearest audit reports he's ever read for the Town. All of the Committee members re-upped. Bill Urban, who has been Chair for five or six years, handed over the Chair to Lucy Neely. Mr. Urban will

continue as Vice Chair. Councilmember Hughes said the transition from Bank of America to Tech Credit Union is up and running and will save the Town approximately \$28,000 in fees this year. He said there was a report from the investment portfolio that after transferring \$500,000 from LAIF into the new investment portfolio and, contrary to expectations, the principle in the fund has actually gone up. The Finance Director is considering increasing the amount transferred to the new investment portfolio. They discussed possible opportunities to create trust funds in order to reduce retirement liability costs.

Councilmember Derwin – Attended a C/CAG Legislation Committee meeting. She said the new Governor is putting \$1B into incentives for housing. He also wants to tie the SB-1 money so that if you're not producing housing, you don't get the SB-1 money. They discussed the CASA Compact. Senator Weiner will attend the Legislation Committee meeting next month. Councilmember Derwin attended the C/CAG meeting where the Board endorsed the Flood and Sea Level Rise Resiliency Agency. They also reviewed the Transportation Program's Climate Impact Report. They then heard the update on the US 101 Managed Lanes Project. Councilmember Derwin also attended a Resource Management and Climate Protection meeting where they gave an update on the Energy Water Strategy 2025. There was a presentation by Clean Coalition about smart grid technologies. She said DWR released the groundwater priorities about the basins and gave Portola Valley low priority. She attended a "Coffee with Assemblymember Mark Berman" with Mayor Wengert, Assistant to the Town Manager de Garneau, and Town Manager Dennis. She attended the January 15 Planning Commission meeting, the fifth meeting concerning ADUs. She said the main concerns have been the 1,700 square foot maximum on certain eligible properties, the separate driveways and mailboxes, and the perception of inadequate notice. Councilmember Derwin said the staff and Commissioners did an amazing job. She did not stay for the entire meeting. Town Attorney Silver said the Commission was nearly ready to take a vote but it was so late and after having received public criticism for the perception of the Commission acting too swiftly on this issue, the Commission decided to have one more meeting.

Vice Mayor Aalfs – Reported that Measure Z passed so the School District will move forward with the bond issue. He said they just now getting together their Bond Oversight Committee. He recommended Mayor Wengert to be on the committee. Superintendent Eric Hartwig announced that he would be leaving at the end of the school year.

Mayor Wengert – Attended the "Coffee with Assemblymember Mark Berman" along with Councilmember Derwin. She said she is going to a Home for All meeting tomorrow morning.

Assistant to the Town Manager de Garneau said they will be mailing out a postcard regarding the ADU issue when it goes to Council.

(10) Town Manager Report – Public Works Director Young reported the town fared well during the recent storms. He said an electric pole went down on Alpine and Willowbrook and PG&E took care of the following day. He said there was a 12-hour power outage at the Ranch and Corte Madera. He said there were no reports on flooding.

Assistant to the Town Manager de Garneau reported that during the recent storms and power outage, residents from the PV Ranch visited Town Hall and voiced concern for residents who required medical devices that are electrically powered. Assistant to the Town Manager de Garneau said she wants to talk through with the Emergency Preparedness Committee the possibility of opening up the Community Hall for this type of future need.

Public Works Director Young and Assistant to Town Manager de Garneau spoke with Woodside Fire Protection District about whether or not an SMC Alert should have been sent out regarding the recent road closure. She said they were in close contact with the Fire Marshal and decided that it was unnecessary because it was so isolated.

WRITTEN COMMUNICATIONS

(11) Town Council Digest – January 11, 2019

#6 – Invitation to Council of Cities Dinner Meeting – City of Burlingame – Friday, January 25, 2019. Mayor Wengert and Councilmember Derwin will attend.

(12) Town Council Digest – January 27, 2019

None.

Vice Mayor Aalfs asked Town Attorney Silver if neighborhoods could actually form HOAs to block the building of ADUs. Town Attorney Silver said they can, subject to city rules; however, if they want to form something that is more restrictive, which regulated size of homes or accessory structures, they can do it. She said there are some subdivisions that already have ADUs and people who want to build them so the bylaws would need to be amended. Councilmember Hughes said if State law says any house can have an ADU then the HOA must allow it. Town Attorney Silver said that is not true. She said that would not be considered preemption because it's a voluntary restriction on personal property to not allow the exercising of a property right. She said as long as you agree to it voluntarily through the CC&Rs, it would probably stand. Councilmember Derwin said if Portola Valley is not building enough housing resulting in the loss of the SB-1 funds for the roads, which will not be good. She said one way or another the Town must produce housing.

ADJOURNMENT [9:35 p.m.]

Mayor Wengert adjourned the meeting.

Mayor

Town Clerk

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 1

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

ABAG PLAN CORPORATION	General Liability Claims, May	20603	02/13/2019	
C/O Bickmore	2018 Ramirez		02/13/2019	
	0592		02/13/2019	0.00
SACRAMENTO	BOA	53482	02/13/2019	0.00
CA 95833	PLAN-2017-18-228			2,026.56

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4348	Repairs/Vandalism	2,026.56	0.00

Check No.	53482	Total:	2,026.56
Total for	ABAG PLAN CORPORATION		2,026.56

ACCELA	Annual Subscription Renewal	20653	02/13/2019	
		00006595	02/13/2019	
2633 CAMINO RAMON	0770		02/13/2019	0.00
SAN RAMON	BOA	53483	02/13/2019	0.00
CA 94583	INV-ACC43715			8,025.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4311	Software & Licensing	8,025.00	8,025.00

Check No.	53483	Total:	8,025.00
Total for	ACCELA		8,025.00

ARC DOCUMENT SOLUTIONS, LLC	Plan Copies, 4 Applewood	20606	02/13/2019	
			02/13/2019	
9740 RESEARCH DRIVE	0112		02/13/2019	0.00
IRVINE	BOA	53484	02/13/2019	0.00
CA 92618-4327	2060304			74.77

GL Number	Description	Invoice Amount	Amount Relieved
05-20-3154	Miscellaneous Receipts	74.77	0.00

Check No.	53484	Total:	74.77
Total for	ARC DOCUMENT SOLUTIONS, LLC		74.77

ASCAP	2019 Music License Renewal	20607	02/13/2019	
			02/13/2019	
21678 NETWORK PLACE	0738		02/13/2019	0.00
CHICAGO	BOA	53485	02/13/2019	0.00
IL 60673-1216				357.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4311	Software & Licensing	357.00	0.00

Check No.	53485	Total:	357.00
Total for	ASCAP		357.00

BARRACUDA NETWORKS, INC	Backup Server/Cloud Storage	20605	02/13/2019	
		00006596	02/13/2019	
DEPT LA 22762	0530		02/13/2019	0.00
PASADENA	BOA	53486	02/13/2019	0.00
CA 91185-2762	2340767			5,305.26

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 2

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4311	Software & Licensng	5,305.26	5,285.06

Check No.	53486	Total:	5,305.26
Total for	BARRACUDA NETWORKS, INC		5,305.26

CITY OF REDWOOD CITY (IT)	December IT Support	20608	02/13/2019	
			02/13/2019	
P.O. BOX 3629	586		02/13/2019	0.00
REDWOOD CITY	BOA	53487	02/13/2019	0.00
CA 94064	BR50715			2,317.90

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4216	IT & Website Consultants	2,317.90	0.00

Check No.	53487	Total:	2,317.90
Total for	CITY OF REDWOOD CITY (IT)		2,317.90

CLEANSTREET	January Litter/Street Clean	20609	02/13/2019	
			02/13/2019	
1937 W. 169TH STREET	0034		02/13/2019	0.00
GARDENA	BOA	53488	02/13/2019	0.00
CA 90247-5254	93021			1,751.72

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4342	Landscape Supplies & Services	78.44	0.00
20-60-4262	Street Sweeping	721.46	0.00
22-60-4266	Litter Clean Up Program	951.82	0.00

Check No.	53488	Total:	1,751.72
Total for	CLEANSTREET		1,751.72

COMCAST	WiFi, 1/21/19-2/20/19	20610	02/13/2019	
			02/13/2019	
P.O. BOX 34744	0045		02/13/2019	0.00
SEATTLE	BOA	53489	02/13/2019	0.00
WA 98124-1227				119.32

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4318	Telephones	119.32	0.00

Check No.	53489	Total:	119.32
Total for	COMCAST		119.32

CSMFO	2019 Dues, Rodas	20611	02/13/2019	
			02/13/2019	
700 R STREET	918		02/13/2019	0.00
SACRAMENTO	BOA	53490	02/13/2019	0.00
CA 95811				110.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4322	Dues	110.00	0.00

Check No.	53490	Total:	110.00
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 3

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

Total for CSMFO 110.00

ECONO TREE SERVICE	Storm Damage, Tree Removal	20612	02/13/2019	
	Westridge & Mapache		02/13/2019	
1914 SPRING STREET	1252		02/13/2019	0.00
REDWOOD CITY	BOA	53491	02/13/2019	0.00
CA 94063	340268			7,100.00

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4271	Storm Damage / Emerg Repairs	7,100.00	0.00

ECONO TREE SERVICE	Storm Damage, Emergency	20613	02/13/2019	
	Tree Removal @ Golden Hills		02/13/2019	
1914 SPRING STREET	1252		02/13/2019	0.00
REDWOOD CITY	BOA	53491	02/13/2019	0.00
CA 94063	340252			2,162.26

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4271	Storm Damage / Emerg Repairs	2,162.26	0.00

ECONO TREE SERVICE	ROW Tree Removal	20614	02/13/2019	
	@ Thistle		02/13/2019	
1914 SPRING STREET	1252		02/13/2019	0.00
REDWOOD CITY	BOA	53491	02/13/2019	0.00
CA 94063	340234			2,600.00

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4264	ROW Tree Trimming & Mowing	2,600.00	0.00

ECONO TREE SERVICE	Emergency Remove Fallen Tree	20615	02/13/2019	
	@ Alpine Road		02/13/2019	
1914 SPRING STREET	1252		02/13/2019	0.00
REDWOOD CITY	BOA	53491	02/13/2019	0.00
CA 94063	340168			2,575.00

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4271	Storm Damage / Emerg Repairs	2,575.00	0.00

Check No. 53491 Total: 14,437.26

Total for ECONO TREE SERVICE 14,437.26

EXCEL LD	December LD Telephone Svc	20616	02/13/2019	
			02/13/2019	
PO BOX 660343	0806		02/13/2019	0.00
DALLAS	BOA	53492	02/13/2019	0.00
TX 75266	1176403306			13.94

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4318	Telephones	13.94	0.00

Check No. 53492 Total: 13.94

Total for EXCEL LD 13.94

EXPRESS PLUMBING-EPS, INC.	Clear Sewer Line/Back-up	20617	02/13/2019	
			02/13/2019	
307 N. AMPHLETT BLVD.	0745		02/13/2019	0.00
SAN MATEO	BOA	53493	02/13/2019	0.00
CA 94401	23365			187.00

GL Number	Description	Invoice Amount	Amount Relieved
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 4

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

05-66-4346	Mechanical Sys Maint & Repair	187.00	0.00	
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Check No.	53493	Total:	187.00
Total for	EXPRESS PLUMBING-EPS, INC.		187.00

GOVCONNECTION, INC.	Anti-Virus/Ransomware	20652	02/13/2019	
DBA Connection		00006594	02/13/2019	
7503 STANDISH PLACE	0866		02/13/2019	0.00
ROCKVILLE	BOA	53494	02/13/2019	0.00
MD 20855	17173747			2,550.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4311	Software & Licensing	2,550.00	2,550.00

Check No.	53494	Total:	2,550.00
Total for	GOVCONNECTION, INC.		2,550.00

HILLYARD, INC	Janitorial Supplies	20618	02/13/2019	
			02/13/2019	
P.O. BOX 843025	531		02/13/2019	0.00
KANSAS CITY	BOA	53495	02/13/2019	0.00
MO 64184-3025	603286544			492.44

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4340	Building Maint Equip & Supp	164.14	0.00
05-66-4341	Community Hall	164.15	0.00
25-66-4340	Building Maint Equip & Supp	164.15	0.00

Check No.	53495	Total:	492.44
Total for	HILLYARD, INC		492.44

HORIZON	Replacement Valves, Irrigation System	20619	02/13/2019	
			02/13/2019	
P.O. BOX 52758	0289		02/13/2019	0.00
PHOENIX	BOA	53496	02/13/2019	0.00
AZ 85072-2758	1N369636			152.38

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4342	Landscape Supplies & Services	152.38	0.00

Check No.	53496	Total:	152.38
Total for	HORIZON		152.38

J.W. ENTERPRISES	Portable Lavs, 1/17-2/13/19	20620	02/13/2019	
			02/13/2019	
1689 MORSE AVE	829		02/13/2019	0.00
VENTURA	BOA	53497	02/13/2019	0.00
CA 93003	213685			402.40

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4244	Portable Lavatories	402.40	0.00

Check No.	53497	Total:	402.40
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 5

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province	Zip/Postal	Invoice Number		Check Amount

Total for J.W. ENTERPRISES 402.40

ZAKIYA KHALFANI	Staff Training/Development	20621	02/13/2019	
			02/13/2019	
10270 EAST TARON DRIVE #252	0822		02/13/2019	0.00
ELK GROVE	BOA	53498	02/13/2019	0.00
CA 95757	PV020419			600.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4326	Education & Training	600.00	0.00

Check No. 53498 Total: 600.00
Total for ZAKIYA KHALFANI 600.00

KUTZMANN & ASSOCIATES	January Plan Check	20622	02/13/2019	
			02/13/2019	
39355 CALIFORNIA STREET	0090		02/13/2019	0.00
FREMONT	BOA	53499	02/13/2019	0.00
CA 94538	PV-1-19			6,341.60

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4200	Plan Check Services	6,341.60	0.00

Check No. 53499 Total: 6,341.60
Total for KUTZMANN & ASSOCIATES 6,341.60

LEAGUE OF CALIFORNIA CITIES	2019 Dues, LCC Peninsula Div	20624	02/13/2019	
			02/13/2019	
	0093		02/13/2019	0.00
SACRAMENTO	BOA	53500	02/13/2019	0.00
CA 95814	1496			100.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4322	Dues	100.00	0.00

Check No. 53500 Total: 100.00

LEAGUE OF CALIFORNIA CITIES	2019 Member Dues	20623	02/13/2019	
			02/13/2019	
	0093		02/13/2019	0.00
SACRAMENTO	BOA	53501	02/13/2019	0.00
CA 95814	189433			3,186.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4322	Dues	3,186.00	0.00

Check No. 53501 Total: 3,186.00
Total for LEAGUE OF CALIFORNIA CITIES 3,286.00

NANCY LUND	Reimbursement, Table Top	20625	02/13/2019	
	Easels		02/13/2019	
240 GOLDEN HILLS	0241		02/13/2019	0.00
PORTOLA VALLEY	BOA	53502	02/13/2019	0.00
CA 94028				43.46

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 6

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4154	Historic Resources Committee	43.46	0.00

Check No.	53502	Total:	43.46
Total for	NANCY LUND		43.46

LYNCH ELECTRIC & SONS INC	PVTC Electrical Work/Repair	20626	02/13/2019	
			02/13/2019	
1160 INDUSTRIAL ROAD, #18	1365		02/13/2019	0.00
SAN CARLOS	BOA	53503	02/13/2019	0.00
CA 94070	2018.43			1,257.87

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4341	Community Hall	717.42	0.00
25-66-4346	Mechanical Sys Maint & Repair	540.45	0.00

Check No.	53503	Total:	1,257.87
Total for	LYNCH ELECTRIC & SONS INC		1,257.87

KEVIN MCQUILLAN	Refund Deposit, 345 Cervantes	20627	02/13/2019	
			02/13/2019	
345 CERVANTES ROAD	0868		02/13/2019	0.00
PORTOLA VALLEY	BOA	53504	02/13/2019	0.00
CA 94028				1,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4205	C&D Deposit	1,000.00	0.00

Check No.	53504	Total:	1,000.00
Total for	KEVIN MCQUILLAN		1,000.00

MIRANDA'S LANDSCAPE	Landscape Maintenance/Turf Renovations - All Fields	20628	02/13/2019	
			02/13/2019	
5907 LAKE ALMANOR DRIVE	0869		02/13/2019	0.00
SAN JOSE	BOA	53505	02/13/2019	0.00
CA 95123	0000067			24,316.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	24,316.00	0.00

Check No.	53505	Total:	24,316.00
Total for	MIRANDA'S LANDSCAPE		24,316.00

HAMID MOGHADAM	Refund Deposit, 1 Grove Ct.	20629	02/13/2019	
			02/13/2019	
1 GROVE CT.	0870		02/13/2019	0.00
PORTOLA VALLEY	BOA	53506	02/13/2019	0.00
CA 94028				868.16

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	868.16	0.00

Check No.	53506	Total:	868.16
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 7

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province	Zip/Postal	Invoice Number		Check Amount

Total for HAMID MOGHADAM 868.16

JUDITH MURPHY	Refund Deposit, 8 Portola Green Circle	20630	02/13/2019	
			02/13/2019	
8 PORTOLA GREEN CIRCLE	0210		02/13/2019	0.00
PORTOLA VALLEY	BOA	53507	02/13/2019	0.00
CA 94028				1,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	1,000.00	0.00

Check No. 53507 Total: 1,000.00

Total for JUDITH MURPHY 1,000.00

NAVIA BENEFIT SOLUTIONS	Annual Plan Year Fee, 2019	20631	02/13/2019	
			02/13/2019	
PO BOX 35193	0379		02/13/2019	0.00
SEATTLE	BOA	53508	02/13/2019	0.00
WA 98124	10180487			1,000.00

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4097	Cafeteria Plan Mgmt	1,000.00	0.00

Check No. 53508 Total: 1,000.00

Total for NAVIA BENEFIT SOLUTIONS 1,000.00

NCE	Pavement Management System	20632	02/13/2019	
			02/13/2019	
Nichols Consulting Engineers	0183		02/13/2019	0.00
1885 S. ARLINGTON AVE	BOA	53509	02/13/2019	0.00
RENO	424225503			3,060.00
NV 89509				

GL Number	Description	Invoice Amount	Amount Relieved
05-68-4553	Pavement Management Update	3,060.00	0.00

Check No. 53509 Total: 3,060.00

Total for NCE 3,060.00

PENINSULA SCREEN SHOP	Replacement Window Screens, Town Hall/Community Hall	20633	02/13/2019	
			02/13/2019	
2127 MIDDLEFIELD RD.	0823		02/13/2019	0.00
REDWOOD CITY	BOA	53510	02/13/2019	0.00
CA 94063	940			160.95

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4340	Building Maint Equip & Supp	80.47	0.00
05-66-4341	Community Hall	80.48	0.00

Check No. 53510 Total: 160.95

Total for PENINSULA SCREEN SHOP 160.95

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 8

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount
PG&E	Refund Deposit, Various ENCRO	20634	02/13/2019	
ATTN: Andre Jones	Deposits		02/13/2019	
77 BEALE STREET	1464		02/13/2019	0.00
SAN FRANCISCO	BOA	53511	02/13/2019	0.00
CA 94105				4,481.01

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	4,481.01	0.00

Check No.	53511	Total:	4,481.01
Total for	PG&E		4,481.01

RAMONA'S SECRETARIAL SERVICES	Transcription Svcs, January 20	20635	02/13/2019	
			02/13/2019	
18403 WATTERS DRIVE	1370		02/13/2019	0.00
CASTRO VALLEY	BOA	53512	02/13/2019	0.00
CA 94546	6024			2,456.00

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4188	Transcription Services	2,456.00	0.00

Check No.	53512	Total:	2,456.00
Total for	RAMONA'S SECRETARIAL SERVIC		2,456.00

DARCI REIMUND	Refund Deposit, 155 Grove	20636	02/13/2019	
			02/13/2019	
155 GROVE DRIVE	0178		02/13/2019	0.00
PORTOLA VALLEY	BOA	53513	02/13/2019	0.00
CA 94028				784.09

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	784.09	0.00

Check No.	53513	Total:	784.09
Total for	DARCI REIMUND		784.09

JOHN RENO	Refund Deposit, 377 Wayside	20637	02/13/2019	
			02/13/2019	
377 WAYSIDE ROAD	0871		02/13/2019	0.00
PORTOLA VALLEY	BOA	53514	02/13/2019	0.00
CA 94028				500.19

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	500.19	0.00

Check No.	53514	Total:	500.19
Total for	JOHN RENO		500.19

CYNTHIA RICHARDSON	Planning Consultant Services,	20638	02/13/2019	
dba Richardson Consulting	January 2019		02/13/2019	
24 CAMPBELL LANE	1250		02/13/2019	0.00
MENLO PARK	BOA	53515	02/13/2019	0.00
CA 94025				8,400.00

GL Number	Description	Invoice Amount	Amount Relieved
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 9

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

05-54-4196	Planner	420.00	0.00	
96-54-4198	Planner - Charges to Appls	7,980.00	0.00	

Check No.	53515	Total:	8,400.00
Total for	CYNTHIA RICHARDSON		8,400.00

RON RAMIES AUTOMOTIVE, INC.	Nov/Dec Fuel Statement	20639	02/13/2019	
			02/13/2019	
115 PORTOLA ROAD	422		02/13/2019	0.00
PORTOLA VALLEY	BOA	53516	02/13/2019	0.00
CA 94028				898.49

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4334	Vehicle Maintenance	898.49	0.00

Check No.	53516	Total:	898.49
Total for	RON RAMIES AUTOMOTIVE, INC.		898.49

ROYAL WHOLESALE ELECTRIC	Replacement Electrical Parts	20640	02/13/2019	
			02/13/2019	
1001 BING STREET	0872		02/13/2019	0.00
SAN CARLOS	BOA	53517	02/13/2019	0.00
CA 94070	7003-698760			100.09

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4340	Building Maint Equip & Supp	100.09	0.00

Check No.	53517	Total:	100.09
Total for	ROYAL WHOLESALE ELECTRIC		100.09

SAN MATEO SHERIFF	FY 18-19 2nd Qtr. Law Enforce	20641	02/13/2019	
OFFICE OF EMERGENCY SERVICES			02/13/2019	
400 COUNTY CENTER	0119		02/13/2019	0.00
REDWOOD CITY	BOA	53518	02/13/2019	0.00
CA 94063-0978	11307			264,569.50

GL Number	Description	Invoice Amount	Amount Relieved
05-62-4282	San Mateo County Sheriff's Ofc	96,226.50	0.00
05-62-4284	COPS Addl Traffic Patrols	153,343.00	0.00
10-62-4284	COPS Addl Traffic Patrols	15,000.00	0.00

Check No.	53518	Total:	264,569.50
Total for	SAN MATEO SHERIFF		264,569.50

SCHWAAB INC	Replacement Stamp/Pads	20642	02/13/2019	
			02/13/2019	
PO BOX 3128	0120		02/13/2019	0.00
MILWAUKEE	BOA	53519	02/13/2019	0.00
WI 53201-3128	C025418			143.26

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4308	Office Supplies	143.26	0.00

Check No.	53519	Total:	143.26
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 10

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

Total for SCHWAAB INC 143.26

SHARP BUSINESS SYSTEMS	December Copies	20643	02/13/2019	
			02/13/2019	
DEPT. LA 21510	0199		02/13/2019	0.00
PASADENA	BOA	53520	02/13/2019	0.00
CA 91185-1510	9001641410			266.44

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4308	Office Supplies	266.44	0.00

Check No. 53520 Total: 266.44

Total for SHARP BUSINESS SYSTEMS 266.44

SITEIMPROVE	Web Accessibility	20644	02/13/2019	
			02/13/2019	
ONE CAPITOL MALL #670	0873		02/13/2019	0.00
SACRAMENTO	BOA	53521	02/13/2019	0.00
CA 95814	58741			3,400.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4311	Software & Licensing	3,400.00	0.00

Check No. 53521 Total: 3,400.00

Total for SITEIMPROVE 3,400.00

SMITH'S GOPHER TRAPPING SVC	Jan Field Inspection/Trapping & Pest Control	20645	02/13/2019	
			02/13/2019	
PO BOX 112104	0824		02/13/2019	0.00
CAMPBELL	BOA	53522	02/13/2019	0.00
CA 95011	52911			585.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	292.50	0.00
05-66-4342	Landscape Supplies & Services	292.50	0.00

Check No. 53522 Total: 585.00

Total for SMITH'S GOPHER TRAPPING SVC 585.00

SPARTAN ENGINEERING	Alarm Panel Repair	20646	02/13/2019	
			02/13/2019	
510 PARROTT STREET, #6	0095		02/13/2019	0.00
SAN JOSE	BOA	53523	02/13/2019	0.00
CA 95112	23887			241.25

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4346	Mechanical Sys Maint & Repair	241.25	0.00

Check No. 53523 Total: 241.25

Total for SPARTAN ENGINEERING 241.25

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 11

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

STANDARD INSURANCE CO.	LTD/Life Premium	20647	02/13/2019	
			02/13/2019	
PO BOX 5676	0469		02/13/2019	0.00
PORTLAND	BOA	53524	02/13/2019	0.00
OR 97228				591.23

GL Number	Description	Invoice Amount	Amount Relieved	
05-50-4091	Long Term Disability Insurance	591.23	0.00	

Check No.	53524	Total:	591.23
Total for	STANDARD INSURANCE CO.		591.23

STAPLES CREDIT PLAN	December Statement	20648	02/13/2019	
			02/13/2019	
DEPT. 31 - 0000306219	430		02/13/2019	0.00
PHOENIX	BOA	53525	02/13/2019	0.00
AZ 85062-8004				610.77

GL Number	Description	Invoice Amount	Amount Relieved	
05-64-4308	Office Supplies	610.77	0.00	

Check No.	53525	Total:	610.77
Total for	STAPLES CREDIT PLAN		610.77

US POSTMASTER	Balance Due, Annual Bulk Mail	20649	02/13/2019	
Business Mail Entry Unit	Permit Renewal		02/13/2019	
3875 BOHANNON DRIVE	0287		02/13/2019	0.00
MENLO PARK	BOA	53526	02/13/2019	0.00
CA 94025				10.00

GL Number	Description	Invoice Amount	Amount Relieved	
05-64-4316	Postage	10.00	0.00	

Check No.	53526	Total:	10.00
Total for	US POSTMASTER		10.00

VERIZON WIRELESS	January Cellular	20650	02/13/2019	
			02/13/2019	
P.O. BOX 660108	0131		02/13/2019	0.00
DALLAS	BOA	53527	02/13/2019	0.00
TX 75266-0108	9822973336			732.73

GL Number	Description	Invoice Amount	Amount Relieved	
05-64-4318	Telephones	732.73	0.00	

Check No.	53527	Total:	732.73
Total for	VERIZON WIRELESS		732.73

SCOTT WEBER	Reimbursement, Work Boots/ Pants	20651	02/13/2019	
			02/13/2019	
	793		02/13/2019	0.00
	BOA	53528	02/13/2019	0.00
				220.23

GL Number	Description	Invoice Amount	Amount Relieved	
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INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/13/19

Date: 02/08/2019

Time: 10:06 am

Page: 12

TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount
05-60-4267	Tools & Equipment	220.23	0.00	

Check No.	53528	Total:	220.23
<u>Total for</u>	<u>SCOTT WEBER</u>		<u>220.23</u>

Total Invoices: 50

Grand Total:	370,247.27
Less Credit Memos:	0.00
Net Total:	<u>370,247.27</u>
Less Hand Check Total:	0.00
Outstanding Invoice Total:	<u>370,247.27</u>

TOWN OF PORTOLA VALLEY
Warrant Disbursement Journal
February 13, 2019

Claims totaling \$370,247.27 having been duly examined by me and found to be correct are hereby approved and verified by me as due bills against the Town of Portola Valley.

Date _____

Jeremy Dennis, Treasurer

Motion having been duly made and seconded, the above claims are hereby approved and allowed for payment.

Signed and sealed this (Date) _____

Sharon Hanlon, Town Clerk

Mayor



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Douglas Radtke, Finance Director

DATE: February 13, 2019

RE: Audit and Financial Statements for FYE 6/30/18

RECOMMENDATION

Staff recommends that the Mayor and Town Council review, accept and file the attached Basic Financial Statements and Memorandum on Internal Control (MOIC) for the fiscal year ending June 30, 2018.

BACKGROUND

The Town's independent auditor, Maze & Associates, has completed the Town's Basic Financial Statements for the fiscal year ending June 30, 2018. The Town is required to annually utilize the services of an independent auditor to review and audit the Town's financial records

DISCUSSION

The audit has been completed on all Town funds and the results are found in the attached reports. We are pleased to report that both documents indicate the auditor's satisfaction that the financial position of the Town's activities, major funds and aggregate remaining fund information has been presented fairly in all material aspects.

An analysis is contained in the Management Discussion and Analysis section of the Basic Financial Statements. Of particular interest to all agencies within the State of California is the effects of the implementation of a new governmental accounting standard, GASB No. 75. The pronouncement requires a full balance sheet presentation and actuarial liability of Other Post-Employment Benefits (OPEB) which relates to future healthcare costs the Town will incur as a result of its obligation to fund a minimal premium reimbursement on retiree healthcare as required by The Public Employees' Medical & Hospital Care Act (PEMCHA). This premium reimbursement is subject to periodic inflationary increases. The current retiree premium reimbursement is \$136/month for 2019, \$133/month during 2018, and \$128/month during 2017. The OPEB adjustment required to prospectively bring the Town's basic financial statements into GASB No. 75 compliance was \$501,539.

The Town's net pension liability at the end of FY 2017-2018 was \$712,486 which is an increase from \$523,840 during FY 2016-2017. This increase is largely attributable to the California Public Employees' Retirement System (CalPERS) voting to lower the discount rate used in the actuarial calculations over a period of three years from 7.5% to 7.00%. The transition of discount rate will occur as follows: 7.375% for FY 2017-2018, 7.25% for FY 2018-2019, and 7.00% for FY 2019-2020. Staff recommends continuing to explore strategies to contain unfunded liabilities arising from CalPERS and OPEB including the formation of a Section 115 trust.

The overall net position of the Town from a government-wide presentation decreased \$99,860 however this is primarily attributable to the effects of the prospective GASB No. 75 adjustment. Within the statement of activities, a notable decrease was charges for services which is primarily a classification issue having to do with a one-time contribution to the Inclusionary In-Lieu Fund for \$573,524. Eliminating the effect of this one-time contribution, the city's various revenues which could be classified as charges for services remained comparatively steady.

Investment returns from Town reserves maintained with the Local Agency Investment Fund (LAIF) increased dramatically during the current fiscal year as compared to previous by \$99,346 or 49.4%. This is attributable to the period of rising interest rates and improving returns from the fund itself as a benefit from those conditions.

At the January 16th Finance Committee meeting, the committee reviewed a first draft of the Basic Financial Statements and Memorandum on Internal Control (MOIC) and provided feedback to staff. Staff went through several revisions including some notable clarifying updates to the presentation and language of the footnote disclosures. Staff is presenting these final documents to Town Council for consideration and acceptance.

FISCAL IMPACT

The audit process has no direct financial impact but does result in Basic Financial Statement which clearly present the Town's financial position available to anyone interested.

SUMMARY

If useful, include a brief summary of the report.

ATTACHMENT

1. [Basic Financial Statements](#)
2. [Measure A Report](#)
3. [Memorandum of Internal Controls](#)

Approved by: Jeremy Dennis, Town Manager



**TOWN OF PORTOLA VALLEY
BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2018**

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TOWN OF PORTOLA VALLEY
Basic Financial Statements
For the Year Ended June 30, 2018
Table of Contents

	<u>Page</u>
<i>Independent Auditor's Report on Basic Financial Statements</i>	1
<i>Management's Discussion and Analysis</i>	5
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balance	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund Balance of Governmental Funds to the Statement of Activities	26
Agency Funds:	
Statement of Net Position.....	28
Notes to Basic Financial Statements	29
 Required Supplementary Information:	
Pension Plan:	
Schedule of the Proportionate Share of Net Pension Liability	52
Schedule of Contributions.....	53
OPEB Plan:	
Schedule of Changes in the Total OPEB Liability and Related Ratios	54

TOWN OF PORTOLA VALLEY
Basic Financial Statements
For the Year Ended June 30, 2018
Table of Contents

	<u>Page</u>
Budgetary Comparison Schedules:	
Schedule of Revenues Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	55
Open Space Restricted Special Revenue Fund.....	56
Measure A Special Revenue Fund	57
Notes to Required Supplementary Information	58
 <i>Supplemental Information:</i>	
Non-major Governmental Funds:	
Combining Balance Sheet.....	62
Combining Statement of Revenues, Expenditures and Changes In Fund Balances	64
Schedule of Revenues, Expenditures and Changes In Fund Balances-Budget and Actual	66
Agency Funds:	
Statement of Changes in Assets and Liabilities – Agency Funds.....	70
 <i>Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>	
	73

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Town Council
Town of Portola Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Portola Valley, California (Town) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 6E and Note 8.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplemental Information listed in the Table of Contents is presented for purposes of additional analysis and is not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
January 18, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This analysis of the Town of Portola Valley's (Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS:

- The assets of the Town exceeded its liabilities as of June 30, 2018 to \$44.8 million. Total net position decreased by \$99,860. The decrease of net position is primarily associated with a prior period adjustment towards Other Post-Employment Benefits (OPEB) in order to implement GASB Statement No. 75 (See Note 8).

The Town is taking active steps to reduce the post-employment benefit liability by establishing a trust account through the California Employers' Benefit Trust CalPERS (CERBT), a Section 115 trust maintained by the California Public Employees' Retirement System (CalPERS).

- The total liabilities increased 32.2% to \$3.69 million. The largest impact is an increase towards Net Pension Liability and the aforementioned Other Post-Employment Benefit (OPEB) adjustment necessary to comply with GASB 75 standards.
- One required accounting statement was implemented at fiscal-year end:
 - Governmental Accounting Standard Board Statement No. 75 (GASB 75) – Accounting & Financial Reporting for Postemployment Benefits Other Than Pensions.

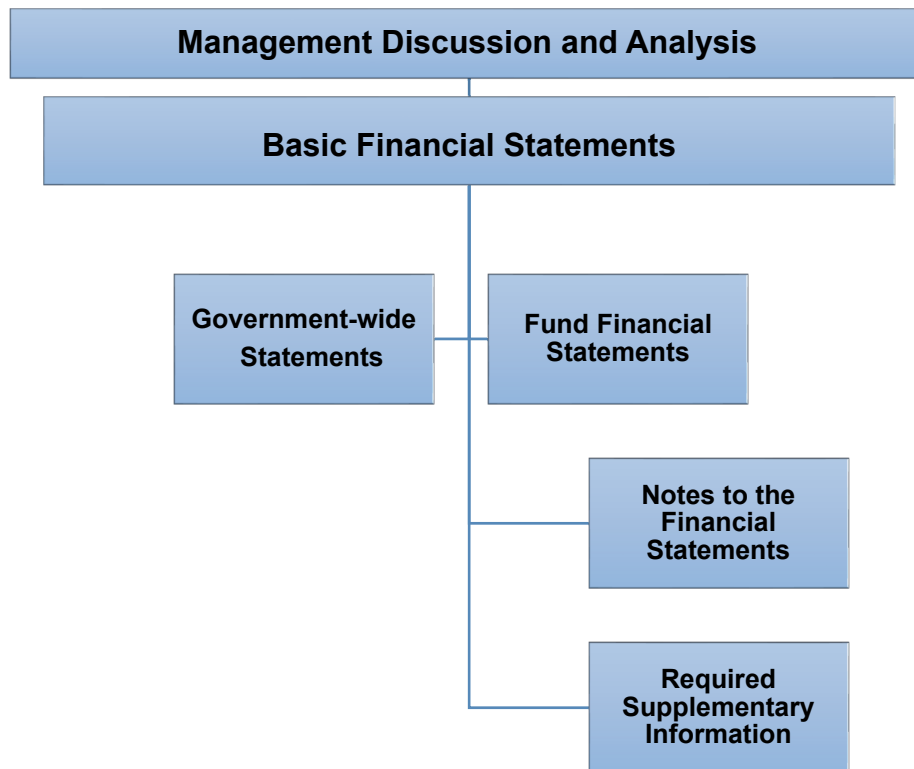
OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis serves as an introduction to the Town's basic financial statements that are comprised of three components:

1. Government-Wide Financial Statements - Provides both *short-term and long-term* information about the Town's overall financial status.
2. Fund Financial Statements - Focuses on *individual parts* of the Town's financial information, reporting these operations in *more detail* than the government-wide financial statements.
 - The *governmental funds statements* and the *agency funds statements* tell how basic services such as operations, administration, and restricted funds were financed in the short-term as well as what remains for future spending.
3. Notes to Basic Financial Statements – Provides explanation of the information contained in the basic financial statements.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data analysis. Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Organization of the Town of Portola Valley's Financial Report



Government-Wide Financial Statements:

The government-wide financial statements present the financial picture of the Town and provide readers with a broad view of the Town's finances. The current year's revenues and expenses are considered, regardless of when cash is received or paid.

The first of the government-wide statements is the *Statement of Net Position*. The *Statement of Net Position* reports the difference between the Town's total assets and total liabilities and includes all the Town's capital assets and all its long-term debt.

Although the *Statement of Net Position* reports a total net position of \$45.1 million, the Town has restrictions over the use of these funds. The investment in land, buildings, and equipment (capital assets, net of related debt) is necessary for the successful operation of the Town. Governmental laws segregate funds and place restrictions on spending. This should be considered when reviewing the report.

The second of the government-wide financial statements is the *Statement of Activities*. This statement shows the result of operations that caused net position to change from the prior year to the amount reported on the *Statement of Net Position* as of June 30, 2018. This change in net position is important because it tells the financial statement user whether the financial position has improved or diminished for the Town. The causes of this change may be the result of many factors. To assess the Town's overall health, consideration should be given to additional non-financial factors such as building and land improvements, governmental mandates and staffing levels.

The *Statement of Activities* classifies expenses by functional area. The report also shows corresponding charges for services and restricted grants for each function that help support the expenses. The resulting Net (Expenses) Revenue and Changes in Net Position shows the remaining expenses not supported by charges for services and restricted grants. General revenues are then applied to the remaining expenses resulting in the total change in net position.

Fund Financial Statements:

The fund financial statements provide detailed information about the Town's major funds, defined as funds having significant activities and balances in the current year. Non-major funds are combined in a single column, referenced in the Supplemental section of this report.

Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs. These are not reflective of the Town as a whole. It is important to note that:

- Some funds are required to be established by State law.
- The Town establishes other funds to help it control and manage money for specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

The fund financial statements include statements for governmental funds only. These are considered major funds and include:

- The General Fund – Most of the Town's basic services and financial resources are contained in this fund.
- Open Space Restricted Fund – This fund accounts for monies accrued from special voter-approved utility tax. It is used to support services for open space within the Town.
- Inclusionary-in-Lieu Fund – This fund accounts for fees that can only be used for affordable housing.
- Measure A Fund – This fund accounts for sales revenue that is restricted for the improvement of local transportation and road maintenance services.

The governmental funds statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Reconciliations are provided for both the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in fund balances to facilitate this comparison.

With the implementation of GASB-54 in 2011, the usefulness of fund balance information has been enhanced by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the case of the Town's statements, fund balances within the General Fund that were formerly classified as "designated" by the Council are now reclassified as "assigned" fund balances. In the case of the Town's loan receivable, these have now been reclassified as "non-spendable" fund balance.

Notes to Basic Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information:

In addition to the basic financial statements, this report also presents certain Required Supplementary Information including the Town's budgetary comparison schedules for the General, Open Space Restricted, Inclusionary-in-Lieu and Road Impact Fee funds.

Other Supplementary Information:

Supplementary schedules concerning balance sheets and changes in fund balances for all other funds are presented immediately following the Required Supplementary Information. Financial activity related to the Town's agency funds (maintenance districts) is also presented separately in this section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS:

Statement of Net Position:

The Town's net position has remained stable as of June 30, 2018 compared to prior year, decreasing 0.2% from \$45.2 million to \$45.1 million. The following are major components of the Town's net position:

Town of Portola Valley
 Condensed Statement of Net Position

	Fiscal Year Ended		Change	
	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>Amount</u>	<u>Percent</u>
Assets:				
Other Assets	\$ 15,379,677	\$ 16,213,745	\$ 834,068	5.1%
Capital Assets, Net	<u>32,173,830</u>	<u>32,268,492</u>	<u>94,662</u>	<u>0.3%</u>
Total Assets	<u>47,553,507</u>	<u>48,482,237</u>	<u>928,730</u>	<u>1.9%</u>
Deferred Outflows	728,800	710,839	(17,961)	-2.5%
Liabilities:				
Accounts Payable	1,611,186	2,066,263	455,077	22.0%
Long-term Liabilities	<u>888,291</u>	<u>1,620,668</u>	<u>732,377</u>	<u>45.2%</u>
Total Liabilities	<u>2,499,477</u>	<u>3,686,931</u>	<u>1,187,454</u>	<u>32.2%</u>
Deferred Inflows	582,744	405,919	(176,825)	-43.6%
Net Position:				
Invested in Capital Assets,	32,173,830	32,268,492	94,662	0.3%
Restricted	9,067,601	9,420,453	352,852	3.7%
Unrestricted	<u>3,958,655</u>	<u>3,411,281</u>	<u>(547,374)</u>	<u>-16.0%</u>
Total Net Position	<u>\$ 45,200,086</u>	<u>\$ 45,100,226</u>	<u>\$ (99,860)</u>	<u>-0.2%</u>

The Town's net position of \$45.1 million consists of \$32.2 million net investment in capital assets less \$9.4 million in restricted net assets. Restricted net assets are restricted by State law, municipal code and contractual obligation to be utilized for public works, safety and open space. The Town has \$3.4 million in unrestricted assets that represents funds that are not restricted by law; however, \$2.1 million of these funds remain assigned by the Town for special programs.

The increase in Long-Term Liabilities represents the increases in the Pension Liability and the Other Post-Employment Benefits (contributions to the health insurance for Portola Valley retirees) which increased largely due to the GASB 75 implementation.

The Town uses capital assets to provide services to the Town's populace; consequently, these assets are not available for future spending.

Statement of Activities:

The Town's total overall revenues for 2018 shows remains in the aggregate largely unchanged from prior year at \$6.6 million. Most revenue sources demonstrated modest variances from prior years, with a few exceptions. Charges for Services revenue steeply declined by 42.6% or \$527,261 due to a one time contribution to the Inclusionary In-Lieu Fund of \$573,524. Agency Revenues increased due to a San Mateo County Transportation Authority (SMTA) grant which funded a shoulder widening of Alpine Road at Arastradero Road, providing additional grant reimbursement revenue of \$118,267. Investment earnings grew by 49.4% or \$99,346 during the fiscal year due reserves held in LAIF exhibiting improving returns.

Town of Portola Valley
 Condensed Statement of Activities

	Fiscal Year Ended		<u>Change</u>	
	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>Amount</u>	<u>Percent</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 1,765,760	\$ 1,238,499	\$ (527,261)	-42.6%
Grants and Contributions	586,959	633,450	46,491	7.3%
General Revenues:				
Property Taxes	2,688,349	2,856,109	167,760	5.9%
Agency Revenues	303,945	470,630	166,685	35.4%
Franchise Fees	276,916	295,999	19,083	6.4%
Utility Users Tax	899,490	899,906	416	0.0%
Investment Earnings	101,732	201,078	99,346	49.4%
Miscellaneous	12,080	41,525	29,445	70.9%
Total Revenues	<u>6,635,231</u>	<u>6,637,196</u>	<u>1,965</u>	<u>0.0%</u>
Expenses:				
General Government	3,250,369	3,551,259	300,890	8.5%
Parks and Recreation	282,457	303,001	20,544	6.8%
Town Center Facilities	641,538	645,025	3,487	0.5%
Public Safety	1,012,708	1,050,753	38,045	3.6%
Public Works	527,798	685,479	157,681	23.0%
Total Expenses	<u>5,714,870</u>	<u>6,235,517</u>	<u>520,647</u>	<u>8.3%</u>
GASB 75 OPEB Adjustment	-	(501,539)	(501,539)	100.0%
Change in Net Position	923,725	401,679	(522,046)	-130.0%
Net Position - Beginning	44,276,361	45,200,086	923,725	2.04%
Net Position - Ending	<u>\$ 45,200,086</u>	<u>\$ 45,100,226</u>	<u>\$ (99,860)</u>	<u>-0.2%</u>

Other Observations for 2018:

- General Government expenses increased by 8.5% primarily due to construction in progress assets moved into service during the fiscal year.
- Parks & Recreation expenses increased by 6.8% primarily due to an increase in Town classes and events.

- Public Works expenses increased by 23% due to increased depreciation as a result of various capital projects being placed into service such as the ALPR cameras and various Town Center improvements.

FUND FINANCIAL STATEMENT ANALYSIS

As the Town completed the year, its governmental funds (General Fund, Open Space Restricted Fund, Inclusionary-in-Lieu Fund, Measure A Fund, and Other Governmental Funds) reported combined fund balances of \$14.1, an increase of \$0.3 million from last year's ending fund balances of \$13.8 million. This \$1.6 million increase is attributable to two key causes: Expenditures in the General Fund were \$555,391 less than budgeted and the Licenses and permit revenue was \$180,149 over projected revenues.

The following assigned fund balances can be used for their specific purposes within the General Fund; however, these funds can be reassigned at the Council's discretion. These assignments are consistent with prior years:

- | | |
|--|-----------|
| • Assigned for unfunded pension reserve | \$47,773 |
| • Assigned for equipment replacement | 200,000 |
| • Assigned for emergency capital reserve | 1,400,000 |
| • Assigned for OPEB | 308,280 |
| • Assigned for other purposes | 100,000 |

The General Fund had unassigned fund balance of \$2.6 million at fiscal year-end. The remaining \$9.4 million in restricted funds can only be used for projects within the intended purpose of the funds.

Additional detail on specific fund balances can be found in the notes to the financial statements.

Fund Budgetary Highlights:

The overall budget, in total, remained the same in fiscal year 2018, with the exception of primarily an additional appropriation towards capital improvements towards roads.

Anticipated revenues for the General Fund for 2018 totaled \$5.2 million while actual revenues equaled \$5.4 million. Increases were realized in the Utility User's Tax of \$25,100, Licenses & Permits of \$180,149, and Service Charges & Fees of \$42,763. However, the following revenues were under budget: Contributions of \$89,103 and Parks & Recreation of \$27,849.

General Fund expenditures budgeted for 2018 totaled \$5.8 million while *actual* expenditures equaled \$5.3 million, for a difference of \$555,391. The variance is mainly attributable to salary and benefit savings from staff vacancies, staff turnover and capital projects coming in under budget.

- General government expenditures were \$128,394 less than budgeted due to changes in personnel. While there were salary savings, the loss of employees impacts the ability to complete work in a timely manner.
- Capital improvement expenditures were \$406,374 lower than budget due primarily to the annual paving project coming in under budget and the Crowder Trail improvements expenditures being delayed during the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of the end of fiscal year 2018, the Town had invested \$32.3 million in a broad range of capital assets including buildings, land and technology upgrades. The Town increased its gross capital assets by \$1.04 million during 2018. Total depreciation expense for the year was \$947,014. Depreciation expense is allocated to the fund and category in which the capital asset has been recorded. The Alpine Road at Arastradero Road shoulder widening portion of the SMTA Road project was converted from construction in progress to capital assets. The Town additionally placed into service an ALPR System, capitalized various Town Center improvements, and made significant improvements towards the Spring Down property during the fiscal year.

Additional information on the Town's capital assets can be found in Note 3.

Condensed Statement of Capital Assets

	Fiscal Year Ended		<u>Change</u>	
	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>Amount</u>	<u>Percent</u>
Land	\$ 6,690,959	\$ 6,690,959	\$ -	0%
Construction in Progress	87,355	216,388	(129,033)	-148%
Infrastructure	9,532,358	10,362,143	829,785	9%
Land Improvements	3,101,941	3,103,016	1,075	0.03%
Buildings & Improvements	19,805,194	19,838,321	33,127	0.2%
Equipment	<u>404,771</u>	<u>453,427</u>	<u>48,656</u>	12%
 Total Capital Assets	 39,622,578	 40,664,254	 783,610	 3%
 Accumulated Depreciation	 <u>(7,448,748)</u>	 <u>(8,395,762)</u>	 <u>(947,014)</u>	 13%
 Total Net Capital Assets	 <u>\$32,173,830</u>	 <u>\$32,268,402</u>	 <u>\$(163,404)</u>	 0.3%

Long-Term Debt:

The Town's long term liabilities include \$712,486 Net Pension Liability and \$834,871 Net OPEB obligation, with no new debt incurred during the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET:

The factors that most significantly impact the Town and its budget are driven by property values, building activity, and labor costs. The local real estate market and housing demand in the region remained steady. These two factors directly impact property taxes, which are the Town's largest revenue source.

The Town recognizes its contractual obligations to employees for vacation and benefits payable. As of June 30, 2018, the Town had accumulated obligations totaling \$84,311 for unpaid vacation leave. Funding for this liability has not occurred since it is not payable currently. The annual expected payout of vacation leave is reflected in the current operating budget of the General Fund. The Town provides post-employment benefits other than pensions such as health insurance to their retirees. The beginning fiscal year 2017 net OPEB obligation was \$281,102 and the ending obligation was \$823,871, an increase of \$542,769. The substantial increase was driven primarily by the implementation of GASB 75.

During Fiscal Year 2018, the Town implemented GASB 75, issued during June 2015. GASB 75 implementation included a number of sweeping disclosure changes and fundamental overhauls in the standards of reporting for Other Post-Employment Benefits (OPEB). Many of the requirements are similar in nature to the recent GASB 68 implementation in regards to pension. Most impactful is the recognition of a liability for OPEB obligations, known as the net OPEB liability (NOL) to be fully recognized on the balance sheet and a corresponding OPEB expense recognize in the income statement. Under the former GASB 45, the unfunded accrued liability (UAAL) for OPEB was reported in the notes for the plan. There are some technical differences between UAAL and NOL, but the most significant impact of GASB 75 is the move from the note disclosures section of the financial statements to the balance sheet.

The Town is currently evaluating the impact of GASB 84, issued during January 2017. The pronouncement includes numerous changes for reporting fiduciary activities in governmental financial statements and is effective for fiscal years ending on or after December 31, 2019. Staff is currently evaluating the impact of this pronouncement.

The Town is also evaluating the impact of GASB 87, issued during June 2017. The pronouncement seeks to increase the usefulness of governments' financial statements by requiring the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision in the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this pronouncement, a lease is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This pronouncement is effective for fiscal years beginning after December 15, 2019. Staff is currently evaluating the impact of this pronouncement.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or would like additional financial information, please contact the Finance Director at the Town of Portola Valley, 765 Portola Road, Portola Valley, California 94028.

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TOWN OF PORTOLA VALLEY**STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES**

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the Town's entire financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Town's assets, liabilities and deferred inflows/outflows, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the Town's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Town funds have been eliminated.

The Statement of Net Position reports the difference between the Town's total assets and deferred outflows of resources, if any; and the Town's total liabilities and deferred inflows of resources, if any, including all the Town's capital assets and all its long-term debt.

The Statement of Net Position summarizes the financial position of all of the Town's Governmental Activities in a single column.

The Town's Governmental Activities include the activities of its General Fund along with all its Special Revenue Funds and Capital Projects Funds.

The Statement of Activities reports increases and decreases in the Town's net position. It is also prepared on the full accrual basis, which means it includes all the Town's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the Town's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The Town's general revenues are then listed in the Governmental Activities column and the Change in Net Position is computed and reconciled with the Statement of Net Position.

TOWN OF PORTOLA VALLEY
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	\$14,557,261
Restricted cash (Note 2)	1,171,143
Accounts and interest receivable	454,022
Loans receivable (Note 5)	31,319
Capital assets, net (Note 3)	
Nondepreciable	6,907,347
Depreciable, net of accumulated depreciation	25,361,145
Total Assets	48,482,237
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 7)	710,839
LIABILITIES	
Current liabilities:	
Accounts payable	885,671
Refundable customer deposits	1,180,592
Non-current liabilities:	
Accrued compensated absences (Note 1G)	84,311
Net Pension Liability (Note 7)	712,486
Net OPEB obligation (Note 8)	823,871
Total Liabilities	3,686,931
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 7)	405,919
NET POSITION (Note 6)	
Net investment in capital assets	32,268,492
Restricted for:	
Special Revenue Projects	9,387,033
Capital Projects	33,420
Unrestricted	3,411,281
Total Net Position	\$45,100,226

See accompanying notes to financial statements

TOWN OF PORTOLA VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Operating Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$3,551,259	\$918,322		\$6,476	(\$2,626,461)
Parks and recreation	303,001	75,493			(227,508)
Town center facilities	645,025	244,684			(400,341)
Public safety	1,050,753		\$152,703		(898,050)
Public works	685,479		469,271	5,000	(211,208)
Total governmental activities	<u>\$6,235,517</u>	<u>\$1,238,499</u>	<u>\$621,974</u>	<u>\$11,476</u>	<u>(4,363,568)</u>
General Revenues:					
Property tax revenues.....					2,856,109
Other governmental agencies revenues.....					470,630
Franchise fees.....					295,999
Utility user tax.....					899,906
Investment earnings.....					201,078
Miscellaneous revenue.....					41,525
Total general revenues					<u>4,765,247</u>
Change in net position					401,679
Net Position, beginning of year, as restated (Note 6E)					<u>44,698,547</u>
Net Position, end of year					<u>\$45,100,226</u>

See accompanying notes to financial statements

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TOWN OF PORTOLA VALLEY

FUND FINANCIAL STATEMENTS

The Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the Town in fiscal year 2018. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

Accounts for all financial resources except those required to be accounted for in another fund.

OPEN SPACE RESTRICTED

Accounts for monies accrued from a special 2% utility tax approved by the voters in 1997, 2001, 2005, 2009, 2013 (Measure Q), 2018 (Measure T) and from private donations. Restricted for acquisition and support of open space within the Town. Private donations are generally in the form of tax-deductible checks or appreciated securities.

INCLUSIONARY-IN-LIEU

Accounts for the subdivision developer's fee, payable by fee or land that can only be used for affordable housing.

MEASURE A

Accounts for the half-cent County sales tax revenue restricted for the improvement of local transportation, including streets and roads for the recovery of road repair costs from building permit applicants due to road wear and tear from construction vehicles.

TOWN OF PORTOLA VALLEY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General	Open Space Restricted	Inclusionary In-Lieu
ASSETS			
Cash and investments (Note 2)	\$4,920,880	\$5,374,161	\$3,542,021
Restricted cash - customer deposits (Note 2)	1,171,143		
Accounts and interest receivable	164,238	46,128	16,004
Due from other funds (Note 4)	231,936		
Loans receivable (Note 5)	31,319		
	<u>31,319</u>	<u>46,128</u>	<u>16,004</u>
Total Assets	<u>\$6,519,516</u>	<u>\$5,420,289</u>	<u>\$3,558,025</u>
LIABILITIES			
Accounts payable	\$422,960		
Refundable deposits	1,180,592		
Due to other funds (Note 4)			
	<u>1,603,552</u>		
Total Liabilities	<u>1,603,552</u>		
FUND BALANCES (Note 6)			
Nonspendable	31,319		
Restricted		\$5,420,289	\$3,558,025
Assigned	2,056,053		
Unassigned	2,828,592		
	<u>2,828,592</u>		
Total Fund Balances	<u>4,915,964</u>	<u>5,420,289</u>	<u>3,558,025</u>
Total Liabilities and Fund Balances	<u>\$6,519,516</u>	<u>\$5,420,289</u>	<u>\$3,558,025</u>

See accompanying notes to financial statements

Measure A	Other Governmental Funds	Total Governmental Funds
\$279,682	\$440,517	\$14,557,261
		1,171,143
23,066	204,586	454,022
		231,936
		31,319
<u>\$302,748</u>	<u>\$645,103</u>	<u>\$16,445,681</u>
\$283,823	\$178,888	\$885,671
		1,180,592
	231,936	231,936
<u>283,823</u>	<u>410,824</u>	<u>2,298,199</u>
		31,319
18,925	443,535	9,440,774
		2,056,053
	(209,256)	2,619,336
<u>18,925</u>	<u>234,279</u>	<u>14,147,482</u>
<u>\$302,748</u>	<u>\$645,103</u>	<u>\$16,445,681</u>

TOWN OF PORTOLA VALLEY
RECONCILIATION OF THE
GOVERNMENTAL FUNDS BALANCE SHEET
TO THE
STATEMENT OF NET POSITION
JUNE 30, 2018

Fund Balances - Total Governmental Funds \$14,147,482

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Governmental capital assets	\$40,664,254	
Less: accumulated depreciation	<u>(8,395,762)</u>	32,268,492

Retirement contributions and changes in net pension liability subsequent to the measurement date are not recognized on the Fund Balance Sheets and taken into the Statement of Net Position:

Deferred outflows of resources - pension		710,839
Deferred inflows of resources - pension		(405,919)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

Collective net pension liability		(712,486)
Net OPEB Liability		(823,871)
Compensated absences		<u>(84,311)</u>

Net Position of Governmental Activities \$45,100,226

See accompanying notes to financial statements

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TOWN OF PORTOLA VALLEY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Open Space Restricted	Inclusionary In-Lieu
REVENUES			
Taxes			
Property taxes	\$2,856,109		
Sales tax	216,425		
Utility users tax	619,934	\$279,972	
Gas tax			
Business license tax and other taxes	107,271		
Total taxes	3,799,739	279,972	
Agency revenues	11,071		
Grants			
Contributions	19,165	6,476	
Franchise fees	295,999		
Licenses and permits	763,649		
Service charges and fees	154,673		
Parks and recreation	300,978		
Investment and other revenues	89,592	74,589	\$50,027
Total Revenues	5,434,866	361,037	50,027
EXPENDITURES			
General government	3,311,035		
Parks and recreation	240,423		
Town center facilities	170,107		
Public safety	930,515		
Public works	11,127		
Capital improvement program	628,554	92,230	
Total Expenditures	5,291,761	92,230	
NET CHANGE IN FUND BALANCES	143,105	268,807	50,027
FUND BALANCES, BEGINNING OF YEAR	4,772,859	5,151,482	3,507,998
FUND BALANCES, END OF YEAR	\$4,915,964	\$5,420,289	\$3,558,025

See accompanying notes to financial statements

Measure A	Other Governmental Funds	Total Governmental Funds
		\$2,856,109
\$299,159	\$8,324	523,908
		899,906
	134,056	134,056
		107,271
<u>299,159</u>	<u>142,380</u>	<u>4,521,250</u>
	192,542	203,613
	149,379	149,379
		25,641
		295,999
		763,649
		154,673
		300,978
<u>2,199</u>	<u>5,607</u>	<u>222,014</u>
<u>301,358</u>	<u>489,908</u>	<u>6,637,196</u>
		3,311,035
		240,423
	34,146	204,253
	114,858	1,045,373
	239,832	250,959
<u>283,823</u>	<u>201,555</u>	<u>1,206,162</u>
<u>283,823</u>	<u>590,391</u>	<u>6,258,205</u>
17,535	(100,483)	378,991
<u>1,390</u>	<u>334,762</u>	<u>13,768,491</u>
<u>\$18,925</u>	<u>\$234,279</u>	<u>\$14,147,482</u>

TOWN OF PORTOLA VALLEY
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN THE FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$378,991

Amounts reported for governmental activities in the statement of net position are different because:

Capital outlay is an expenditure in the government funds financial statement, but the cost of those assets is allocated over their estimated useful lives as depreciation expense in the statement of activities.

Capital outlay and other capitalized expenditures	\$1,041,676	
Depreciation expense	<u>(947,014)</u>	94,662

The amount below included in the Statement of Activities does not provide or (require) the use of current financial resources and therefore is not reported as revenue or expenditures in governmental funds (net change):

Pension expense		(29,782)
OPEB expense		(41,230)
Net change in compensated absences		<u>(962)</u>

Change in Net Position of Governmental Activities \$401,679

See accompanying notes to financial statements

TOWN OF PORTOLA VALLEY

AGENCY FUNDS

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity – wide financial statements, but are presented in separate Agency Fund financial statements.

TOWN OF PORTOLA VALLEY
AGENCY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 2)	\$480,922
Accounts and interest receivable	<u>2,382</u>
Total Assets	<u><u>\$483,304</u></u>
LIABILITIES	
Deposits and accrued liabilities	<u>\$483,304</u>
Total Liabilities	<u><u>\$483,304</u></u>

See accompanying notes to financial statements

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of accounting policies of the Town:

A. Reporting Entity

The Town of Portola Valley (the Town) was incorporated on July 14, 1964 under the laws of the State of California. Portola Valley operates under a Council-Manager form of government. The Town provides a full range of municipal services to its citizens including public safety, culture, recreation, public improvements, planning and zoning, and general administrative support. These financial statements present the financial status of the Town.

B. Basis of Presentation

The Town's Basic Financial Statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental agencies. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting principles.

These Statements require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the Town). These statements include the financial activities of the overall Town government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Major Funds

The Town's major governmental funds are presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reported the following major governmental funds in the accompanying financial statements:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Open Space Restricted Fund is a major fund of the Town. Through the years, residents and others have raised funds to preserve some 100 acres of open space within the Town's boundaries. Several fund-raising committees have worked at various times to achieve this goal, culminating in today's Open Space Acquisition Fund (PVOSAF). This fund, overseen by the Town Council, is composed of monies accrued from a special 2% utility tax approved by the voters in 1997 and from private donations. Subsequent elections were re-authorizing the increase of the appropriations limits for 4 additional years. It can be used for the acquisition and support of open space within the Town. Private donations are generally in the form of tax-deductible checks or appreciated securities.

Inclusionary-In-Lieu is used to account for the subdivision developer's fee, payable by fee or land that can only be used for affordable housing.

Measure A accounts for the half-cent County sales tax revenue restricted for the improvement of local transportation, including streets and roads for the recovery of road repair costs from building permit applicants due to road wear and tear from construction vehicles.

The Town also reports the following fund types:

Agency Funds account for assets held by the Town as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds financial statements are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 45 to 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property tax, sales tax, utility user tax, interest revenue and franchise fees. Fines, licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Town may fund programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Town's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

E. *Property Taxes*

County tax assessments include secured and unsecured property taxes. Unsecured taxes are taxes on personal property. Tax assessments are secured by liens on the property being taxed. The County makes annual adjustments as needed to current year revenues based on true-ups and prior year tax roll corrections to special districts related to Tax Equity Allocations.

Revenue is recognized in the period for which the tax and assessment is levied. The County of San Mateo levies, bills and collects property taxes for the Town. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Secured and unsecured property taxes are levied on January 1. Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on August 31 and becomes delinquent on September 30.

F. *Implementation of Governmental Accounting Standards Board Statements*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2018.

The GASB issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans." The objective of this statement is to address reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This statement becomes effective for periods beginning after June 15, 2017. This standard was adopted for fiscal year ending June 30, 2018. Please refer to the financial statements, Note 6E and Note 8.

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2018
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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G. *Compensated Absences*

Compensated absences represent the vested portion of accumulated vacation and compensation time. Upon termination, 100% of vacation leave will be paid. The Town records a liability for unpaid compensated absences.

The changes of the compensated absences are as follows:

Beginning balance	\$83,349
Additions	88,683
Payments	<u>(87,721)</u>
Ending balance	<u><u>\$84,311</u></u>

Accumulated sick leave benefits are not recognized as liabilities of the Town. The Town's policy is to record sick leave as an operation expense in the period taken since such benefits do not vest nor is payment probable.

For all governmental funds, amounts that have matured are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

H. *Deferred Compensation Plan*

Town employees may defer a portion of their compensation under Town sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at separation, retirement, death or in an emergency as defined by the Plans.

The laws governing deferred compensation plan assets required them to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the Town's property and are not subject to the Town control, they have been excluded from these financial statements.

I. *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

K. *Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2018
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NOTE 2 - CASH AND INVESTMENTS

The Town maintains a cash and investment pool for all funds consistent with the Town's investment policy and relevant governmental code.

A. Policies

The California Government Code requires California banks and savings and loan associations to secure the Town's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Town's name.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Town's cash on deposit or first trust deed mortgage notes with a market value of 150% of the Town's total cash deposits, as collateral for these deposits. The Town may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The Town, however, has not waived the collateralization requirements. Under California Law this collateral is held in a separate investment pool by another institution in the Town's name and places the Town ahead of general creditors of the institution.

The Town follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agent is credited directly to the related fund.

The Town's investments are carried at fair value, as required by the generally accepted accounting principles. The Town adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as follows:

Statement of Net Position:	
Cash and investments	\$14,557,261
Restricted cash and investments	1,171,143
Cash and investments of the Town	15,728,404
Cash and investments in Agency Funds (separate statement)	480,922
Total cash and investments	\$16,209,326

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

C. *Investments Authorized by the California Government Code and the Town's Investment Policy*

The Town's Investment Policy and the California Government Code allow the Town to invest in the following, provided the credit ratings of the issuers are acceptable to the Town; and approved percentages and maturities are not exceeded.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
California Local Agency Investment Fund	N/A	None	\$65 million
U.S. Treasury Obligations	5 years	None	None
US Government Agency Bonds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Negotiable Certificates of Deposits	5 years	30%	None
Money Market and Mutual funds *	Upon Demand	None	None

* For Funds investing over 80% of assets in either:

- 1) short to medium term corporate bonds holding an average credit not to exceed 30% of surplus funds, of rating of "A" or better
- 2) short to medium term Federal Agency or U.S. Government sponsored enterprise obligations.

The Town does not enter into repurchase or reverse repurchase agreements.

D. *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates will be.

Information on the fair values of the Town's cash and investments at June 30, 2018, is provided by the following table:

	Cash and Investments	Restricted Cash and Investments	Total
California Local Agency Investment Fund	\$12,977,092	\$1,171,143	\$14,148,235
Cash in Bank - Brokerage	500,000		500,000
Cash in Bank - Checking Account	1,560,471		1,560,471
Cash on Hand	620		620
Total cash and investments	\$15,038,183	\$1,171,143	\$16,209,326

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Town is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Town reports its investment in LAIF at the fair value amount provided by LAIF. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2018, these investments matured in an average of 193 days.

D. Credit Risk

Credit Risk is the risk that an issuer will not fulfill its obligation to the holder of the investment. The Town invests in the California Local Agency Investment Fund, which is not rated.

E. Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets.

The California Local Agency Investment Fund is reported at amortized cost, and is not subject to the fair value reporting requirements. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

NOTE 3 - CAPITAL ASSETS

The Town defines capital assets as assets with an initial cost generally of \$5,000 or more and an estimated useful life in excess of two years except for land which is always capitalized and buildings, land improvements and infrastructure which have a \$25,000 capitalization threshold.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

The Town is required to record all its public domain (infrastructure) capital assets. The Town has elected to prospectively record its infrastructure placed into service beginning in fiscal year 2004, including roads, curbs and gutters, streets, trails, paths and drainage systems.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 - CAPITAL ASSETS (Continued)

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Town has assigned the useful lives listed below to capital assets:

<u>Asset Class</u>	<u>Useful Lives</u>
Infrastructure	20 - 50 years
Improvements other than Buildings	35 years
Buildings and Improvements	20 - 50 years
Equipment	5 - 20 years
Infrastructure - Slurry Seal	5 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

A. Capital Assets

Capital assets activities during the fiscal year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities			
Capital assets not being depreciated:			
Land	\$6,690,959		\$6,690,959
Construction in Progress	87,355	\$129,033	216,388
Total capital assets not being depreciated	<u>6,778,314</u>	<u>129,033</u>	<u>6,907,347</u>
Capital assets being depreciated:			
Infrastructure	9,532,358	829,785	10,362,143
Land improvements	3,101,941	1,075	3,103,016
Buildings and improvements	19,805,194	33,127	19,838,321
Equipment	404,771	48,656	453,427
Total capital assets being depreciated	<u>32,844,264</u>	<u>912,643</u>	<u>33,756,907</u>
Less accumulated depreciation for:			
Infrastructure	(2,864,177)	(434,520)	(3,298,697)
Land improvements	(969,476)	(94,242)	(1,063,718)
Buildings and improvements	(3,356,654)	(396,436)	(3,753,090)
Equipment	(258,441)	(21,816)	(280,257)
Total accumulated depreciation	<u>(7,448,748)</u>	<u>(947,014)</u>	<u>(8,395,762)</u>
Total depreciable assets, net	<u>25,395,516</u>	<u>(34,371)</u>	<u>25,361,145</u>
Capital assets, net	<u>\$32,173,830</u>	<u>\$94,662</u>	<u>\$32,268,492</u>

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 3 - CAPITAL ASSETS (Continued)

B. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program is as follows:

Governmental Activities	
General Government	\$3,764
Parks and Recreation	62,578
Town Center Facilities	440,772
Public Safety	5,380
Public Works	434,520
Total Governmental Activities	\$947,014

NOTE 4 - INTERFUND TRANSACTIONS

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. As of June 30, 2018 interfund balances were as follows:

Due From Other funds	Due To Other Funds	Total
General Fund	Public Safety Special Revenue Fund	\$7,539
	Gas Tax Special Revenue Fund	88,660
	Measure M Special Revenue Fund	8,700
	Grants Special Revenue Fund	105,747
	Storm Damage Capital Project Fund	21,290
		\$231,936

NOTE 5 - LOANS RECEIVABLE

The Town issued loans to Wayside II Road Maintenance District to maintain the private roads within the Wayside Road area of the Town. The District repays the Town on an annual basis. As of June 30, 2018, the remaining balance of the loans is \$31,319.

NOTE 6 - NET POSITION AND FUND BALANCES

A. Net Position

Net Position is measured on the full accrual basis and is the excess of all the Town's assets and deferred outflows of resources over all its liabilities, and deferred inflows of resources. Net Position is divided into three captions which are determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Town's capital assets, less the outstanding balance of any retention payables.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Town cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The Town's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Town to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Town prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned.

Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaids and notes receivable are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the Town Council which may be altered only by formal action of the Town Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Town Council and may be changed at the discretion of the Town Council. This category includes *nonspendables*, when it is the Town's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the Town's fund balances, as of June 30, 2018, are below:

	General Fund	Open Space Restricted Special Revenue Fund	Inclusionary In-lieu Special Revenue Fund	Measure A Special Revenue Fund	Other Governmental Funds	Total
Fund balances:						
Nonspendables:						
Loans receivable	\$31,319					\$31,319
Total nonspendable	31,319					31,319
Restricted for:						
Open space acquisition		\$5,420,289				5,420,289
Public safety COPS					\$106,585	106,585
Library fund					283,209	283,209
Measure M					7,800	7,800
Park in-lieu					33,420	33,420
Grants					12,521	12,521
Inclusionary in-lieu			\$3,558,025			3,558,025
Measure A				\$18,925		18,925
Total restricted		5,420,289	3,558,025	18,925	443,535	9,440,774
Assigned to:						
Unfunded pension reserve	47,773					47,773
Equipment replacement	200,000					200,000
Capital replacement/repairs	1,400,000					1,400,000
OPEB	308,280					308,280
Legal contingency	100,000					100,000
Total assigned	2,056,053					2,056,053
Unassigned	2,828,592				(209,256)	2,619,336
Total fund balances	\$4,915,964	\$5,420,289	\$3,558,025	\$18,925	\$234,279	\$14,147,482

C. General Fund Minimum Fund Balance Policy

Town is required to maintain a minimum of 60% of its annual budgeted operating expenditures (excluding capital improvement expenditures) within the General Fund's unrestricted fund balance. This amount is to be calculated annually via the adopted budget for the next fiscal year. The General Fund unrestricted fund at June 30, 2018 is as follows:

Fiscal 2018-19 Adopted Budget General Fund Operating Expenditures	\$5,187,583
Multiplied by 60%:	
Required minimum unrestricted General Fund fund balance	\$3,112,550
General Fund unrestricted fund balance as of June 30, 2018	\$4,884,645

D. Fund Balance Deficit

As of June 30, 2018, the Public Safety Special Revenue Fund, Gas Tax Special Revenue Fund, and Storm Damage Capital Project Fund had fund balance deficits of \$7,532, \$180,434, and \$21,290, respectively. The fund deficits are expected to be eliminated by future revenues.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

E. Net Position Restatement

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which became effective during the year ended June 30, 2018. In June 2015, GASB issued Statement No. 75 and the intention of this Statement is to improve the usefulness of information for decisions made by the various users of the financial reports of governments whose employees – both active employees and inactive employees – are provided with postemployment benefits other than pensions by requiring recognition of the entire net OPEB Liability and a more comprehensive measure of OPEB expense.

The implementation of the Statement required the Town to make prior period adjustment. As a result, the beginning net position of the Governmental Activities were restated and reduced by \$501,539. See Note 8.

NOTE 7 - PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plans

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Town's separate Miscellaneous Employee Pension Rate Plans. The Town's Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The Town sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and Town resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 - PENSION PLAN (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Classic</u>	<u>PEPRA</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426 - 2.418%	1.000 - 2.500%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	8.418%	6.533%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the Town’s contributions to the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$141,356

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share</u> <u>of Net Pension Liability</u>
Miscellaneous	\$712,486

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2018
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NOTE 7 - PENSION PLAN (Continued)
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The Town's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2016 was as follows:

	Miscellaneous
Proportion - June 30, 2016	0.02051%
Proportion - June 30, 2017	0.01807%
Change - Increase (Decrease)	-0.00244%

For the year ended June 30, 2018, the Town recognized pension expense of \$171,138. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$141,356	
Differences between actual and expected experience	2,325	(\$33,307)
Changes in assumptions	288,454	(21,995)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	177,011	(148,763)
Change in proportion	36,457	(201,854)
Net differences between projected and actual earnings on plan investments	65,236	
Total	\$710,839	(\$405,919)

The \$141,356 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2019	(\$1,369)
2020	126,779
2021	76,886
2022	(38,732)
Total	\$163,564

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 - PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liability is based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75 % thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions – In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 7 - PENSION PLAN (Continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2015.

Asset Class	Current Target Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$1,663,312
Current Discount Rate	7.15%
Net Pension Liability	\$712,486
1% Increase	8.15%
Net Pension Liability (Asset)	(\$75,006)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2018
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NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATIONS
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A. General Information about the Town's Other Post Employment Benefit (OPEB) Plan

Plan Description

The Town's Post Employment Benefit Plan is a single-employer defined benefit OPEB plan. Permanent employees who retire under the Town's CalPERS retirement plan are, pursuant to their respective collective bargaining agreements, eligible to have certain portion of their medical insurance premiums paid by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

The Town contracts with CalPERS for this insured-benefit plan established under the state Public Employees' Medical and Hospital Care Act (PEMHCA). The plan offers employees and retirees three CalPERS' self-funded options, setup as insurance risk pools, or offers various third-party insured health plans. The plan's medical benefits and premium rates are established by CalPERS and the insurance providers. The Town contribution is established by Town resolution. Retirees and active employees pay the difference between the premium rate and the Town's contribution. Premiums and Town contributions are based on the plan and coverage selected by actives and retirees. A comprehensive annual financial report of CalPERS, inclusive of their benefit plans, is available at www.calpers.ca.gov. Eligibility and the Town contributions toward month premiums are as follows:

Benefits Provided

The following is a summary of Plan benefits by employee group as of June 30, 2018:

Eligibility

Minimum age before retirement	50
Minimum required years of service:	5

Health Benefit - Employer Contribution

Monthly Premiums

BlueShield HMO medical, pharmacy	\$128
Kaiser medical, pharmacy coverage	\$128
PERSChoice medical, pharmacy coverage	\$128

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	14
Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	
Total	18

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)

B. Total OPEB Liability

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations, after this initial year, will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The ARC for the plan was determined as part of the actuarial valuation using the following methods and assumptions:

	<u>Actuarial Assumptions</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Actuarial Assumptions:	
Discount Rate	3.91%
Payroll Growth	1.1%
Mortality Rate	Based on RP2000 Mortality Table
Amortization Period	20 years
	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System
Pre-Retirement Turnover	
Healthcare Trend Rates	4.6% trending up to 4.7% over 10 years

The discount rate was based on the long-term expected rate of return on OPEB plan investments.

C. Changes in Total OPEB Liability

The end of the year net OPEB obligation is determined as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	<u>\$782,641</u>
Changes Recognized for the Measurement Period:	
Service cost	92,662
Interest on the total OPEB liability	
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	
Contributions from the employer	
Benefit payments	<u>(51,432)</u>
Net changes	<u>41,230</u>
Balance at June 30, 2018 (Measurement Date)	<u><u>\$823,871</u></u>

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.91%) or 1-percentage-point higher (4.91%) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(2.91 %)	(3.91%)	(4.91%)
\$952,987	\$823,871	\$716,878

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates of 4.6%, trending up to 4.7% over 10 year:

Total OPEB Liability/(Asset)		
Trend rate -1%	Current Healthcare Cost	Trend rate +1%
\$688,996	Trend Rates	\$994,391
\$688,996	\$823,871	\$994,391

NOTE 9 - RISK MANAGEMENT

The Town participates in the following public entity risk pools; other risks are covered by commercial insurance.

A. Liability Coverage

The Town, along with 28 other Bay Area governments, is a member of the of the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a joint powers insurance authority consisting of 28 member cities in the San Francisco Bay Area, a public-entity risk pool. PLAN JPA provides liability insurance coverage, claims management, risk management services and legal defense to its participating members. PLAN JPA is governed by a Board of Directors, which is comprised of officials appointed by each participating member. Premiums paid to PLAN JPA are subject to a possible refund based on the results of actuarial studies and approval by PLAN JPA's Board of Directors. In the opinion of the Town management, premiums made represent the best available estimate of the ultimate cost of the Town's participation in PLAN JPA and, accordingly, the accompanying basic financial statements of the Town include no provisions for possible refunds or additional assessments. Actual refunds and assessments arising from retrospective premium adjustments relating to prior loss years will be recorded in the Town's basic financial statements in the year they become known. During the fiscal year ended June 30, 2018, the Town contributed \$48,492 for current year coverage.

**TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

NOTE 9 - RISK MANAGEMENT (Continued)

Prior to January 2018 the Town participated in ABAG Plan Corporation, a non-profit public benefit corporation established to provide liability insurance coverage, claims and risk management, and legal defense to its participating members. On January 16, 2018, ABAG Plan Corporation transitioned to PLAN JPA.

Audited financial information for the JPA may be obtained from PLAN JPA at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

B. *Workers Compensation Coverage*

The State Compensation Insurance Fund covers workers compensation claims up to \$200,000 for each claim and has coverage above that limit to a maximum of \$1,000,000. The Town has no deductible for these claims. During the fiscal year ended June 30, 2018, the Town contributed \$48,163 for current year coverage.

C. *Liability for Uninsured Claims*

The Town has retained the risk for the deductible or uninsured portion of general liability claims. The Town's liability for uninsured claims at June 30, 2018 is believed by management to be de minimis based on the absence of any asserted claims.

NOTE 10 - JOINT POWERS AGREEMENT

A. *C/CAG*

The Town participates in the City/County Association of Governments of San Mateo County (C/CAG), which is governed by a board consisting of a representative from each member. The board controls the operations of C/CAG, including selection of management and approval of operating budgets, independent of any influence by each member beyond member representation on the Board.

C/CAG was established under a 1990 Joint Exercise of Powers Agreement between the Town, San Mateo County and a majority of cities within San Mateo County for the purpose of developing State mandated plans such as an integrated waste management plan. The Town makes annual nonrefundable contributions to C/CAG which are used along with other member contributions to finance C/CAG operations. Audited financial statements may be obtained from the Town of San Carlos, 666 Elm Street, San Carlos, California, 94070. The Town's payments to C/CAG during the year totaled \$15,400. The Town's share of year-end assets, liabilities, or fund equity has not been calculated by C/CAG.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 10 - JOINT POWERS AGREEMENT (Continued)

B. *San Mateo County Free Library Systems*

The Town is a participant with the County of San Mateo in the San Mateo County Free Library System (the Library System), a joint powers agency created to provide extended library services to the residents of the Town and the County. The Agency is governed by a 12-member board made up of a representative from each participating City or Town. The Agency shall continue, uninterrupted, until two thirds of the members vote to terminate the Agency. However, an individual member can terminate its membership, at which the agreement shall terminate on June 30 of the following fiscal year. Upon individual member termination, the member would not be entitled to the return of any funds contributed to the Joint Powers Agency nor to the return in cash or in kind of any materials or supplies contributed. Upon full termination of the Joint Powers Agency the member would receive any surplus money on hand proportionate to its contribution to the Joint Powers Agency. However, all property acquired by the Joint Powers Agency during the term of the agreement shall become the property of the County Free Library System. The Library System's financial statements can be obtained by contacting the San Mateo Library System, 25 Tower Road, San Mateo, CA 94402.

NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES

A. *Outstanding Litigation*

The Town is subject to litigation arising in the normal course of business. In the opinion of the Town Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the Town. Litigation outstanding in prior years has been settled without material cost to the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PORTOLA VALLEY
Pension Plan
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

Measurement Date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Plan's proportion of the Net Pension Liability (Asset)	0.03873%	0.00301%	0.01508%	0.01807%
Plan's proportion share of the Net Pension Liability (Asset)	\$957,322	\$82,489	\$523,840	\$712,486
Plan's Covered Payroll	\$993,466	\$1,071,540	\$1,442,039	\$1,522,511
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	96.36%	7.70%	36.33%	46.80%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.03%	98.59%	91.78%	89.69%

* Fiscal year 2015 was the 1st year of implementation. Additional years will be displayed as they become available.

TOWN OF PORTOLA VALLEY
Pension Plan
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years*

<u>Fiscal Year Ended June 30</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$111,313	\$84,007	\$116,123	\$141,356
Contributions in relation to the actuarially determined contributions	(111,313)	(84,007)	(116,123)	(141,356)
Additional Contributions	<u>(907,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u><u>(\$907,699)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Covered payroll	\$993,466	\$1,071,540	\$1,442,039	\$1,522,511
Contributions as a percentage of covered payroll	11.20%	7.84%	8.05%	9.28%

* Fiscal year 2015 was the 1st year of implementation. Additional years will be displayed as they become available.

TOWN OF PORTOLA VALLEY
OPEB Plan
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 fiscal years*

Measurement Date	<u>6/30/18</u>
Total OPEB Liability (1)	
Service Cost	\$92,662
Interest	
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	
Benefit payments	<u>(51,432)</u>
Net change in total OPEB liability	<u>41,230</u>
Total OPEB liability - beginning	<u>782,641</u>
Total OPEB liability - ending (a)	<u><u>\$823,871</u></u>
Covered-employee payroll	<u><u>\$1,522,511</u></u>
Total OPEB liability as a percentage of covered-employee payroll	54.11%

Notes to Schedule:

- (1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

* Fiscal year 2018 was the first year of implementation.

TOWN OF PORTOLA VALLEY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$2,815,346	\$2,815,346	\$2,856,109	\$40,763
Sales tax	218,000	218,000	216,425	(1,575)
Business license tax and other taxes	100,000	100,000	107,271	7,271
Total Taxes	<u>3,133,346</u>	<u>3,133,346</u>	<u>3,179,805</u>	<u>46,459</u>
Franchise fees	286,313	286,313	295,999	9,686
Utility users tax	594,834	594,834	619,934	25,100
Agency revenues	9,800	9,800	11,071	1,271
Contributions	108,268	108,268	19,165	(89,103)
Licenses and permits	583,500	583,500	763,649	180,149
Service charges and fees	111,910	111,910	154,673	42,763
Parks and recreation	328,827	328,827	300,978	(27,849)
Investment and other revenues	85,900	85,900	89,592	3,692
Total Revenues	<u>5,242,698</u>	<u>5,242,698</u>	<u>5,434,866</u>	<u>192,168</u>
EXPENDITURES				
General government	3,399,429	3,439,429	3,311,035	128,394
Parks and recreation	262,400	262,400	240,423	21,977
Town center facilities	167,460	167,460	170,107	(2,647)
Public safety	932,135	932,135	930,515	1,620
Public works	10,800	10,800	11,127	(327)
Capital improvement program	388,670	1,034,928	628,554	406,374
Total Expenditures	<u>5,160,894</u>	<u>5,847,152</u>	<u>5,291,761</u>	<u>555,391</u>
Excess (Deficiency) of Revenues Over Expenses	<u>81,804</u>	<u>(604,454)</u>	<u>143,105</u>	<u>747,559</u>
NET CHANGE IN FUND BALANCE	<u>\$81,804</u>	<u>(\$604,454)</u>	<u>143,105</u>	<u>\$747,559</u>
Fund balance at beginning of year			<u>4,772,859</u>	
Fund balance at end of year			<u>\$4,915,964</u>	

TOWN OF PORTOLA VALLEY
 OPEN SPACE RESTRICTED SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Utility users tax	\$264,372	\$279,972	\$15,600
Contribution	1,000	6,476	5,476
Investment and other revenues		74,589	74,589
	<u>265,372</u>	<u>361,037</u>	<u>95,665</u>
EXPENDITURES			
Capital improvement program	<u>120,953</u>	<u>92,230</u>	<u>28,723</u>
Total Expenditures	<u>120,953</u>	<u>92,230</u>	<u>28,723</u>
Net change in fund balance	<u>\$144,419</u>	268,807	<u>\$124,388</u>
Fund balance at beginning of year		<u>5,151,482</u>	
Fund balance at end of year		<u>\$5,420,289</u>	

TOWN OF PORTOLA VALLEY
 MEASURE A SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales tax	\$283,823	\$299,159	\$15,336
Investment and other revenues		2,199	2,199
Total Revenues	<u>283,823</u>	<u>301,358</u>	<u>17,535</u>
EXPENDITURES			
Capital improvement program	<u>283,823</u>	<u>283,823</u>	
Total Expenditures	<u>283,823</u>	<u>283,823</u>	
Net change in fund balance	<u><u> </u></u>	17,535	<u><u>\$17,535</u></u>
Fund balance at beginning of year		<u>1,390</u>	
Fund balance at end of year		<u><u>\$18,925</u></u>	

Note to Budgetary Schedules

The Town follows these procedures annually in establishing the budgetary data reflected in the financial statements:

1. The Town Manager submits a proposed budget to the Finance Committee for review and approval.
2. The Town Manager then submits to the Town Council a recommended draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
3. The Town Council reviews the proposed budget at one of its regularly scheduled meetings which is open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
4. Prior to July 1, the budget is adopted through the passage of a resolution. All appropriations lapse at year end.
5. From the effective date of the budget, which is adopted and controlled by the Town Manager at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various Town activities. The Town Council may amend the budget by resolution during the fiscal year.
6. Capital Projects Funds are budgeted on an annual basis. If a capital project is not completed in a budget year, it is included in the subsequent budget year, if necessary. Inclusionary In-lieu Capital Project Fund was not budgeted.

SUPPLEMENTAL INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:**PUBLIC SAFETY**

Accounts for half-cent State sales tax revenue designated exclusively for local agency public safety services, (Sec. 35 of Art. XIII of California Constitution).

GAS TAX

Accounts for gasoline tax allocated by the state for street maintenance, repair and improvement.

PUBLIC SAFETY COPS (Citizens' Options for Public Safety)

Accounts for the Supplemental State law Enforcement Fund Service Account (SLESA) revenue for special law and traffic enforcement established by SB89.

LIBRARY FUND

Accounts for library service revenue from San Mateo County Library JPA that can only be used for library related activities.

MEASURE M

Accounts for County-generated motor vehicle registration fee revenue to be used for traffic congestion and water pollution mitigation programs.

CAPITAL PROJECTS FUNDS:**PARK IN-LIEU**

Accounts for the subdivision developer's fee restricted for parks or recreational purposes.

GRANTS

Accounts for various grant activities.

STORM DAMAGE

Accounts for federal or state-reimbursed storm-related road repairs as needed.

TOWN OF PORTOLA VALLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Special Revenue Funds			
	Public Safety	Gas Tax	Public Safety COPS	Library Fund
ASSETS				
Cash and investments			\$106,010	\$282,941
Accounts and interest receivable	\$7	\$9,975	575	1,336
Total Assets	<u>\$7</u>	<u>\$9,975</u>	<u>\$106,585</u>	<u>\$284,277</u>
LIABILITIES				
Accounts payable		\$101,749		\$1,068
Due to other funds	\$7,539	88,660		
Total Liabilities	<u>7,539</u>	<u>190,409</u>		<u>1,068</u>
FUND BALANCES (DEFICIT)				
Restricted			\$106,585	283,209
Unassigned	(7,532)	(180,434)		
Total Fund Balance	<u>(7,532)</u>	<u>(180,434)</u>	<u>106,585</u>	<u>283,209</u>
Total Liabilities and Fund Balances	<u>\$7</u>	<u>\$9,975</u>	<u>\$106,585</u>	<u>\$284,277</u>

Special Revenue Funds	Capital Projects Funds			
Measure M	Park In-Lieu	Grants	Storm Damage	Totals
\$18,296	\$33,270			\$440,517
74,275	150	\$118,268		204,586
<u>\$92,571</u>	<u>\$33,420</u>	<u>\$118,268</u>		<u>\$645,103</u>
\$76,071				\$178,888
8,700		\$105,747	\$21,290	231,936
<u>84,771</u>		<u>105,747</u>	<u>21,290</u>	<u>410,824</u>
7,800	\$33,420	12,521		443,535
			(21,290)	(209,256)
<u>7,800</u>	<u>33,420</u>	<u>12,521</u>	<u>(21,290)</u>	<u>234,279</u>
<u>\$92,571</u>	<u>\$33,420</u>	<u>\$118,268</u>		<u>\$645,103</u>

TOWN OF PORTOLA VALLEY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Public Safety	Gas Tax	Public Safety COPS	Library Fund
REVENUES				
Taxes:				
Sales tax	\$8,324			
Gas tax		\$134,056		
Total taxes	8,324	134,056		
Agency revenues				
Grants			\$144,379	
Investment and other revenues	86	(734)	1,485	\$4,295
Total Revenues	8,410	133,322	145,864	4,295
EXPENDITURES				
Town center facilities				34,146
Public safety	14,858		100,000	
Public works		223,355		
Capital improvement program		24,749		
Total Expenditures	14,858	248,104	100,000	34,146
OTHER FINANCING SOURCES				
Net change in fund balances	(6,448)	(114,782)	45,864	(29,851)
Fund balances at beginning of year	(1,084)	(65,652)	60,721	313,060
Fund balances (deficit) at end of year	(\$7,532)	(\$180,434)	\$106,585	\$283,209

Special Revenue Funds	Capital Projects Funds			
Measure M	Park In-Lieu	Grants	Storm Damage	Totals
				\$8,324
				134,056
				142,380
\$74,275		\$118,267		192,542
		5,000		149,379
5	\$470			5,607
74,280	470	123,267		489,908
				34,146
9,877		6,600		114,858
74,275		102,531		239,832
				201,555
84,152		109,131		590,391
(9,872)	470	14,136		(100,483)
17,672	32,950	(1,615)	(\$21,290)	334,762
\$7,800	\$33,420	\$12,521	(\$21,290)	\$234,279

TOWN OF PORTOLA VALLEY
NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Public Safety			Gas Tax		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Sales tax	\$14,858	\$8,324	(\$6,534)			
Gas tax				\$138,161	\$134,056	(\$4,105)
Total taxes	<u>14,858</u>	<u>8,324</u>	<u>(6,534)</u>	<u>138,161</u>	<u>134,056</u>	<u>(4,105)</u>
Agency revenues						
Grants						
Investment and other revenues		86	86		(734)	(734)
Total Revenues	<u>14,858</u>	<u>8,410</u>	<u>(6,448)</u>	<u>138,161</u>	<u>133,322</u>	<u>(4,839)</u>
EXPENDITURES						
Town center facilities						
Public safety	14,858	14,858				
Public works				251,450	223,355	28,095
Capital improvement program				28,000	24,749	3,251
Total Expenditures	<u>14,858</u>	<u>14,858</u>		<u>279,450</u>	<u>248,104</u>	<u>31,346</u>
Excess (Deficiency) of Revenues Over Expenses		<u>(6,448)</u>	<u>(6,448)</u>	<u>(141,289)</u>	<u>(114,782)</u>	<u>(36,185)</u>
Net change in fund balances		<u>(6,448)</u>	<u>(\$6,448)</u>	<u>(\$141,289)</u>	<u>(114,782)</u>	<u>(\$36,185)</u>
Fund balances, beginning of Year		<u>(1,084)</u>			<u>(65,652)</u>	
Fund balances (deficit), end of Year		<u>(\$7,532)</u>			<u>(\$180,434)</u>	

Public Safety COPS			Library Fund			Measure M		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$100,000	\$144,379	\$44,379				\$119,275	\$74,275	(\$45,000)
	1,485	1,485	\$79,603	\$4,295	(\$75,308)	9,773	5	(9,768)
100,000	145,864	45,864	79,603	4,295	(75,308)	129,048	74,280	(54,768)
100,000	100,000		74,603	34,146	40,457			
			5,000		5,000			
						11,000	9,877	1,123
						109,275	74,275	35,000
100,000	100,000		79,603	34,146	45,457	120,275	84,152	36,123
	45,864	45,864		(29,851)	(120,765)	8,773	(9,872)	(18,645)
	45,864	\$45,864		(29,851)	(\$120,765)	\$8,773	(9,872)	(\$18,645)
	60,721			313,060			17,672	
	\$106,585			\$283,209			\$7,800	

(Continued)

TOWN OF PORTOLA VALLEY
NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Grants			Storm Damage		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Sales tax						
Gas tax						
Total taxes						
Agency revenues		\$118,267	\$118,267			
Grants	\$6,600	5,000	(1,600)			
Investment and other revenues						
Total Revenues	6,600	123,267	116,667			
EXPENDITURES						
Town center facilities						
Public safety						
Public works	31,600	6,600	25,000			
Capital improvement program	98,200	102,531	(4,331)			
Total Expenditures	129,800	109,131	20,669			
Excess (Deficiency) of Revenues Over Expenses	(123,200)	14,136	95,998			
Net change in fund balances	(\$123,200)	14,136	\$95,998			
Fund balances, beginning of Year		(1,615)			(\$21,290)	
Fund balances (deficit), end of Year		\$12,521			(\$21,290)	

AGENCY FUNDS

Agency Funds are presented separately from the Government-wide and Fund financial statements.

Agency Funds account for assets held by the Town as agent for individuals, governmental entities, and non-public organizations.

MAINTENANCE DISTRICTS

Accounts for all revenues and expenditures related to the following maintenance districts formed to maintain roads within the individual district boundaries with governance separate from the Town Council. The Town acts as a fiduciary custodian for the maintenance district assessment revenue collected and disbursed from the County:

CRESCENT MAINTENANCE DISTRICT

PORTOLA VALLEY RANCH MAINTENANCE DISTRICT

WAYSIDE ROAD I MAINTENANCE DISTRICT

WAYSIDE ROAD II MAINTENANCE DISTRICT

WOODSIDE HIGHLANDS MAINTENANCE DISTRICT

ARROWHEAD MEADOWS MAINTENANCE DISTRICT

TOWN OF PORTOLA VALLEY
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<u>Crescent Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$102,576	\$12,783	\$75	\$115,284
Accounts and interest receivable	477	74		551
Total assets	<u>\$103,053</u>	<u>\$12,857</u>	<u>\$75</u>	<u>\$115,835</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$103,053</u>	<u>\$12,857</u>	<u>\$75</u>	<u>\$115,835</u>
<u>Portola Valley Ranch Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$29,953	\$1,116	\$92	\$30,977
Accounts and interest receivable	50	92		142
Total assets	<u>\$30,003</u>	<u>\$1,208</u>	<u>\$92</u>	<u>\$31,119</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$30,003</u>	<u>\$1,208</u>	<u>\$92</u>	<u>\$31,119</u>
<u>Wayside Road I Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$5,334	\$1,979	\$10	\$7,303
Accounts and interest receivable	14	10		24
Total assets	<u>\$5,348</u>	<u>\$1,989</u>	<u>\$10</u>	<u>\$7,327</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$5,348</u>	<u>\$1,989</u>	<u>\$10</u>	<u>\$7,327</u>

(Continued)

Wayside Road II Maintenance DistrictAssets

Cash and investments	\$19,060	\$99,268	\$65,594	\$52,734
Accounts and interest receivable	792		458	334
Total assets	<u>\$19,852</u>	<u>\$99,268</u>	<u>\$66,052</u>	<u>\$53,068</u>

Liabilities

Deposits and other liabilities	<u>\$19,852</u>	<u>\$99,268</u>	<u>\$66,052</u>	<u>\$53,068</u>
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Woodside Highlands Maintenance DistrictAssets

Cash and investments	\$228,691	\$59,787	\$13,854	\$274,624
Accounts and interest receivable	1,951		620	1,331
Total assets	<u>\$230,642</u>	<u>\$59,787</u>	<u>\$14,474</u>	<u>\$275,955</u>

Liabilities

Deposits and other liabilities	<u>\$230,642</u>	<u>\$59,787</u>	<u>\$14,474</u>	<u>\$275,955</u>
Total liabilities	<u>\$230,642</u>	<u>\$59,787</u>	<u>\$14,474</u>	<u>\$275,955</u>

Arrowhead Meadows Maintenance DistrictAssets

Cash and investments	<u>(\$1,800)</u>	<u>\$1,800</u>		
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Liabilities

Deposits and other liabilities	<u>(\$1,800)</u>	<u>\$1,800</u>		
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Total Agency FundsAssets

Cash and investments	\$383,814	\$176,733	\$79,625	\$480,922
Accounts and interest receivable	3,284	176	1,078	2,382
Total assets	<u>\$387,098</u>	<u>\$176,909</u>	<u>\$80,703</u>	<u>\$483,304</u>

Liabilities

Deposits and other liabilities	<u>\$387,098</u>	<u>\$176,909</u>	<u>\$80,703</u>	<u>\$483,304</u>
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the Town Council
Town of Portola Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Town of Portola Valley, California (Town), as of and for the year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated January 18, 2019 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
January 18, 2019

**TOWN OF PORTOLA VALLEY
MEASURE A PROGRAM**

**Report on Compliance with the
*Agreement for Distribution of San Mateo County
Measure A Funds for Local Transportation Purposes***

For the Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT ON MANAGEMENT'S ASSERTION

Honorable Mayor and Members of the Town Council of the
Town of Portola Valley, California

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the *Agreement For Distribution of San Mateo County Measure A Funds For Local Transportation Purposes* (the Agreement) between the Town and the San Mateo County Transportation Authority dated January 28, 2009, that the Town of Portola Valley, California (Town) complied with the requirements of the Agreement during the year ended June 30, 2018. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Town's compliance based upon our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2018.

This report is intended solely for the information of the Town Council and Management and the San Mateo County Transportation Authority Board and Management. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, flowing script.

Pleasant Hill, California
January 18, 2019

TOWN OF PORTOLA VALLEY
SCHEDULES OF MEASURE A FUNDS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
COMPARATIVE BALANCE SHEETS		
Assets		
Cash and investments	\$279,682	\$248,007
Accounts receivable	23,066	27,906
Total assets	\$302,748	\$275,913
Liabilities		
Accounts payable	\$283,823	\$274,523
Fund Balance		
Restricted	18,925	1,390
Total Liabilities and Fund Balances	\$302,748	\$275,913
COMPARATIVE SCHEDULES OF CHANGES IN FUND BALANCE		
Fund Balance - July 1	\$1,390	
Revenues:		
Sales tax - Measure A	\$299,159	\$274,575
Interest income	2,199	1,338
Total Revenue	301,358	275,913
Expenditures:		
Street resurfacing	283,823	274,523
Net Change in Fund Balances	17,535	1,390
Fund balance - June 30	\$18,925	\$1,390

TOWN of PORTOLA VALLEY

Town Hall: 765 Portola Road, Portola Valley, CA 94028 Tel: (650) 851-1700 Fax: (650) 851-4677

January 18, 2019

San Mateo County Transportation Authority
120 San Carlos Avenue
San Carlos, California 94070

Management's Report on Compliance with the Agreement for Distribution Of San Mateo County Measure A Funds For Local Transportation Purpose


The Town of Portola Valley (Town) is responsible for complying with the *Agreement For Distribution Of San Mateo County Measure A Funds For Local Transportation Purposes* (the Agreement) between the Town and the San Mateo County Transportation Authority entered into on January 28, 2009. The Agreement states that in return for receiving an annual allocation of a specified portion of the retail transactions and use tax approved by *Measure A – San Mateo County Transportation Expenditure Plan* (the Measure), the Town, agrees that funds, “shall not be used to replace funds previously provided by property tax or other local revenues for public transportation purposes, and that Town will limit the use of Funds Provided Pursuant to this Agreement to the improvement and maintenance of local transportation, including streets and road improvements.”

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2018:

- Management is responsible for establishing and maintaining an effective internal control structure with respect to compliance with the Agreement;
- Management is responsible for complying with the Agreement;
- Management has evaluated the Town's compliance with the requirements of the Agreement;
- All transactions, as summarized in the attached Schedules of Measure A Fund for the Year Ended June 30, 2018 are in compliance with the Agreement



Jeremy Dennis
Town Manager



Doug Radtke
Finance Director

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**TOWN OF PORTOLA VALLEY
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2018**

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**TOWN OF PORTOLA VALLEY
MEMORANDUM ON INTERNAL CONTROL**

For The Year Ended June 30, 2018

Table of Contents

	<u>Page</u>
<i>Memorandum on Internal Control</i>	1
Schedule of Other Matters	3

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MEMORANDUM ON INTERNAL CONTROL

To the Honorable Mayor and Members of the Town Council
Town of Portola Valley, California

In planning and performing our audit of the basic financial statements of the Town of Portola Valley, California (Town) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Town Council, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
January 18, 2019

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TOWN OF PORTOLA VALLEY
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking effect in the next few years. We have cited them here to keep you abreast of developments:

EFFECTIVE FISCAL YEAR 2018/19:

GASB 83 – *Certain Asset Retirement Obligations*

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

TOWN OF PORTOLA VALLEY

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 83 – Certain Asset Retirement Obligations (Continued)

A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's

minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

TOWN OF PORTOLA VALLEY
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements (Continued)

How the Changes in This Statement Improve Financial Reporting:

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

TOWN OF PORTOLA VALLEY
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS

GASB 90 – Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

EFFECTIVE FISCAL YEAR 2020/21:

GASB 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

TOWN OF PORTOLA VALLEY

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 87 – Leases (Continued)

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Jeremy Dennis, Town Manager

DATE: February 13th, 2019

RE: Annual ALPR Audit

RECOMMENDATION

Staff recommends the Town Council accept this audit of the town's ALPR system

BACKGROUND

In March 2017, the Town Council adopted an ordinance regulating the use of the town's Automated License Plate Readers (ALPRs). Installation was completed in February 2018.

Per the adopted ordinance:

“The Town Manager will give an annual report to the Town Council on the number of times data was accessed by law enforcement, including, but not limited to a report from the law enforcement agency as to how many of the license plates included in the data accessed were “hits” (on an active wanted list), the number of inquiries made by law enforcement personnel relative to the data, the justification(s) for those inquiries, and information on any data retained beyond retention periods described in 9.02.030(B) and the reasons for such retention.”

DISCUSSION

Access

There are two ways to access information collected on the town's two ALPR installations:

- Through the town's credentials
- Through agreements to other agencies that utilize their own credentials

Over the course of last year, the town's ALPR data was accessed in both ways:

- 15 Portola Valley-centric searches conducted by the Sheriff's Office (Attachment 1)¹
- 1 Portola Valley-centric search conducted by the Sheriff's Office using the town's credentials

There were also two tests conducted by the Sheriff's Office and the Town Manager, and a number of log-ins associated with camera maintenance by the Public Works Director (Attachment 2).

Other Searches

The Sheriff's Office also searched data from the town's ALPRs in two additional ways:

1. Automatic log-ins by members of the Sheriff's Office associated with specific license plates across all accessible ALPRs
2. System-wide manual searches across all accessible ALPRs by members of the Sheriff's Office

Retention

The Town's ALPR ordinance calls for an audit of any data kept beyond the retention period; as the town's system has not been in place for a full year, no data has been retained longer than the ordinance.

FISCAL IMPACT

There is no fiscal impact associated with acceptance of this audit report.

ATTACHMENTS

1. [Report from Captain Corpus, ALPR access](#)
2. [Report from Town Manager, ALPR access](#)

Approved by: Jeremy Dennis, Town Manager



¹ The Sheriff's Office also can access the ALPR located in unincorporated Ladera to investigate Portola Valley crimes. The SO does not have a record of any search of the Ladera ALPR that was not in conjunction with the Portola Valley ALPRs.



SHERIFF'S OFFICE

A TRADITION OF SERVICE SINCE 1856

AUTOMATED LICENSE PLATE READER

San Mateo County Sheriff's Office/Portola Valley Audit

January 1, 2018-December 31, 2018

Summary:

This report was requested by the Town of Portola Valley and reviews the usage of the Automated License Plate Readers (ALPR) owned and operated by the Town of Portola Valley. The Town of Portola Valley and San Mateo County Sheriff's Office have their own Vigilant Solutions accounts (LEARN Portals) that work independently. The information that is gathered through the Portola Valley ALPR's are viewable through that San Mateo County Sheriff's Office's LEARN Portal

When an authorized user from the San Mateo County Sheriff's conducts a search of a license plate, and or partial license plate, the cameras from Portola Valley are automatically included in the search. Additionally, an authorized user can conduct a search of a specific Portola Valley ALPR if they want to narrow down the search field.

This report reviews the general searches conducted by the San Mateo County Sheriff's Office, which includes the Portola Valley's ALPR, and specific searches using the Portola Valley's ALPR.

Logins

Between January 1, 2018 and December 31, 2018, authorized users of the San Mateo County Sheriff's Office logged into their LEARN Portal 1,430 times. These logins include from a desktop computer or mobile device. The San Mateo County Sheriff's Office's users include the patrol bureau, Vehicle Theft Tasks Force (VTTF), Investigations, Gang Intelligence Unit (GIU), Crime Suppression Unit (CSU) and analyst from the San Mateo County Sheriff's Office.

Plate Queries

Between January 1, 2018 and December 31, 2018, users from the San Mateo County Sheriff's Office have conducted 2,546 license plate inquires spanning over 406 cases. It is important to note through the LEARN Portal users can conduct partial searches of vehicles and often searches conducted under these circumstances can and will lead to multiple searches.

Specific Portola Valley Searches

Between January 1, 2018 and December 31, 2018, users from the San Mateo County Sheriff's Office conducted 15 specific searches using the Portola Valley ALPRs. Attached is the case number/reason for the search, date, time, and user, attachment #1.

User Name	Case #	Date	Crime Type
cbuck	test	February 6, 2018	Admin test
jpearidon	460auto	February 25, 2018	Auto Burglary
jfava	18-2326	March 15, 2018	Residential Burglary
rderespini	18-2689	March 20, 2018	Fraud/vandalism
nboragno	18-3669	April 18, 2018	Grand Theft, Identity Theft, Fraud, Burglary
kpatterson	18-6541	July 18, 2018	Petty Theft, Identity Theft
jpearidon	18-7635	August 7, 2018	Attempted Burglary
tfinato	18-7674	August 14, 2018	Traffic Collisions
kpatterson	18-7548	August 16, 2018	Commercial Burglary
rderespini	18-8123	August 22, 2018	Residential Burglary
martinucci	SOS1807899	August 23, 2018	Property for Destruction
rderespini	18-8082	August 27, 2018	Residential Burglary
rderespini	18-8123	September 5, 2018	Residential Burglary
rderespini	18-8949	September 13, 2018	Suspicious Circumstance
rderespini	18-9160	September 18, 2018	Commercial Burglary
ptaylor	18-8675	September 21, 2018	Sexual Assault



TOWN OF PORTOLA VALLEY STAFF REPORT

TO: Mayor and Members of the Town Council
FROM: Jeremy Dennis, Town Manager
DATE: February 13th, 2019
RE: ALPR Access Report

Between January 1, 2018 and December 31, 2018, there were 124 logins into the Portola Valley system:

- 65 logins were by the Public Works Director to review the system's status, with no searches in the database
- 28 logins were by the Vigilant Administrator for various non-search tasks related up updates, staff inquiries and maintenance
- 1 login by the Town Manager in association with a Sheriff's Office review as conducted by Officer Hoffman
- 2 logins by the Town Manager for the purposes of recording a demo of the system for a Town Council meeting
- 5 logins by the Town Manager for either the purposes of a demo for Councilman Hughes or a staff demonstration
- 23 logins by the Town Manager to review system status, with no searches of the database



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Jeremy Dennis, Town Manager

DATE: February 13th, 2019

RE: SB 946 Vendor Compliance

RECOMMENDATION

Staff recommends:

1. Amendment of the Farmer's Market Agreement to modify the Site Plan that outlines the License Area of the market's operational space
2. Amendment of Chapter 5 Business Taxes, Licenses and Regulations code to include SB 946 language and exclusion of youth enterprise from these rules
3. Amendment of Chapter 12 Use of Public Rights of Way code to include SB 946 language
4. Staff create a temporary special permit for Town event vendors and concessionaries
5. Staff negotiate and execute a formal agreement with Alpine Little League to ensure their exclusive right as a concessionaire at Foard Field

BACKGROUND

SB 946, as signed by Governor Brown earlier this year, "decriminalizes" sidewalk vending in California. As adopted, the bill:

- Broadly defines "sidewalk vendors" and the products they can sell
- Allows vending on a "public sidewalk or other "pedestrian path"
- Provides for the option of local restrictions on issues "directly related to objective health, safety, or welfare concerns, or "the public's use and enjoyment of natural resources and recreational opportunities"
- Provides for the option of local protections for farmers' markets, park concessionaires, and special events
- Allows the creation of a local permitting program, and/or the use of a business license program

On November 14th, 2018, the Town Council held a study session on SB 946 and provided feedback on staff direction for the drafting of potential regulations.

DISCUSSION

Based on the Council feedback, staff drafted:

- Amendment to the Site Plan contained within the current Farmer's Market Agreement to expand the market's License Area and ensure that customers were aware of those vendors who meet the market's stringent regulatory requirements, and those who can vend under SB 946
- Amendments to the Municipal Code codifying "sidewalk vendors" in the Business License program, and excluding youth as defined from needing such a license to vend

Staff will create a new agreement with Alpine Little League, the current concessionaire at the Snack Shack at Ford Field, granting them exclusive rights to vend at that site during regularly-scheduled sports activities. Staff will also create a "temporary special permit," which will allow vendors and concessionaires enlisted by the Town to have exclusive rights to vend for Town-sponsored events.

FISCAL IMPACT

There may be a slight increase in revenues from the Business License program should SB 946 vendors wish to sell their products in town; staff does not anticipate any other fiscal impacts.




ATTACHMENTS

1. [Proposed Amendment to Site Plan Outlining Expansion of the License Area in the Farmers' Market Agreement](#)
2. [Amended Chapter 5 Business Taxes, Licenses and Regulations Municipal Code](#)
3. [Amended Chapter 12 Use of Public Right of Way Municipal Code](#)
4. [SB 946 Senate Floor Analysis](#)

Approved by: Jeremy Dennis, Town Manager



SITE MAP KEY

-  Farmers' Market License Area
-  Potential Booth Placement
-  Moveable barricades to prevent vehicle access during event operation

(note: barricade placement will expand or contract with size of market and/or events)

Christ Church Community Building Activities

Farmers' Market License Area

Town Use - School House and School House Steps

Playground - not in License Area

Chapter 5.08 -Definitions**Sections:**

5.08.010 - Auctioneer.

Any person who sells or offers for sale any real or personal property or service at an "auction," "public auction" or "auction sale."

(Ord. 2000-329 § 2 (part), 2000)

5.08.020 - Business.

Professions, trades and occupations and all and every kind of calling or enterprise, which are carried on for profit or livelihood.

(Ord. 2000-329 § 2 (part), 2000)

5.08.030 - Collector.

The town administrator who is responsible for collection of the license tax.

(Ord. 2000-329 § 2 (part), 2000)

5.08.040 - Conducting.

The act of conducting, managing or carrying on a certain business or occupation.

(Ord. 2000-329 § 2 (part), 2000)

5.08.050 - Contractor.

Any person who shall do any type of construction work for an agreed price, or who shall erect, construct, alter or repair any building or structure for the purpose of selling or renting the same.

(Ord. 2000-329 § 2 (part), 2000)

5.08.060 - Director.

The town administrator of the town of Portola Valley.

(Ord. 2000-329 § 2 (part), 2000)

5.08.070 - Employee.

Any person working in, or engaged in the operation of any business, including, but not limited to the owner, a member of the owner's family, partner, officer, agent, manager, servant or solicitor.

(Ord. 2000-329 § 2 (part), 2000)

5.08.080 - Fixed place of business.

A place of business in the town of Portola Valley which is regularly kept open with someone in charge thereof for the transaction of business during customary business hours.

(Ord. 2000-329 § 2 (part), 2000)

5.08.090 - Licensee.

Any person to whom a business license has been issued pursuant to any of the provisions of Chapters 5.04 through 5.24 and 5.48.

(Ord. 2000-329 § 2 (part), 2000)

5.08.100 - Person.

All firms, domestic and foreign corporations, associations, syndicates, partnerships, joint ventures, clubs, societies, and any officer or agent thereof; a sidewalk vendor, and any natural person transacting, engaging in or carrying on any business in the town of Portola Valley.

(Ord. 2000-329 § 2 (part), 2000)

5.08.111 – Sidewalk vendor

One who uses a non-motorized conveyance to sell food or merchandise from a public sidewalk or path.

5.08.120 - Sworn statement.

An affidavit sworn to before a person authorized to take oaths or a declaration or certification made under penalty of perjury.

(Ord. 2000-329 § 2 (part), 2000)

CHAPTER 5.16 - LICENSES

Sections:

5.16.010 - License required.

No person shall transact, engage in, or carry on any business within the town without first having procured a license from the town to do so, and having paid the tax prescribed by any of the provisions of Chapters 5.04 through 5.24 and 5.48, and having complied with any and all applicable regulations concerning the use and occupancy of the premises from which the business is to be conducted.

(Ord. 2000-329 § 4 (part), 2000)

5.16.020 - Application.

Each person making an application for the first license to be issued under any of the provisions of Chapters 5.04 through 5.24 and 5.48, or for a license for a newly established business, shall furnish to the collector a sworn statement, on a form provided by the collector, setting forth the following information:

- A. The exact nature or kind of business for which a license is requested;
- B. The place where such business is to be carried on, and if the business is not to be carried on at any fixed place of business, the place of residence of the owners of the business;
- C. If the license is to be issued to a person doing business under a fictitious name, the names and places of residence of the owners of the business;
- D. If the license is to be issued to a corporation or a partnership, the names and places of residence of the officers or partners thereof;
- E. The number and description of any coin-operated devices owned by the applicant, together with the serial number of each device and the address of the location of such device; and
- F. Any further information related to the applicant's business to be licensed which the collector may require to enforce any of the provisions of Chapters 5.04 through 5.24 and 5.48.

(Ord. 2000-329 § 4 (part), 2000)

5.16.030 - Issuance.

The collector shall issue the licenses required to be obtained under any of the provisions of Chapters 5.04 through 5.24 and 5.48 upon persons making applications thereof furnishing the sworn statement when required, and paying the license tax imposed. Each issued license shall state upon its face the following information:

- A. The name of person to whom issued;
- B. The kind of business licensed;
- C. The location of such business, or the status as a sidewalk vendor as defined in Section 5.08.100;

- ~~D~~C. The location of such business;
- ~~E~~D. The date of the expiration of the license; and
- E. Such other information as shall be deemed necessary by the collector to enforce any of the provisions of Chapters 5.04 through 5.24 and 5.48.

(Ord. 2000-329 § 4 (part), 2000)

5.16.040 - Licenses nontransferable—Amended licenses.

No license issued to any person shall be transferable to any other person. If a license is issued authorizing a person to transact, engage in, and carry on a business at a particular place, such licensee, upon an application thereof and the payment of a fee, may have the license at another location to which the business has been or is to be moved. A transfer of ownership of any business for which a license has been issued to another person, under such circumstances that the real or ultimate ownership after the transfer is substantially similar to the ownership existing before the transfer, shall not constitute a transfer requiring the amendment of the license.

(Ord. 2000-329 § 4 (part), 2000)

5.16.050 - Duplicate license.

Upon an application therefor and the payment of an administrative fee to be established by resolution the collector may issue a duplicate of any unexpired license which has been lost or destroyed.

(Ord. 2000-329 § 4 (part), 2000)

5.16.060 - Renewal.

A. Licenses shall be renewed every year on or before July 1st for the coming July 1st through June 30th fiscal year.

B. When applying for the renewal of any license previously issued, the licensee shall submit to the collector, on a form provided by the collector, a sworn statement setting forth such information concerning the licensee's business during the preceding year as may be required to enable the collector to ascertain the amount of the license tax to be paid pursuant to Section 5.20.010.

(Ord. 2000-329 § 4 (part), 2000)

5.16.070 - Keeping and posting of license—Producing for inspection.

A. Any person transacting, engaging in, and/or carrying on business at a fixed place of business in the town shall keep the license issued under any of the provisions of Chapters 5.04 through 5.24 and 5.48 posted in a conspicuous place upon the premises where such business is carried on. Any person transacting, engaging in, and/or carrying on a business, but not operating a fixed place of business in the town, shall keep the license issued under any of the provisions of

Chapters 5.04 through 5.24 and 5.48 upon his/her person at all times while transacting, engaging in, and/or carrying on such business.

- B. It is unlawful for any person to whom a license has been issued to fail or refuse to produce the license for inspection when required to do so by an agent of the town working under the direction of the collector.

(Ord. 2000-329 § 4 (part), 2000)

5.16.080 - Sworn statements.

A. No sworn statement required to be filed shall be conclusive as to the matters set forth therein. The filing of a sworn statement shall not preclude the town from collecting any sum of money actually due and payable under any of the provisions of Chapters 5.04 through 5.24 and 5.48, by appropriate action.

- B. If any person shall fail to file any required statement within the time prescribed, or if, after demand thereof made by the collector, such person shall fail to file a corrected statement, or if any person subject to the tax imposed by any of the provisions of Chapters 5.04 through 5.24 and 5.48 shall fail to apply for a license, the collector shall proceed in such manner as he/she may deem best to obtain the facts and information on which to base his/her estimate of the tax due. In the event such determination is made, the collector shall give notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage paid, addressed to the person so assessed at his/her last known address.

(Ord. 2000-329 § 4 (part), 2000)

5.16.090 - Procedure.

A. Any person assessed with a license tax may, within fifteen days after the serving or mailing of the notice referred to in Section 5.16.080(B), make an appeal application in writing to the collector for a hearing on the amount of the license tax assessed. If an application for a hearing is not made within the time prescribed, the tax and penalties, if any, determined by the collector shall become final and conclusive and immediately due and payable. If an appeal application is made, the collector shall give not less than ten days written notice in the manner set forth in Section 5.16.080(B) to the person to show cause at a time and place fixed in the notice (which shall be not more than fifteen days after the receipt of the application for hearing) for why the amount specified therein should not be fixed for such tax and penalties. At such hearing the person may appear and offer evidence supporting the reason(s) such specified tax and penalties should not be fixed.

- B. After a hearing on the amount of the tax assessed, the collector shall determine the proper tax to be paid and shall thereafter give written notice to the person so assessed in the manner set forth in Section 5.16.080(B) for giving notice of an assessment. The amount determined to be due shall be payable fifteen days after the date of the mailing of such notice, unless an appeal is made pursuant to Section 15.16.100(C).

(Ord. 2000-329 § 4 (part), 2000)

5.16.100 - License revocation.

- A. Licenses issued pursuant to any of the provisions of Chapters 5.04 through 5.24 and 5.48 may be revoked by the town if the licensee conducts, engages in and/or carries on his/her business in an unlawful manner or fails to comply with any of the provisions of Chapters 5.04 through 5.24 and 5.48.
- B. Prior to the revocation of any license, the licensee shall be given notice of the proposed action in the manner set forth in this paragraph and shall be given an opportunity to be heard. If, within ten days after such notice of proposed action has been mailed to the licensee, he/she requests a hearing on the proposed revocation, a public hearing shall be held within thirty days after such request upon ten days' notice to the licensee. The town administrator shall conduct the hearing, and if, as a result thereof, the license is ordered revoked, the licensee shall have the right, within fifteen days after such order, to appeal the action to the council in the manner set forth in Section 15.16.100(C). Notice of the proposed revocation of any license, the date of the hearing, and the decision of the town administrator shall be given by serving the notice personally upon the licensee or by depositing it in the United States mail, postage paid, addressed to the licensee at the place of business set forth in the license.
- C. Any person aggrieved by any decision of the town administrator pursuant to any of the provisions of Chapters 5.04 through 5.24 and 5.48 may appeal to the council by filing a written notice of appeal with the town administrator within fifteen days after the serving or mailing of the decision, excluding the day of mailing and including the last day.
- D. The council shall fix a time and place for hearing the appeal but such hearing shall be within thirty days of the appeal. Further, the council shall cause or direct the town clerk to give notice of the hearing in writing to interested persons by serving notice personally or by depositing it in the United States mail, postage paid, addressed to the licensee at the place of business set forth in the license.
- E. The council shall determine all questions raised on such appeals at the time of the hearing thereon.
- F. No penalty provided under any of the provisions of Chapters 5.04 through 5.24 and 5.48 shall be imposed after the filing of an appeal or prior to the completion of the hearing of the appeal and the making of a determination of the subject of the appeal by the council.

(Ord. 2000-329 § 4 (part), 2000)

CHAPTER 5.24 - EXEMPT BUSINESSES AND ORGANIZATIONS

Sections:

5.24.010 - Businesses exempt by Constitution or statutes.

Nothing contained in this chapter shall be deemed or construed as applying to any person transacting, engaging in and/or carrying on any business exempt by virtue of the Constitution or applicable statutes of the United States or of the state of California from payment of taxes prescribed herein.

(Ord. 2000-329 § 6 (part), 2000)

5.24.020 - Nonprofit organizations.

Nothing contained in this chapter shall be deemed or construed to require the payment of any license tax by any entity or organization which is conducted, managed and/or carried on wholly for the benefit of charitable, educational, religious or public benefit and from which profit is not derived, either directly or indirectly, by any person (including, but not limited to, all entities that qualify under Internal Revenue Code 501(c)).

(Ord. 2000-329 § 6 (part), 2000)

5.24.030 - Disabled veterans.

Nothing contained in this chapter shall be deemed or construed to require the payment of any license tax by any honorably discharged or relieved veteran named in Section 16001 of the Business and Professions Code of California, as amended, who is physically unable to earn a livelihood by manual labor and who is a voter of this state, and who desires to hawk, peddle or vend goods, wares or merchandise owned by him, or to distribute circulars.

(Ord. 2000-329 § 6 (part), 2000)

5.24.040 - Public utilities.

Any public utility possessing a franchise granted by the town which makes annual payments under said franchise to the town, shall not be subject to any of the provisions of Chapters 5.04 through 5.24 and 5.48.

5.24.050 Youth – Nothing contained in this chapter shall be deemed or construed to require the payment of any license tax by any person under the age of 18 who desires to hawk, peddle, or vend goods, wares, merchandise, or appropriately-licensed foods

(Ord. 2000-329 § 6 (part), 2000)

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF PORTOLA VALLEY AMENDING CHAPTERS 5.08[DEFINITIONS], 5.16 [LICENSES], 5.24 [EXEMPT BUSINESSES AND ORGANIZATIONS] OF TITLE 5 [BUSINESS TAXES, LICENSES AND REGULATIONS] OF THE PORTOLA VALLEY MUNICIPAL CODE

WHEREAS, on January 1, 2019, SB 946 “decriminalizing” sidewalk vending went into effect.

WHEREAS, on November 14, 2018, the Town Council conducted a Study Session and directed staff to come back to the Town Council with an ordinance implementing SB 946;

WHEREAS, on February 13, 2019, the Town Council introduced the following ordinance;

NOW, THEREFORE, the Town Council of the Town of Portola Valley, (the “Town”) does **ORDAIN** as follows:

1. AMENDMENT OF CODE. Chapter 5.08 [Definitions] of the Portola Valley Municipal Code is hereby amended to read as follows:

Chapter 5.08 –Definitions

. . .

5.08.100 - Person.

All firms, domestic and foreign corporations, associations, syndicates, partnerships, joint ventures, clubs, societies, and any officer or agent thereof; a sidewalk vendor, and any natural person transacting, engaging in or carrying on any business in the town of Portola Valley.

5.08.110 – Sidewalk vendor

One who uses a non-motorized conveyance to sell food or merchandise from a public sidewalk or path.

~~5.08.110~~120 - Sworn statement.

An affidavit sworn to before a person authorized to take oaths or a declaration or certification made under penalty of perjury.

2. AMENDMENT OF CODE. Chapter 5.16 [Licenses] of the Portola Valley Municipal Code is hereby amended to read as follows:

CHAPTER 5.16 - LICENSES

Sections:

5.16.010 - License required.

No person shall transact, engage in, or carry on any business within the town without

first having procured a license from the town to do so, and having paid the tax prescribed by any of the provisions of Chapters 5.04 through 5.24 and 5.48, and having complied with any and all applicable regulations concerning the use and occupancy of the premises from which the business is to be conducted.

. . .

5.16.030 - Issuance.

The collector shall issue the licenses required to be obtained under any of the provisions of Chapters 5.04 through 5.24 and 5.48 upon persons making applications thereof furnishing the sworn statement when required, and paying the license tax imposed. Each issued license shall state upon its face the following information:

- A. The name of person to whom issued;
- B. The kind of business licensed;
- C. The location of such business or the status as a sidewalk vendor as defined in Section 5.08.100;
- D. The date of the expiration of the license; and
- E. Such other information as shall be deemed necessary by the collector to enforce any of the provisions of Chapters 5.04 through 5.24 and 5.48.

. . .

3. AMENDMENT OF CODE. Chapter 5.24 [Exempt Businesses and Organizations] of the Portola Valley Municipal Code is hereby amended to add the following section:

CHAPTER 5.24 - EXEMPT BUSINESSES AND ORGANIZATIONS

Sections:

. . .

5.24.050 Youth – Nothing contained in this chapter shall be deemed or construed to require the payment of any license tax by any person under the age of 18 who desires to hawk, peddle, or vend goods, wares, merchandise, or appropriately-licensed foods.

4. ENVIRONMENTAL REVIEW. This ordinance is exempt for the provisions of the California Environmental Quality Act pursuant to CEQA Guideline Section 15061, 15301, 15302 and 15305 in that it simply establishes a comprehensive permitting scheme.

5. SEVERABILITY. If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or the applicability of this ordinance to other situations.

6. EFFECTIVE DATE; POSTING. This ordinance shall be posted within the Town of Portola Valley in three (3) public places and shall become effective thirty days following adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

By: _____
Mayor

ATTEST

Town Clerk

APPROVED AS TO FORM:

Town Attorney

CHAPTER 12.10 - COMMERCIAL USE OF TOWN OUTDOOR RECREATIONAL FACILITIES

Sections:

12.10.010 - Purpose.

The purpose of this chapter is to regulate the group commercial use of the town's outdoor recreational facilities, including, but not limited to, the performance lawn, athletic fields, and tennis and all-sports courts, in order to provide for the orderly and safe use of such recreational facilities.

(Ord. 2011-392 § 1, 2011)

12.10.020 - Prohibited group commercial activities.

No person shall engage in group commercial activities on the town's outdoor recreational facilities, including, but not limited to, the performance lawn, athletic fields, and tennis and all-sports courts, that are of an intensity and frequency that displaces town residents seeking to use these outdoor recreational facilities or displaces town organized classes or instructional activities without entering into a written agreement with the town or obtaining the appropriate permit from the town, unless permitted as a sidewalk vendor by Section 5.08.100. For purposes of this chapter, group commercial activities include the sale of goods, wares, merchandise, services or property or any other act or transaction involving the exchange of money or other consideration that involves more than a one-on-one transaction. For example, prohibited group commercial activities do not include one-on-one tennis instruction.

(Ord. 2011-392 § 1, 2011)

12.10.030 – Town- Sponsored Events

All town-sponsored events require a temporary special permit to vend.

12.10.040 - Penalties.

Any person that violates the provisions of this chapter shall be guilty of an infraction as defined by Section 1.12.

(Ord. 2011-392 § 1, 2011)

CHAPTER 12.12 - USE OF PUBLIC RIGHTS-OF-WAY

Sections:

12.12.010 - Definitions.

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given in this section.

- (1) "Construction supervisor" means the town inspector for all encroachment permits;
- (2) "Director of public works" means the director of public works and his/her designee or the person designated by the director of public works to implement and enforce the provisions in this chapter;
- (3) "Encroachment" includes any going over, upon, under or using any public right-of-way in such manner as to prevent, obstruct or interfere with its normal use;
- (4) "Excavation" means any opening in the surface of a public right-of-way made in any manner whatsoever, except an opening into a lawful structure below the surface of a public right-of-way, the top of which is flush with the adjoining surface and so constructed as to permit frequent opening without injury or damage to the public right-of-way;
- (5) "Facility" means pipe, pipeline, tube, main, service, trap, vent, vault, manhole, meter, gauge, regulator, valve, conduit, wire, tower, pole, pole line, anchor, cable, junction box, transformer or any other material, structure or object of any kind or character, whether enumerated herein or not, which is or may be lawfully constructed, left, placed or maintained in, upon, along, across, under or over any public right-of-way;
- (6) "Permittee" means any person or entity that proposes to do work or encroach upon a public right-of-way and has been issued a permit for such encroachment;
- (7) "Public right-of-way" means all or part of the surface, the air space above the surface, and the area below the surface of the public streets, roads, sidewalks, lanes, courts, ways, alleys, boulevards, and places, including, without limitation, all public utility easements and public service easements as the same now or may thereafter exist that are under the jurisdiction of the town;
- (8) "Sidewalk vendor" is any person or persons who that uses a non-motorized conveyance to sell food or merchandise from a public sidewalk or path; and any natural person transacting, engaging in or carrying on any business in the town of Portola Valley
- (98) "State video franchisee" means any cable operator or video service provider that, pursuant to Division 2.5 of the Public Utilities Code of the State of California, has been granted a state franchise to provide cable or video service by the California Public Utilities Commission and whose video service includes all or part of the town;
- (109) "Utility" means all persons or entities supplying water, gas, sewer, electric, communication or similar associated service.

(Ord. 2007-368 § 1, 2007)

12.12.020 - Permit Required.

(a) No person shall perform any work, construct any facility, make any excavation or fill any excavation, store materials and/or vehicles in or upon any real property in which the town has an

interest, whether by title, easement, right-of-way, license or otherwise, without first obtaining an encroachment permit to do so from the director of public works.

(b) No person shall operate as a sidewalk vendor without first obtaining a business license as defined in Section 5.16.030

(cb) Nothing in this chapter shall prevent any person from constructing, repairing, maintaining, or removing any facility in the public right-of-way as may be necessary for the preservation of life or property when an urgent necessity arises. The person making emergency use of and encroaching upon the public right-of-way shall apply for an encroachment permit within one business day of commencing such use or encroachment.

(de) No encroachment of any kind, which impedes, obstructs or denies pedestrian, vehicular or other lawful travel within the limits of the public right-of-way or which impairs adequate sight-distance or safe pedestrian or vehicular traffic, will be permitted.

(Ord. 2007-368 § 1, 2007)

12.12.030 - Permit application.

No encroachment permit shall be issued unless a written application (on a form provided by the director of public works) for the issuance of an encroachment permit is submitted to the director of public works. When required by the director of public works, the applicant shall enclose with, attach, or add to the permit application a map, plat, sketch, diagram, or similar exhibit of a size and in such a quantity as prescribed by the director of public works, on which shall be plainly shown any and all information necessary to locate, delineate, illustrate, or identify the proposed use or encroachment and the right of the applicant to so use or encroach thereon.

(Ord. 2007-368 § 1, 2007)

12.12.040 - State video franchisee permit application and appeal procedures.

(a) The director of public works shall approve or deny an encroachment permit application by a state video franchisee within 60 days of receiving a completed application. An application for an encroachment permit is complete when the applicant has complied with all applicable requirements of this chapter concerning such application and all other statutory requirements, including the California Environmental Quality Act (Division 12 (commencing with Section 2100) of the Public Resources Code of the State of California).

(b) The time period set forth in subsection (a) may be extended on mutual agreement by the applicant and the town.

(c) If the town denies the application, the director of public works shall, at the time of notifying the applicant of the denial, furnish the applicant a detailed explanation of the reasons for the denial.

(d) Any state video franchisee whose encroachment permit application is denied may, within 30 days of receiving the explanation of the denial required, file an appeal to the town council. In determining such appeal, the town council shall consider whether the denial of the encroachment permit is consistent with this chapter and other applicable town, state and federal law. If the town council denies the state video franchisee's appeal, it shall issue a written decision setting forth the reasons for the denial. The town council's decision shall be final.

(Ord. 2007-368 § 1, 2007)

12.12.050 - Permit effective.

An encroachment permit, regardless of when dated, shall not be in effect until the applicant has obtained all licenses and other permits required by law and paid the required permit fees. The use of town property by permittee shall be limited to the purposes set forth in the encroachment permit and no structures of any kind, except those expressly permitted, shall be erected or placed thereon.

(Ord. 2007-368 § 1, 2007)

12.12.060 - Permit fees.

Permit fees shall be paid by the applicant prior to the issuance of any encroachment permit. On work which requires the presence of an employee or agent of the town as inspector, the salary, traveling expense, tests on materials, and other incidental expense of such inspection during the work shall be paid by the permittee upon presentation of a bill. In addition, the town may charge an annual fee for private encroachments for the benefit of maintaining a facility in the public right-of-way. All applicable permit fees, including those for the issuance of a permit and for the benefit of maintaining an encroachment in the public right-of-way, shall be established by resolution of the town council.

(Ord. 2007-368 § 1, 2007)

12.12.070 - Permit expiration and renewal.

An encroachment permit shall become null and void if work is not commenced within 90 days after the date of application. A permit may be extended or renewed upon request to the director of public works provided no changes have been made from the original conditions for issuance of the original permit.

(Ord. 2007-368 § 1, 2007)

12.12.080 - Repair of damage.

Permittee shall be responsible for any damage to town street pavements, existing utilities, curbs, gutters, sidewalks or to any private property or improvements to the extent attributable to its installation, maintenance, repair or removal of facilities in the public right-of-way. Permittee shall repair, replace and restore in kind any such damaged improvements at its sole expense and with the approval of town. Any and all site restoration and clean-up shall be done by a licensed and insured contractor.

(Ord. 2007-368 § 1, 2007)

12.12.090 - Existing utility locations.

Town shall not be responsible for exact locations or depths of existing utilities or other facilities.

(Ord. 2007-368 § 1, 2007)

12.12.100 - Liability.

Permittee shall be responsible and liable for, and shall hold the town and its commissions, boards, officers, and employees free and harmless from, any and all liens and claims involving personal injury or property damage of any kind due directly, or indirectly, to permittee's operations and use of town's lands.

(Ord. 2007-368 § 1, 2007)

12.12.110 - Regulations.

(a) The construction, operation, maintenance and repair of facilities in the public rights-of-way shall be performed in compliance with all laws and practices affecting such facilities. This shall include, but not be limited to applicable town standards, including safety precautions and all applicable zoning and safety codes, construction standards, noise regulations, regulations for providing notice to persons that may be affected by such facilities construction, and such directives or additional conditions placed on the encroachment permit by the director of public works governing the time, place and manner in which facilities may be installed in the public rights-of-way.

(b) Any person engaged in the construction, operation, maintenance or repair of facilities in the public rights-of-way shall exercise reasonable care in the performance of all of its activities and shall use commonly accepted methods and devices for preventing failures and accidents that are likely to cause damage, injury, or nuisance to the public or to property.

(c) A person with facilities in the public right-of-way shall, by a time specified by the director of public works, temporarily disconnect, relocate, or remove when required by the town in exercise of its governmental or proprietary powers by reason of traffic conditions, public safety, public rights-of-way construction and repair, or any other purpose where the work involved would be aided by the removal and relocation of the facilities in the public right-of-way. Collectively, such matters are referred to below as the "public project".

(1) The director of public works, as applicable, shall provide written notice describing where the public project is to be performed at least one week prior to the deadline by which a person must protect, support, or temporarily disconnect, remove or relocate its facilities in the public right-of-way.

(2) In an emergency, or where a person's facility in the right-of-way creates or contributes to an imminent danger to health, safety, or property, the town may protect, support, or temporarily disconnect, remove or relocate any and all parts of the person's facility without prior notice and that person shall be responsible to pay the town for the costs incurred.

(Ord. 2007-368 § 1, 2007)

12.12.120 - Street opening, sidewalk, curb and gutter, and driveway permits.

The construction supervisor shall be notified at least 24 hours prior to beginning excavation work and 24 hours prior to each inspection. The number and type of inspections required, and any tests that may be required will be as directed by the construction supervisor.

(Ord. 2007-368 § 1, 2007)

12.12.130 - Insurance.

Permittee may be required to file with the town a certificate of insurance showing that the permittee has one million dollars in general liability insurance and any other certificates of insurance required by the director of public works as a condition of approval.

(Ord. 2007-368 § 1, 2007)

12.12.140 - Deposit or bond.

The director of public works may require that the application for an encroachment permit be accompanied by a faithful performance bond or a cash deposit in an amount equal to the estimated cost of the proposed work.

(Ord. 2007-368 § 1, 2007)

12.12.150 - Removal and relocation.

Permittee shall remove or relocate, without cost or expense to the town, any facility when made necessary by any lawful change in-grade, alignment, or width of any street, including, the construction, maintenance, or operation of any other town underground or above-ground facilities. Said removal or relocation shall be completed within ninety days of notification by the town; provided that if removal or relocation cannot reasonably be accomplished within ninety days, then permittee shall commence such removal or relocation within such ninety days and thereafter continue the same diligently until completion thereof. If permittee intends to abandon a facility located above ground in the public right-of-way, permittee must provide written notice of its intention to abandon and must remove the facility within ninety days thereafter.

(Ord. 2007-368 § 1, 2007)

12.12.160 - Enforcement.

The town may either require removal of the unpermitted encroachment or may require the person to obtain an encroachment permit, subject appropriate conditions, and pay all applicable permit fees. In addition, the town may either charge a civil or administrative penalty equal to the amount of the permit fees payable to the town or treat it as a misdemeanor pursuant to Section 1.12.060 of the Code.

(Ord. 2007-368 § 1, 2007)

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF PORTOLA VALLEY AMENDING CHAPTERS 12.10[COMMERCIAL USE OF TOWN OUTDOOR RECREATIONAL FACILITIES] AND 12.12 [USE OF PUBLIC RIGHTS-OF-WAY] OF TITLE 12 [STREETS, TRAILS AND PUBLIC PLACES] OF THE PORTOLA VALLEY MUNICIPAL CODE

WHEREAS, on January 1, 2019, SB 946 “decriminalizing” sidewalk vending went into effect.

WHEREAS, on November 14, 2018, the Town Council conducted a Study Session and directed staff to come back to the Town Council with an ordinance implementing SB 946;

WHEREAS, on February 13, 2019, the Town Council introduced the following ordinance;

NOW, THEREFORE, the Town Council of the Town of Portola Valley, (the “Town”) does **ORDAIN** as follows:

1. AMENDMENT OF CODE. Chapter 12.10 [Commercial Use of Town Outdoor Recreational Facilities] of the Portola Valley Municipal Code is hereby amended to add the following section:

CHAPTER 12.10 - COMMERCIAL USE OF TOWN OUTDOOR RECREATIONAL FACILITIES

Sections:

12.10.010 - Purpose.

The purpose of this chapter is to regulate the group commercial use of the town's outdoor recreational facilities, including, but not limited to, the performance lawn, athletic fields, and tennis and all-sports courts, in order to provide for the orderly and safe use of such recreational facilities.

12.10.020 - Prohibited group commercial activities.

No person shall engage in group commercial activities on the town's outdoor recreational facilities, including, but not limited to, the performance lawn, athletic fields, and tennis and all sports courts, that are of an intensity and frequency that displaces town residents seeking to use these outdoor recreational facilities or displaces town organized classes or instructional activities without entering into a written agreement with the town or obtaining the appropriate permit from the town, **unless permitted as a sidewalk vendor by Section 5.08.100**. For purposes of this chapter, group commercial activities include the sale of goods, wares, merchandise, services or property or any other act or transaction involving the exchange of money or other consideration that involves more than a one-on-one transaction. For example, prohibited group commercial activities do not include one-on-one tennis instruction.

12.10.030 – Town- Sponsored Events

All town-sponsored events require a temporary special permit to vend.

12.10.0430 - Penalties.

Any person that violates the provisions of this chapter shall be guilty of an infraction.

2. AMENDMENT OF CODE. Chapter 12.12 [Use of Public Rights of Way] of the Portola Valley Municipal Code is hereby amended to read as follows:

CHAPTER 12.12 - USE OF PUBLIC RIGHTS-OF-WAY

Sections:

12.12.010 - Definitions.

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given in this section.

- (1) "Construction supervisor" means the town inspector for all encroachment permits;
- (2) "Director of public works" means the director of public works and his/her designee or the person designated by the director of public works to implement and enforce the provisions in this chapter;
- (3) "Encroachment" includes any going over, upon, under or using any public right-of-way in such manner as to prevent, obstruct or interfere with its normal use;
- (4) "Excavation" means any opening in the surface of a public right-of-way made in any manner whatsoever, except an opening into a lawful structure below the surface of a public right-of-way, the top of which is flush with the adjoining surface and so constructed as to permit frequent opening without injury or damage to the public right-of-way;
- (5) "Facility" means pipe, pipeline, tube, main, service, trap, vent, vault, manhole, meter, gauge, regulator, valve, conduit, wire, tower, pole, pole line, anchor, cable, junction box, transformer or any other material, structure or object of any kind or character, whether enumerated herein or not, which is or may be lawfully constructed, left, placed or maintained in, upon, along, across, under or over any public right-of-way;
- (6) "Permittee" means any person or entity that proposes to do work or encroach upon a public right-of-way and has been issued a permit for such encroachment;
- (7) "Public right-of-way" means all or part of the surface, the air space above the surface, and the area below the surface of the public streets, roads, sidewalks, lanes, courts, ways, alleys, boulevards, and places, including, without limitation, all public utility easements and public service easements as the same now or may thereafter exist that are under the jurisdiction of the town;
- (8) "Sidewalk vendor" is any person or persons who uses a non-motorized conveyance to sell food or merchandise from a public sidewalk or path;
- (98) "State video franchisee" means any cable operator or video service provider that, pursuant to Division 2.5 of the Public Utilities Code of the State of California, has been granted a state franchise to provide cable or video service by the California Public Utilities Commission and whose video service includes all or part of the town;
- (109) "Utility" means all persons or entities supplying water, gas, sewer, electric, communication or similar associated service.

(Ord. 2007-368 § 1, 2007)

12.12.020 - Permit Required.

(a) No person shall perform any work, construct any facility, make any excavation or fill any excavation, store materials and/or vehicles in or upon any real property in which the town has an interest, whether by title, easement, right-of-way, license or otherwise, without first obtaining an encroachment permit to do so from the director of public works.

(b) No person shall operate as a sidewalk vendor without first obtaining a business license as defined in Section 5.16.030.

(c) Nothing in this chapter shall prevent any person from constructing, repairing, maintaining, or removing any facility in the public right-of-way as may be necessary for the preservation of life or property when an urgent necessity arises. The person making emergency use of and encroaching upon the public right-of-way shall apply for an encroachment permit within one business day of commencing such use or encroachment.

(d) No encroachment of any kind, which impedes, obstructs or denies pedestrian, vehicular or other lawful travel within the limits of the public right-of-way or which impairs adequate sight-distance or safe pedestrian or vehicular traffic, will be permitted.

. . . .

3. ENVIRONMENTAL REVIEW. This ordinance is exempt for the provisions of the California Environmental Quality Act pursuant to CEQA Guideline Section 15061, 15301, 15302 and 15305 in that it simply establishes a comprehensive permitting scheme.

4. SEVERABILITY. If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or the applicability of this ordinance to other situations.

5. EFFECTIVE DATE; POSTING. This ordinance shall be posted within the Town of Portola Valley in three (3) public places and shall become effective thirty days following adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

By: _____
Mayor

ATTEST

Town Clerk

APPROVED AS TO FORM:

Town Attorney

SENATE RULES COMMITTEE
Office of Senate Floor Analyses
(916) 651-1520 Fax: (916) 327-4478

SB 946

UNFINISHED BUSINESS

Bill No: SB 946
Author: Lara (D), et al.
Amended: 8/16/18
Vote: 21

SENATE GOVERNANCE & FIN. COMMITTEE: 5-1, 4/18/18

AYES: McGuire, Beall, Hernandez, Hertzberg, Lara

NOES: Moorlach

NO VOTE RECORDED: Nguyen

SENATE FLOOR: 22-10, 5/3/18

AYES: Allen, Atkins, Beall, Dodd, Galgiani, Hernandez, Hertzberg, Hill, Hueso, Jackson, Lara, Leyva, McGuire, Mitchell, Monning, Pan, Portantino, Roth, Skinner, Stern, Wieckowski, Wiener

NOES: Anderson, Bates, Berryhill, Fuller, Gaines, Moorlach, Morrell, Nielsen, Stone, Vidak

NO VOTE RECORDED: Bradford, Cannella, De León, Glazer, Newman, Nguyen, Wilk

ASSEMBLY FLOOR: 56-17, 8/20/18 - See last page for vote

SUBJECT: Sidewalk vendors

SOURCE: Author

DIGEST: This bill establishes requirements for local regulation of sidewalk vendors.

Assembly Amendments allow additional regulation of vending in parks under specified circumstances; allow local governments to prohibit sidewalk vendors near farmers' markets, swap meets; or areas where a special event permit has been issued; and add higher fines for vending without a permit.

ANALYSIS:

Existing law:

- 1) Allows a city or county to make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.
- 2) Allows cities and counties to require businesses operating in their jurisdictions to procure a business license and comply with other requirements to operate.

This bill:

- 1) Allows a local authority—defined as a city, charter city, county, or city and county—to adopt a program to regulate sidewalk vendors in compliance with the bill.
- 2) Prohibits a local authority from regulating sidewalk vendors except as provided in the bill.
- 3) Provides that a local authority that has a sidewalk vending regulatory program that substantially complies with the requirements of the bill is not required to adopt a new program.
- 4) Prohibits a local authority from:
 - a) Requiring a sidewalk vendor to operate within specific parts of the public right-of-way, except where that restriction is directly related to objective health, safety, or welfare concerns. SB 946 specifies that perceived community animus or economic competition does not constitute an objective health, safety, or welfare concern.
 - b) Prohibiting a sidewalk vendor from selling food or merchandise in a park owned or operated by the local authority. However, a local authority may prohibit stationary sidewalk vendors—defined as vendors that vend from a single location—from vending in a park only if the operator of the park has signed an agreement for concessions that exclusively permits the sale of food or merchandise by the concessionaire.
 - c) Requiring a sidewalk vendor to first obtain the consent or approval of any nongovernmental entity or individual before he or she can sell food or merchandise.
 - d) Restricting sidewalk vendors to operate only in a designated neighborhood or area, except where that restriction is directly related to objective health, safety, or welfare concerns. However, a local authority may prohibit stationary sidewalk vendors in exclusively residential areas, but shall not prohibit roaming sidewalk vendors, who stop moving only to complete a sale.
 - e) Restricting the overall number of sidewalk vendors permitted to operate in the jurisdiction, unless the restriction is directly related to objective health, safety, or welfare concerns.
- 5) Allows additional regulations of vending in parks if:
 - a) Directly related to objective health, safety, or welfare concerns;

- b) Necessary to ensure the public's use and enjoyment of natural resources and recreational opportunities; or
 - c) Necessary to prevent an undue concentration of commercial activity that unreasonably interferes with the scenic and natural character of the park.
- 6) Allows a local authority to adopt additional requirements regulating the time, place, and manner of sidewalk vending if those regulations are directly related to objective health, safety, or welfare concerns, including, but not limited to, any of the following:
- a) Limiting the hours of operation that are not unduly restrictive. In nonresidential areas, any limitations on the hours of operation for sidewalk vending shall not be more restrictive than any limitations on hours of operation imposed on other businesses or uses on the same street.
 - b) Requiring the sanitary conditions to be maintained.
 - c) Requirements necessary to ensure compliance with the federal Americans with Disabilities Act of 1990 and other disability access standards.
 - d) Requiring the sidewalk vendor to obtain a valid permit or business license from the local authority, provided that the local authority issuing the permit or business license accepts a California driver's license or identification number, an individual taxpayer identification number, or a municipal identification number in lieu of a social security number if the local authority otherwise requires a social security number for the issuance of a permit or business license, and that the number collected shall not be available to the public for inspection, is confidential, and shall not be disclosed except as required to administer the permit or licensure program or comply with a state law or state or federal court order.
 - e) Requiring the sidewalk vendor to possess a valid California Department of Tax and Fee Administration seller's permit.
 - f) Requiring additional licenses from other state or local agencies to the extent required by law.
 - g) Requiring compliance with other generally applicable laws.
- 7) Allows a local authority to require a sidewalk vendor to submit information on his or her operations, including, but not limited to, any of the following:
- a) The name and address of the sidewalk vendor.
 - b) A description of the merchandise offered for sale or exchange.
 - c) A certification by the vendor that to his or her knowledge and belief, the information contained on the form is true.
 - d) The California seller's permit number, if any, of the sidewalk vendor.
 - e) The name and business address of the principal if the sidewalk vendor is an agent of an individual, company, partnership, or corporation.
- 8) Allows, notwithstanding the above prohibitions, a local authority to:

- a) Prohibit sidewalk vendors in areas located within the immediate vicinity of a permitted certified farmers' market or a permitted swap meet during the limited operating hours of that certified farmers' market or swap meet, as defined.
 - b) Restrict or prohibit sidewalk vendors within the immediate vicinity of an area designated for a temporary special permit, as defined, issued by the local authority, provided that any notice, business interruption mitigation, or other rights provided to affected businesses or property owners under the local authority's temporary special permit are also provided to any sidewalk vendors specifically permitted to operate in the area, if applicable.
- 9) Provides that perceived community animus or economic competition does not constitute an objective health, safety, or welfare concern.
- 10) Prohibits a local authority that has not adopted a compliant program from citing or penalizing a sidewalk vendor for any regulation that doesn't meet the requirements of the bill.
- 11) Prohibits, in jurisdictions that have adopted a compliant program, a person from violating the requirements of the program, and specifies that a violation of the program is only punishable by an administrative fine of:
- a) \$100 for a first violation;
 - b) \$200 for a second violation within one year of the first violation; and
 - c) \$500 for each additional violation within one year of the first violation.
- 12) Imposes penalties for vending without a permit of:
- a) \$250 for a first violation;
 - b) \$500 for a second violation within one year of the first violation; and
 - c) \$1,000 for each additional violation within one year of the first violation.
- 13) Requires the local authority, upon proof of a valid permit, to reduce the administrative fines in 12) to be reduced to the fines in 11).
- 14) Requires an adjudicator of these fines to take into account the ability of the violator to pay the fine and allows a violator to request an ability to pay determination at any point, including during adjudication or after the fines remain unpaid and go to collection or become delinquent.
- 15) Requires a local authority to:
- a) Provide notice to the violator that he or she has the right to request an ability to pay determination and make instructions available for doing so; and

- b) Accept payment of 20% of the fine in full satisfaction if the violator earns less than 125% of the federal poverty line or receives certain means-tested government benefits.
- 16) Provides that no additional financial penalties may be imposed, but a local authority may also rescind a permit issued to a sidewalk vendor for the term of that permit upon the fourth violation or subsequent violations.
- 17) Allows a local authority to offer community service in lieu of paying the fine, to waive the fine, or to offer alternative dispositions.
- 18) Prohibits penalizing a sidewalk vendor with an infraction or misdemeanor if the vendor does not pay the administrative fines authorized by the bill.
- 19) Provides that any fines collected stay with the city or county.
- 20) Specifies that penalties for violations of a compliant sidewalk vendor program, or any regulations on sidewalk vendors adopted before January 1, 2019, cannot be infractions or misdemeanors, and sidewalk vendors cannot be subject to arrest except where permitted under law.
- 21) Applies the provisions in 15) above retroactively to all pending criminal prosecutions under any local ordinance or resolution regulating or prohibiting sidewalk vendors and dismisses any criminal prosecutions that have not reached final judgment.
- 22) Allows a person convicted of a misdemeanor or infraction for sidewalk vending to petition for dismissal of their sentence, fine, or conviction if he or she would not have been convicted of that offense if the bill had been in effect.
- 23) Requires a court to presume that the petitioner is eligible for dismissal, and must dismiss and seal the conviction as legally invalid, unless the local authority proves otherwise by clear and convincing evidence. No hearing is necessary for such a petition unless the petitioner requests one.
- 24) Provides that:
- a) If the court that originally sentenced or imposed a fine on the petitioner is not available, the presiding judge shall designate another judge to rule on the petition;
 - b) These provisions do not diminish or abrogate any rights or remedies otherwise available to the petitioner; and
 - c) The bill does not diminish or abrogate the finality of judgments in any case not falling under the purview of the bill.

Background

Sidewalk vendors are individuals that sell goods on streets and sidewalks from carts and other non-motorized conveyances. These vendors engage in business in many cities throughout the state, where they sell food items and other merchandise. Some sidewalk vendors are stationary, while others rove from one location to another. Although there is no statewide count, there are an estimated 50,000 sidewalk vendors in the City of Los Angeles.

Cities and counties throughout the state have ordinances regulating or banning sidewalk vending. These ordinances impose varying regulations on sidewalk vendors. Discussions are ongoing at the local level on how to fairly regulate sidewalk vendors. In early 2017, the City of Los Angeles enacted an ordinance that decriminalized street vending, subjecting vendors only to administrative citations for violations. However, the ordinance did not establish a full regulatory framework: the Los Angeles City Council is currently debating whether certain neighborhoods should be off-limits to sidewalk vendors, whether limits of two street vendors per block is reasonable, and whether sidewalk vendors must receive the permission of nearby brick-and-mortar businesses, among other issues.

On January 25, 2017, President Trump issued Executive Order 13767 revising the United States Immigration and Customs Enforcement “criminal alien policy,” which establishes rules under which unauthorized immigrants are potentially removable because they have been convicted of a crime. This revision significantly broadened the number of immigrants who would be considered a priority for deportation. The executive order prioritizes deportation of individuals who have committed acts that *could have been charged* as a crime, regardless of whether their actual conviction was criminal. It also prioritizes for deportation an individual who has been charged with a criminal act, but for whom the charge has not been resolved.

Because many cities and counties make violation of their sidewalk vending ordinances a criminal offense, such as a misdemeanor or infraction, sidewalk vendors have been subject to deportation. The author wants to allow sidewalk vendors to operate freely in local jurisdictions throughout the state and to decriminalize violations issued for local sidewalk vending policies.

Comments

1) *Purpose of the bill.* Sidewalk vendors are a fixture in California’s communities and a part of vibrant food cultures. But outdated laws expose these entrepreneurs to harassment, criminal prosecution, and even deportation. Many sidewalk vendors are undocumented immigrants, and sidewalk vending offers a way for those immigrants to be self-sufficient and improve their economic situation. But local governments throughout the state have overly restrictive ordinances that close off this opportunity to many vendors. In addition, the Trump administration’s recent change to immigration enforcement means that a minor violation of a local ordinance can result in severe consequences. SB 946 directly addresses these problems by establishing parameters for local regulation of sidewalk vendors to ensure that local governments can’t directly or indirectly ban sidewalk vending. It allows for regulations based on objective health, safety, and welfare concerns, and doesn’t change how retail food sales are treated under the law. Local governments that already meet this bill’s requirements don’t have to adopt new rules, and they can still require business licenses and other necessary

permits. SB 946 also protects the most vulnerable sidewalk vendors from deportation by allowing local governments to levy administrative citations and fines, but not criminal penalties that can be used against them by a hostile federal government. With this bill, sidewalk vendors can continue to support themselves and their families and continue to help build vibrant local economies.

- 2) *Finding a balance.* The California Constitution vests local governments with the authority to make decisions about the types of businesses that may operate within their jurisdiction, and the rules they must follow. These regulations further governmental interests, including excluding commercial activity from residential areas, ensuring free movement along sidewalks, reducing the sale of counterfeit or illegal merchandise, preventing crime, or discouraging minors from buying unhealthy products. Since different communities emphasize different priorities, it makes sense to allow local governments to decide what rules best apply. Local governments, including the City of Los Angeles, have already taken steps to decriminalize sidewalk vending, and those governments continue to debate and refine the rules that sidewalk vendors must follow. SB 946 overrules those local deliberations by dramatically narrowing the scope of regulations that local governments may apply to sidewalk vendors. In an effort to account for every potential misuse of local regulatory authority, SB 946 potentially excludes many legitimate interests from consideration by local communities. For example, SB 946 may prevent local governments from prohibiting the vending of unhealthy foods near schools. Overriding individual local ordinances through a statewide bill—instead of addressing specific concerns within each municipality—represents a significant state intrusion into local affairs.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 8/21/18)

A New Way of Life Reentry Project
 Abundant Housing LA
 Academic Community Leaders
 ACLU California
 Bet Tzedek Legal Services
 California Alliance of Farmers Markets
 California Association for Micro Enterprise Opportunity
 California Food Policy Advocates
 California Immigrant Policy Center
 California Labor Federation
 California Street Vendor Campaign
 California YIMBY
 Central American Resource Center
 Centro Legal de la Raza
 Circulate San Diego
 CLUE P♀WER
 Courage Campaign

Dolores Mission
Economic Roundtable
Esperanza Community Housing Corporation
Food Chain Workers Alliance
Immigrant Legal Resource Center
InnerCity Struggle
Institute for Justice
Investing in Place
Koreatown Immigrant Workers Alliance
LA Forward
LA Walks
LApplus
Legacy LA
Legal Aid at Work
Legal Services for Prisoners with Children
Little Tokyo Service Center
Los Angeles Alliance for a New Economy
Los Angeles Community Action Network
Los Angeles County Federation of Labor
Los Angeles Food Policy Council
Los Angeles Street Vendor Campaign
Los Angeles Walks
LURN
National Lawyers Guild – Los Angeles Chapter
Oakland Food Policy Council
Opportunity Fund
PolicyLink
Promesa Boyle Heights
Pomona Economic Opportunity Center
Public Counsel
Public Health Justice Collective
Restaurant Opportunities Center of Los Angeles
Sacramento Food Policy Council
Self Help Graphics & Art
Social Justice Learning Institute
Somos Familia Valle
Strategic Actions for a Just Economy
Sustainable Economies Law Center
The Public Health Justice Collective
UCLA Criminal Defense Clinic
UCLA Labor Center
Urban & Environmental Policy Institute, Occidental College
Venice Community Housing
Women Organizing Resources, Knowledge and Services

Women's Foundation of California
YIMBY Action

OPPOSITION: (Verified 8/21/18)

California Downtown Association
California Park & Recreation Society
Central City Association of Los Angeles
City of Beverly Hills
City of Downey
City of El Cajon
City of Placentia
City of San Marcos
City of Santa Clarita
City of Stanton
Downtown Center Business Improvement District
League of California Cities
Los Angeles Area Chamber of Commerce
Valley Industry and Commerce Association

ASSEMBLY FLOOR: 56-17, 8/20/18

AYES: Aguiar-Curry, Arambula, Berman, Bloom, Bonta, Burke, Caballero, Calderon, Carrillo, Cervantes, Chau, Chiu, Choi, Chu, Cooley, Cooper, Daly, Eggman, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gonzalez Fletcher, Gray, Grayson, Harper, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Levine, Limón, Low, Mathis, Mayes, McCarty, Medina, Mullin, Nazarian, Quirk, Quirk-Silva, Reyes, Rivas, Rodriguez, Rubio, Salas, Santiago, Mark Stone, Thurmond, Ting, Weber, Wood, Rendon

NOES: Acosta, Travis Allen, Baker, Bigelow, Brough, Chávez, Chen, Cunningham, Dahle, Gallagher, Lackey, Maienschein, Melendez, Obernolte, Patterson, Voepel, Waldron

NO VOTE RECORDED: Flora, Fong, Frazier, Kiley, Muratsuchi, O'Donnell, Steinorth

Prepared by: Anton Favorini-Csorba / GOV. & F. / (916) 651-4119
8/21/18 13:33:05

**** **END** ****

#7

There are no written materials for Housing Update from Town Manager

#8

There are no written materials for Council Liaison Committee and Regional Agencies Report

#9

There are no written materials for Town Manager Report

TOWN COUNCIL WEEKLY DIGEST

Thursday – January 24, 2019

1. Agenda (Action) – Town Council – Wednesday, January 23, 2019
2. Agenda – Architectural & Site Control Commission – Monday, January 28, 2019
3. Agenda (Special and Cancellation) – Sustainability Committee – Monday, January 28, 2019
4. Notice – Planning Commission review of the draft Accessory Dwelling Unit Ordinance - Wednesday, February 6, 2019
5. Letter from Millbrae Mayor Wayne J. Lee sent to ABAG re CASA Compact

Attached Separates (Council Only)
(placed in your town hall mailbox)

1. Letter – State of Tobacco Control Report to be released January 30, 2019



TOWN OF PORTOLA VALLEY

7:00 PM – Regular Meeting of the Town Council
 Wednesday, January 23, 2019
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

ACTION AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Councilmember Richards, Councilmember Hughes, Councilmember Derwin, Vice Mayor Aalfs and Mayor Wengert

All Present

ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda.

Resident Florence Eschbach on behalf of Diana Fisher, both of PV Ranch, in support of a defensible space-matching fund program for Portola Valley.

Resident Caroline Vertongen asked if the Town Council and Town Manager understand the California Government Ethics laws and understand and abide by the Public Service Ethic laws. Ms. Vertongen also asked when resident letters addressed to the Town Council are made available to the public. Mayor Wengert advised Ms. Vertongen that the Town Council and Town Manager participate in the required Ethics training and are well aware of the Public Service Ethic laws. Resident letters that come into town hall addressed to the Town Council are published in the Council's Weekly Digest.

Resident Michael Tomaras of PV Ranch voiced his concern of fire risk and difficulty in obtaining fire insurance. This is a community concern. A few suggestions are a parcel assessment, staff look into possible grants that are available, and develop a study group addressing the issue of fire risk and safety.

CONSENT AGENDA

The following items listed on the Consent Agenda are considered routine and approved by one roll call motion. The Mayor or any member of the Town Council or of the public may request that any item listed under the Consent Agenda be removed and action taken separately.

1. **Approval of Minutes** – January 9, 2019

Minutes Approved 4-0-1 Vice Mayor Aalfs abstained

2. **Approval of Warrant List** – January 23, 2019
3. **Appointment by Mayor** – Commissions and Committees Membership Appointments for 2019
4. **Recommendation by Town Attorney** – Leaf Blower Ordinance Amendments: Second Reading
 - (a) Second Reading, Waive Further Reading and Adopt an Ordinance Adding Chapter 9.10 [Noise Control] of Title 9 [Public Peace, Health, Morals and Welfare] of the Portola Valley Municipal Code (Ordinance No. 2019-427)
 - (b) Second Reading, Waive Further Reading and Adopt an Ordinance Adding Chapter 8.32 [Leaf Blower Use] of Title 8 [Health and Safety] of the Portola Valley Municipal Code (Ordinance No. 2019-428)

Items 2 – 4 Approved 5-0

REGULAR AGENDA

STAFF REPORTS AND RECOMMENDATIONS

5. **Appointment by Mayor** – Appointments to the Woodside Highlands Road Maintenance District Citizens Advisory Committee

Item #5 was pulled from the agenda, to be heard at a near future meeting

STUDY SESSION

6. **STUDY SESSION** – The PG&E Bankruptcy: Implications for Peninsula Clean Energy, CCAs, and the Electric Industry in California
7. **Report by Assistant to the Town Manager** – Review of Software

Council agreed the information provided is extremely helpful, and suggested some additional information be added to the next annual report and thanked staff for the report

8. **Appointment by Mayor** – Council Liaison Appointments for 2019

Approved as Amended 5-0

9. **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS**

Council arising out of liaison appointments to both in-town and regional committees and initiatives. *There are no written materials and the Town Council does not take action under this agenda item.*

Councilmember Richards -

Attended a County Emergency Services Council meeting, as well as Conservation and Emergency Preparedness Committee meetings.

Councilmember Hughes -

Attended a Trails & Paths Committee meeting and a Finance Committee meeting.

Councilmember Derwin -

Attended a C/CAG Legislation meeting, a Resources Management and Climate Protection meeting, and attended a "Coffee with Assemblymember Mark Berman." She attended the January 15 Planning Commission meeting.

Vice Mayor Aalfs –

School District – Measure Z passed. Superintendent Eric Hartwig announced that he would be leaving at the end of the school year.

Mayor Wengert -

Attended the "Coffee with Berman," along with Councilmember Derwin.

10. **TOWN MANAGER REPORT**

Public Works Director Young reported the town fared well during the recent storms. Assistant to Town Manager reported that during the recent storms and power outage, residents from the PV Ranch visited town hall and voiced concern for residents who require medical devices that are electrically powered. Assistant to Town Manager said she would bring up the possibility of opening the Community Hall for this type of future need at the next Emergency Preparedness Committee meeting.

Public Works Director and Assistant to Town Manager spoke with Woodside Fire Protection District to question if an SMC Alert should be sent out regarding the recent road closure.

WRITTEN COMMUNICATIONS

11. **Town Council Digest** – January 11, 2019 - **None**

12. **Town Council Digest** – January 17, 2019 - **None**

ADJOURNMENT: 9:35 pm

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley Library located adjacent to Town Hall. In accordance with SB343, Town Council agenda materials, released less than 72 hours prior to the meeting, are available to the public at Town Hall, 765 Portola Road, Portola Valley, CA 94028.

SUBMITTAL OF AGENDA ITEMS

The deadline for submittal of agenda items is 12:00 Noon WEDNESDAY of the week prior to the meeting. By law no action can be taken on matters not listed on the printed agenda unless the Town Council determines that emergency action is required.

Non-emergency matters brought up by the public under Communications may be referred to the administrative staff for appropriate action.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Town Council at, or prior to, the Public Hearing(s).



TOWN OF PORTOLA VALLEY

Meetings of the Architectural Site Control Commission (ASCC)
 Monday, January 28, 2019
 7:00 PM – Regular ASCC Meeting
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

SPECIAL ASCC FIELD MEETING

4:30 PM 105 Santa Maria - Preliminary Architectural Review and Site Development Permit for a New Residence, Removal of Significant Trees, and Landscaping

REGULAR MEETING AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Commissioners Ross, Sill, Wilson, Vice Chair Breen and Chair Koch

ORAL COMMUNICATIONS

Persons wishing to address the Architectural and Site Control Commission on any subject not on the agenda may do so now. Please note however, that the Architectural and Site Control Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

NEW BUSINESS

1. Architectural Review for an Addition and Remodel, 10 Ohlone Street, Jessie McEvoy & Terry Lee Residence, File # PLN ARCH 22-2018 (C. Richardson)
2. Preliminary Architectural Review and Site Development Permit for a New Residence, Removal of Significant Trees, and Landscaping, 105 Santa Maria, Fraser Residence, File # PLN_ARCH 02-2018 (C. Richardson)
3. Architectural Review of an Application to Legalize and Convert Existing Space to an Accessory Dwelling Unit, 175 Fawn Lane, Dobrenski Residence, File # PLN_ARCH 23-2018 (A. Cassidy)
4. Architectural Review of an Addition, New Pool and Outdoor BBQ, and Reconfigured Parking, 175 Willowbrook Drive, Cheng Residence, File # PLN_ARCH 17-2018 (A. Cassidy)

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

5. Commission Reports
6. Staff Report
7. News Digest: Planning Issues of the Day

APPROVAL OF MINUTES

8. ASCC Meeting of January 14, 2019

ADJOURNMENT

AVAILABILITY OF INFORMATION

For more information on the projects to be considered by the ASCC at the Special Field and Regular meetings, as well as the scope of reviews and actions tentatively anticipated, please contact Carol Borck in the Planning Department at Portola Valley Town Hall, 650-851-1700 ex. 211. Further, the start times for other than the first Special Field meeting are tentative and dependent on the actual time needed for the preceding Special Field meeting.

Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours. Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall.

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PUBLIC HEARINGS

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TOWN OF PORTOLA VALLEY
Special Sustainability Committee Meeting
Monday, January 28, 2019 10:30AM to 12:30 PM
Town Hall – Conference Room
NOTICE OF CANCELLATION

SUSTAINABILITY COMMITTEE

MEETING CANCELLATION NOTICE

**The special meeting of the Sustainability Committee,
scheduled for Monday, January 28, 2019,
has been canceled.**



TOWN of PORTOLA VALLEY

Town Hall: 765 Portola Road, Portola Valley, CA 94028 ~ Tel: (650) 851-1700 Fax: (650) 851-4677

Please come to the

Planning Commission's review of the draft

Accessory Dwelling Unit Ordinance

Wednesday, February 6, 2019 7:00 PM

Historic School House, Town Center

The Planning Commission will continue its review of a draft ordinance on ADUs and may vote to recommend it to the Town Council.

Staff's presentation will include a summary of the discussion of floor area for ADUs.

Draft Ordinance language includes:

- Increasing the size of ADUs allowed – within existing Adjusted Maximum Floor Area (AMFA)
- Allowing a separate address for ADUs
- Creating a streamlined review process
- Other changes are also under consideration

Please join us and share how you think ADU policy should change.

If you can't make the meeting, we still want to hear from you. Please email your thoughts or questions to Town staff at housing@portolavalley.net or call us at (650) 851-1700 x230

Thu 1/17/2019 3:35 PM

Elena Suazo ESuazo@ci.millbrae.ca.us

RE: CASA Compact Letter

Hello. Attached is a copy of a letter that Millbrae Mayor Wayne J. Lee sent to ABAG urging ABAG to NOT support the CASA Compact. Please forward a copy to your City Managers and City Councils. Mayor Lee is requesting that your Council submit a similar letter to ABAG. I have attached the Word version of the letter that you can use as a template. Thank you.

Elena

Elena Suazo
City Clerk
City of Millbrae

REUBEN D. HOLOBER
Vice Mayor

ANNE OLIVA
Councilmember

ANN SCHNEIDER
Councilmember

GINA PAPAN
Councilmember



City of Millbrae

621 Magnolia Avenue, Millbrae, CA 94030

January 17, 2019

Via Electronic Mail

Honorable David Rabbitt, President
Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Re: CASA Compact

Dear President Rabbitt,

The City Council of Millbrae understands the complexities of the current housing shortage and appreciates the laudable work of the Association of Bay Area Governments (ABAG)/Metropolitan Transportation Commission (MTC) Steering and Technical Committees to develop the CASA Compact. Millbrae is committed to building housing and is currently working on a comprehensive General Plan update to support the buildout of approximately 2,500 housing units in the vicinity of our multi-modal transit hub.

We find it disappointing to discover that the work to develop the CASA Compact failed to seek out and obtain input from primary city stakeholders in San Mateo and Santa Clara counties. We are the very cities that house more than two-thirds of the Bay Area population. This oversight resulted in a failure to address the root cause of the housing crisis: the responsibilities of the private sector development community and large employers to carry their fair share of meeting housing needs. The CASA Compact unreasonably places the burden on the tax payers to solve the crisis alone.

This crisis cannot be solved with a one dimensional approach.

We urge ABAG not to support the CASA Compact as it is fatally flawed due to the lack of input from municipal stakeholders. A one size fits all approach is not appropriate to achieve the global objective for increasing the housing supply for all. For instance, there is no mention of other possible options to lessen the housing crisis such as building transportation at locations where desirable single family housing is being built. More time is needed in order for jurisdictions with land use authority to provide feedback and address their diverse and unique circumstances. These needs can be incorporated into any future compact or policy resulting in a successful housing initiative that reflects the partnership of diverse cities.

City Council/City Manager/City Clerk
(650) 259-2334

Building Division/Permits
(650) 259-2330

Community Development
(650) 259-2341

Finance
(650) 259-2350

Fire
(650) 558-7600

Police
(650) 259-2300

Public Works/Engineering
(650) 259-2339

Recreation
(650) 259-2360

The Compact itself contains proposed funding mechanisms and policies that are not feasible and would have the effect of usurping local control over specific land use decisions. Millbrae supports the development of housing, including affordable housing, as is evident through its adoption of specific plans and entitlements for medium to high density residential developments inclusive of low income housing. Implementing best practices for Transit Oriented Development (TOD) has been a mainstay in Millbrae's housing and land use policies. These policies have created the opportunity for much needed housing production under the land use authority of the City. By maintaining proper governance for land use and housing policies at the local level, the City can consider financial, environmental and infrastructure impacts, as well as, community, neighborhoods and adjacent uses. This review and discretion is integral to appropriately vet new development in a City that has the largest multi-modal transportation facility west of the Mississippi.

Currently, in San Mateo County, a portion of a half-cent sales tax measure (Measure K) is dedicated to housing production and homeless issues. In the 2017-18 fiscal year alone, the Board of Supervisors invested \$19.3 million of Measure K funds toward affordable housing and homeless prevention programs. Local control has provided the means to dedicate Measure K funds to additional related quality of life issues including: public safety, physical and mental health, youth and education, parks and environment, older adults and veterans, and community services.

Among the problematic proposals in the CASA Compact are those that divert property tax revenues from cities to a central fund. This central fund concept creates a new costly administrative bureaucracy without any guarantees housing will be built and a city's ability to provide adequate services.

Due to Millbrae's geographic location, its proximity to San Francisco International Airport (SFO), development is restricted. Millbrae's financial stability is limited to 10.8% of its land devoted to commercial and industrial development. Mandated housing development without a commercial balance and ignoring the fiscal impact on the local community to serve the new population will place undue stress on budget and could critically cripple the City's ability to deliver essential services. The only alternative that a City such as Millbrae has is to seek voter approved tax increases which become more difficult to pass as the tax burden increases on the tax payers. This option only further overburdens the most vulnerable, those on limited incomes, resulting in even higher cost of living and causing people to move out of the area.

The Compact also discusses tax abatement as a means to incentivize housing development. As with the diversion of property taxes, the Compact is not clear as to which taxing districts would be impacted – cities, counties, school districts, etc. Under any scenario, such an effort requires current residents/tax payers to subsidize needed services such as police, fire, and possibly schools for the new residents. Current residents should not be legally bound to pay for any new development impact(s) on the community. Anything other than this position would violate State laws and only ensure developers profit from their housing and commercial projects elsewhere in the region with no direct community benefit where the revenue is collected. We believe proposals such as this require significantly more review and vetting by local agencies to fully understand the impacts before being adopted.

It is uncertain how proposals regarding a housing only mentality, in and around transit corridors, will affect existing transit centers, transit operators and ridership. Access to stations is limited and new development at existing stations will reduce parking and cause greater congestion. It needs to be further

analyzed in the CASA Compact. In fact, the City of San Francisco's Transit Center District Plan, released in November 2009, on page 17 - LAND USE, Regional Environmental Sustainability and Downtown San Francisco states the following:

"the tendency to use transit for commuting drops 70 percent more for every 1,000 feet a workplace is from transit than for the same relationship between home and transit."

"These factor suggest that to maximize regional transit use and achieve the lowest overall auto travel, land immediately proximate to major regional transit (e.g. rail stations like BART or Caltrain) should be oriented more toward high-density jobs, with areas ringing these cores oriented more to high-density housing."

This is further evidence that the one dimensional CASA Compact approach fails to consider the balance of other land uses, proximity to transit and parking, and a myriad of other variables that will deter people from taking public transportation. This one dimensional thinking is further exemplified at the new BART station in Antioch. BART grossly underestimated parking demands at the site and commuters' desires to access public transportation. The result has been low ridership as a result of the inconvenience around the station.

There are carve-out exceptions in the CASA Compact for innovative projects and approaches that various cities have already implemented. Yet the Compact mandates a top-down, one-size-fits-all set of "solutions" that would stifle such innovations in the future. This is contrary to the goal of providing more housing.

The cities in San Mateo County have a decades-long track record of innovative solutions by taking action long before recently enacted legislation in an attempt to solve the current housing dilemma. San Mateo County was the first in the state to create a sub-region for housing allocation through the Regional Housing Needs Allocation (RHNA) process. This example and others in Millbrae and San Mateo County are a clear sign that we still do not need a top down approach from a new unelected body that can affect the health, livelihood and welfare of our residents.

It is time to pause and rethink the CASA Compact so that we can all work together and be proud of the traction we can achieve when working cohesively as a region.

Again, we ask the MTC and ABAG to join us in not supporting the CASA Compact until we have a more thorough review of each of the proposals, a more robust dialog among all the cities in the region, and proposals that allow cities to retain control of their own jurisdictions.

Sincerely,



Wayne J. Lee
Mayor

TOWN COUNCIL WEEKLY DIGEST

Friday – February 1, 2019

1. Agenda – Parks & Recreation Committee – Monday, February 4, 2019
2. Agenda – Bicycle, Pedestrian & Traffic Safety Committee – Wednesday, February 6, 2019
3. Agenda – Planning Commission – Wednesday, February 6, 2019
4. Agenda (Special) - Emergency Preparedness Committee – Thursday, February 7, 2019
5. Agenda – Ad-Hoc Housing on Town Owned Property – Thursday, February 7, 2019
6. Agenda – Open Space Acquisition Advisory Committee – Thursday, February 7, 2019
7. Monthly Meeting Schedule – February 2019
8. Notice – Town Hall Closed for Staff Development – Monday, February 4, 2019 from 2:30 – 5:00 PM
9. [Invitation – Council of Cities Dinner Meeting](#) - Friday, February 22, 2019
10. Invitation – Redwood City Lunar New Year Celebration – Saturday, February 9, 2019

Attached Separates (Council Only)

(placed in your town hall mailbox)

1. Invitation – PARCA’s Annual Awards Dinner-Dance – Friday, March 1, 2019



**Town of Portola Valley
Parks & Recreation Committee Meeting
Monday, February 4, 2019 – 7:30 PM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA**

AGENDA

1. **Call to Order**
2. **Oral Communications (5 minutes)**
Persons wishing to address the Committee on any subject, not on the agenda, may do so now. Please note however, the Committee is not able to undertake extended discussion or action tonight on items not on the agenda. *Two minutes per person.*
3. **Approval of Minutes:** N/A for February Meeting
4. **Vote New Chair for 2019**
5. **Committee Priorities for 2019**
6. **Adjournment**

Next Meeting: March 4, 2019



TOWN OF PORTOLA VALLEY
Bicycle, Pedestrian and Traffic Safety
Committee Meeting
Wednesday, February 6, 2019 – 8:15 AM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA

MEETING AGENDA

1. Call to Order / Roll Call
2. Oral Communications – Public Comment/Open Floor
3. Approve Minutes from the January 9, 2019 meeting
4. Sheriff's Report
5. Public Works Report:
6. Pedestrian Safety Study update
7. Ongoing Committee Business for 2019
 - a. Windy Hill parking monitoring
8. Outreach possibilities for 2019
 - a. Earth Day, Picnic and other Town events for 2019
 - b. Timely planning for 2019 budget items
9. Matters Arising
10. Time and Date for March 2019 meeting:
 - a. Wednesday, March 6, 2019, 8:15 am
 - b. Alternative: Thursday, March 7, 2019, 7:00 PM
11. Adjournment



TOWN OF PORTOLA VALLEY

7:00 PM – Regular Meeting of the Planning Commission
 Wednesday, February 6, 2019
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

REGULAR MEETING AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Commissioners Hasko, Kopf-Sill, Taylor, Vice-Chair Goulden, Chair Targ

ORAL COMMUNICATIONS

Persons wishing to address the Planning Commission on any subject not on the agenda may do so now. Please note, however, that the Planning Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

ANNUAL ELECTION OF THE PLANNING COMMISSION CHAIR AND VICE CHAIR

1. Election of Planning Commission Chair
2. Election of Planning Commission Vice Chair

PUBLIC HEARING

3. Resolution Recommending Approval of Proposed Ordinance Further Implementing State Law on Accessory Dwelling Units (A. Cassidy)

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

4. Commission Reports
5. Staff Reports
6. News Digest: Planning Issues of the Day

APPROVAL OF MINUTES

7. Planning Commission Meeting of January 16, 2019

ADJOURNMENT

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Planning Department at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

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PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).



TOWN OF PORTOLA VALLEY
Special Meeting of the
Emergency Preparedness Committee
Thursday, February 7, 2019 - 8:00 AM
EOC / Town Hall Conference Room
765 Portola Road, Portola Valley, CA 94028

MEETING AGENDA

1. 8:00 Call to order
 - Members: Mark Bercow, Dave Howes, Anne Kopf-Sill, Dale Pfau, Chris Raanes, Ray Rothrock, Craig Taylor, Bud Trapp
 - Potential Guests: Jeremy Dennis/Town Manager, Brandi de Garmeaux/Assistant to Town Manager, John Richards/Town Council, Dan Ghorso and Selena Brown/ WFPD, C. Buck/Sheriff's Office, Christina Corpus/Sheriff's Office, Gary Neilsen/Police Commissioner, Chuck Nile/Red Cross, Stuart Young/former EPC member, Mark Dahlen, Doug Keyston/ Woodside Emergency Preparedness Committee, Wil Patterson / PV Public Works Committee, Jerry Shefren / resident, Lorrie Duvall / resident
2. 8:01 Welcome new member to EPC, Jerry Shefren
3. 8:02 Oral Communications
4. 8:05 Approve minutes for January 10, 2019 meeting
5. 8:06 Discuss and approve moving EPC meeting to first Thursday of each month to better accommodate Town Council Schedule
6. 8:10 CERPP/WFPD Report (Brown/Ghorso)
 - Including continued update and discussion on CERPP Division reorganization (Brown)
 - Discussion on harmonization of CERPP, EPC, and Town procedures (All)
7. 8:20 Town Report (de Garmeaux)
8. 8:25 Committee Reports
 - Discuss membership and leadership of all Subcommittees (All)
 - Medical Subcommittee Report (TBD)
 - Communications Subcommittee Report (Rothrock)
 - Emails to PV Forum (Kopf-Sill)
9. 8:35 Conservation Committee, Nona Chiariello
 - Discussion on jointly-sponsored Town meeting re fire-safe landscaping
 - Identify and approve EPC Liaison to Conservation Committee
10. 8:45 Goals for 2019; start discussion
11. 8:55 Next meeting is March 7, 2019
 - Quorum check
12. 9:00 Adjourn promptly at 9:00 AM



TOWN OF PORTOLA VALLEY
Ad-Hoc Housing on Town Owned Property
Committee
Thursday, February 7, 2019 – 3:30PM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028

MEETING AGENDA

1. Call To Order
2. Oral Communications
3. Presentation, Visualization of Housing on Town Owned Property
4. Next Steps
5. Next Meeting Date
6. Adjournment



**Town of Portola Valley
Open Space Acquisition Advisory Committee
Thursday, February 7, 2019, 7:00 PM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028**

MEETING AGENDA

1. Call to Order
2. Oral Communications
3. Approval of Minutes – December 6, 2018
4. Old Business
 - a) Refining the use of the Open Space Fund and role of the OSAAC
 1. Coordinating vision statements and management priorities for Open Space properties
 2. Updating the Open Space charter to distinguish between capital expenses and operating expenses, and between one-time expenses and recurring expenses – Craig Taylor
 3. Outreach to neighbors of open space properties: scheduling an OSAC visit to properties – Chip McIntosh
 - b) Building awareness and support
 1. Open space brochure: proposed revisions of earlier version; review edits – Gary Nielsen
 - c) Monitoring reports: Lane Conservation Easement, digital copy – Craig Taylor
 - d) Affordable housing proposals vis-à-vis open space – Craig Hughes
5. New Business
 - a) Coordination with other committees: maintenance needs of Open Space properties
 - b) Annual report to Town Council – Nona Chiariello
6. Next Meeting?
7. Adjournment

Town of Portola Valley

Town Hall: 765 Portola Road, Portola Valley, CA 94028 Tel: (650) 851-1700 Fax: (650) 851-4677

FEBRUARY 2019 MEETING SCHEDULE

Note: **Unless otherwise noted below and on the agenda, all meetings take place in the Historic Schoolhouse**, located at 765 Portola Road, Portola Valley, CA

TOWN COUNCIL – 7:00 PM (Meets 2nd & 4th Wednesdays)

Wednesday, February 13, 2019

Wednesday, February 27, 2019

PLANNING COMMISSION – 7:00 PM (Meets 1st & 3rd Wednesdays)

Council Liaison – Craig Hughes (for months January, February, March)

Wednesday, February 6, 2019

Wednesday, February 20, 2019

ARCHITECTURAL & SITE CONTROL COMMISSION - 7:00 PM (Meets 2nd & 4th Mondays)

Council Liaison – Maryann Derwin (for months January, February, March)

Monday, February 11, 2019

Monday, February 25, 2019

BICYCLE, PEDESTRIAN & TRAFFIC SAFETY COMMITTEE – 8:15 AM (Meets 1st Wednesday of every month)

Council Liaison – Craig Hughes

Wednesday, February 6, 2019

CABLE & UTILITIES UNDERGROUNDING COMMITTEE

Council Liaison – Craig Hughes

As announced

CONSERVATION COMMITTEE – 7:30 PM (Meets 4th Tuesday)

Council Liaison – John Richards

Tuesday, February 26, 2019

CULTURAL ARTS COMMITTEE – (Meets 2nd Thursday of every month)

Council Liaison – John Richards

Thursday, February 14, 2019

EMERGENCY PREPAREDNESS COMMITTEE – 8:00 AM (Meets 2nd Thursday of every month)
in the EOC / Conference Room at Town Hall

Council Liaison – John Richards

Thursday, February 7, 2019 - Special Meeting

FINANCE COMMITTEE

Council Liaison – Ann Wengert
As announced

GEOLOGIC SAFETY COMMITTEE – 7:30 PM

Council Liaison – Jeff Aalfs
As announced

HISTORIC RESOURCES COMMITTEE

Council Liaison – Jeff Aalfs
As announced

HOUSING ON TOWN OWNED PROPERTY AD-HOC COMMITTEE

Thursday, February 7, 2019 3:30 p.m. Historic Schoolhouse

NATURE AND SCIENCE COMMITTEE – 5:00 PM (Meets 2nd Thursday of alternate even numbered months)

Council Liaison – Jeff Aalfs
Thursday, February 14, 2019

OPEN SPACE ACQUISITION ADVISORY COMMITTEE

Council Liaison – Craig Hughes
Thursday, February 7, 2019

PARKS & RECREATION COMMITTEE – 7:30 PM (Meets 1st Monday of every month)

Council Liaison – Ann Wengert
Monday, February 4, 2019

PUBLIC WORKS COMMITTEE

Council Liaison – Jeff Aalfs
As announced

SUSTAINABILITY COMMITTEE – 10:30 AM (Meets 3rd Monday of every month) in the EOC/Conference Room at Town Hall

Council Liaison – Ann Wengert
Monday, February 11, 2019

TRAILS & PATHS COMMITTEE – 8:15 AM (3RD Tuesday of every month, or as needed)

Council Liaison – Craig Hughes
Tuesday, February 19, 2019 – 8:15 AM



PORTOLA VALLEY TOWN HALL

Will Be Closed:
Monday, February 4th, 2019
2:30 PM ~ 5:00 PM

For:
STAFF DEVELOPMENT

Town Hall will be re-open on
Tuesday, February 5th, 2019

In Case of Emergency: Call 9-1-1



January 25, 2019

Hon. Mayors and Councilmembers

Re: Redwood City Lunar New Year Celebration
February 9, 2019, 11:00 am, Courthouse Square, Redwood City

On behalf of Redwood City International, the San Mateo County History Museum, and the City of Redwood City, I would like to extend an invitation to join us to celebrate the Lunar New Year on Saturday, February 9, 2019, 11:00 – 4:00 pm at Courthouse Square (2200 Broadway) in Redwood City.

The day will include arts and crafts for the kids, free admission to the museum, lion dance performances by the Shaolin Culture Center and the Far East Lion Dance Association, martial arts demonstrations by California Kung Fu and Tai Chi and the Shaolin Culture Center, a taiko performance by the Shinnyo-en USA Taiko, entertainment from Sing Tao Chinese Entertainment, and more.

The opening lion dance is a 11:00, with official recognition and comments at 11:15. If you can join us, please be at Courthouse Square by 11:00, near the stage, so that we may invite you on stage to be recognized – it is also a great place to see the lion dance!

This year, we will be welcoming the Year of the Pig. The Pig is the 12th animal that was in line to see Buddha. Those born in the Year of the Pig will likely enjoy a very good year, especially in their professional life. 2019 will also be a year of progress. With their talents and experience, those born in the Year of the Pig will make a good impression, which means taking steps forward. The Year of the Pig also marks the complete rotation of the 12 animals. As such, the 12 Chinese Zodiac signs can expect to spend a joyous year. The atmosphere is festive, and relaxation is everywhere.

The Lunar New Year is one of the most important holidays in Asian heritage, often celebrated with big family gatherings, gift giving, the eating of symbolic foods, and displays of festive decorating – all focused on bringing good luck for the New Year and celebrating the imminent arrival of spring.

I hope that you can join us for this community celebration. If you have any questions, please feel to contact me at 650-483-7412, or jeff@jeffgee.org.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jeff Gee".

朱健文
Jeff Gee

LUNAR NEW YEAR

Presenting Sponsor:



PG&E Corporation.



SATURDAY, FEBRUARY 9TH, 2019

11:00 AM - 4:00 PM | FREE - RAIN OR SHINE | COURTHOUSE SQUARE
2200 BROADWAY ST. REDWOOD CITY



TAIKO | SING TAO ENTERTAINMENT
SHAOLIN CULTURE CENTER | CALIFORNIA KUNG FU & TAI CHI
JOHN GILL MANDARIN IMMERSION PROGRAM &
PLAYTHRIVE AFTER SCHOOL PERFORMANCE | LION DANCERS

FREE ADMISSION TO THE SAN MATEO
COUNTY HISTORY MUSEUM



FOR MORE INFORMATION VISIT
REDWOODCITYEVENTS.COM



TOWN COUNCIL WEEKLY DIGEST

Friday – February 7, 2019

1. Agenda (Special) – Sustainability Committee – Monday, February 11, 2019
2. Agenda – Architectural & Site Control Commission – Monday, February 11, 2019
3. Agenda (Canceled) – Emergency Preparedness Committee – Thursday, February 14, 2019
4. Agenda – Cultural Arts Committee – Thursday, February 14, 2019
5. Agenda (Canceled) – Nature & Science Committee – Thursday, February 14, 2019
6. [Western City Magazine – February 2019](#)

Attached Separates (Council Only)
(placed in your town hall mailbox)

1. Letter from San Mateo County Superior Court – Request for Nominees for Grand Jury Service



TOWN OF PORTOLA VALLEY
Special Sustainability Committee Meeting
Monday, February 11, 2019 10:30AM to 12:30 PM
Town Hall – Conference Room
765 Portola Road, Portola Valley, CA 94028

MEETING AGENDA

- 1. Call To Order**
- 2. Oral Communications**
- 3. Approval of Minutes**
- 4. Old Business:**
 - a. Updates from Maryann**
 - b. Updates from Brandi**
 - c. Discuss Committee Priorities for 2019**
- 5. New Business:**
 - a. Update on Sudden Oak Death**
- 6. Set Date and Topics for Next Meeting**
 - a. Monday, March 18, 2019**
- 7. Announcements**
- 8. Adjournment**



TOWN OF PORTOLA VALLEY

Meetings of the Architectural Site Control Commission (ASCC)
 Monday, February 11, 2019
 7:00 PM – Regular ASCC Meeting
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028

SPECIAL ASCC FIELD MEETING

4:30 PM 302 Portola Road - Architectural Review for an 875 Square Foot Addition to the Dining Hall, new dining terrace and relocation of parking spaces

REGULAR MEETING AGENDA

7:00 PM - CALL TO ORDER AND ROLL CALL

Commissioners Ross, Sill, Wilson, Vice Chair Breen and Chair Koch

ORAL COMMUNICATIONS

Persons wishing to address the Architectural and Site Control Commission on any subject not on the agenda may do so now. Please note however, that the Architectural and Site Control Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

NEW BUSINESS

1. Architectural Review for an 875 Square Foot Addition to the Dining Hall, new dining terrace and relocation of parking spaces, 302 Portola Road, Woodside Priory School, File # PLN_ARCH 20-2018 (C. Richardson)
2. Final Review of a 5-Year Revegetation Monitoring Report and Completion of the Restoration and Remediation Plan for Significant Tree and Vegetation Clearing, 5050 Alpine Road, Monte Leon LLC, File # 41-2013 (L. Russell)

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

3. Commission Reports
4. Staff Report
5. News Digest: Planning Issues of the Day

APPROVAL OF MINUTES

6. ASCC Meeting of January 28, 2019

ADJOURNMENT

AVAILABILITY OF INFORMATION

For more information on the projects to be considered by the ASCC at the Special Field and Regular meetings, as well as the scope of reviews and actions tentatively anticipated, please contact Carol Borck in the Planning Department at Portola Valley Town Hall, 650-851-1700 ex. 211. Further, the start times for other than the first Special Field meeting are tentative and dependent on the actual time needed for the preceding Special Field meeting.

Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours. Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall.

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Planning Department at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Architectural and Site Control Commission at, or prior to, the Public Hearing(s).



TOWN OF PORTOLA VALLEY
Regular Meeting of the
Emergency Preparedness Committee
Thursday, February 14, 2019 - 8:00 AM
Notice of Meeting Cancellation

EMERGENCY PREPAREDNESS COMMITTEE
MEETING CANCELLATION NOTICE

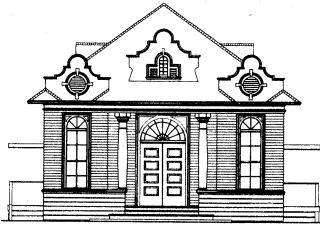
The regular meeting of the Emergency Preparedness Committee scheduled for Thursday, February 14, 2019, has been canceled.



TOWN OF PORTOLA VALLEY
Cultural Arts Committee Meeting
Thursday, February 14, 2019 - 1:00 PM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA

MEETING AGENDA

1. Call to Order
2. Oral Communications
3. Approval of Minutes – January 10, 2019
4. New Business:
 - Answers to: Holiday Faire Review success (from Jane + event transfer discussion for next Holiday Faire)
 - Answers to: Who will take on the Faire next year?
 - Speaker Series – Determine next speakers and assign dates
5. Adjournment



Town of Portola Valley
Nature and Science Committee Meeting
Notice of Cancellation
Thursday, February 14, 2019

NATURE & SCIENCE COMMITTEE
MEETING CANCELLATION NOTICE

The regular meeting of the Nature and Science Committee scheduled for Thursday, February 14, 2019 has been canceled.