



TOWN OF PORTOLA VALLEY

7:00 PM – Special Meeting of the Town Council
Wednesday, September 23, 2020

**THIS SPECIAL MEETING IS BEING HELD VIA
TELECONFERENCE ONLY**

SPECIAL MEETING AGENDA

COVID-19 DISEASE ADVISORY NOTICE

The San Mateo County Health Officer, in conjunction with colleagues from five other Bay Area Counties, has issued legal orders to help stop the spread of the coronavirus. These legal orders include directing all residents to shelter in place, with exceptions for visits to essential service providers such as grocery stores, gas stations, and pharmacies.

This meeting will be conducted in compliance with the Governor's Executive Order N-25-20 issued on March 12, 2020, and N-29-20 issued on March 18, 2020, allowing for deviation of teleconference rules required by the Brown Act. On Thursday, March 19, Governor Gavin Newsom issued a statewide stay-at-home order to protect the health and well-being of all Californians. In an effort to reduce the risk of spreading Coronavirus (COVID-19), members of the Town Council, the Town Manager, and the Town Attorney will all participate via teleconference. The purpose of this is to provide the safest environment for officials, staff, and the public while allowing for public participation.

Remote Public Comments: Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Please send an email to jdennis@portolavalley.net by 5:00 PM on the day of the meeting. All received questions and comments will be read by the Mayor and addressed at the meeting, and will be included in the public record.

Additionally, the Town Council will take questions by using the Q&A button for those who attend the meeting online or on the App.

Finally, if you can only call in and you did not send in questions and comments ahead of time, you can press *9 on your phone to "raise your hand" The town council will call on people to speak by the phone number that is calling in.

We encourage anyone who has the ability to join the meeting online to do so. You will have access to any presentations that will be shown on your screen and can easily ask questions in the Q&A.

Below are instructions on how to join and participate in a Zoom meeting.

To access the meeting by computer

<https://zoom.us/j/95443293973>

To access the meeting by phone:

Dial 1-669-900-6833 or
1-877-853-5247 (toll-free)

Webinar ID:

954 4329 3973

Remote Public Comments:

Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Please send an email to jdennis@portolavalley.net by 5:00 PM on the day of the meeting. All received questions and comments will be read by the Mayor and included in the public record.

Town Council will take questions during the meeting by using the Q&A button provided at the bottom of the webinar screen. *Speakers' time is limited to three minutes per speaker.*

7:00 PM - CALL TO ORDER AND ROLL CALL

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

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.

Speakers' time is limited to three minutes.

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** – September 9, 2020 (4)
2. **Approval of Warrant List** – September 23, 2020 (13)
3. **Recommendation by Town Clerk** – Updating the Designated Positions and Disclosure Obligations in the (20) Town's Conflict of Interest Code
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Designating Public Officials and Employees and their Disclosure Categories for the Town's Conflict of Interest Code (Resolution No. __)
4. **Recommendation by Finance Director** - Audit and Financial Statements for FYE 06/30/19 (23)
5. **Recommendation by Public Works Director** – Adoption of a Resolution relative to Senate Bill 1 (SB 1) (120) Road Maintenance and Rehabilitation Account Funding and Submittal of a Proposed Project List
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting a Project List for Fiscal Year 2020-21 Funded by SB 1: The Road Repair and Accountability Act of 2017 (Resolution No. __)
6. **Recommendation by Mayor Aalfs and Councilmember Hughes** – Creation of a "PG&E Public Safety (125) Council Subcommittee"

REGULAR AGENDA**STAFF REPORTS & RECOMMENDATIONS**

7. **Recommendation by Town Manager** – Woodside Highlands Road Maintenance District Citizen Advisory (126) Board formalization
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting the Woodside Highlands Road Maintenance District Citizen Advisory Committee Charter (Resolution __)
8. **Report by Town Manager and Subcommittee** – Adoption of a Revised Budget for FY 2020-21 (134)
9. **STUDY SESSION** – Climate Action Plan (194)
10. **STUDY SESSION** – Update on Enterprise Resource Planning (ERP) Finance Module (196)
11. **Recommendation by Town Manager and Town Attorney** – Extension of Local Emergency Declaration in (197) Response to Novel Coronavirus (COVID-19)
12. **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS** (201)

Oral reports 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.*
13. **TOWN MANAGER REPORT** (202)

WRITTEN COMMUNICATIONS

14. **Town Council Digest** – September 11, 2020 (203)
15. **Town Council Digest** – September 18, 2020 (209)

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).

PORTOLA VALLEY TOWN COUNCIL SPECIAL MEETING NO. 996, SEPTEMBER 9, 2020

CALL TO ORDER AND ROLL CALL

Mayor Aalfs called the Town Council's Special meeting to order at 7:00 p.m. Ms. Hanlon called the roll.

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

Absent: None

Others: Jeremy Dennis, Town Manager
Cara Silver, Town Attorney
Sharon Hanlon, Town Clerk

Attendees: Victor Schachter
Sarah Wernikoff
Rita Comes
MJ Lee
Leslie Kraus
Kristi Corley
Kim Marinucci Acker
Felicity Barringer
Emerson Swan
David Cardinal
Betsy Morgenthaler
Angela Hey
Mary Hufty
Rusty Day
Lorrie Duval
Rob Shostak

ORAL COMMUNICATIONS

Mayor Aalfs shared the Public Meeting Decorum Policy.

Vice Mayor Derwin expressed appreciation to all the heroes who worked behind the scenes during the critical early days of the CZU Lightning Complex fire. She acknowledged Chief Rob Lindner from the Woodside Fire Protection District; Captain Christina Corpus and her local Deputies from the San Mateo County Sheriff's Office; Kevin Rose and Jeff Norris from the San Mateo County OES; Jonathan Cox from Cal Fire; the Portola Valley Public Works Team – Howard Young, Scott Weber, Chuck McAllister and Justin Bixby; Kari Chinn, Communications & Community Engagement Analyst; the Neighborhood Watch Captains; the CERPP Division Leaders; the ongoing yearlong effort by the Woodside Fire Protection District and the Town's Public Works team to clear the ladder fuels from the Town roads, and to Jeremy Dennis, the Portola Valley Town Manager, who literally worked 24/7 to make sure he had the most up-to-date information for the citizens of Portola Valley. On behalf of the entire Town Council, she thanked everyone for their unwavering dedication to keeping everyone safe in these very dark times. She said it is comforting to know that when crisis strikes the Town staff is there for the citizens.

Mayor Aalfs said due to an error in the preparation of Item 5, it will be pulled from the agenda and brought back at the September 23 meeting.

Rita Combs asked that when Item #5 is brought back to the Council it be made an Agenda item so the residents can more fully understand the changes. She said there should be a public explanation for why the disclosure categories have been changed.

Mary Hufty echoed Vice Mayor Derwin's comments. She thanked everyone for their courage. She said this kind of stress brings out the worst and best in people and those in the leadership roles have shown a lot of courage and perseverance for which all of the citizens are grateful. She applauded the wonderful work that is happening along the Alpine Scenic Corridor. She was gratified to see the Stanford forestry group is doing a sensitive job in decreasing ladder fuels along a half-mile of the Alpine Scenic Corridor, showing considerable sensitivity and respect for vulnerable flora and fauna. She said she is particularly exciting that in this extraordinary landscape of sandstone outcroppings and plateaus, Stanford is recognizing the presence of an important prehistoric site for indigenous people. She hopes to see a disclosure of how this is being done and how the investigation proceeds.

Town Manager Dennis shared an email received earlier tonight from Kristi Corley. She requested information regarding the cause of the fire that occurred near the Alpine Club last week. Town Manager Dennis said he talked to the Woodside Fire Protection District Chief earlier this evening and they do not have any information right now. Santa Clara County Fire is actually the lead agency and Town Manager Dennis will reach out to them; however, if there had been any updates, the District Chief would have had it. Town Manager Dennis said as soon as he receives information, he will share it.

(1) **PRESENTATION** – Nomination of Rebecca Flynn as Portola Valley's submission for the Small Town America Civic Volunteer Award

Mayor Aalfs described the background of this award program and the selection of Rebecca Flynn, as detailed in the staff report.

Vice Mayor Derwin said Ms. Flynn is the most extraordinary volunteer and perfect for this award.

CONSENT AGENDA

(2) **Approval of Minutes** – Town Council Regular Meeting of August 12, 2020. *[Removed from Consent Agenda.]*

(3) **Ratification of Warrant List** – August 20, 2020, in the amount of \$35,000.00. *[Removed from Consent Agenda.]*

(4) **Ratification of Warrant List** – August 26, 2020, in the amount of \$248,278.80.

(5) **Recommendation by Town Clerk** – Updating the Designated Positions and Disclosure Obligations in the Town's Conflict of Interest Code *[Removed from Consent Agenda]*

(a) A Resolution of the Town Council of the Town of Portola Valley Designating Public Officials and Employees and their Disclosure Categories for the Town's Conflict of Interest Code (Resolution No. _____)

(6) **Appointment by Mayor** – Member to the Trails and Paths Committee

Councilmember Hughes moved to approve Consent Agenda Items #4 and #6. Seconded by Vice Mayor Derwin, the motion carried 5-0, by roll call vote.

(2) **Approval of Minutes** – Town Council Regular Meeting of August 12, 2020.

Councilmember Wengert moved to approve Consent Agenda Item #2 as amended. Seconded by Councilmember Richards, the motion carried 5-0, by roll call vote.

(3) **Ratification of Warrant List** – August 20, 2020, in the amount of \$35,000.00. *[Removed from Consent Agenda]*

Councilmember Wengert expressed concern about the apparent late invoices and payments. Town Manager Dennis said staff shares the frustration regarding the late submission of invoices. He and Mayor Aalfs discussed the Redwood City IT bill, which was a fairly unique circumstance related to COVID work that need to be done over the last couple of months and so it came in fairly late. Town Manager Dennis said there are ongoing conversations with certain vendors to get their invoices in on time. He said this should be the last warrant list that includes Fiscal Year 19/20 items.

Vice Mayor Derwin moved to approve Consent Agenda Item #3. Seconded by Councilmember Wengert, the motion carried 5-0, by roll call vote.

REGULAR AGENDA

(7) Presentation from Zonehaven – Evacuation Planning Software

Town Manager Dennis pointed out that tonight's presentation was scheduled approximately three months ago, because Zonehaven and its partners identified September as their official kickoff to begin their community conversations. He said their tool was thrust into use due to the CZU Lightning Complex fire.

Town Manager Dennis said tonight's presentation is to introduce Zonehaven, explain what it will do for the Town, describe what actually happened during the fire, and then reach out to the community through a program called "Know Your Zone." He noted that this was a collaborative effort with all of the Fire Chiefs. Over the past month the system has been loaded with valuable additional data that only the Town can identify, such as critical infrastructure and things of that nature.

Charlie Crocker, CEO, of Zonehaven led the presentation. He explained that they were hoping to do a soft-launch presentation and a harder launch in October and then the CZU fire happened. He said this fire hit on the border of three Counties and at one point they had 134 zones that were under warning or order in Santa Clara, Santa Cruz, and San Mateo Counties. He said they had a literal trial by fire situation to bring this forward and his team has been working 24/7 supporting this. He said they have been working with all of the sheriff, police, and fire agencies across San Mateo County. He said Chief Fox and Chief Larkin from Cal Fire have been advocates for Zonehaven since the beginning, thus putting San Mateo County further ahead than any other County with everything in place and much more established. He said by the end of this fire season, Zonehaven will have at least 12 Bay Area Counties on board.

Mr. Crocker led a slide presentation describing Zonehaven's GIS platform, which provides wildfire/emergency evacuation and implementation tools to municipalities. The tool was used by Cal Fire to implement evacuations and warnings to communities in San Mateo, Santa Clara, and Santa Cruz Counties (and the subsequent repopulation work) for the CZU Lightning Complex fires. This tool will be used by the Town to enhance current evacuation plans, support evacuation drills, and be a tool for residents to use if evacuations are announced for Portola Valley. He said Portola Valley is split into a number of zones, and during certain evacuations, particular zones may be called out for evacuation.

Town Manager Dennis described the "Know Your Zone" campaign that will kick off later this year, as the system reaches its full capabilities.

Mayor Aalfs invited questions from the Council.

Councilmember Wengert said much of the information that came through from different agencies during the fire was redundant but some pieces were not. She asked how that would be managed. Mr. Crocker said they found during this event that there is not one community warning system across an entire incident, but there are multiple systems. He said over time those different groups should start to support and understand there can be a single point of truth and contact. He said it will be a learning process with the agencies and the citizens starting to trust the Zones and Zonehaven. He said it will be a partnership over the next couple of fire seasons to be sure they continually improve it. He said this fire and the communication that happened this time was greatly improved over the last fire and he is very proud of the progress made.

Councilmember Richards said this is the third Zonehaven presentation he has attended and said they have definitely come a long way and it looks very impressive. He said Chief Linder had described the first unofficial rollout during the fires, reporting 1,000 hits per minute on Zonehaven at one point. He asked how prepared Zonehaven is to deal with the likely overload. Mr. Crocker said they feel they have that covered now. He said when they first launched the community site there was one zone, anticipating maybe getting up to four or five zones. He said they had no idea at the time what the scale of this would become. At any one time, they had between 2,000 and 3,000 people on the site at any one time, not just over a minute, but actively on the site. He said it took Zonehaven four to six hours to address that and then it ran smoothly.

With no other questions from the Council, Mayor Aalfs invited comments from the public. He shared questions posted in the Zoom Q&A window.

Emerson Swan asked if Zonehaven was statewide or larger. Mr. Crocker said they would like it to be a statewide system but at this point it is County by County with the main focus being the Bay Area. He said they currently serve most of the Bay Area and anticipate that, due to the demonstrated success of the system, they will have the opportunity to bring this to many more Bay Area communities.

“Does the traffic data require that the cellular network be operational?” Mr. Crocker said the traffic data does require the cellular network. They also have hard copy and electronic maps that get stored on the machines for the first responders or can be printed and put in their trucks so they can still identify what zone they’re in and have access to the preplans and know where to put the traffic points and how to manage them.

Betsy Morgenthaler asked Mr. Crocker to elaborate on what was learned of interest. He said it became very clear that having a single source of truth is incredibly valuable. He said getting the same message out via all the different platforms was incredibly valuable. He said some of that was done manually in this round but will be automated in the next round. He said they did not realize how much Twitter is relied upon so have been putting more energy into that space. He said the repopulation that is occurring now occurs on a more granular scale than the evacuations because people need to be brought back in where PGE has cleared the lines, hazardous materials have been gone through, houses have been tagged regarding their safety, etc.

Betsy Morgenthaler said Comcast Wi-Fi was down in parts of Town last weekend. She asked how their communication works if people do not have their Wi-Fi. He said it’s the OES organizations that deal with the communications. He said Zonehaven can send messages through community warning systems, via radio, and a variety of methods. He said OES in some areas are putting in speaker systems or using klaxon horns.

“Does the population data for each zone come from census data?” Mr. Crocker said some comes from census, some comes from other data sources, and local agencies can add multipliers to that information based on their understanding, such as, for example, if a high school has a football game going on.

Town Manager Dennis said staff makes sure that the data Zonehaven has is valid and the fine tuning is underway.

David Cardinal: “This sounds like a great use for the Town AM radio station.” Mayor Aalfs agreed.

Nan Shostak said Zonehaven is very impressive. She said she has done a lot of work with GIS and this is the most important application of a geographical information system she’s ever seen. She congratulated all who have worked on it. She said she’s been a resident of Portola Valley for 32 years. She is a geologist who has taught courses on earthquakes and earthquake safety and preparedness at San Jose State and is a member of the WPV Search Team. She said she is extremely concerned that Portola Valley be as prepared as possible for any emergency – earthquake, fire, landslide, flood, and power outages. She said the Town’s participation in the development and implementation of Zonehaven is an important step forward. She said she is also impressed with some of the new emergency resources on

portolavalley.net and encouraged other Town citizens to visit the site and sift through the impressive menu. She said, however, that the Town can do a lot more to be ready for emergencies. She agreed with the idea put forward in the July 21st letter from Portola Valley Neighbors United (PVNU) to the Town Council that the Town establish a Public Safety Officer who would be responsible for coordinating all of the organizations now involved in emergency preparedness and evacuation, such as the State, County, Town Government, volunteer committees, Fire District, CERPP, WPV Search, WPV Ready, and the neighborhood emergency response teams. She said this Town employee could also be responsible for communicating with the residents both regularly and in emergencies. She said it was demonstrated during the fire how important the Town's communications were. She said some were redundant, but it was reassuring to know there was someone on the ball and watching all the time and issuing updates every few hours. She said if the tight budget is an issue, she suggested reassigning the duties of a current employee or have the new Public Safety Officer do some fundraising and grant writing to pay for the new position. She said safety of the Town citizens is the highest priority. She thanked everyone for their time and thanked the Town Council, Town Manager Dennis, and the Town staff for their leadership.

Rusty Day, 178 Pinon Drive. Mr. Day echoed Ms. Shostak. He said this is an extremely impressive step forward and it is remarkable to see what enormous improvement can be made in the coordination and collection of information to facilitate good decision making. He said it really showed in Cal Fire's handling of the CZU fire. He said he would like to hear more about the community-facing end of this. He said he sees how this has enormous value to first responders who are jumping into a critically chaotic, unknown, and rapidly changing situation. He would like it looked at it from the perspective of the 4,500 residents of Portola Valley who are confronting an unknown, unknowable, inexplicable set of choices and challenges confronting them. In that regard, he said some of the questions that come up most importantly are if a communication system like this is dependent on the internet, what about the residents who aren't on the internet or in a power outage, such as the two in one day last week that lasted 7-1/2 hours. He said he is looking at this from the perspective of residents and not first responders, organizing the information that residents need. He said when Zonehaven posted the evacuation orders, it appeared that an evacuation order would be typically posted over a very short period of time covering a very large area, with tens of thousands of people being ordered to evacuate on a single release. He said, however, in San Mateo County there was no instruction on what route to take out of the zone to be evacuated. Santa Cruz County did give directions for the evacuation orders. He asked Mr. Crocker to elaborate on these plans.

Mr. Crocker said in the current CZU fire the evacuation orders came directly from Cal Fire. He said Zonehaven was managing the map portion but had no specific control of the content of the news release message. He understands that it is a lot of information that is difficult to consume and they have learned some about how to make that easier. He said in terms of providing directions out of a zone, it is not always clear, especially during a fire, which is the best route out. He said his personal opinion is that it's best for the Town to understand where the fire is and have a plan for potentially multiple ways out of the Zone. He said Cal Fire and the other agencies identified places to go but not how to get there. He said Pescadero High School was the first shelter and eventually the fire overwhelmed that area and they had to close that shelter. He said in most instances Cal Fire will provide a target destination but will not necessarily provide the specific route to take.

Mary Hufty said the over-70 crowd needs the reassurance of a piece of paper that they have done what needs to be done at that stage and what is expected of them in terms of a rapid exit. She said if there is the ability to give a piece of paper to first responders, perhaps those pieces of paper could be given to the residents. Mr. Crocker said they have a very clear plan and are currently doing live research in a variety of communities to understand how they want to receive information. He said they are looking at the possibility for residents to be able to download and print evacuation routes and practice tips.

Town Manager Dennis said the Town has three Public Safety Officers – himself, Assistant to the Town Manager Brandi de Garreaux, Communications & Community Engagement Analyst Kari Chinn. He said they all have responsibilities, in some cases overlapping and backup responsibilities, in all of these issues and coordinate across the board with the partners. He said that functionality is part of what they have done for many, many years. Town Manager Dennis said in some ways the Town is fortunate that there are only so many ways in and out of town for people to understand. Clearly, in a fire situation, that may

not be an advantage. He said there are two major roads in and out of Town with Arastradero coming off one of them and there are a few ways to get to those roads.

Mayor Aalfs thanked Zonehaven for their presentation and said it is a great step forward. He said a lot of people in Town and the partner agencies have done a lot of work with Zonehaven to develop this product.

(8) **Report by Town Manager and Subcommittee** – Update, Race and Equity Conversation

Vice Mayor Derwin provided information on four upcoming Zoom meetings with the following working titles:

- September 29 - Implicit Bias discussion cosponsored by the Portola Valley Library, based on Professor Jennifer Eberhardt's book "Biased," featuring Professor Eberhardt discussing the book.
- Tentatively set for October 19 - Policing in the Sheriff's Office, Post-George Floyd. Panelists will include Sheriff Carlos Bolanos, District Attorney Steve Wagstaffe, Capt. Christina Corpus, Rev. Lorrie Carter Owens (President of the San Mateo County Chapter of the NAACP), Kevin Allen (attorney on criminal justice panel with San Mateo County Private Defender's Office and organizer of BLM demonstration at San Mateo courts), Dez Frazier (an organizer of BLM protests in Redwood City, likely to be elected to the Redwood City Council in November) and moderated by Henrietta Burroughs (founder of the East Palo Alto Center for Community Media).
- Date TBD – BLM: No More Happy Talk, with retired Judge Ladoris Cordell, Professor Robby Luckett with Jackson State University, and Chris Bridges with the Equal Justice Society.
- Virtual event tentatively set for early 2021 – Residential Segregation in Southern San Mateo County with the help of Felicity Barringer, writer in residence at the Bill Lane Center for the American West at Stanford, previously a New York Times journalist for 28 years.

Vice Mayor Derwin recommended a webinar featuring Richard Rothstein, author of Color of Law, which can be viewed via the Bill Lane Center for the American West website.

Vice Mayor Derwin said Redwood City has commissioned an artist to paint an 800-foot mural depicting chrysanthemums and Japanese farmers. She said she learned there was a long history of Japanese immigrants in the early 1900s farming chrysanthemums in Redwood City, a driving industry until those same farmers were sent to the concentration camps from 1942 to 2945. She said Portola Valley also has a nuanced history of immigrants and suggested that Historical Resources and Cultural Arts may want to research this.

Councilmember Richards shared a reminder about the demonstrations every Sunday at the corner of Alpine and Portola Road including after-demonstration discussions in Triangle Park. He also mentioned the books recommended by the library.

Mayor Aalfs invited questions from the Council.

Councilmember Wengert asked about any update on possible training for the Council. Vice Mayor Derwin said she would be very interested in Chris Bridges Implicit Bias training. Town Manager Dennis said he will bring back some suggestions to Council to make a choice and then schedule something.

Rita Comes said she is one of the few African-American taxpaying residents of Portola Valley. She said while it is nice to have books and outside people come to speak, her offer still stands if anyone wants to stop up at her house and have a socially-distanced cup of coffee and discussion. She invited anyone to talk to her about how it is for her in this town.

Kim Marinucci Acker, Los Trancos Woods. Ms. Acker said she is one of the co-leaders facilitating the discussion group on Sunday mornings. She suggested that the Council consider going through a land

acknowledgement process and creating a statement to be part of each of its Council meetings. She said she has done this in her community. She said the U.S. Department of Arts and Agriculture has a campaign trying to get people to do this. Australia, Canada, and New Zealand, already do this. She said the United States is behind in this movement. She said this is a strategy for acknowledgement of indigenous people on the land, acknowledging the land which is part of their practices, and tell a little bit of the story behind what happened to that land. She said this is another area of this area of racial justice that could be systemically implemented as part of the Council's work. She will share the link to that campaign with the Council.

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

Councilmember Richards – Attended Emergency Preparedness meeting where they discussed Zonehaven efforts and the Chief gave a report on the fires. They discussed remote EOC software and the ongoing efforts to set up radio at Cal Water site. He attended the Conservation Committee meeting where they were very complimentary about the right-of-way work. They discussed reminding builders and owners that invasives discussed in the permit process need to be dealt with as construction continues and long after. A subcommittee was formed to research fire tolerant understory ground covers. There is an updated map now available of the plantings at the Town Center.

Councilmember Wengert – Parks and Rec has developed with the help of Town Manager Dennis and staff, a model for the kind of oversight required in the COVID environment. She said staff has spent an enormous amount of time working on the reopening of some of the Town courts and fields. She attended C/CAG Finance Committee meeting on August 26. In the November meeting they will discuss OPEB. On August 31 she and the chair met with Michelle Rodriguez, the new San Francisco Roundtable coordinator. Ms. Rodriguez has served with different roundtables and groups and a lot of experience in this type of planning and working with multijurisdictional groups.

Councilmember Hughes – Attended special Bicycle, Pedestrian and Traffic Safety Committee, where they discussed Willowbrook and Alpine parking, Windy Hill and other overflow parking from the Town trail systems. They discussed limited curb painting or signage to improve sightlines and shift where people park to make it safer. Town Manager Dennis said he discussed with Chair Holland and Public Works Director Young today regarding next steps. He said they are not assuming that everyone wants red paint on the curbs on either side of their driveways so they will send letters to all of the Willowbrook residents and part of the median as approached from Alpine for their input. He said the Town will be waiving the nominal fee for this work. He said this opportunity could be extended to some of the properties on Portola Road as well. Town Manager Dennis said he will reach out to the Mid-Peninsula Regional Open Space District on Friday to update their General Manager and continue the conversation about potential broader solutions to the parking issues. He said any ideas that come out of those conversations will be vetted through committees and ultimately to the Council. Councilmember Hughes also attended a Trails Committee meeting where they discussed trail conditions. The Sequoias trail has been reopened spotty off and on because of the fires. It will be closed to the public on Tuesdays and Wednesdays to allow Sequoia residents to walk on it without disturbances. He thanked Chair Gary Hanning and the volunteers from the Trails Committee who are opening and closing that trail since they were not able to do it from a staffing perspective.

Vice Mayor Derwin – Attended San Mateo County JPA board meeting on August 14 where they received a presentation and update on the project and a presentation on the equity study for the express lanes project. They created the Equity Study Advisory Committee which will have six meetings with the feedback coming to the JPA. They will provide baseline conditions and a needs assessment report. They discussed a letter from the MTC asking for support of the Bay Area Express Lanes Performance Strategies as included in the Planned Bay Area 2050 draft. She said many felt uncomfortable with some of the things they were being asked to agree to. She reviewed the agreement between the JPA and MTA for the \$100 million loan. She attended the Resource Management and Climate Protection (RMCP) Committee meeting on August 19, where they provided an update on San Mateo County Energy Watch 2020 to 2030. There was a presentation on regional and local projects focused on existing single-family home electrification. She said she is always impressed by the work PCE is doing around equity. There

were two presentations by Doug Silverstein of Burlingame who represents the non-profit Thrive. One was a proposed course for elected officials to take on sustainability concepts and policy trends, but the RMCP Committee suggested it would best be offered as a menu of choices for a Saturday marathon including things like localized case studies, politically difficult projects, and learning from experts, with environmental and social justice being the thread running through all the modules. His second presentation was on the Climate and Water Quality Impacts of Single-Use Plastics in San Mateo County. She suggested the Council have an ordinance regarding disposable food serviceware agenda. They saw a presentation of the County of San Mateo's COVID Strategic Plan and Recovery Initiative.

Mayor Aalfs – Peninsula Clean Energy (PCE) had a board subcommittee meeting. They will be approaching the Town of Los Banos in Merced County to join PCE, trying to offer them a seat on the board. Los Banos is the home of the Wright Solar Park. Sun Run came to his house and he is getting an assessment for a solar plus battery system, part of the PCE program.

(10) **TOWN MANAGER REPORT** – Town Manager Dennis reported that it is anticipated that pickle ball will start up under club group rules for the all sports court by approximately September 15, with a few details still being worked out. He thanked Councilmember Wengert and Councilmember Hughes for the time they spent with staff working on the website update. The subcommittee has selected the look and feel and intense work will begin for staff over the next couple of months, going through every item on the website. Town Manager Dennis said what the Town had in place regarding communications during the CZU fire worked quite well. He appreciated the feedback received from residents related to communication. He said the information put out is fairly repetitive but they want people to hear the same information again and again if it's still relevant. He said the line of communication between his staff, the Woodside Fire Protection District, and the Town of Woodside was outstanding. He said citizens are certainly happy to hear from the Fire Chief. He said they were very long days trying to disseminate information as much as possible. He appreciated Capt. Corpus's heavy involvement in conversations around what an evacuation would look like with the current plans. He said it was incredibly hot in town and power was going out. He said the Town would love to be able to provide cooling stations where possible. He said the facilities don't allow that with, for instance, the community hall not having air conditioning. He said he is discussing the matter with other community partners and one seems interested in providing that amenity should it be needed in the future. He provided an update on the Town's fire mitigation efforts. He hoped people have noticed the considerable work done over the last 11 months on Alpine, Portola, Westridge, and other roads in town that have either a relationship to evacuation routes or emergency infrastructure, which will continue for the foreseeable future. He said one of the major recommendations from the Wildfire Preparedness Committee was to update the Town's Building Code to reflect home hardening efforts. Town Manager Dennis said that effort is underway and they are working with a building official to help prepare. He will have an update meeting on Friday. He said they hope to have this to Council for a vote by the end of the year. Town Manager Dennis shared updates on bills currently before the Governor and some that did not make it to the Governor's desk. Three significant bills died this year – SB-50, SB-1120, and SB-1085. He said two bills did get through – AB-725, which would allow and require cities through the RHNA process to plan for more duplex and triplex housing, and AB-69, which gives increased opportunities for loans and funding for ADUs. Town Manager Dennis asked if a more in depth conversation may be agendized regarding this bill. Vice Mayor Derwin said she doesn't know how to react to that bill until the RHNA numbers are known. Town Manager Dennis said the process is ongoing and they have not yet received any formal numbers, but he can informally say they are quite a bit higher with early estimates above 200 and may be even higher. Town Manager Dennis said he will meet with the new Executive Director to the San Francisquito Creek JPA on Monday. Town Manager Dennis said he has been working with the new intern, Brandon Alvarez, and have been working on the creation of a teen committee. Town Manager Dennis said the Town does not have an official mechanism to hear from youth voices, but a body for teens and run by teens is near and dear to his heart. He said there has been great communication with the library, the Priory, and the Sequoia Union High School District that will help make this sustainable. He hopes to bring something to the Council in the coming weeks.

Mayor Aalfs invited questions for Town Manager Dennis.

Kristi Corley asked regarding how AB-2345 will affect Portola Valley. Town Manager Dennis said he did not have a definitive answer. Town Attorney Silver said this bill has not been on her watch list and has not been touted as a new development and density bonus law, which leads her to believe it is probably a clean-up to last year 100% affordable density bonus provision, which was a new substantive development. She will review it more closely.

WRITTEN COMMUNICATIONS

(11) **Town Council Digest** – August 13, 2020

None.

(12) **Town Council Digest** – August 20, 2020

None.

(13) **Town Council Digest** – August 27, 2020

None.

(14) **Town Council Digest** – September 4, 2020

None.

ADJOURNMENT [8:59 p.m.]

Mayor Aalfs adjourned the meeting.

Mayor

Town Clerk

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Vendor: 09/23/20	4 55134	AARONSON DICKERSON Legal Counsel, Equestrian Center	643.50	643.50	820171 -TOWN OF
Vendor:	8 55135	ACCOMTEMP Temp/Clerical/Acct'ng Support, Week Ended 9/4/20	472.50	472.50	56324860
Vendor:	41 55136	AT&T August Statement August Statement August Statement	268.38	42.49 183.91 41.98	000015279385 111115279386 000015279387
Vendor:	43 55137	BANDEL CARANO Refund Deposit, 20/30/40 Meadow Ct.	7,677.50	7,677.50	BLDR0095-2017
Vendor:	48 55138	BARTLETT TREE EXPERTS ROW Tree Removal	3,610.00	3,610.00	39080960-0
Vendor:	95 55139	CERPP FY 2020-21 Annual Contribution	5,000.00	5,000.00	31220_21CONTR
Vendor:	113 55140	CITY OF REDWOOD CITY July IT Support August IT Support	4,914.00	2,457.00 2,457.00	BR56878 BR57124
Vendor:	121 55141	CLEANSTREET July Litter/Street Clean	1,782.06	1,782.06	97974
Vendor:	124 55142	COMCAST WiFi, Service through 07/31/2020	320.99	320.99	105949509
Vendor:	124 55143	COMCAST WiFi, Service Through 8/31/2020	175.06	175.06	107697044
Vendor:	129 55144	COTTON SHIRES & ASSOC. INC. July Applicant Charges	4,362.73	4,362.73	2020-JULY
Vendor:	176 55145	EXCEL LD August LD Telephone Service	23.19	23.19	1184443340
Vendor:	193 55146	GO NATIVE INC Springdown Open Space Maintenance, Aug'20 PVTCLandscape Maintenance, Aug'20	12,418.50	6,298.50 6,120.00	3458 3459
Vendor:	195	GOOD CITY COMPANY			

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
09/23/20	55147	Planning Services, July	7,912.50	7,912.50	2204
Vendor:	203	GREEN HALO SYSTEMS			
	55148	August Hosting / Access	114.00	114.00	2738
Vendor:	213	HILLYARD INC			
	55149	Janitorial Supplies/Gloves (COVID19)	286.01	286.01	603991580
Vendor:	216	HOUSING LEADERSHIP COUNCIL			
	55150	FY 2020-21 Annual Contribution	600.00	600.00	31020_21CONT
Vendor:	217	HUMAN INVESTMENT PROJECT			
	55151	FY 2020-21 Annual Contribution	3,000.00	3,000.00	8
Vendor:	234	J.W. ENTERPRISES			
	55152	Portable Lavs, 7/30/20 - 8/26/20	804.96	402.48	225267
		Portable Lavs, 8/27/20 - 9/23/20		402.48	225909
Vendor:	243	JASON PRESSMAN			
	55153	Refund Deposit, 127 Ash Lane - Permit# 15985	10,000.00	10,000.00	PERMIT#15985
Vendor:	259	JOINT VENTURE			
	55154	FY 2020-21 Annual Contribution	1,000.00	1,000.00	451NETPORTOLA
Vendor:	276	KUTZMANN & ASSOCIATES			
	55155	July PPlan Checks	1,725.00	1,725.00	2020-JULY
Vendor:	295	LYNX TECHNOLOGIES INC			
	55156	Aug Maintenance/Parcel Updates	625.00	625.00	9129
Vendor:	307	MAZE & ASSOCIATES			
	55157	Audit Services, FYE 06/30/2020	9,804.00	9,804.00	37118
Vendor:	334	NOLTE ASSOCIATES INC NV5			
	55158	July Applicant Charges	6,061.24	6,061.24	APPCHARGE/PWJUL
Vendor:	356	PENINSULA CONFLICT RESOLUTION			
	55159	FY 2020-21 Annual Contribution	552.00	552.00	04302020_CONTRI
Vendor:	361	PENINSULA VOLUNTEERS INC.			
	55160	FY 2020-21 Annual Contribution	3,000.00	3,000.00	FY20-21_CONTRI
Vendor:	367	PG&E			
	55161	August Statements	208.83	208.83	347813_AUG

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Vendor:	372	PINNACLE BUILDING & DESIGN			
	55162	Refund Deposit, 501 Portola #8A	1,000.00	1,000.00	BLDR0041-2020
Vendor:	375	PLATINUM FACILITY SERVICES			
	55163	August Janitorial Disinfection Services, Fridays (Aug'20)	4,936.68	4,488.67 448.01	39146 39147
Vendor:	376	PORTOLA VALLEY HARDWARE			
	55164	July Statement	172.29	172.29	193-JULY
Vendor:	403	RON RAMIES AUTOMOTIVE INC.			
	55165	July Fuel Statement	478.99	478.99	PVFUEL_JULY
Vendor:	428	SHARP BUSINESS SYSTEMS			
	55166	July Copies August Copies	89.91	49.54 40.37	9002890404 9002929760
Vendor:	437	SMALL BUSINESS BENEFIT PLAN TR			
	55167	September Dental/Vision October Dental/Vision	4,277.00	2,138.50 2,138.50	SEP-2020 OCT-2020
Vendor:	441	SPARTAN ENGINEERING			
	55168	Security Sys. Monitoring Annual Svc Fee Fire Alarm Monitoring, Annual Svc Fee	900.00	420.00 480.00	9871M 9872M
Vendor:	445	STANDARD INSURANCE CO.			
	55169	LTD/Life Premium	539.62	539.62	2020-SEP
Vendor:	447	STAPLES CREDIT PLAN			
	55170	September Statement	442.15	442.15	2814-SEPT
Vendor:	456	SUSTAINABLE SILICON VALLEY			
	55171	FY 2020-21 Annual Contribution	1,000.00	1,000.00	1745
Vendor:	457	SUSTAINABLE SM COUNTY			
	55172	FY 2020-21 Annual Contribution	2,500.00	2,500.00	2020118
Vendor:	463	THE ALMANAC			
	55173	Legal Advertising, July	396.00	396.00	69973
Vendor:	468	THERMAL MECHANICAL INC			
	55174	Regular PM Service, July '20	1,600.00	1,600.00	79722
Vendor:	476	TOTLCOM INC.			

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
09/23/20	55175	Annual Service Contract, 10/1/2020 - 9/30/2021	862.00	862.00	302977
Vendor:	477	TOYOTA MATERIAL HANDLING			
	55176	GEM Vehicle Maintenance	345.00	345.00	BL19MC
Vendor:	482	TURF & INDUSTRIAL EQUIPMENT CO			
	55177	Tractor Repairs & Maint. PO#6699	2,811.12	1,134.00	R027663
		Repairs to Street Tractor, John Deere 3120 PO#6702		1,677.12	R027697
Vendor:	484	TYLER TECHNOLOGIES INC			
	55178	EnerGov Suite, Support & Maint-10/1/20-9/30/21	6,568.70	6,568.70	025305883
Vendor:	489	VERIZON WIRELESS			
	55179	August Cellular	373.48	373.48	9861519913
Vendor:	504	WOODSIDE & PORTOLA PRIVATE			
	55180	Traffic Control, Event 8/1/20 Neighborhood Clean-up Day	660.00	660.00	190391
Vendor:	516	COUNTY OF SAN MATEO-AIRPORT			
	55181	Roundtable Membership, FY 2020-21	1,500.00	1,500.00	FY20-21_DUES
Vendor:	518	GOT GOPHERS?			
	55182	Town Fields Gopher Trapping, Aug 2020	1,050.00	1,050.00	6330
Vendor:	522	NEW PATH LANDSCAPE SERVICES			
	55183	ROW Weed Abatement	2,140.00	2,140.00	27233
Vendor:	535	BARTH ROOFING			
	55184	Refund Deposit, 15 Alhambra	1,000.00	1,000.00	BLDR0024-2020
Vendor:	536	S. H. ROOFING & CONSTRUCTION			
	55185	Refund Deposit, 240 Shawnee	1,000.00	1,000.00	BLDR0049-2020
Check Date Totals			124,004.89		
Grand Total			124,004.89		

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
Checks for Cash		Account: 910-11012-000				
55134	4	AARONSON DICKERSON	643.50	09/23/20		
55135	8	ACCONTEMPS	472.50	09/23/20		
55136	41	AT&T	268.38	09/23/20		
55137	43	BANDEL CARANO	7,677.50	09/23/20		
55138	48	BARTLETT TREE EXPERTS	3,610.00	09/23/20		
55139	95	CERPP	5,000.00	09/23/20		
55140	113	CITY OF REDWOOD CITY	4,914.00	09/23/20		
55141	121	CLEANSTREET	1,782.06	09/23/20		
55142	124	COMCAST	320.99	09/23/20		
55143	124	COMCAST	175.06	09/23/20		
55144	129	COTTON SHIRES & ASSOC. INC.	4,362.73	09/23/20		
55145	176	EXCEL LD	23.19	09/23/20		
55146	193	GO NATIVE INC	12,418.50	09/23/20		
55147	195	GOOD CITY COMPANY	7,912.50	09/23/20		
55148	203	GREEN HALO SYSTEMS	114.00	09/23/20		
55149	213	HILLYARD INC	286.01	09/23/20		
55150	216	HOUSING LEADERSHIP COUNCIL	600.00	09/23/20		
55151	217	HUMAN INVESTMENT PROJECT	3,000.00	09/23/20		
55152	234	J.W. ENTERPRISES	804.96	09/23/20		
55153	243	JASON PRESSMAN	10,000.00	09/23/20		
55154	259	JOINT VENTURE	1,000.00	09/23/20		
55155	276	KUTZMANN & ASSOCIATES	1,725.00	09/23/20		
55156	295	LYNX TECHNOLOGIES INC	625.00	09/23/20		
55157	307	MAZE & ASSOCIATES	9,804.00	09/23/20		
55158	334	NOLTE ASSOCIATES INC NV5	6,061.24	09/23/20		
55159	356	PENINSULA CONFLICT RESOLUTION	552.00	09/23/20		
55160	361	PENINSULA VOLUNTEERS INC.	3,000.00	09/23/20		
55161	367	PG&E	208.83	09/23/20		
55162	372	PINNACLE BUILDING & DESIGN	1,000.00	09/23/20		
55163	375	PLATINUM FACILITY SERVICES	4,936.68	09/23/20		
55164	376	PORTOLA VALLEY HARDWARE	172.29	09/23/20		
55165	403	RON RAMIES AUTOMOTIVE INC.	478.99	09/23/20		
55166	428	SHARP BUSINESS SYSTEMS	89.91	09/23/20		
55167	437	SMALL BUSINESS BENEFIT PLAN TR	4,277.00	09/23/20		
55168	441	SPARTAN ENGINEERING	900.00	09/23/20		
55169	445	STANDARD INSURANCE CO.	539.62	09/23/20		
55170	447	STAPLES CREDIT PLAN	442.15	09/23/20		
55171	456	SUSTAINABLE SILICON VALLEY	1,000.00	09/23/20		
55172	457	SUSTAINABLE SM COUNTY	2,500.00	09/23/20		
55173	463	THE ALMANAC	396.00	09/23/20		
55174	468	THERMAL MECHANICAL INC	1,600.00	09/23/20		
55175	476	TOTLCOM INC.	862.00	09/23/20		
55176	477	TOYOTA MATERIAL HANDLING	345.00	09/23/20		
55177	482	TURF & INDUSTRIAL EQUIPMENT CO	2,811.12	09/23/20		
55178	484	TYLER TECHNOLOGIES INC	6,568.70	09/23/20		

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
55179	489	VERIZON WIRELESS	373.48	09/23/20		
55180	504	WOODSIDE & PORTOLA PRIVATE	660.00	09/23/20		
55181	516	COUNTY OF SAN MATEO-AIRPORT	1,500.00	09/23/20		
55182	518	GOT GOPHERS?	1,050.00	09/23/20		
55183	522	NEW PATH LANDSCAPE SERVICES	2,140.00	09/23/20		
55184	535	BARTH ROOFING	1,000.00	09/23/20		
55185	536	S. H. ROOFING & CONSTRUCTION	1,000.00	09/23/20		
Check totals:			124,004.89			
ACH totals:						
EFTPS totals:						
Wire transfer totals:						
Payment Manager totals:						
GRAND TOTALS			124,004.89			
Check totals:			124,004.89			
ACH totals:						
EFTPS totals:						
Wire transfer totals:						
Payment Manager totals:						
GRAND TOTALS			124,004.89			

TOWN OF PORTOLA VALLEY
Warrant Disbursement Journal
September 23, 2020

Claims totaling \$124,004.89 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: Sharon Hanlon, Town Clerk 

DATE: September 23, 2020

RE: Update of Designated Positions and Disclosure Obligations in the Town's Conflict of Interest Code

RECOMMENDATION:

That the Town Council adopts the attached Resolution updating the designated position titles and disclosure obligations for the Town's conflict of interest code.

BACKGROUND:

The Political Reform Act ("Act") requires certain designated public officials, employees and consultants that make or participate in making governmental decisions to file statements of economic interests. The Act requires every agency to adopt a conflict of interest code and to review it every two years to determine if it is accurate or needs to be amended.

In the past, the designated position titles and disclosure obligations were included in the Town's Municipal Code and every two years an ordinance was adopted to update the Municipal Code. On June 24, 2015, the Town Council adopted Ordinance 2015-406, updating Title 2, which contains the Town's conflict of interest code, to incorporate the designated position titles and disclosure obligations by reference. Therefore, the designated position titles and disclosure obligations can now be updated by resolution.

The Town's list of designated position titles and disclosure obligations was last updated on December 12, 2018. Since that time, the only amendment to the Designated Positions and Disclosure Obligations is the addition of an Assistant Planner position. The current position is reflected in the attached resolution.

ATTACHMENT

1. Resolution Amending Local Conflict of Interest Policy

RESOLUTION NO. _____ -2020

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN
OF PORTOLA VALLEY DESIGNATING PUBLIC
OFFICIALS AND EMPLOYEES AND THEIR DISCLOSURE
CATEGORIES FOR THE TOWN'S CONFLICT OF
INTEREST CODE**

WHEREAS, the Political Reform Act of 1974, Government Code section 87100 et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes and review those codes biennially; and

WHEREAS, the Town of Portola Valley ("Town") last updated its conflict of interest codes in December 2018; and

WHEREAS, on June 24, 2015, the Town Council adopted Ordinance 2015-406, amending Section 2.36.010 [Incorporation by reference] of Chapter 2.36 [Conflict of Interest] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code; and

WHEREAS, with the adoption of Ordinance 2015-406, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are incorporated by reference and, along with the resolution approved by the Town Council in which public officials and employees are designated and their disclosure categories identified, constitute the Conflict of Interest Code of the Town; and

WHEREAS, the Town now desires to adopt the resolution identifying the current position titles for public officials and their disclosure requirements.

NOW, THEREFORE, the Town Council of the Town of Portola Valley does RESOLVE as follows:

**DESIGNATED POSITIONS
AND DISCLOSURE OBLIGATIONS**

REQUIRED DISCLOSURES FOR DESIGNATED POSITIONS

Designated Position	Disclosure Category
Mandatory Filers under Government Code 87200	
Member of Town Council	1
Member of the Planning Commission	1
Town Manager	1
Town Attorney	1
Other Locally Designated Officials	
Member of the Architectural and Site Control Committee	2
Assistant to Town Manager	1
Town Engineer	1
Finance Director	1
Public Works Director	1

Planning and Building Director	1 Page 22
Senior Planner	2
Associate Planner	2
Assistant Planner	2
Town Geologist	2
Consultant	3

DISCLOSURE CATEGORIES

Disclosure Category 1: Full Disclosure - All investments, business positions, interests in real property and sources of income, including gifts, loans and travel payments (Form 700, Schedules A-E)

Disclosure Category 2: Limited Disclosure - All investments and business positions in business entities operating in the Town of Portola Valley and all interests in real property located in the Town of Portola Valley (Form 700, Schedules A – C, as applicable)

Disclosure Category 3: Limited Disclosure - The Town Manager may determine in writing that a particular consultant is required to provide Limited Disclosure. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the Town Manager is public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Portola Valley held on the 23rd day of September, 2020.

By: _____
Mayor

ATTEST:


Town Clerk



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Cindy Rodas, Finance Director 

DATE: September 23, 2020

RE: Audit and Financial Statements for FYE 6/30/19

RECOMMENDATION

Staff recommends that the Mayor and Town Council review, accept and file the attached Basic Financial Statements, Measure A Report, and Memorandum on Internal Control (MOIC) for the fiscal year ending June 30, 2019.

BACKGROUND

The Town's independent auditor, Maze & Associates, has completed the Town's Basic Financial Statements for the fiscal year ending June 30, 2019. 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. The Town's net position has remained stable as of June 30, 2019 compared to prior year, increasing 3.0% from \$45.1 million to \$46.5 million. 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 \$16 million, an increase of \$1.9 million from last year's ending fund balances of \$14.1 million. The increase is attributable to revenues in excess of expenditures. Revenues for the year totaled \$7.4 million, while expenditures were \$5.6 million. The increase of the Town's total net position by \$1.4 million is primarily due to a

change in Fund Balance of \$1.9 million, partially offset by adjustments to capital assets, pension liabilities and OPEB obligations.

The Town has taken active steps to reduce the post-employment benefit liability by establishing a trust account through the California Employer's Benefit Trust CalPERS (CERBT), a Section 115 trust maintained by the California Public Employees' Retirement System (CalPERS). The Town Council approved and authorized the final trust documents on August 12, 2020. The Town's total liabilities increased 6.34% to 3.92 million. The primary reason for the increases are increased obligations for Other Post-Employment Benefits (OPEB) and accrued compensated absences. The increase specific to OPEB of \$263,738 (or 16.27%) was largely due to the GASB 75 implementation in FY 2018. This figure should decline as the Town begins to fund the CalPERS OPEB trust account.

At the July 15, 2020 Finance Committee meeting, the committee reviewed the 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 additions to the presentation and language of the footnote disclosures specific to the ongoing impacts of the global pandemic, COVID-19. Staff is presenting these final documents to Town Council for consideration and acceptance.

FISCAL IMPACT

None.

ATTACHMENTS

1. Basic Financial Statements
2. Measure A Report
3. Memorandum of Internal Controls

ATTACHMENT #1

**TOWN OF PORTOLA VALLEY
BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2019**

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TOWN OF PORTOLA VALLEY
Basic Financial Statements
For the Year Ended June 30, 2019

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TOWN OF PORTOLA VALLEY
Basic Financial Statements
For the Year Ended June 30, 2019

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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, 2019, 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, 2019, 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.

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 May 22, 2020 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.



Pleasant Hill, California
May 22, 2020

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, 2019. Please read it in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS:

- Including the deferred inflows and outflows of pension resources, the assets of the Town exceeded its liabilities as of June 30, 2019 by \$46.5 million. Total net position increased by \$1,365,185. The increase in net position is primarily due to a change in Fund Balance of \$1.9 million, partially offset by adjustments to capital assets, pension liabilities and OPEB obligations.

The Town has taken 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 Town Council approved and authorized the trust agreement on August 12, 2020.

- The total liabilities increased 6.34% to \$3.92 million. The primary reason for the increases are increased obligations for Other Post-Employment Benefits and accrued compensated absences.

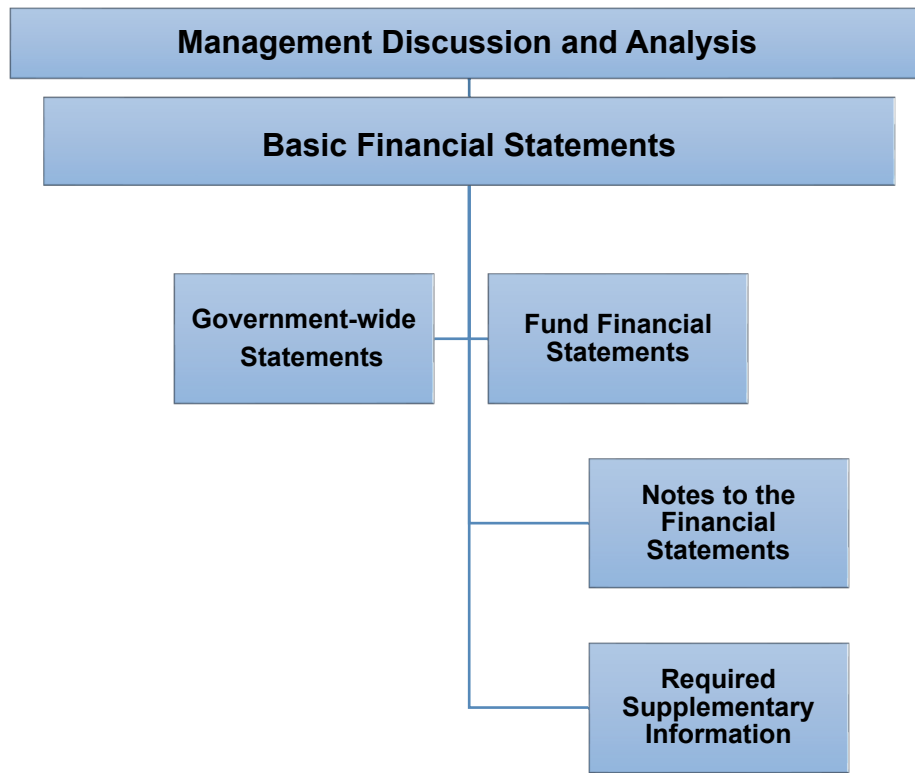
OVERVIEW OF THE FINANCIAL STATEMENTS:

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 \$46.5 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, 2019. 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 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 for 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, 2019 compared to prior year, increasing 3.0% from \$45.1 million to \$46.5 million. The following are major components of the Town's net position:

Town of Portola Valley Condensed Statement of Net Position				
	Fiscal Year Ended		<u>Amount</u>	<u>Percent</u>
	<u>06/30/18</u>	<u>06/30/19</u>		
Assets:				
Other Assets	16,213,745	18,058,195	1,844,450	11.38%
Capital Assets, Net	32,268,492	32,033,472	(235,020)	-0.73%
Total Assets	48,482,237	50,091,667	1,609,430	3.32%
Deferred Outflows	710,839	484,210	(226,629)	-31.88%
Liabilities:				
Accounts Payable	2,066,263	2,036,316	(29,947)	-1.45%
Long-term Liabilities	1,620,668	1,884,406	263,738	16.27%
Total Liabilities	3,686,931	3,920,722	233,791	6.34%
Deferred Inflows	405,919	189,744	(216,175)	-53.26%
Net Position:				
Invested in Capital Assets, Net	32,268,492	32,033,472	(235,020)	-0.73%
Restricted	9,420,453	10,507,986	1,087,533	11.54%
Unrestricted	3,411,281	3,923,953	512,672	15.03%
Total Net Position	45,100,226	46,465,411	1,365,185	3.03%

The Town's net position of \$46.5 million consists of \$32.0 million net investment in capital assets, \$10.5 million in restricted net assets, and \$3.9 million in unrestricted assets. Restricted net assets are restricted by State law, municipal code and contractual obligation to be utilized for public works, safety and open space. Unrestricted assets are not restricted by law; however, \$2.4 million of these funds remain assigned by the Town for special programs.

The increase in Long-Term Liabilities is primarily due to an increase of \$263,738 (or 16.27%) in Other Post-Employment Benefits (contributions to the health insurance for Portola Valley retirees) which increased largely due to the GASB 75 implementation in FY 2018. These figures should decline as the Town begins to fund the CalPERS OPEB trust.

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 FY 2019 increased by \$793,832 (or 12%) from the prior year to \$7.4 million. The expenditures decreased by \$701,574. Taken together these adjustments result in an increase in Fund Balance of \$1.9 million.

Town of Portola Valley
 Condensed Statement of Activities

	Fiscal Year Ended		Change Amount	Percent
	<u>06/30/18</u>	<u>06/30/19</u>		
Revenues:				
Program Revenues				
Charges for Services	1,238,499	1,120,052	(118,447)	-9.56%
Grants and Contributions	633,450	1,318,258	684,808	108.11%
General Revenues				
Property Taxes	2,856,109	3,058,184	202,075	7.08%
Agency Revenues	470,630	302,720	(167,910)	-35.68%
Franchise Fees	295,999	311,471	15,472	5.23%
Utility Users Tax	899,906	951,600	51,694	5.74%
Investment Earnings	201,078	357,834	156,756	77.96%
Miscellaneous	41,525	10,909	(30,616)	-73.73%
Total Revenues	<u>6,637,196</u>	<u>7,431,028</u>	<u>793,832</u>	<u>11.96%</u>
Expenses:				
General Government	3,311,035	3,138,614	(172,421)	-5.21%
Parks and Recreation	240,423	262,579	22,156	9.22%
Town Center Facilities	204,253	206,167	1,914	0.94%
Public Safety	1,045,373	1,141,691	96,318	9.21%
Public Works	250,959	180,981	(69,978)	-27.88%
Capital Improvement Program	1,206,162	626,599	(579,563)	-48.05%
Total Expenses	<u>6,258,205</u>	<u>5,556,631</u>	<u>(701,574)</u>	<u>-11.21%</u>
GASB 75 OPEB Adjustment	(542,769)	(295,992)	246,777	-45.47%
Change in Pension Liability	(188,646)	42,381	231,027	-122.47%
Change in Fund Balance	378,991	1,874,397	1,495,406	394.58%
Change in Capital Assets	94,662	(235,020)	(329,682)	-348.27%
Change in Other Assets	157,902	(20,581)	(178,483)	-113.03%
Net Position - Beginning	<u>45,200,086</u>	<u>45,100,226</u>	<u>(99,860)</u>	<u>-0.22%</u>
Net Position - Ending	<u>45,100,226</u>	<u>46,465,411</u>	<u>1,365,185</u>	<u>3.03%</u>

Other Observations for 2019:

- The most significant variances in revenue occurred in Property Taxes, Agency Revenues, Investment Earnings and Charges for Services.
- Charges for Services decreased by 9.6% primarily due to reduced revenue from Licenses and Permits, Service Charges and Parks & Recreation.

- Property taxes increased by 7.1% due to higher valuations and Excess ERAF.
- Investment earnings increased by 78.0% due to the Town's investment in Schwab securities coupled with generally higher interest rates.
- The most significant variances in expenditures occurred in General Government and Capital Improvement Program.
- General Government decreased by 5.2% due to staff vacancies partially offset by increased expenditures in Software and Licensing and Consultant Services.
- Capital Improvement Program expenses decreased by 48.1% due to delays in scheduling major projects.

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 \$16 million, an increase of \$1.9 million from last year's ending fund balances of \$14.1 million. The increase is attributable to revenues in excess of expenditures. Revenues for the year totaled \$7.4 million, while expenditures were \$5.6 million.

The following assigned fund balances, totaling \$2.1 million, 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 OPEB	200,000
• Assigned for emergency capital reserve	1,400,000
• Assigned for equipment replacement	308,280
• Assigned for legal contingency	100,000

The General Fund had unassigned fund balance of \$3.5 million at fiscal year-end. The remaining \$10.6 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:

Overall, for FY 2018-19, Town revenues exceeded budget by \$795,615. Increases were realized in the Utility User's Tax of \$92,800, Licenses & Permits of \$64,733 and Interest Earnings of \$196,797. In addition, the Town received a contribution of \$588,646 for Open Space.

Town expenditures were under budget by \$1,136,507. Expenditures in the General Government category were under budget by \$645,046 partially due to staff vacancies offset by increased expenditures in Software and Licensing and Consultant Services. While there were salary savings, the loss of employees impacts the ability to complete work in a timely manner. Capital improvement expenditures were under budget by \$340,501 due to scheduling delays for major projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

As of the end of fiscal year 2019, the Town had invested \$32.0 million in a broad range of capital assets including buildings, land and technology upgrades. The Town's gross capital assets decreased by \$235,020 during the fiscal year. Total depreciation expense for the year was \$967,156. Depreciation expense is allocated to the fund and category in which the capital asset has been recorded. Three projects totaling \$564,654 were capitalized during the course of the year, as follows: Annual Road Improvement, Paso del Arroyo Shoulder Landscaping Improvements and Springdown Open Space Landscaping Improvements.

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

Town of Portola Valley
 Condensed Statement of Capital Assets

	Fiscal Year Ended		Change	
	06/30/18	06/30/19	Amount	Percent
Land	6,690,959	6,690,959	0	0.00%
Construction in Progress	216,388	564,653	(348,265)	-160.94%
Infrastructure	10,362,143	10,769,254	(407,111)	-3.93%
Land Improvements	3,103,016	3,070,430	32,586	1.05%
Buildings & Improvements	19,838,321	19,838,406	(85)	0.00%
Equipment	<u>453,427</u>	<u>462,688</u>	<u>(9,261)</u>	-2.04%
 Total Capital Assets	 40,664,254	 41,396,390	 (732,136)	 -1.80%
Accumulated Depreciation	<u>(8,395,762)</u>	<u>(9,362,918)</u>	<u>967,156</u>	-11.52%
 Total Net Capital Assets	 <u>32,268,492</u>	 <u>32,033,472</u>	 <u>235,020</u>	 0.73%

Long-Term Debt:

The Town's long-term liabilities include \$670,105 in Net Pension Liability and \$1,119,863 in 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, 2019, the Town had accumulated obligations totaling \$94,438 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 also provides post-employment benefits other than pensions such as health insurance to their retirees, more commonly known as Other Post-Employment Benefits (OPEB). The Town's OPEB obligation increased from \$823,871, to \$1,119,863, an increase of 35.9%. The increase was largely driven by the implementation of GASB 75, which includes sweeping disclosure changes and fundamental overhauls in the standards for reporting OPEB. 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 with a corresponding OPEB expense recognized 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.

During Fiscal Year 2020, the Town entered into an agreement with CalPERS for OPEB trust services. Future obligations should decline as the Town begins to fund the CalPERS OPEB trust.

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 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. This pronouncement is effective for fiscal years beginning after December 15, 2019. Staff anticipates that the impact should be negligible given the Town's current lease agreements.

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, 2019

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	\$16,507,934
Restricted cash (Note 2)	1,215,942
Accounts and interest receivable	309,263
Loans receivable (Note 5)	25,056
Capital assets, net (Note 3)	
Nondepreciable	7,255,612
Depreciable, net of accumulated depreciation	24,777,860
Total Assets	50,091,667
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 7)	484,210
LIABILITIES	
Current liabilities:	
Accounts payable	811,775
Refundable customer deposits	1,224,541
Non-current liabilities:	
Accrued compensated absences (Note 1G)	94,438
Net Pension Liability (Note 7)	670,105
Net OPEB obligation (Note 8)	1,119,863
Total Liabilities	3,920,722
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 7)	189,744
NET POSITION (Note 6)	
Net investment in capital assets	32,033,472
Restricted for:	
Special Revenue Projects	10,473,786
Capital Projects	34,200
Unrestricted	3,923,953
Total Net Position	\$46,465,411

See accompanying notes to financial statements

TOWN OF PORTOLA VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Operating Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$3,313,111	\$814,884	\$65,500	\$588,646	(\$1,844,081)
Parks and recreation	324,723	59,179			(265,544)
Town center facilities	638,788	245,989			(392,799)
Public safety	1,149,440		164,996		(984,444)
Public works	639,781		494,116	5,000	(140,665)
Total governmental activities	<u>\$6,065,843</u>	<u>\$1,120,052</u>	<u>\$724,612</u>	<u>\$593,646</u>	<u>(3,627,533)</u>
General Revenues:					
Property tax revenues.....					3,058,184
Other governmental agencies revenues.....					302,720
Franchise fees.....					311,471
Utility user tax.....					951,600
Investment earnings.....					357,834
Miscellaneous revenue.....					10,909
Total general revenues					<u>4,992,718</u>
Change in net position					1,365,185
Net Position, beginning of year, as restated (Note 6E)					<u>45,100,226</u>
Net Position, end of year					<u>\$46,465,411</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 2019. 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 SPECIAL REVENUE FUND

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 SPECIAL REVENUE FUND

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

MEASURE A SPECIAL REVENUE FUND

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, 2019

	Special Revenue Funds			
	General	Open Space Restricted	Inclusionary In-Lieu	Measure A
ASSETS				
Cash and investments (Note 2)	\$5,697,913	\$6,391,672	\$3,621,390	\$319,448
Restricted cash - customer deposits (Note 2)	1,215,942			
Accounts and interest receivable	188,903	54,890	19,661	26,522
Due from other funds (Note 4)	9,713			
Loans receivable (Note 5)	25,056			
Total Assets	\$7,137,527	\$6,446,562	\$3,641,051	\$345,970
LIABILITIES				
Accounts payable	\$307,609	\$15,487		\$275,000
Refundable deposits	1,224,541			
Due to other funds (Note 4)				
Total Liabilities	1,532,150	15,487		275,000
FUND BALANCES (Note 6)				
Nonspendable	25,056			
Restricted		6,431,075	\$3,641,051	70,970
Assigned	2,056,053			
Unassigned	3,524,268			
Total Fund Balances	5,605,377	6,431,075	3,641,051	70,970
Total Liabilities and Fund Balances	\$7,137,527	\$6,446,562	\$3,641,051	\$345,970

See accompanying notes to financial statements

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$477,511	\$16,507,934
19,287	1,215,942
	309,263
	9,713
	25,056
<u>\$496,798</u>	<u>\$18,067,908</u>
\$213,679	\$811,775
9,713	1,224,541
	9,713
<u>223,392</u>	<u>2,046,029</u>
431,290	25,056
(157,884)	10,574,386
	2,056,053
	3,366,384
<u>273,406</u>	<u>16,021,879</u>
<u>\$496,798</u>	<u>\$18,067,908</u>

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TOWN OF PORTOLA VALLEY
RECONCILIATION OF THE
GOVERNMENTAL FUNDS BALANCE SHEET
TO THE
STATEMENT OF NET POSITION
JUNE 30, 2019

Fund Balances - Total Governmental Funds \$16,021,879

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	\$41,396,390	
Less: accumulated depreciation	<u>(9,362,918)</u>	32,033,472

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		484,210
Deferred inflows of resources - pension		(189,744)

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

Collective net pension liability		(670,105)
Net OPEB Liability		(1,119,863)
Compensated absences		<u>(94,438)</u>

Net Position of Governmental Activities \$46,465,411

See accompanying notes to financial statements

TOWN OF PORTOLA VALLEY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Funds		
		Open Space Restricted	Inclusionary In-Lieu	Measure A
REVENUES				
Taxes				
Property taxes	\$3,058,184			
Sales tax	184,175			\$323,067
Utility users tax	658,714	\$292,886		
Gas tax				
Business license tax and other taxes	87,232			
Total taxes	3,988,305	292,886		323,067
Agency revenues	10,625			
Grants				
Contributions	250	588,646		
Franchise fees	311,471			
Licenses and permits	691,233			
Service charges and fees	123,651			
Parks and recreation	285,551			
Investment and other revenues	148,211	143,754	\$83,026	3,978
Total Revenues	5,559,297	1,025,286	83,026	327,045
EXPENDITURES				
General government	3,138,614			
Parks and recreation	262,579			
Town center facilities	134,912			
Public safety	981,691			
Public works	6,503			
Capital improvement program	168,968	37,631		275,000
Total Expenditures	4,693,267	37,631		275,000
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4)		23,131		
Transfers (out) (Note 4)	(176,617)			
Total other financing sources (uses)	(176,617)	23,131		
NET CHANGE IN FUND BALANCES	689,413	1,010,786	83,026	52,045
FUND BALANCES, BEGINNING OF YEAR	4,915,964	5,420,289	3,558,025	18,925
FUND BALANCES, END OF YEAR	\$5,605,377	\$6,431,075	\$3,641,051	\$70,970

See accompanying notes to financial statements

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	\$3,058,184
\$16,249	523,491
	951,600
192,350	192,350
	87,232
<u>208,599</u>	<u>4,812,857</u>
	10,625
219,247	219,247
	588,896
	311,471
	691,233
	123,651
	285,551
<u>8,528</u>	<u>387,497</u>
<u>436,374</u>	<u>7,431,028</u>
	3,138,614
	262,579
71,255	206,167
160,000	1,141,691
174,478	180,981
<u>145,000</u>	<u>626,599</u>
<u>550,733</u>	<u>5,556,631</u>
153,486	176,617
	<u>(176,617)</u>
<u>153,486</u>	
39,127	1,874,397
<u>234,279</u>	<u>14,147,482</u>
<u>\$273,406</u>	<u>\$16,021,879</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, 2019

Net Change in Fund Balances - Total Governmental Funds \$1,874,397

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	\$732,136	
Depreciation expense	<u>(967,156)</u>	(235,020)

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		31,927
OPEB expense		(295,992)
Net change in compensated absences		<u>(10,127)</u>

Change in Net Position of Governmental Activities \$1,365,185

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, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 2)	\$600,912
Accounts and interest receivable	<u>3,604</u>
Total Assets	<u><u>\$604,516</u></u>
LIABILITIES	
Deposits and accrued liabilities	<u>\$604,516</u>
Total Liabilities	<u><u>\$604,516</u></u>

See accompanying notes to financial statements

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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, 2019

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, 2019

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*

The Town has implemented the requirements of the following GASB Pronouncements:

GASB Statement No. 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 retirement of tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognized a liabilities based on the guidance in this statement. This Statement had no impact on the Town's financial statement in fiscal year 2018-19.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 88 – *Certain Disclosures related to Debt, including Direct Borrowings and Direct Placements*. 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. This Statement had no impact on the Town's financial statement in fiscal year 2018-19.

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	\$84,311
Additions	93,256
Payments	<u>(83,129)</u>
Ending balance	<u>\$94,438</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.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2019

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	\$16,507,934
Restricted cash and investments	1,215,942
Cash and investments of the Town	<u>17,723,876</u>
Cash and investments in Agency Funds	<u>600,912</u>
Total cash and investments	<u><u>\$18,324,788</u></u>

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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 any 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, 2019, is provided by the following table:

Investment Type	less	Total
California Local Agency Investment Fund	\$14,496,324	\$14,496,324
Money Market Mutual Funds	522,071	522,071
Total Investments	<u>\$15,018,395</u>	15,018,395
Cash in Bank		3,304,893
Cash on Hand		1,500
Total Cash		<u>3,306,393</u>
Total cash and investments		<u>\$18,324,788</u>

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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, 2019, these investments matured in an average of 173 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2019, had an average maturity date of 30 days.

E. Credit Risk

Credit Risk is the risk that an issuer will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) the California Government Code, the Town's investment policy, and actual ratings as of June 30, 2019 for each investment type as provided by Moody's investment type rating system (as date of the purchase):

Investment Type	AAm/AAA	Not Rated	Total
California Local Agency Investment Fund		\$14,496,324	\$14,496,324
Money Market Mutual Funds	\$522,071		522,071
Total Investments	\$522,071	\$14,496,324	\$15,018,395

F. 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.

G. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Significant investments in the securities of any individual issuers, other than U.S. Treasury securities or mutual funds would be subjected to this risk. As of June 30, 2019, no investments were subjected to custodial credit risk on the entity-wide level.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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.

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	50 years
Buildings	50 years
Buildings and Improvements	20 years
Equipment	5 - 20 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.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - CAPITAL ASSETS (Continued)

A. Capital Assets

Capital assets activities during the fiscal year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Transfers/ Adjustments	Balance June 30, 2019
Governmental Activities				
Capital assets not being depreciated:				
Land	\$6,690,959			\$6,690,959
Construction in Progress	216,388	\$564,654	(\$216,389)	564,653
Total capital assets not being depreciated	<u>6,907,347</u>	<u>564,654</u>	<u>(216,389)</u>	<u>7,255,612</u>
Capital assets being depreciated:				
Infrastructure	10,362,143		407,111	10,769,254
Land improvements	3,103,016		(32,586)	3,070,430
Buildings and improvements	19,838,321		85	19,838,406
Equipment	453,427	9,261		462,688
Total capital assets being depreciated	<u>33,756,907</u>	<u>9,261</u>	<u>374,610</u>	<u>34,140,778</u>
Less accumulated depreciation for:				
Infrastructure	(3,298,697)	(458,800)		(3,757,497)
Land improvements	(1,063,718)	(83,183)		(1,146,901)
Buildings and improvements	(3,753,090)	(396,767)		(4,149,857)
Equipment	(280,257)	(28,406)		(308,663)
Total accumulated depreciation	<u>(8,395,762)</u>	<u>(967,156)</u>		<u>(9,362,918)</u>
Total depreciable assets, net	<u>25,361,145</u>	<u>(957,895)</u>	<u>374,610</u>	<u>24,777,860</u>
Capital assets, net	<u>\$32,268,492</u>	<u>(\$393,241)</u>	<u>\$158,221</u>	<u>\$32,033,472</u>

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	\$5,842
Parks and Recreation	62,144
Town Center Facilities	432,621
Public Safety	7,749
Public Works	458,800
Total Governmental Activities	<u>\$967,156</u>

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2019
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NOTE 4 - INTERFUND TRANSACTIONS
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A. Interfund Transfers

With Council approval, resources may be transferred from one Town fund to another, Interfund transfers for the year of June 30, 2019, were as follows:

Transfers in	Transfers Out	Total
Open Space Restricted Special Revenue Fund	General Fund	\$23,131
Non-Major Governmental Funds	General Fund	153,486
		\$176,617

B. Current Interfund Balances

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, 2019 interfund balances were as follows:

Due From Other funds	Due To Other Funds	Total
General Fund	Non-Major Governmental Funds	\$9,713

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, 2019, the remaining balance of the loans is \$25,056.

NOTE 6 - NET POSITION AND FUND BALANCES
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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.

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.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

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, 2019

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the Town's fund balances, as of June 30, 2019, 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	\$25,056					\$25,056
Total nonspendable	25,056					25,056
Restricted for:						
Open space acquisition		\$6,431,075				6,431,075
Public safety COPS					\$112,473	112,473
Library fund					218,217	218,217
Park in-lieu					34,200	34,200
Grants					66,400	66,400
Inclusionary in-lieu			\$3,641,051			3,641,051
Measure A				\$70,970		70,970
Total restricted		6,431,075	3,641,051	70,970	431,290	10,574,386
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	3,524,268				(157,884)	3,366,384
Total fund balances	\$5,605,377	\$6,431,075	\$3,641,051	\$70,970	\$273,406	\$16,021,879

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, 2019 is as follows:

Fiscal 2019-20 Adopted Budget General Fund Operating Expenditures	\$7,784,770
Multiplied by 60%:	
Required minimum unrestricted General Fund fund balance	\$4,670,862
General Fund unrestricted fund balance as of June 30, 2019	\$5,580,321

D. Fund Balance Deficit

As of June 30, 2019, the Public Safety Special Revenue Fund, Gas Tax Special Revenue Fund, and Measure M Special Revenue Fund had fund balance deficits of \$6,326, \$80,461 and \$72,098, 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, 2019

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.

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, 2019, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
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	50 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426 - 2.418%	1.000 - 2.500%
Required employee contribution rates	6.902%	6.250%
Required employer contribution rates	8.892%	6.842%

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2019
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NOTE 7 - PENSION PLAN (Continued)
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Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis. The Town's required contributions for the unfunded liability in the Miscellaneous Plan was \$27,729.

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, 2019, the Town's contributions to the Plan were as follows:

	Miscellaneous
Contributions - employer	\$153,312

B. Net Pension Liability

As of June 30, 2019, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$670,105

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2018 and 2017 was as follows:

	Miscellaneous
Proportion - June 30, 2017	0.01807%
Proportion - June 30, 2018	0.01778%
Change - Increase (Decrease)	-0.00029%

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - PENSION PLAN (Continued)

C. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Town recognized pension expense of \$22,410. At June 30, 2019, 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	\$153,312	
Differences between actual and expected experience	25,711	(\$8,749)
Changes of assumptions	76,394	(18,723)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	225,480	(162,272)
Change in proportion		
Net differences between projected and actual earnings on plan investments	3,313	
Total	<u>\$484,210</u>	<u>(\$189,744)</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	3.2% -12.2% (2)
Investment Rate of Return	7.15% (3)
Mortality	Derived using CalPERS' Membership Data for all funds (4)
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50 % thereafter

(1) Actuarial assumptions are the same for all benefits tiers (Classic Tier I, Classic Tier II, and PEPRA)

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expenses, including inflation.

(4) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - PENSION PLAN (Continued)

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payment to determine the total pension liability for each Plan.

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.

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 cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administration expenses.

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. These geometric rates of return are net of administrative expenses.

Asset Class (a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% is used this period.

(c) An expected inflation of 2.92% used for this period.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - PENSION PLAN (Continued)

Sensitivity 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>		<u>Miscellaneous</u>
1% Decrease	6.15%	1% Decrease	6.15%
Net Pension Liability	\$1,652,377	Net Pension Liability	\$1,652,377
Current Discount Rate	7.15%	Current Discount Rate	7.15%
Net Pension Liability	\$670,105	Net Pension Liability	\$670,105
1% Increase	8.15%	1% Increase	8.15%
Net Pension Liability (Asset)	(\$140,745)	Net Pension Liability (Asset)	(\$140,745)

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

The \$153,312 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, 2020. 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
2020	\$70,310
2021	59,991
2022	16,880
2023	(6,027)
Total	<u>\$141,154</u>

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATIONS

A. General Information about the Town’s 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.

TOWN OF PORTOLA VALLEY NOTES TO BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2019
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NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATIONS (Continued)
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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, 2019:

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, 2019:

Active employees	14
Inactive employees or beneficiaries currently receiving benefit payments	4
Total	18

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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:

	Actuarial Assumptions
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Actuarial Assumptions:	
Discount Rate	2.15%
Payroll Growth	1.11%
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:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2018	\$823,871		\$823,871
Changes Recognized for the Measurement Period:			
Service cost	92,662		92,662
Interest on the total OPEB liability	35,711		35,711
Changes of benefit terms			
Differences between expected and actual experience			
Economic gains or losses	(84,838)		(84,838)
Changes of assumptions	258,913		258,913
Contributions from the employer		\$6,456	(6,456)
Benefit payments	(6,456)	(6,456)	
Net changes	295,992	0	295,992
Balance at June 30, 2019 (Measurement Date)	\$1,119,863	\$0	\$1,119,863

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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 (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(1.15%)	(2.15%)	(3.15%)
\$1,312,292	\$1,119,863	\$961,972

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%
	Trend Rates	
\$917,120	\$1,119,863	\$1,380,174

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, 2019, the Town contributed \$66,909 for current year coverage.

TOWN OF PORTOLA VALLEY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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, 2019, the Town contributed \$37,088 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, 2019 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 \$28,088. 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, 2019

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.

NOTE 12 - SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services.

While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. Although many of the Town's services are considered essential, Town Hall was closed to the public, certain other services transitioned to online-only and because the Town's major revenue sources, including businesses that collect sales taxes, are directly impacted by these events, it is probable that this matter will negatively impact the Town. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

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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	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.03873%	0.00301%	0.01508%	0.01807%	0.01778%
Plan's proportion share of the Net Pension Liability (Asset)	\$957,322	\$82,489	\$523,840	\$712,486	\$670,105
Plan's Covered Payroll	\$993,466	\$1,071,540	\$1,442,039	\$1,522,511	\$1,524,652
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%	0.4395134
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%	98.59%	91.78%	89.69%	77.69%

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in assumptions. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016 and 2018, (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement dates.

* 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>	<u>6/30/2019</u>
Actuarially determined contribution	\$111,313	\$84,007	\$116,123	\$141,356	\$153,312
Contributions in relation to the actuarially determined contributions	(111,313)	(84,007)	(116,123)	(141,356)	(153,312)
Additional Contributions	(907,699)	-	-	-	-
Contribution deficiency (excess)	<u>(\$907,699)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$993,466	\$1,071,540	\$1,442,039	\$1,522,511	\$1,524,652
Contributions as a percentage of covered payroll	11.20%	7.84%	8.05%	9.28%	10.06%

Notes to Schedule

Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll
Remaining amortization period	15 Years as of the Valuation Date
Asset valuation method	Market Value of Assets
Inflation	2.75%
Salary increase	3.3% to 14.20% depending on age, service, and type of employment.
Investment rate of return	7.50% for 2015 to 2018 7.375% for 2019, net of administrative expenses, includes inflation.
Retirement age	The probabilities of retirement and mortality are based on 2014 CalPERS experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* 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	6/30/18	6/30/19
Total OPEB Liability (1)		
Service Cost	\$92,662	\$92,662
Interest		35,711
Changes of benefit terms		
Differences between expected and actual experience		
Economic gains or losses		(84,838)
Changes of assumptions		258,913
Benefit payments	(51,432)	(6,456)
Net change in total OPEB liability	41,230	295,992
Total OPEB liability - beginning	782,641	823,871
Total OPEB liability - ending (a)	\$823,871	\$1,119,863
Covered-employee payroll	<u>\$1,522,511</u>	<u>\$1,524,652</u>
Total OPEB liability as a percentage of covered-employee payroll	54.11%	73.45%

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$3,024,063	\$3,024,063	\$3,058,184	\$34,121
Sales tax	206,836	206,836	184,175	(22,661)
Business license tax and other taxes	105,000	105,000	87,232	(17,768)
Total Taxes	<u>3,335,899</u>	<u>3,335,899</u>	<u>3,329,591</u>	<u>(6,308)</u>
Franchise fees	306,250	306,250	311,471	5,221
Utility users tax	586,800	586,800	658,714	71,914
Agency revenues	11,000	11,000	10,625	(375)
Contributions	2,000	2,000	250	(1,750)
Licenses and permits	626,500	626,500	691,233	64,733
Service charges and fees	127,555	127,555	123,651	(3,904)
Parks and recreation	300,150	300,150	285,551	(14,599)
Investment and other revenues	98,500	98,500	148,211	49,711
Total Revenues	<u>5,394,654</u>	<u>5,394,654</u>	<u>5,559,297</u>	<u>164,643</u>
EXPENDITURES				
General government	3,629,198	3,701,822	3,138,614	563,208
Parks and recreation	271,600	282,600	262,579	20,021
Town center facilities	185,440	185,440	134,912	50,528
Public safety	990,345	990,345	981,691	8,654
Public works	6,000	6,000	6,503	(503)
Capital improvement program	435,100	734,858	168,968	565,890
Total Expenditures	<u>5,517,683</u>	<u>5,901,065</u>	<u>4,693,267</u>	<u>1,207,798</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(123,029)</u>	<u>(506,411)</u>	<u>866,030</u>	<u>1,372,441</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(132,196)	(187,696)	(176,617)	11,079
Total Other Financing Sources (Uses)	<u>(132,196)</u>	<u>(187,696)</u>	<u>(176,617)</u>	<u>11,079</u>
NET CHANGE IN FUND BALANCE	<u>(\$255,225)</u>	<u>(\$694,107)</u>	689,413	<u>\$1,383,520</u>
Fund balance at beginning of year			<u>4,915,964</u>	
Fund balance at end of year			<u>\$5,605,377</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, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Utility users tax	\$272,000	\$292,886	\$20,886
Contribution	15,500	588,646	573,146
Investment and other revenues		143,754	143,754
Total Revenues	<u>287,500</u>	<u>1,025,286</u>	<u>737,786</u>
EXPENDITURES			
Capital improvement program	<u>70,000</u>	<u>37,631</u>	<u>32,369</u>
Total Expenditures	<u>70,000</u>	<u>37,631</u>	<u>32,369</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(419,000)</u>	<u>987,655</u>	<u>(1,406,655)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (in)	<u>(55,500)</u>	<u>23,131</u>	<u>(78,631)</u>
Total Other Financing Sources (Uses)	<u>(55,500)</u>	<u>23,131</u>	<u>(78,631)</u>
Net change in fund balance	<u>\$217,500</u>	1,010,786	<u>\$793,286</u>
Fund balance at beginning of year		<u>5,420,289</u>	
Fund balance at end of year		<u>\$6,431,075</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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Sales tax	\$275,000	\$323,067	\$48,067
Investment and other revenues		<u>3,978</u>	<u>3,978</u>
Total Revenues	<u>275,000</u>	<u>327,045</u>	<u>52,045</u>
EXPENDITURES			
Capital improvement program	<u>558,823</u>	<u>275,000</u>	<u>283,823</u>
Total Expenditures	<u>558,823</u>	<u>275,000</u>	<u>283,823</u>
Net change in fund balance	<u><u>(\$283,823)</u></u>	52,045	<u><u>\$335,868</u></u>
Fund balance at beginning of year		<u>18,925</u>	
Fund balance at end of year		<u><u>\$70,970</u></u>	

Notes 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, 2019

	Special Revenue Funds			
	Public Safety	Gas Tax	Public Safety COPS	Library Fund
ASSETS				
Cash and investments		\$34,120	\$111,909	\$231,067
Accounts and interest receivable	\$1,194	15,959	564	1,385
Total Assets	<u>\$1,194</u>	<u>\$50,079</u>	<u>\$112,473</u>	<u>\$232,452</u>
LIABILITIES				
Accounts payable		\$130,540		\$14,235
Due to other funds	\$7,520			
Total Liabilities	<u>7,520</u>	<u>130,540</u>		<u>14,235</u>
FUND BALANCES (DEFICIT)				
Restricted			\$112,473	218,217
Unassigned	(6,326)	(80,461)		
Total Fund Balance	<u>(6,326)</u>	<u>(80,461)</u>	<u>112,473</u>	<u>218,217</u>
Total Liabilities and Fund Balances	<u>\$1,194</u>	<u>\$50,079</u>	<u>\$112,473</u>	<u>\$232,452</u>

Special Revenue Funds	Capital Projects Funds			
Measure M	Park In-Lieu	Grants	Storm Damage	Totals
	\$34,015	\$66,400		\$477,511
	185			19,287
	<u>\$34,200</u>	<u>\$66,400</u>		<u>\$496,798</u>
\$68,904				\$213,679
2,193				9,713
<u>71,097</u>				<u>223,392</u>
(71,097)	\$34,200	\$66,400		431,290
				(157,884)
<u>(71,097)</u>	<u>34,200</u>	<u>66,400</u>		<u>273,406</u>
	<u>\$34,200</u>	<u>\$66,400</u>		<u>\$496,798</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, 2019

	Special Revenue Funds			
	Public Safety	Gas Tax	Public Safety COPS	Library Fund
REVENUES				
Taxes:				
Sales tax	\$16,249			
Gas tax		\$192,350		
Total taxes	16,249	192,350		
Agency revenues				
Grants			\$148,747	
Investment and other revenues	(43)	(613)	2,141	\$6,263
Total Revenues	16,206	191,737	150,888	6,263
EXPENDITURES				
Town center facilities				71,255
Public safety	15,000		145,000	
Public works		145,960		
Capital improvement program		78,000		
Total Expenditures	15,000	223,960	145,000	71,255
OTHER FINANCING SOURCES				
Transfers in (Note 4)		132,196		
Total other financing sources		132,196		
Net change in fund balances	1,206	99,973	5,888	(64,992)
Fund balances at beginning of year	(7,532)	(180,434)	106,585	283,209
Fund balances (deficit) at end of year	(\$6,326)	(\$80,461)	\$112,473	\$218,217

Special Revenue Funds	Capital Projects Funds			
Measure M	Park In-Lieu	Grants	Storm Damage	Totals
				\$16,249
				192,350
				208,599
		\$70,500		219,247
	\$780			8,528
	780	70,500		436,374
				71,255
				160,000
\$11,897		16,621		174,478
67,000				145,000
78,897		16,621		550,733
			\$21,290	153,486
			21,290	153,486
(78,897)	780	53,879	21,290	39,127
7,800	33,420	12,521	(21,290)	234,279
(\$71,097)	\$34,200	\$66,400		\$273,406

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, 2019

	Public Safety			Gas Tax		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Sales tax	\$15,000	\$16,249	\$1,249			
Gas tax				\$182,459	\$192,350	\$9,891
Total taxes	<u>15,000</u>	<u>16,249</u>	<u>1,249</u>	<u>182,459</u>	<u>192,350</u>	<u>9,891</u>
Agency revenues						
Grants						
Investment and other revenues		(43)	(43)	(100)	(613)	(513)
Total Revenues	<u>15,000</u>	<u>16,206</u>	<u>1,206</u>	<u>182,359</u>	<u>191,737</u>	<u>9,378</u>
EXPENDITURES						
Town center facilities						
Public safety	15,000	15,000				
Public works				236,755	145,960	90,795
Capital improvement program				78,000	78,000	
Total Expenditures	<u>15,000</u>	<u>15,000</u>		<u>314,755</u>	<u>223,960</u>	<u>90,795</u>
Excess (Deficiency) of Revenues Over Expenses		<u>1,206</u>	<u>1,206</u>	<u>(132,396)</u>	<u>(32,223)</u>	<u>(81,417)</u>
OTHER FINANCING SOURCES						
Transfers in				132,196	132,196	
Total Other Financing Sources				<u>132,196</u>	<u>132,196</u>	
Net change in fund balances		<u>1,206</u>	<u>\$1,206</u>	<u>(\$200)</u>	99,973	<u>(\$81,417)</u>
Fund balances, beginning of Year		<u>(7,532)</u>			<u>(180,434)</u>	
Fund balances (deficit), end of Year		<u><u>(\$6,326)</u></u>			<u><u>(\$80,461)</u></u>	

Public Safety COPS			Library Fund			Measure M		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$113,300		(\$113,300)
\$145,000 (500)	\$148,747 2,141	\$3,747 2,641	\$104,100	\$6,263	(\$97,837)	300		(300)
144,500	150,888	6,388	104,100	6,263	(97,837)	113,600		(113,600)
			104,100	71,255	32,845			
145,000	145,000					11,000	\$11,897	(897)
						102,000	67,000	35,000
145,000	145,000		104,100	71,255	32,845	113,000	78,897	34,103
(500)	5,888	6,388		(64,992)	(130,682)	600	(78,897)	(79,497)
<u>(\$500)</u>	<u>5,888</u>	<u>\$6,388</u>	<u></u>	<u>(64,992)</u>	<u>(\$130,682)</u>	<u>\$600</u>	<u>(78,897)</u>	<u>(\$79,497)</u>
	<u>106,585</u>			<u>283,209</u>			<u>7,800</u>	
	<u>\$112,473</u>			<u>\$218,217</u>			<u>(\$71,097)</u>	

(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, 2019

	Park in Lieu			Grants		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Sales tax						
Gas tax						
Total taxes						
Agency revenues						
Grants				\$1,600	\$70,500	\$68,900
Investment and other revenues	(\$200)	\$780	\$980			
Total Revenues	(200)	780	980	1,600	70,500	68,900
EXPENDITURES						
Town center facilities						
Public safety						
Public works				26,600	16,621	9,979
Capital improvement program						
Total Expenditures				26,600	16,621	9,979
Excess (Deficiency) of Revenues Over Expenses	(200)	780	980	(25,000)	53,879	58,921
OTHER FINANCING SOURCES						
Transfers in						
Total Other Financing Sources						
Net change in fund balances	<u>(\$200)</u>	780	<u>\$980</u>	<u>(\$25,000)</u>	53,879	<u>\$58,921</u>
Fund balances, beginning of Year		<u>33,420</u>			<u>12,521</u>	
Fund balances (deficit), end of Year		<u>\$34,200</u>			<u>\$66,400</u>	

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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

TOWN OF PORTOLA VALLEY
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Crescent Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$115,284	\$21,704	\$241	\$136,747
Accounts and interest receivable	551	240		791
	<u>115,835</u>	<u>21,944</u>	<u>241</u>	<u>137,538</u>
Total assets	<u>\$115,835</u>	<u>\$21,944</u>	<u>\$241</u>	<u>\$137,538</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$115,835</u>	<u>\$21,944</u>	<u>\$241</u>	<u>\$137,538</u>
<u>Portola Valley Ranch Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$30,977	\$1,445	\$38	\$32,384
Accounts and interest receivable	142	37		179
	<u>31,119</u>	<u>1,482</u>	<u>38</u>	<u>32,563</u>
Total assets	<u>\$31,119</u>	<u>\$1,482</u>	<u>\$38</u>	<u>\$32,563</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$31,119</u>	<u>\$1,482</u>	<u>\$38</u>	<u>\$32,563</u>
<u>Wayside Road I Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$7,303	\$171	\$17	\$7,457
Accounts and interest receivable	24	16		40
	<u>7,327</u>	<u>187</u>	<u>17</u>	<u>7,497</u>
Total assets	<u>\$7,327</u>	<u>\$187</u>	<u>\$17</u>	<u>\$7,497</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$7,327</u>	<u>\$187</u>	<u>\$17</u>	<u>\$7,497</u>

(Continued)

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Wayside Road II Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$52,734	\$41,133	\$6,532	\$87,335
Accounts and interest receivable	334	268		602
Total assets	<u>\$53,068</u>	<u>\$41,401</u>	<u>\$6,532</u>	<u>\$87,937</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$53,068</u>	<u>\$41,401</u>	<u>\$6,532</u>	<u>\$87,937</u>
<u>Woodside Highlands Maintenance District</u>				
<u>Assets</u>				
Cash and investments	\$274,624	\$67,176	\$4,811	\$336,989
Accounts and interest receivable	1,331	661		1,992
Total assets	<u>\$275,955</u>	<u>\$67,837</u>	<u>\$4,811</u>	<u>\$338,981</u>
<u>Liabilities</u>				
Deposits and other liabilities		\$63,026		
Total liabilities	<u>\$275,955</u>	<u>\$67,837</u>	<u>\$4,811</u>	<u>\$338,981</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$480,922	\$131,629	\$11,639	\$600,912
Accounts and interest receivable	2,382	1,222		3,604
Total assets	<u>\$483,304</u>	<u>\$132,851</u>	<u>\$11,639</u>	<u>\$604,516</u>
<u>Liabilities</u>				
Deposits and other liabilities	<u>\$483,304</u>	<u>\$132,851</u>	<u>\$11,639</u>	<u>\$604,516</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, 2019, and have issued our report thereon dated May 22, 2020.

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 May 22, 2020 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
May 22, 2020

**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, 2019

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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, 2019. 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, 2019.

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.

Maze & Associates

Pleasant Hill, California
May 22, 2020

TOWN OF PORTOLA VALLEY
SCHEDULES OF MEASURE A FUNDS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
COMPARATIVE BALANCE SHEETS		
Assets		
Cash and investments	\$319,448	\$279,682
Accounts receivable	<u>26,522</u>	<u>23,066</u>
Total assets	<u><u>\$345,970</u></u>	<u><u>\$302,748</u></u>
Liabilities		
Accounts payable	\$275,000	\$283,823
Fund Balance		
Restricted	<u>70,970</u>	<u>18,925</u>
Total Liabilities and Fund Balances	<u><u>\$345,970</u></u>	<u><u>\$302,748</u></u>

COMPARATIVE SCHEDULES OF
CHANGES IN FUND BALANCE

Fund Balance - July 1	\$18,925	\$1,390
Revenues:		
Sales tax - Measure A	\$323,067	\$299,159
Interest income	<u>3,978</u>	<u>2,199</u>
Total Revenue	<u>327,045</u>	<u>301,358</u>
Expenditures:		
Street resurfacing	<u>275,000</u>	<u>283,823</u>
Net Change in Fund Balances	<u>52,045</u>	<u>17,535</u>
Fund balance - June 30	<u><u>\$70,970</u></u>	<u><u>\$18,925</u></u>

TOWN of PORTOLA VALLEY

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

May 22, 2020

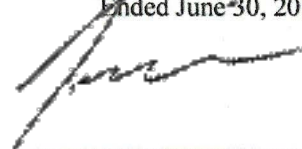
San Mateo County Transportation Authority
120 San Carlos Avenue
San Carlos, California 94070

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

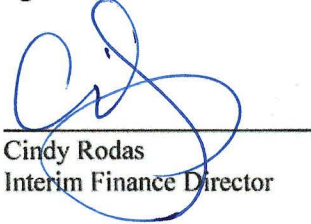
The Town of Portola Valley is responsible for complying with the *Agreement For Distribution Of San Mateo County Measure A Funds For Local Transportation Purposes* (the Agreement) between the Town and the San Mateo County Transportation Authority entered into on January 28, 2009. The Agreement states 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, 2019:

- 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, 2019, are in compliance with the Agreement.



Jeremy Dennis
Town Manager



Cindy Rodas
Interim Finance Director

**TOWN OF PORTOLA VALLEY
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2019**

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

For The Year Ended June 30, 2019

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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, 2019, 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.

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

Pleasant Hill, California
May 22, 2020

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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 affect in the next few years. We cite them here to keep you informed of developments.

Please note that due to the impact of COVID-19, all effective/implementation dates noted below have been officially postponed as listed below. It's Town's choice whether to follow the original timeline or postpone one year. We are keeping the original effective dates here for your quick reference:

- **Postponed by 12 months: GASB 84, GASB 90, GASB 89, GASB 91**
- **Postponed by 18 months: GASB 87**

(Originally) Effective in 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.

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.

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.

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), (Continued)

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.

(Originally) Effective in 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.

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

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

(Originally) Effective in fiscal year 2021-22:

GASB 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations.


This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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TOWN OF PORTOLA VALLEY STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Howard Young, Public Works Director 

DATE: September 23, 2020

RE: **Senate Bill 1 (SB1) Road Maintenance and Rehabilitation Account Funding and Submittal of a Proposed Project list**

RECOMMENDATION

Staff recommends that the Town Council adopt the attached resolution approving a project list to comply with SB-1 funding requirements as required annually.

BACKGROUND

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1), Road Repair and Accountability Act of 2017, to address transportation funding shortfalls statewide. SB 1 established a Road Maintenance and Rehabilitation Account (RMRA) in the State Transportation Fund. Beginning in January 2018, the State Controller deposited funds generated from increased fuel taxes and vehicle registration fees into the RMRA. A portion of the RMRA funds are distributed on a monthly basis to cities for basic road maintenance, rehabilitation and critical safety projects on local streets and road systems.

In Fiscal Year 2019-2020, the estimated amount the Town was to receive from the RMRA was \$78,902. The Town has actually received distribution payments totaling \$80,693 for 2019-2020. A project list for 2019-2020 was approved by the Town Council on April 24, 2019.

In Fiscal Year 2020-2021, the Town is estimated to receive \$80,073 from the RMRA. Estimates were provided by *CaliforniaCityFinance.com*.

COVID-19 IMPACT

Due to the COVID-19 pandemic event, the Town Council at its March 28, 2020 meeting decided to place the 2019-2020 Annual Street Resurfacing Project on hold. As a result, the 2019-2020 project is anticipated to be rescheduled for the Summer of 2021 and will

be budgeted for in the 2021-2022 fiscal year. By doing so, it delayed the Town's previous 2019-2020 SB1 submitted project list. This is not an issue as the SB1 program is flexible on completion dates. Subsequently, as a domino effect, this year's 2020-2021 list will also be delayed until 2022. If needed, staff will plan to determine how to address this in subsequent years if the COVID-19 situation continues.

Staff also wants to note that the annual proposed project list is typically due to the State by May 1 of each year. However, due to COVID-19, the program extended submittal of the proposed project list until September 30, 2020. The Town delayed the submittal until the 2020-2021 budget was more developed and to see how the COVID-19 situation continued. The proposed project list will likely change as continuing unforeseen conditions and budget may not be apparent even by 2021-2022. However, a proposed list must be submitted to satisfy program requirements. In addition, the Town's Pavement Management System will be updated and is budgeted for in the upcoming 2020-2021 fiscal year which will provide updated information that may affect the list.

DISCUSSION

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. In order to be eligible for RMRA funding in this year, the Town must annually adopt a resolution approving the list of projects to receive RMRA funding in Fiscal Year 2020-2021. Staff recommends that the funding be applied towards the Town's Annual Street Resurfacing Project, which will be included in the Proposed Budget for Fiscal Year 2021-2022. The funds can be used on a previous or future submitted project.

The project list includes, project description, locations, completion schedule, anticipated useful life and other information required by the Commission. The project locations and dates are considered flexible, which allows for changes, substitutions, additions, or removal of roadways. This is helpful as staff will be in the process of developing the scope of the 2021-2022 street resurfacing projects. The current project list (Attachment 1) is derived from the Towns Pavement Management System, based on a program that was developed by the Metropolitan Transportation Commission. This draft list was compiled in order to receive SB 1 funding, and does not represent the complete list of street projects for the upcoming fiscal year.

FISCAL IMPACT

Funding from multiple sources, including SB1/RMRA funds of \$80,073, for the Annual Street Resurfacing project will be considered in the Proposed Budget for Fiscal Year 2021-2022 under Capital Improvements. The funds are provided to the Town on a monthly basis.

ATTACHMENT

1. Project list
2. Resolution

ATTACHMENT #1**PROPOSED SB-1 TRANSPORTATION FUNDING PROJECT LIST**

Project Name: Street Resurfacing Project in the Town of Portola Valley

1. Project Description: As part of the Town's annual street resurfacing program, this proposed project consists of street resurfacing and rehabilitation work consisting of base repairs, crack sealing, and asphalt overlay or slurry/surface seals. The primary factor for choosing the roadway segments included is the Pavement Condition Index (PCI) of each roadway. PCI is a measurement of a street's condition derived through field inspections that utilize scoring criteria developed by the Metropolitan Transportation Commission's (MTC) pavement management program.
2. Location of the Project:
 - a. Cervantes Road: Westridge Drive to Shawnee Pass (North/West end)
 - b. Cervantes Road: Kiowa Court to Arapahoe Court
 - c. Pinon Drive: Westridge Drive to La Sandra Way
3. Schedule of Completion: The project is estimated to be complete by December 2022. Due to COVID-19 or other unforeseen circumstances, project priorities may change.
4. Estimated Useful Life:

Resurfacing and rehabilitation work will extend life expectancy of these streets as shown below:

- Slurry/Surface seals 4 – 6 years
- Asphalt Overlay 10-15 years

RESOLUTION NO. _____-2020

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY
ADOPTING A PROJECT LIST FOR FISCAL YEAR 2020-21 FUNDED BY SB 1: THE
ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our Town are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the Town must adopt a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1 by resolution, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the Town, will receive an estimated \$80,073 in RMRA funding in Fiscal Year 2020-21 from SB 1; and

WHEREAS, this is the fourth year in which the Town is receiving SB 1 funding and will enable the Town to continue essential road maintenance and rehabilitation projects; and

WHEREAS, the Town used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the Town maintain and rehabilitate the listed roads, and many similar projects into the future.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the Town Council of the Town , State of California, as follows:

1. The foregoing recitals are true and correct.
2. The fiscal year 2020-21 list of projects planned to be funded with Road Maintenance and Rehabilitation Account revenues include: **See Attachment 1 for project list.**

PASSED AND ADOPTED by the Town Council of the Town of Portola Valley,
State of California this 23rd day of September, 2020.

Mayor

ATTEST:

Town Clerk



TOWN OF PORTOLA VALLEY

Colleagues Memo

TO: Members of the Town Council

FROM: Mayor Jeff Aalfs and Councilmember Craig Hughes

DATE: September 23, 2020

RE: Creation of a “PG&E Public Safety Council Subcommittee”

RECOMMENDATION

We recommend that the Town Council create a “PG&E Public Safety Council Subcommittee.”

BACKGROUND

Over the last five years, the Town has worked on a variety of issues with PG&E related to power, with various degrees of success:

- Undergrounding power lines, and the use of Rule 20A funds to do so
- Public Safety Power Shutoff (PSPS) events
- Vegetation Management in Tier 3 fire zones, primarily in the Woodside Highlands
- Recent blackouts, “load shedding” events, and equipment issues
- Microgrid concepts
- Power to cell sites during PSPS events

These issues have been dealt with by various committees and staff on an ad-hoc basis, as time, resource, and the issues required.

We believe that a dedicated subcommittee of the Council is now required in order to provide a foundation to these interconnected issues.

DISCUSSION


We request that the Town Council create the “PG&E Public Safety Council Subcommittee” that will be authorized to utilize staff time to:

- Explore the Town’s relationship with PG&E in light of ongoing PSPS events
- Consider microgrid proposals that may include other Town partners
- Work with the Cable and Undergrounding Committee on future undergrounding concepts
- Reach out to elected officials in nearby Towns and the County to discuss the full context of the situation and possible coordinated efforts.
- Other issues as identified



TOWN OF PORTOLA VALLEY STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Jeremy Dennis, Town Manager 

DATE: September 23, 2020

RE: Woodside Highlands Road Maintenance District Citizen Advisory Board formalization

RECOMMENDATION

Staff recommends that the Town Council adopt the resolution and attached mission statement/charter for the Woodside Highlands Road Maintenance District Citizen Advisory Committee.

BACKGROUND

The Woodside Highlands Road Maintenance District (WHRMD) has existed since the early 1970's. The District was created to support road maintenance for the residents who live along Santa Maria Avenue and its connected roads, a private road system. The Town collects taxes on behalf of District and reimburses road maintenance costs based on the approved annual budget for the District.

A July 1972 document describes a "Citizen Advisory Board" that is intended to support the above work and provide recommendations to the WHRMD Board, which is the Town Council (Attachment 2).

The Woodside Highlands Improvement Association (WHIA) has its own committees, including a Roads Committee, which has historically performed some of the duties of the WHRMD Citizen Advisory Board.

DISCUSSION

In order to provide future clarity on this process, staff recommends that the Town Council adopt the attached draft charter for the WHRMD Citizen Advisory Committee (changing the name from a board to a committee, matching the Town's naming conventions), similar to charters adopted for other committees. With adoption, the WHRMD Citizen Advisory

Committee would utilize Town resources to set up and hold meetings, and would be accountable in the same manner as other committees.

Adopting the charter does not alter the relationship between the WHRMD Board and the WHIA, nor does it change the ownership status of the roads and the Town.

FISCAL IMPACT

There are minor fiscal impacts associated with a slight increase in staff work to support the Citizen Advisory Board that can be absorbed in the current staffing.

ATTACHMENT

1. Resolution adopting WHRMD Citizen Advisory Committee charter
2. Procedural Directive, WHRMD Citizen Advisory Board

RESOLUTION NO. _____-2020

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY ADOPTING THE WOODSIDE HIGHLANDS ROAD MAINTENANCE DISTRICT CITIZEN ADVISORY COMMITTEE CHARTER

WHEREAS, the Woodside Highlands Road Maintenance District (WHRMD) has existed since the early 1970's. It was created to support private road maintenance for the residents who live along Santa Maria Avenue and its connected roads, a private road system;

WHEREAS, maintenance of the WHRMD roads and right of ways is outlined in the Portola Valley Town Resolution 374-1972 and July 10, 1972 Procedure Directive ("1972 Directive");

WHEREAS, the 1972 Directive describes a "Citizen Advisory Board" that is intended to support the above work and provide recommendations to the WHRMD Board, which is the Town Council;

WHEREAS, the Town collects and holds funds collected by the District from those who live in the system and, on an annual basis, approving a budget for the future year's work. The Town also reimburses for said work;

WHEREAS, The Woodside Highlands Improvement Association (WHIA) has its own committees, including a Roads Committee, which has historically performed the duties of the WHRMD Citizen Advisory Board; and

WHEREAS, the Town Council has read and considered the Charter.

NOW, THEREFORE, the Town Council of the Town of Portola Valley does hereby **RESOLVE** as follows:

1. The Citizens Advisory Committee referenced in the 1972 Directive is re-named the Woodside Highlands Road Maintenance District (WHRMD) Citizen Advisory Committee (changing the name from a board to a committee, matching the Town's naming conventions).
2. The WHRMD Citizen Advisory Committee shall be governed by the Charter attached and incorporated as Exhibit A.
3. To the extent this resolution conflicts with the 1972 Directive, this Resolution shall govern.
4. Nothing in this resolution shall be construed as transferring road ownership or maintenance responsibility to the Town and all such roads shall continue to be privately owned and maintained.

PASSED AND ADOPTED this 23rd day of September, 2020.

By: _____
Jeff Aalfs, Mayor

ATTEST:

Sharon Hanlon, Town Clerk

**Exhibit A
Woodside Highlands Road Maintenance District
Citizen Advisory Committee**

Charter

OBJECTIVES

Support the maintenance of the Woodside Highlands Road Maintenance District (District) roads and right of ways, as outlined by the Portola Valley Town Resolution 374- 1972 and July 10, 1972 Procedure Directive. The Procedure Directive defines the Citizens Advisory Board (CAB), this charter renames the CAB as the Citizens Advisory Committee (CAC) to bring it in line with the general committee structure of the Town.

DUTIES AND FUNCTIONS

1. Provide recommendations to the Portola Valley Town Council (Council) to preserve the integrity of the traveled surface and such supplementary repair which protect the road and associated right of way.
2. Develop and submit an annual budget in line with annual assessment revenue to the Council to support anticipated roadwork and repairs.
3. Determine the time and place of needed repairs, and implement such repairs subject to approval of the Council. Planned roadwork and repairs will be submitted through the annual budget approval process. Exceptional and unanticipated expenses may, as needed, be approved by the Council.
4. Expenses \$5,000 or less, in the approved budget, can be paid by submitting an invoice to the Town Clerk with the signature of the Chair of the CAC. Approved expenses over \$5,000 require a purchase order. Purchase orders will be generated by the Town based on a signed request from the Chair of the CAC.
5. An Annual Report of activities and revenue, and expenses will be compiled and presented to the residents of the District.

RESPONSIBLE TO

Portola Valley Town Council serving as the WHRMD Board.

MEMBERSHIP

The Committee shall consist of seven regular voting members appointed by the Council. The members serve one-year terms and must be residents of the District. The Council will consider nominations made by residents of the District through a process developed by the residents of the District. Vacancies will be filled using the same process to submit new candidates to the Council.

MEETINGS

Meetings of the Committee may be held as needed but at least quarterly. Meetings will be noticed, public meetings presided over by a chair elected by the members of the Committee, and the proceedings shall be recorded by a secretary selected by the members.

Draft 09/16/2020

TOWN of PORTOLA VALLEY

Town Hall and Offices: 4141 Alpine Road, Portola Valley, Calif. 94025 Tel. (Area Code 415) 851-1701

COUNCIL:

ROBERT H. ANDERSON
Mayor
 MILTON E. JOHNSON
Vice-Mayor
 ROBERT H. ALWAY
 ELEANOR B. BOUSHRY
 JAMES W. WHITSON

TOWN OFFICERS:

Clerk
 MILDRED WHITAKER
Attorney
 JAMES T. MORTON

July 10, 1972

WOODSIDE HIGHLANDS ROAD MAINTENANCE DISTRICT - PROCEDURE DIRECTIVE

PROVISIONS.....The Town of Portola Valley in Resolution No. 374-1972 established the Wayside Road Maintenance District. The Citizens Advisory Board was appointed by the Town Council to provide recommendations and implement a system of voluntary labor supplied by the property owners. Funds for materials and services are provided through normal taxing procedures governing maintenance districts.

PURPOSE.....The purpose of the Woodside Highlands Road Maintenance District is to insure continuing repair of the road with the property owners assuming responsibility for supplying the labor and instructional guidance in a manner which will enable the maintenance to be accomplished at a minimum cost, consistent with acceptable repair standards.

CITIZENS ADVISORY BOARD.....Woodside Highlands Maintenance District....The Portola Valley Town Council appoints advisors to implement this maintenance. Advisors serve on a voluntary basis at the discretion of the Council and will be notified of their appointment by the Town. No person shall act in this capacity until acknowledged by the Council. Property owners in the district may recommend, to the Council, names for advisors who will represent their section.

MAINTENANCE.....Maintenance shall consist of such repair which preserves the integrity of the traveled surface and such supplementary repair which protects the

Woodside Highlands Maintenance District - Procedure Directive (2)

road from erosion. The Citizens Advisory Board has responsibility for determining the time and place of needed repairs, and the implementation of such repairs subject to the approval of the Town.

MAINTENANCE PROCEDURES.....


1. Annual Estimate: Prior to the 1st of June the Advisory Board shall prepare an outline of proposed work for the next fiscal year (July through June) with estimated costs and submit it to the Town Clerk. Funds will be budgeted by the Town Council on the basis of the annual estimate.
2. Purchase Orders:
 - a. The Town Clerk provides the Advisory Board Chairman with a numbered book such as Rediform No. 1H141 for initiating purchases of materials and services.
 - b. The Town Clerk will designate those board members who may initiate purchases of materials or services. A separate order must be made for each supplier.
 - c. The purchaser is responsible for preparing the purchase order and securing authorization signatures after he has signed the order. Where possible unit costs of materials and services should be shown on the purchase order. The quantity or extent of services must be shown on the order.
 - d. No purchase of materials or services shall be contracted for before the purchase order is signed by the Advisory Board Chairman and the Town Clerk, in that sequence.
 - e. The white copy of the purchase order should be given to the supplier with instructions to submit with his statement to the Town of Portola Valley for payment. Except in unusual circumstances the purchaser should not make direct payment to the supplier. It is preferable to have an understanding with the supplier that he will be expected to bill the Town. Where this is not possible and time permits, secure prior approval from the Town.



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Jeremy Dennis, Town Manager 
Cindy Rodas, Interim Finance Director
Jim Saco, Fiscal Consultant

DATE: September 23, 2020

RE: Revised FY 2020-21 Budget

RECOMMENDATION

Staff recommends that the Town Council adopt the revised budget for Fiscal Year 2020-21

BACKGROUND

The FY 2020-21 budget process was entirely upended by the COVID-19 pandemic. Typically, the final stages of the budget process begin in March, after Council engagement with committees and the development of Council Priorities. This year, the Town implemented shelter in place protocols the week managers were to begin their budget building process, and were directed to focus all energies for the remainder of March into early April to ensure that COVID-19 guidance and orders were in place while beginning the process of moving most of the Town's services online.

By early May, it was clear that there was great uncertainty about how a variety of the Town's important resources would be impacted by COVID-19. A variety of expenditures were likely to be put on hold or otherwise not considered for the next year's budget, especially discretionary spending such as in the capital improvement program. Staff recommended, and the Council approved, the adoption of an interim budget, made up of FY 2019-20's operational line items, to allow the Town to meet its obligations over the summer.

The revised budget process was quite truncated, with half the time normally provided to staff to develop and produce a draft budget. This budget was presented to the Finance Committee on September 17 (details below).

DISCUSSION

Budget "Look"

The new budget presentation is very different from previous budgets. Prior budgets primarily consisted of three major sections: revenues, expenditures and capital projects.

For the first two sections, revenues and expenditures were grouped in “departments” that did not actually represent the traditional departments such as public works, planning and building, etc. Instead, it appears the groupings grew organically as needed, as new sources and expenses were added and subtracted to the budget.

As a result, the ability understand the “costs” associated with any traditional function of departments was unavailable for analysis.

Per the conversations over the last two years, the Council and the Finance Committee supported the transformation of the budget to the new style. This new presentation summary is available in the table of contents of the FY 2020-21 budget.

Budget Content

The revised budget contains the transmittal message regarding its contents.

As there is continued long-term uncertainty related to the COVID’s impact on general fund (discretionary) spending, staff does not recommend the adoption of a five year Capital Improvement Program as part of the FY 2020-21 budget. Instead, discussion of this program will be part of upcoming budget study sessions with the Town Council this fall.

Finance Committee Comments

The Finance Committee met on September 17 and recommended the revised budget for adoption by the Town Council.

The Committee made the following comments:

1. There was overall support for the new look of the budget book, which they believe provides new ease of access
2. While not part of a recommendation, there was discussion of the future use of open space funds for maintenance of current open space properties, particularly related to wildfire vegetation management
3. The Committee asked staff to find ways to show the appreciation of interest assets, similar to the depreciation of physical assets
4. Specific questions related to the growth of medical costs in the Planning Department from FY 2018-19 to FY 2019-20 will be addressed at the Council meeting

Staff Comments

In addition to the typical process that the Council utilizes to review the budget, ask questions and direct staff, staff has the additional questions/comments:

1. Should the Fee Schedule, which is typically brought to the second of the two Council meetings, be amended to include the normal, annual CPI?
2. Should the Salary Schedule, which is typically brought to the second of the two Council meetings, be amended to include the normal, annual CPI?
3. Staff believes that it would be appropriate to move expenditures related to wildfire vegetation management into the Fire Services budget; does the Council concur?

4. Staff did not include any changes to the utility users tax rate, which can be modified by Council action; does the Council concur?

ATTACHMENT

1. Revised FY 2020-21 Budget

A handwritten signature in black ink, appearing to be "J. J. J.", is located in the upper right quadrant of the page.

Town of Portola Valley, California

Proposed Revised Annual Budget

Fiscal Year 2020-2021

About this Document

Compiled by Administration and Finance

Budget Team:

Jeremy Dennis, Town Manager

Cindy Rodas, Finance Director

Jim Saco, Fiscal Consultant

Questions? Email:

crodas@portolavalley.net



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Town of Portola Valley, California

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Town of Portola Valley, CA Financial Plan Fiscal Year 2021

Town Council

Jeff Aalfs, Mayor

Maryann Derwin, Councilmember

John Richards, Councilmember

Craig Hughes, Councilmember

Ann Wengert, Councilmember

Town Administration

Jeremy Dennis, Town Manager

Cindy Rodas, Finance Director



TOWN OF Portola Valley

765 Portola Road

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Town of Portola Valley, California

Transmittal Memo

Town Manager Budget Message

Budget Message

Below is the staff's recommendation to revisions to the Fiscal Year 2020-21 budget.

Typically, staff is "delighted" or "excited" to present the annual budget. The circumstances of this year's budget work is anything but. As we enter our sixth month collectively experiencing the myriad impacts, challenges, and heartbreaks associated with the ongoing COVID-19 pandemic, the activity supporting this budget revision only serves to remind us that we continue to operate (and live) in uncertain, challenging times.

The Town Council made a wise decision in May, as uncertainty dominated our landscape, to adopt, with minimal changes, the FY 2019-20 budget to serve as an interim budget to ensure continuity of service. There were (and to some extent, still are) ambiguities ahead as it relates to all aspects of the budget. By providing additional time to survey the landscape, speak with our partners, and attempt to understand better the longer-term impacts of COVID-19 on the budget, we have a more solid footing to forecast the next year.

Early in this pandemic, it was clear to staff that the unique mix of revenue sources the Town depends on to provide services (and their percentage make-up of overall revenue) would shield the Town from some of the worst fiscal impacts of the pandemic that other municipalities are unfortunately experiencing. Nearly half of the Town's revenue is derived from property taxes, which have not been impacted negatively (particularly in the short- to medium-term). The Town does not rely on significant sales tax revenue as other communities do, and a few of the Town's highest sales tax generators have seen upticks in their sales. The collection of Utility Users Tax has increased as more residents either sheltered in place or worked from home, while the Town's Franchise Fees increased both due to these reasons and also as a result in a new garbage collection contract.

This is not to say that other revenue sources decreased. Revenue derived from classes and instruction fell to zero in the fourth quarter, as did revenue associated with facility rental. These sources are not expected to rebound until well into the next calendar year at the earliest. The FY 2019-20 actuals bear out these stark reductions, as well as the emergency expenditures necessary to support staff working from home, providing online and virtual services for residents, and ensuring that the Town's facilities were protected.

However, the overall impact on the revised budget has been manageable through modest, surgical reductions in all departments, a slimmer capital improvement program, and expected ongoing reductions due to the pandemic. As a result, we are able to employ all existing staff full-time while ensuring the vast majority of critical service delivery to residents and visitors alike. This is a laudable achievement.

However, the use of reserves are necessary to move forward on core Town activities, as well as a modest capital improvement program.

The COVID -19 pandemic has fundamentally affected and altered how government interacts with its constituency and how its services are delivered. Some of these changes are frustrating and counter to how Portola Valley's staff and the residents we serve have traditionally enjoyed; other changes are positive and provide service more responsively.

Development of the Revised FY 2020-21 Budget

Budget "Look and Feel"

As previewed in the interim FY 2019-20, the budget now has a new design. This design provided vastly increased transparency into the operations of the Town but highlighting departments as they are traditionally understood (Planning and Building, Town Manager, Public Works, etc.).

Such a new look also vividly shows that most departments do not have dedicated funding sources to support their critical work. This is how most departments operate in all cities. Rather than show a deficiency in their structure or make-up, this new insight shows the challenges each department faces, and the essential nature of the general fund to support Town government.

COVID and the Budget

The development of the revised FY 2020-21 budget began during the implementation of the Interim FY 2020-21 budget. Substantial review of the Town's limited resources, both general fund and restricted, were underway well before consideration of this budget was undertaken. As the Town's resources are few and changes to any one could substantially affect service delivery, fully understanding how COVID-19 may have affected them was critical. Fortunately, staff was able to make the following conclusions:

1. General Fund Revenues

a. Most taxes collected by the Town (property, utility users, and minor property-related) are not expected to be negatively impacted. In fact, property taxes are expected to grow modestly at 5.0%, while utility users taxes have generally stayed flat or grown as more people are staying at home

b. Sales Tax, while clearly negatively impacted, was also buoyed by increased sales at Roberts Market, and overall large increases from the reopening of the Alpine Inn.

c. Franchise fees remained relatively flat or slightly increased, with large increases from the new GreenWaste garbage agreement.

d. Interest from investments remained strong, although LAIF has weakened in the second and third quarter. Alternative investments have remained strong.

e. Fees associated with events, instructors and field rentals have been reduced to zero as there is no timetable associated with the return of these activities

2. Restricted Fund Revenues – most concerning to staff initially was the status of those restricted funds associated with road/right-of-way projects and maintenance. However, those funds, while seeing some modest reductions, are not going to be as impactful on the revised budget as the annual road improvement project, the Town's major expenditure using these funds, is now split between two fiscal years (see below).

Regardless of the status of the Town's revenue, per the direction of the Town Council, staff implemented a program of modest, targeted reduction across all departments. This program was implemented in order to buttress the Town against any longer-term, unanticipated effects from COVID-19 or a lingering recession.

Such reductions include:

1. No cost of living adjustment for staff
2. Reductions to committee expenditures, as approved by their bodies
3. Defunding a position in Planning and Building and redistributing reduced funds to consultants
4. Reductions to some land use permitting activity
5. Smaller overall budget for capital projects
6. Modest reductions across public works functions and activities
7. Programmatic reductions in some sustainability activities that will be restored in the next budget cycle
8. Reductions in services and supplies

As a result of these changes, the budget will achieve the Town Council's goals and maintain a surplus. This surplus is supporting a reduced, but still important, capital improvement program, while still maintaining a surplus.

Budget Overview

The proposed revised FY 2020-21 budget anticipates a General Fund operating surplus of \$30,245. This operating surplus is a result of the great work by staff, as detailed above in the opening message, as a response to the uncertainty of COVID-19 and a longer-term recessionary period. These reductions can be restored in future budgets as needed, and are not anticipated to fundamentally affect essential service delivery this fiscal year. However, longer-term impacts of COVID-19 and a significant remote/online service delivery system have resulted in a learning curve with some longer wait times for some services.

This tightening of the delta between General Fund revenues and expenditures has been expected by staff over the last two years as a result of:

- Revenues not growing as quickly as expenditures
- State mandates for unfunded requirements growing
- Increased need for consulting services to support one-time projects and initiatives
- High levels of support for the town's recreational environments

In addition, needed Capital Improvement projects further reduced the General Fund operating surplus by \$386,740. A transfer of \$125,639 to the Transportation Fund was also necessary to fill the gap between the Town's street maintenance effort and the available Gas Tax revenues. This is a significant investment of General Fund dollars towards projects that, while aligning with Council Priorities, continued commitment to high road/right of way standards that impact the General Fund. These projects do require the use of the General Fund to support their completion.

As these trends are expected to continue, staff anticipates holding a series of budget study sessions in the fall to consider revenue and expenditure change opportunities. The goal of these budget study sessions is to ensure that the operational budget, as supported by the General Fund, remains robust.

Budget detail is below.

Revenue/Expense "Realities"

While the above expenditure reductions are significant, the nature of this year's revised budget, as impacted by COVID-19, wildfire realities, and other needs meant that operational revenue is down \$61,926 and expenditures are up \$70,978. Some of the revenue changes (class fees, for instance) are mostly offset by a corresponding expenditure reduction. A list of the significant revenue/expenditure changes are below:

Revenue

- ERAF – (\$90,225) – A dispute between the State and ERAF Counties has resulted in San Mateo County withholding one of the Town's ERAF payments until resolution

- Property Taxes – \$190,400 – Over the last two years, staff has conservatively budgeted property taxes below the percentages of other similar communities, as few homes are sold in Portola Valley on an annual basis, and a change in that number can alter property tax collection. This year, staff is proposing aligning the budgeted property tax as a slightly higher level than before, as collections have historically been higher than budgeted by 1-2% annually. This increase constitutes a 5% increase over FY 2019-20
- Garbage Franchise Fees – \$31,335 – Last year, the Town and GreenWaste agreed to a new, 10-year franchise agreement. That agreement included cost increases for service provision, including basic and drive/walk-on services. Staff has conservatively budgeted a 35% increase in these fees.
- Utility Users Tax (UUT) – \$78,524 – On a whole, Utility User Taxes (UUT) increased in FY 2019-20. This is primarily a result of more residents staying at home due to shelter-in place orders and working from home. Staff does not believe that this increase will change considerably this fiscal year, and has budgeted UUT levels appropriately.
- Class Fees – (\$210,000) – COVID-19 has drastically affected the Town's ability to host a variety of activities in its facilities. As it remains unclear when the pandemic will recede enough to allow for large gatherings, and that such changes will only be made as the last changes in the State's guidance, staff has budgeted these associated sub-units with zero revenue. While staff did discuss that it was likely that some revenue will be received this year from limited field rentals from leagues, and that it is possible classes will return in some capacity before the end of the year, establishing such a budget proved undefinable. As a result, the Town is not budgeting \$40,000 in revenue

Expenses

- Salaries/Benefits – (\$163,246) Primarily a result of defunding the associate/senior planner position
- Planning Consultant - \$70,000 – Partially replaces the defunding of the above position
- Landscaping – Removing dead limbs from the Redwood Trees at Town Center – \$46,000 – As recommended by the Town's insurer
- Wildfire Right of Way Vegetation Management - \$122,678 – Payment to supplant Town staff on work, and increases the amount of overall work, including selected tree removal
- Sheriff's Contract increase - \$103,817
- Instructors Fees – (165,000)

The total operating surplus is **\$30,245**.

Gas Tax Support from the General Fund

Historically, the Town's General Fund has supported expenditures associated with gas tax-related expenditures. This budget is no exception. Staff is comfortable with recommending a transfer of \$125,639 to support these expenditures.

The total surplus, prior to capital projects, is reduced to a **(\$95,394)** deficit.

Capital Project Budget

Staff is proposing a much more modest capital project budget of \$386,740, which include these significant expenditures:

- Open Space
 - \$75,500 to support open space improvements, other associated Conservation Committee-recommended projects, and tree removals

Facilities

- \$70,000 for replacement of the Public Work's pick-up truck, which has reached the end of its life and its maintenance costs are skyrocketing.

Roads/Right of way

- \$58,840 to improve selected intersections from the Pedestrian Safety Study, Two, rapid flashing beacon crosswalks and other pedestrian improvements,
as outlined in the Pedestrian Safety Plan that staff has attempted to find alternative funding for but has been unsuccessful.
- \$55,000 for mandated pavement management system upgrades and speed survey work

The deficit, with the recommended capital improvement program, is increased to **(\$482,134)**

Note that this budget only includes advanced funding for the annual street resurfacing program, which is now primarily proposed for FY 2021-22. This decision was made to better align expenditures with the bid process, and more cleanly associate various related expenditures with the year they take place. Previous road maintenance/resurface projects utilized a road impact fee no longer available to the Town, and expected future needs to support these projects require general fund support.

Acknowledgments

Every year, I write some statement akin to "this has been a busy year for staff". I do not think I will ever make such a statement again, as this last year will never be topped.

All staff made a rapid and, at times, uncomfortable, transition to working from home. These necessary and beneficial changes occurred very quickly, and happened while staff was dealing with their own emotional turmoil from the pandemic. I simply do not have the words to express how proud I am of the entire staff, who have worked continuously, with very little break (including nights and weekends) to do our best to bring service back to residents.

To Cindy Rodas – my heartfelt gratitude in managing COVID-19 expenditures, a transition between two financial systems, and two budget cycles in less than three months. I am delighted that you accepted my offer to become the Town's permanent Finance Director, and you have gained years of experience in only a few short months. I know that we will both look back on the last few months with pride and satisfaction on a job very well done.

Thank you to Jim Saco, the Town's Fiscal Consultant, who has ably assisted Cindy with the development of this budget.

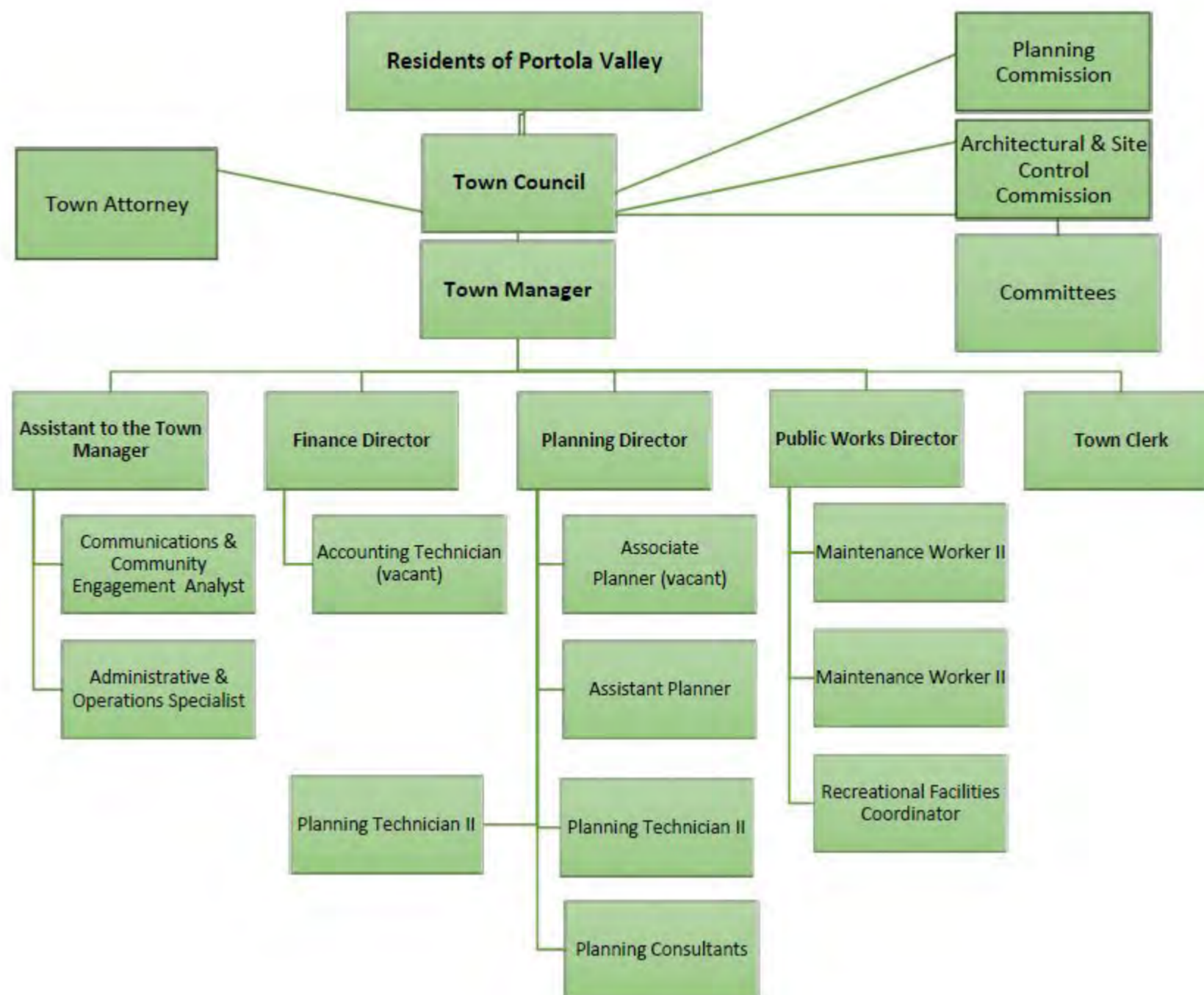
To the managers, I say thank you for your commitment to finding ways to make this a leaner budget, and working so hard to ensure success to the transition to a new budget and finance system.

Finally, an enormous thank you to the Town Council. Your collective wisdom and proactive, decisive direction has made this budget process and its included proposal a positive one.

Town of Portola Valley, California

Town Government Organizational Chart

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765 Portola Road

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Fund Descriptions

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101	General Fund	The Town's operating fund; all general operating revenues and expenditures are processed through it.
201	Grants	Used to record all revenues and expenditures related to county, State, and Federal grants.
202	Public Safety/Safety Tax	A half-cent State sales tax revenue designated exclusively for local agency public safety services. (Sec. 35 of Art. XIII of Cal Const)
203	Public Safety/COPS	Citizens' Option for Public Safety; a supplemental State Law enforcement fund for special law and traffic enforcement.
204	Open Space	Used for acquisition and support of open space parcels in Town.
205	Library Fund	Library service revenue from San Mateo County Library JPA to be spent on library related activities as mutually agreed by the JPA and Town Council.
206	Gas Tax	For maintenance and repairs to streets.
208	Frog Pond Open Space (Road Remnant)	To support maintenance of the road remnant adjacent to the Frog Pond Open Space
211	Measure A Funds	A half-cent County sales tax revenue designated for the improvement of local transportation, including streets and roads.
212	Measure M	County-generated vehicle registration revenue to be used for local streets and roads for congestion mitigation and water pollution prevention programs.
213	Measure W	County generated half-cent sales tax revenue to support congestion relief, including road work and new projects.
221	Park-in-Lieu	Subdivision developer's fee that can only be used for parks or recreational purposes.
222	Inclusionary-in-Lieu	A subdivision developer's fee, payable by fee or land, which can only be used for affordable housing.
223	Storm Damage	Initially created during the 1998-99 Alpine Road slide repairs, this fund is used as necessary to track federal or state-reimbursed storm-related road repairs.
501	Crescent M.D.	Maintenance District Funds
502	PVR M.D.	
503	Wayside I M.D.	
504	Wayside II M.D.	
505	Woodside Highlands M.D.	
701	Customer Deposits	Deposit fund for customer fees to pay for consulting costs associated with individual building projects. Any remaining deposit amounts are refunded to customer when project is completed.



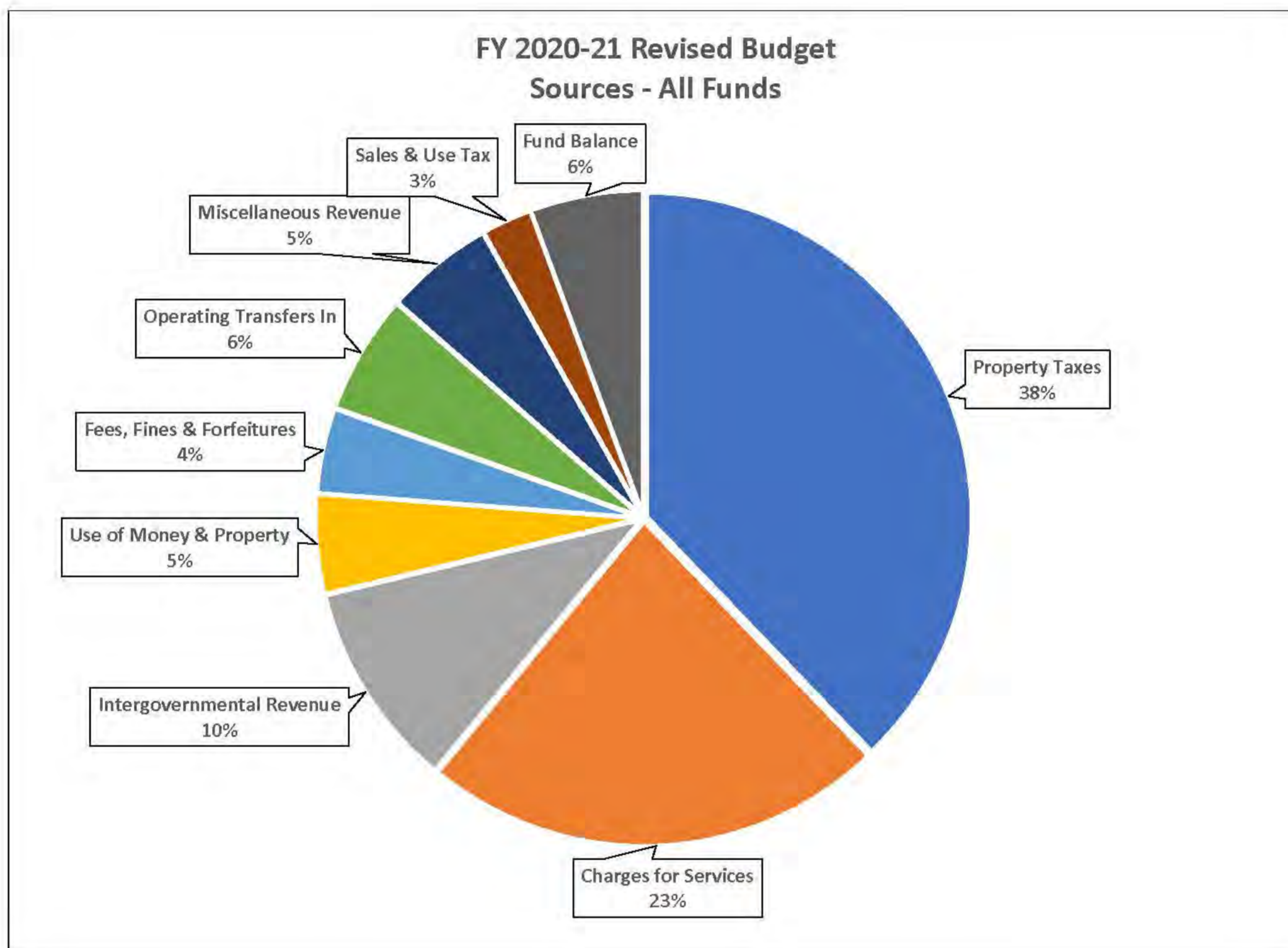
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All Funds Summary - Sources

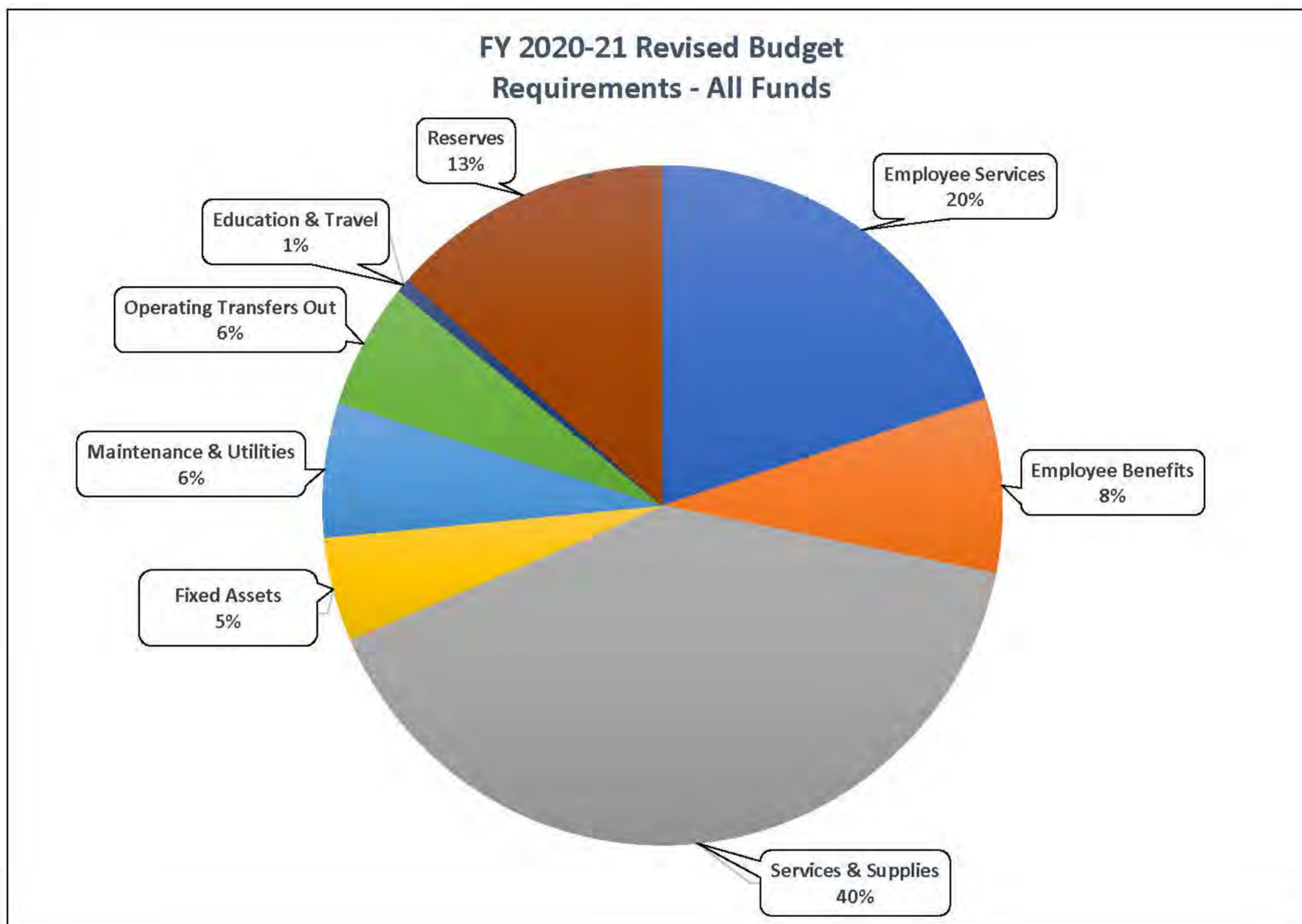
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Revenue Objects	Sources	Percent
Property Taxes	3,241,725	37.85%
Charges for Services	1,978,342	23.10%
Intergovernmental Revenue	883,323	10.31%
Use of Money & Property	423,447	4.94%
Fees, Fines & Forfeitures	362,795	4.24%
Sales & Use Tax	215,000	2.51%
Miscellaneous Revenue	465,415	5.43%
Operating Transfers In	512,379	5.98%
Fund Balance	482,134	5.63%
	8,564,560	100.00%

All Funds Summary - Requirements

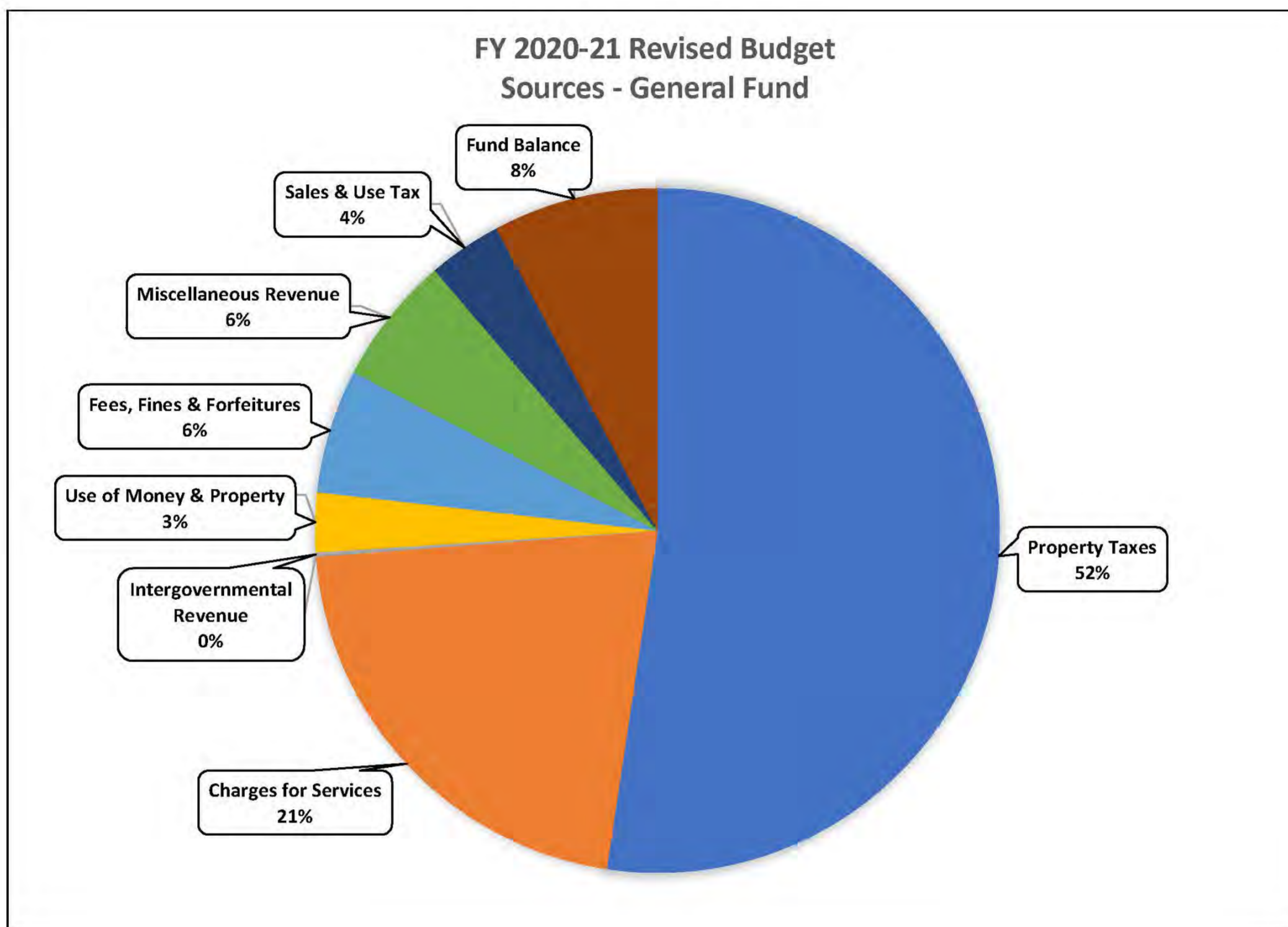
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Expenditure Objects	Requirements	Percent
Employee Services	1,706,057	19.92%
Employee Benefits	709,577	8.29%
Services & Supplies	3,455,529	40.35%
Maintenance & Utilities	547,884	6.40%
Education & Travel	59,215	0.69%
Fixed Assets	423,440	4.94%
Operating Transfers Out	512,379	5.98%
Reserves	1,150,479	13.43%
	8,564,560	100.00%

General Fund Summary - Sources

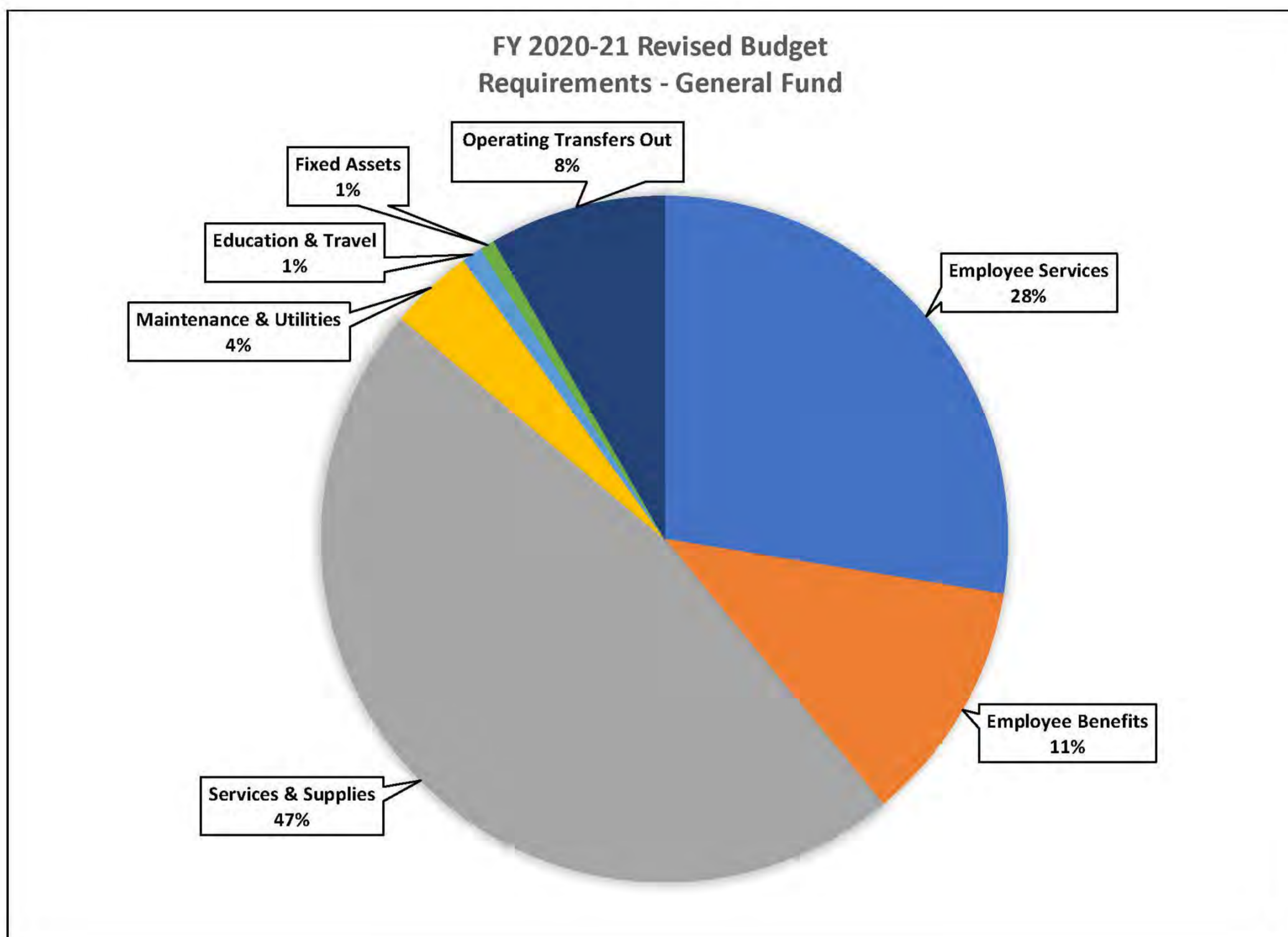
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Revenue Objects	Sources	Percent
Property Taxes	3,241,725	52.37%
Charges for Services	1,325,845	21.42%
Intergovernmental Revenue	12,725	0.21%
Use of Money & Property	173,208	2.80%
Fees, Fines & Forfeitures	362,795	5.86%
Sales & Use Tax	215,000	3.47%
Miscellaneous Revenue	376,560	6.08%
Fund Balance	482,134	7.79%
	6,189,992	100.00%

General Fund Summary - Requirements

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Expenditure Objects	Requirements	Percent
Employee Services	1,706,057	27.56%
Employee Benefits	709,577	11.46%
Services & Supplies	2,914,393	47.08%
Maintenance & Utilities	244,771	3.95%
Education & Travel	59,215	0.96%
Fixed Assets	43,600	0.70%
Operating Transfers Out	512,379	8.28%
	6,189,992	100.00%

Town of Portola Valley, California

Revenues & Expenses by Governmental Fund

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2020-21 Revenues and Expenses by Governmental Fund															
	Fund 101	Fund 401	Fund 201	Fund 202	Fund 203	Fund 204	Fund 205	Fund 206	Fund 211	Fund 212	Fund 213	Fund 221	Fund 222	Fund 701	TOTALS
Revenues	OPERATING	CAPITAL PROJECTS	GRANTS	PUBLIC SAFETY	COPS	OPEN SPACE	LIBRARY	GAS TAX	MEASURE A	MEASURE M	MEASURE W	PARK-N-LIEU	INCLUSION IN LIEU	CASE REWEVS	
Property Taxes	3,241,725														3,241,725
Sales & Use Tax	215,000														215,000
Other Taxes	125,000														125,000
Franchise Fees	354,295														354,295
Fines & Forfeitures	8,500														8,500
Licenses & Permits	248,060														248,060
Intergovernmental Revenue	12,725		6,800	15,000	145,000			197,203	298,935	75,000	132,860				883,323
Charges for Services	1,325,845					337,497								315,000	1,978,342
Use of Money & Property	173,208				2,614	143,863	8,695	5,263	1,003	5,227		789	84,786		423,447
Miscellaneous Revenue	3,500					1,000	87,855								92,355
Operating Transfers In	0	386,740						125,839							512,379
Revs. Sub-Totals	\$5,707,858	\$386,740	\$6,600	\$15,000	\$147,614	\$482,360	\$94,550	\$328,105	\$299,938	\$80,227	\$132,860	\$788	\$84,786	\$315,000	\$8,082,426
Expenditures															
Employee Services	1,706,057														1,706,057
Employee Benefits	709,577														709,577
Maintenance & Utilities	244,771						81,914	228,032		13,167					547,884
Services & Supplies	2,814,393	6,900	6,600	15,000	145,000		32,636	20,000						315,000	3,455,529
Education & Travel	58,215														58,215
Fixed Assets	43,800	379,840													423,440
Reserves	0				2,614	482,360		80,073	298,938	67,060	132,860	789	84,786		1,150,479
Exp. Sub-Totals	\$5,677,613	\$386,740	\$6,600	\$15,000	\$147,614	\$482,360	\$94,550	\$328,105	\$299,938	\$80,227	\$132,860	\$788	\$84,786	\$315,000	\$8,052,161
Capital Improvements															
Road Improvement - Pre-work, design refresh		20,000													20,000
OBAG2 Resurfacing Project Design		40,000													40,000
Speed Survey for Radar Enforcement		25,000													25,000
Pavement Management Systems Update		30,000													30,000
Emergency Fire Access Gate		5,500													5,500
Pedestrian Safety Study/Improvements		58,840													58,840
Storm Drain Repairs		10,000													10,000
Trails Rehabilitation		20,000													20,000
Springdown/Vernal Pond Vegetation Mgmt		45,000													45,000
Springdown Blue Heron Pond webcam		2,000													2,000
Tree Removal adjacent to Shady Trail		17,000													17,000
Schoolhouse A/V Improvements		5,000													5,000
Rekey Community Hall and install cabinets/locks		5,000													5,000
Public Works Utility Truck		70,000													70,000
Town Center Maint/Improvements		3,500													3,500
Open Space Support		8,000													8,000
Virtual EOC		15,000													15,000
Capital Improvements	\$0	\$379,840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$379,840
Revs Less Exps/Cap Imps	\$30,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,245
Interfund Transfers															
General Fund to Transportation	125,839	0													125,839
General Fund Capital Transfer	386,740	0													386,740
Transfers	\$512,379	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$512,379
Net Change in Fund Balance (Rev - Exp - Transfers)	(\$482,134)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$482,134)



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Town of Portola Valley, California

Fund Activity Summary

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Town of Portola Valley FY 2020-21 Fund Activity Summary

FUND	FY 2019-20 ESTIMATED BALANCE	FY 2020-21 ESTIMATED REVENUES	FY 2020-21 ESTIMATED EXPENDITURES	FY 2020-21 TRANSFERS IN(OUT)	FY 2020-21 PROJECTED BALANCE
General Purpose Funds					
General Fund Unassigned	2,215,409	5,707,858	5,677,613	(512,379)	1,733,275
Unfunded Pension Liab Assignment	670,105				670,105
Equipment Replacement Assignment	100,000				100,000
Capital Repl/Emergency Assignment	1,400,000				1,400,000
Legal Contingency Assignment	100,000				100,000
Unfunded Retiree Medical OPEB	1,119,863				1,119,863
Sub-Total	5,605,377	5,707,858	5,677,613	(512,379)	5,123,243
Restricted Funds					
Grants (201)	66,400	6,600	6,600		66,400
Public Safety Sales Tax (202)	(6,326)	15,000	15,000		(6,326)
Public Safety/COPS (203)	112,473	147,614	147,614		112,473
Open Space (204)	6,431,075	482,360	482,360		6,431,075
Library Fund (205)	218,217	94,550	94,550		218,217
Gas Tax (206)	(80,461)	202,466	328,105	125,639	(80,461)
Measure A (211)	70,970	299,938	299,938		70,970
Measure M (212)	(71,097)	80,227	80,227		(71,097)
Measure W (213)	0	132,860	132,860		0
Park In Lieu (221)	34,200	788	788		34,200
Inclusionary In Lieu (222)	3,641,051	84,786	84,786		3,641,051
Capital Projects Fund (401)	0		386,740	386,740	0
Applicant Deposits (701)	1,197,502	315,000	315,000		1,197,502
Sub-Total	11,614,004	1,862,189	2,374,568	512,379	11,614,004
Grand Total	17,219,381	7,570,047	8,052,181	0	16,737,247



TOWN OF
Portola Valley

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Town of Portola Valley

Town Council

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Section II - Administration: 110 Town Council Division

Description

Our representative government starts with the Town Council. Elected to serve as the governing body for the Town, the Council is made up of five residents who have chosen to volunteer their time to ensure that all residents have a voice in our most important decisions. Council members are responsible for bringing together varied, and oftentimes, conflicting information, feedback, and data, to make the best decisions possible for residents.

Duties include:

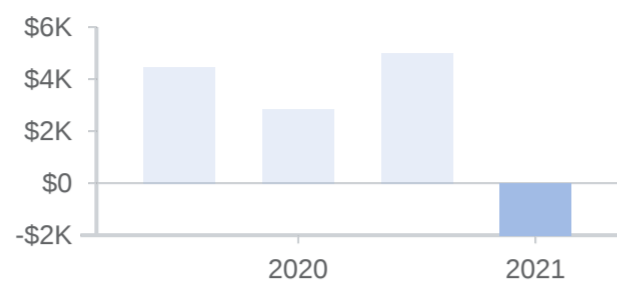
- Fiscal oversight
- Serve as the legislative body of the Town, by adopting municipal code
- Representation of the town's interests in regional, state and federal matters
- Approves compensation changes for staff
- Approves major contracts for services, software and capital improvements

Early each calendar year, the Council holds two study sessions to determine the next fiscal year's priorities. These priorities are informed by the Town's committees, staff, residents, and the councilmembers themselves. The final Council Priority document is then used to inform the budget development process.

This year's priority process was disrupted by COVID-19, and as a result, some priority initiatives and programs have been disrupted due to changes in revenue and reductions in expenditures.

[Link to Council Priorities](#)

110 - Town Council Expenditures



-\$2,000.00
Expenses in 2021



Town Council - 110

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Education & Travel	\$ 4,490	\$ 5,000	\$ 2,850	\$ 5,000	\$ 3,000
(65012) Education & Training	752	0	0	0	0
(65013) Educ/Train: Council & Commissn	2,238	3,000	1,350	3,000	1,500
(65014) Dues	1,500	2,000	1,500	2,000	1,500
Total	\$ 4,490	\$ 5,000	\$ 2,850	\$ 5,000	\$ 3,000

Data filtered by Expenses, General Fund, Town Council, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



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Town Committees

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Section II - Administration: 115 Town Committees Division

Town Committees

The Town of Portola Valley was founded in 1964 by a group of civic-minded residents, who donated countless hours performing the necessary tasks to support the operation of a small municipal government. Whether it was unclogging culverts during winter rainstorms or clearing trails, this group of intrepid founding fathers (and mothers!) willingly did much of the work that was vital for the Town's ongoing governance.

In the forward to the Town's Committee Handbook, former mayor and founding father Bill Lane writes, "Today, with demands from a growing population, we have seen more traffic, the need for development controls, increased use of our schools, library, trails, playing fields, and so forth, not only by our own residents, but also our neighbors. Each and every volunteer's service, irrespective of the level, is critical to this incredible community's continued success! Our commission and committee volunteers, working in concert with the Town Council, ensure the unique quality of life we all enjoy in this very special place continues. Without volunteer effort, the unique characteristics of our Town that we can all too often take for granted, will be lost."



Town Committees - 115

General Fund

Collapse All	2018-19 Actual	2019-20 Budget	2019-20 Projected	2020-21 Interim Budget	2020-21 Revised Budget
▼ Services & Supplies	\$ 47,763	\$ 78,050	\$ 46,595	\$ 78,050	\$ 47,050
(62323) Volunteer Appreciation	13,786	14,950	14,218	14,950	0
(62324) Science & Nature	200	500	0	500	500
(63202) BicyclePedTraffic Committee	0	500	0	500	2,000
(63203) Conservation Committee	432	4,250	0	4,250	3,000
(63204) Cultural Arts Committee	8,067	8,900	6,616	8,900	0
(63205) Emerg Preparedness Committee	2,462	10,000	6,415	10,000	10,000
(63206) Historic Resources Committee	577	4,350	0	4,350	3,550
(63208) Parks & Recreation Committee	16,676	18,000	19,345	18,000	18,000
(63209) Sustainability Committee	0	10,600	0	10,600	4,000
(63211) Trails & Paths Committee	5,563	6,000	0	6,000	6,000
Total	\$ 47,763	\$ 78,050	\$ 46,595	\$ 78,050	\$ 47,050

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Town Manager Division

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Section II - Administration: 120 Town Manager Division

Mission Statement

The Town Manager's mission is to supervise, direct and be responsible for the efficient administration of all functions and activities for which the office of Town Manager is given authority, responsibility, or control by Town Charter, by ordinance, by vote of the Town Council, or otherwise. Resident communications, office administration, emergency preparedness issues, sustainability initiatives, employee relations, and other organizational activities are centered in the Town Manager's office.

Town Manager						
Personnel Services Summary						
	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
Position Title	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Town Manager	1.00	\$280,072	1.00	\$290,693	1.00	\$290,544
Asst to Town Manager	1.00	182,047	1.00	198,604	1.00	198,509
Communications Specialist	1.00	48,674	1.00	130,331	1.00	130,267
Administrative Assistant	1.00	59,587	1.00	100,999	1.00	100,951
Totals	4.00	\$570,380	4.00	\$720,627	4.00	\$720,271



Town Manager - 120

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Employee Services	\$ 447,362	\$ 525,041	\$ 523,562	\$ 525,041	\$ 525,041
(51011) Salaries - Permanent	421,972	518,541	518,541	518,541	518,541
(51012) Salaries - Temporary	20,566	0	0	0	0
(51021) Vacation Buyout	1,698	2,500	1,021	2,500	2,500
(51031) Automobile Allowance	3,125	4,000	4,000	4,000	4,000
▼ Employee Benefits	144,589	198,086	198,086	198,086	197,730
(55011) Retirement - PERS	61,495	79,298	79,298	79,298	79,298
(55012) Retirement - Soc Sec	23,460	28,312	28,312	28,312	28,312
(55013) Medicare	6,558	7,699	7,699	7,699	7,343
(55021) Health Insurance Medical	25,116	46,810	46,810	46,810	46,810
(55022) Health Opt Out	8,600	9,650	9,650	9,650	9,650
(55024) Health Ins Dental & Vision	7,117	8,761	8,761	8,761	8,761
(55031) Long Term Disability Insurance	1,760	1,727	1,727	1,727	1,727
(55033) Workers Compensation	10,483	15,829	15,829	15,829	15,829
▼ Services & Supplies	1,645	42,150	10,387	22,150	19,100
(62034) Transcription Services	0	10,000	8,111	0	0
(62251) Elections	0	10,000	0	0	0
(62329) Sustainability	1,645	22,150	2,275	22,150	19,100
▼ Education & Travel	24,975	5,000	1,346	5,000	6,340
(65012) Education & Training	1,626	3,000	1,246	3,000	2,940
(65014) Dues	23,349	2,000	100	2,000	3,400
Total	\$ 618,571	\$ 770,277	\$ 733,381	\$ 750,277	\$ 748,211

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Town Manager - 120

Special Revenue - Grants Fund 201

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Services & Supplies	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
(62327) Community Services	5,000	5,000	5,000	5,000	5,000
Total	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000

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Town of Portola Valley

Town Clerk

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Section II - Administration: 130 Town Clerk

Town Clerk

The Town Clerk provides transparent access to the Town's official records, including minutes to all Town meetings, and ensures regulatory compliance with state and federal laws.

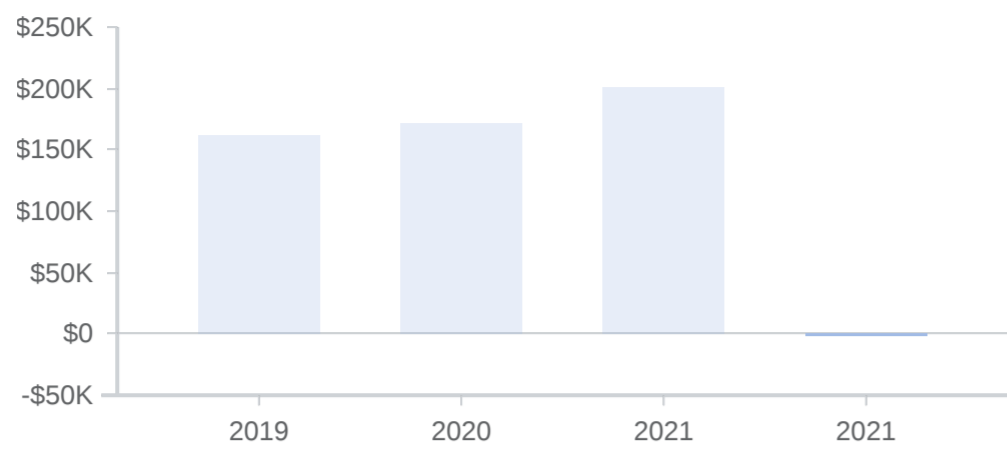
Duties of the Town Clerk include:

- City Council Support and Meeting Administration
- Boards, Commissions, and Committee Members Administration
- Conducting Municipal Elections
- Filing Officer for Campaign and Conflict of Interest Statements
- Public Information and Citywide Records Management
- Research for Town Departments and Residents
- Recordation, Preservation, and Maintenance of the City's Legislative History

The Town Clerk is your partner in democracy.

Town Clerk						
Personnel Services Summary						
	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
Position Title	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Town Clerk	1.00	\$143,011	1.00	\$156,733	1.00	\$159,095
Totals	1.00	\$143,011	1.00	\$156,733	1.00	\$159,095

130-Town Clerk



-\$1,638.00
Expenses in 2021



Town Clerk - 130

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Employee Services	\$ 106,190	\$ 109,907	\$ 109,907	\$ 109,907	\$ 109,907
(51011) Salaries - Permanent	106,190	109,907	109,907	109,907	109,907
▼ Employee Benefits	36,821	47,826	47,826	47,826	49,188
(55011) Retirement - PERS	15,366	16,679	16,679	16,679	19,115
(55012) Retirement - Soc Sec	6,822	7,042	7,042	7,042	7,042
(55013) Medicare	1,563	1,619	1,619	1,619	1,545
(55021) Health Insurance Medical	8,372	15,604	15,604	15,604	15,604
(55024) Health Ins Dental & Vision	1,779	2,190	2,190	2,190	2,190
(55031) Long Term Disability Insurance	419	363	363	363	363
(55033) Workers Compensation	2,499	3,329	3,329	3,329	3,329
(55041) Tuition Reimbursement	0	1,000	1,000	1,000	0
▼ Services & Supplies	18,441	21,650	12,589	41,650	38,650
(62034) Transcription Services	6,296	0	0	10,000	10,000
(62099) Miscellaneous Consultants	1,952	0	0	0	0
(62251) Elections	0	0	0	10,000	12,000
(62302) Scanning - Admin	1,038	2,900	0	2,900	2,900
(62305) Software & Licensing	5,553	6,000	5,003	6,000	5,500
(62328) Codification	3,602	5,250	831	5,250	5,250
(62399) Miscellaneous	0	7,500	6,754	7,500	3,000
▼ Education & Travel	329	2,000	634	2,000	2,000
(65012) Education & Training	0	1,000	350	1,000	1,000
(65014) Dues	329	1,000	284	1,000	1,000
Total	\$ 161,781	\$ 181,383	\$ 170,956	\$ 201,383	\$ 199,745

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Finance Division

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Section II - Administration: 140 Finance Division

Description

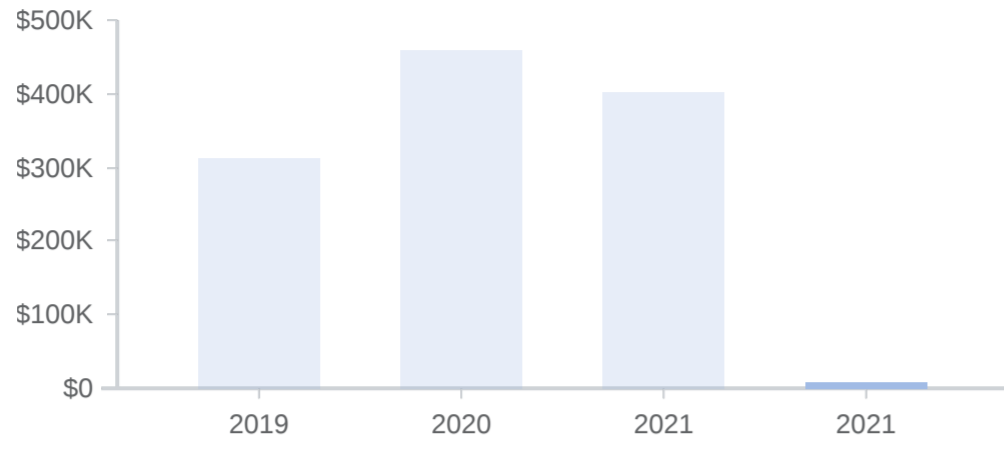
The Finance Department is responsible for preserving, enhancing and supporting the Town's finances by creating an annual budget for Town Council adoption, monitoring the Town's fiscal health, supporting department needs, and providing accounting, human resource and auditing services that ensure the Town's limited funds are expended in a transparent and accountable fashion. The Finance Department's goal is to assist in fulfilling the Council's budgetary priorities and maintain the Town's fiscal health.

Duties of the Finance Department include:

- Development of the annual budget
- Processing invoices
- Performing the Town's accounting duties
- Managing the Town's role in independent audits
- Preparing reports on fund expenditure to the County and State
- Serving administrative Human Resources functions such as payroll, benefits and workers compensation

Finance Division						
Personnel Services Summary						
	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
Position Title	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Finance Director	1.00	\$126,858	1.00	\$150,556	1.00	\$170,413
Accounting Technician	1.00	122,182	1.00	71,077	1.00	108,673
Totals	2.00	\$249,040	2.00	\$221,633	2.00	\$279,086

140-Finance



\$7,305.00
Expenses in 2021



Finance - 140

General Fund

Collapse All	2018-19 Actual	2019-20 Budget	2019-20 Projected	2020-21 Interim Budget	2020-21 Revised Budget
Employee Services	\$ 184,570	\$ 209,669	\$ 207,386	\$ 209,669	\$ 202,500
(51011) Salaries - Permanent	182,822	147,169	143,534	147,169	200,000
(51012) Salaries - Temporary	0	60,000	63,852	60,000	0
(51021) Vacation Buyout	1,748	2,500	0	2,500	2,500
Employee Benefits	67,138	83,208	83,208	83,208	87,790
(55011) Retirement - PERS	26,455	22,334	22,334	22,334	27,057
(55012) Retirement - Soc Sec	11,745	13,273	13,273	13,273	13,273
(55013) Medicare	2,891	3,052	3,052	3,052	2,911
(55021) Health Insurance Medical	16,744	31,207	31,207	31,207	31,207
(55024) Health Ins Dental & Vision	3,559	4,381	4,381	4,381	4,381
(55031) Long Term Disability Insurance	722	685	685	685	685
(55033) Workers Compensation	4,302	6,276	6,276	6,276	6,276
(55041) Tuition Reimbursement	920	2,000	2,000	2,000	2,000
Services & Supplies	58,197	186,122	167,553	102,622	114,514
(62031) Accounting & Auditing	22,184	33,000	33,933	33,000	36,190
(62048) Temp Clerical/Admin	15,299	0	0	0	0
(62099) Miscellaneous Consultants	0	30,000	30,000	30,000	30,700
(62305) Software & Licensing	19,906	123,122	103,620	39,622	47,624
(62399) Miscellaneous	809	0	0	0	0
Education & Travel	2,599	5,575	110	5,575	3,575
(65012) Education & Training	2,011	3,000	0	3,000	1,500
(65014) Dues	378	1,575	110	1,575	1,575
(65015) Mileage Reimbursement	210	1,000	0	1,000	500
Total	\$ 312,504	\$ 484,574	\$ 458,256	\$ 401,074	\$ 408,379

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Public Safety Department

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Section II - Public Safety: Department 200

Description

The Public Safety Department consists of the following divisions;

- Police Services
- Fire Services
- Dispatch Services

As many small towns, Portola Valley relies on partner agencies to provide core public safety services. San Mateo County provides police services through a contract with the Sheriff's Office, and 911 and emergency communications are handled by contract with the Department of Public Safety Communications. The Woodside Fire Protection District, with its own elected board, provide fire/paramedic, land use, and vegetation management services. A separate contract with the Woodside Fire Protection District provides Citizen Emergency Preparedness Training (CERT) services.

Public Safety						
FY 2020-21 Revised Budget						
All Funds Summary						
Funds / Divisions	FY 2018-19 Actuals	FY 2019-20 Projected	FY 2019-20 Adopted	FY 2020-21 Interim	FY 2021-22 Revised	FY 2020-21 Change
Revenues:						
General Fund						
Police Services	\$140	\$0	\$0	\$0	\$0	\$0
Grants	0	0	1,600	1,600	1,600	0
Public Safety Sales Tax	16,249	15,306	15,306	15,306	15,000	(306)
Public Safety/COPS	148,747	145,000	145,000	145,000	147,614	2,614
Total Revenues	\$165,135	\$160,306	\$161,906	\$161,906	\$164,214	\$2,308
Expenses:						
General Fund						
Police Services	\$898,278	\$1,094,432	\$1,093,155	\$993,217	\$1,097,340	\$104,123
Fire Services	41,811	42,995	45,000	45,000	63,732	18,732
Dispatch Services	55,660	0	0	60,669	66,129	5,460
Grants	1,600	0	1,600	1,600	1,600	0
Public Safety Sales Tax	15,000	15,306	15,306	15,306	15,000	(306)
Public Safety/COPS	145,000	145,000	145,000	145,000	147,614	2,614
Total Expenses	\$1,157,349	\$1,297,733	\$1,300,061	\$1,260,792	\$1,391,415	\$130,623
Revenues Less Expenses:						
General Fund - Net Town Cost	(\$995,609)	(\$1,137,427)	(\$1,138,155)	(\$1,098,886)	(\$1,227,201)	(\$128,315)
Other Funds	3,395	0	0	0	0	0
Total Difference	(\$992,214)	(\$1,137,427)	(\$1,138,155)	(\$1,098,886)	(\$1,227,201)	(\$128,315)

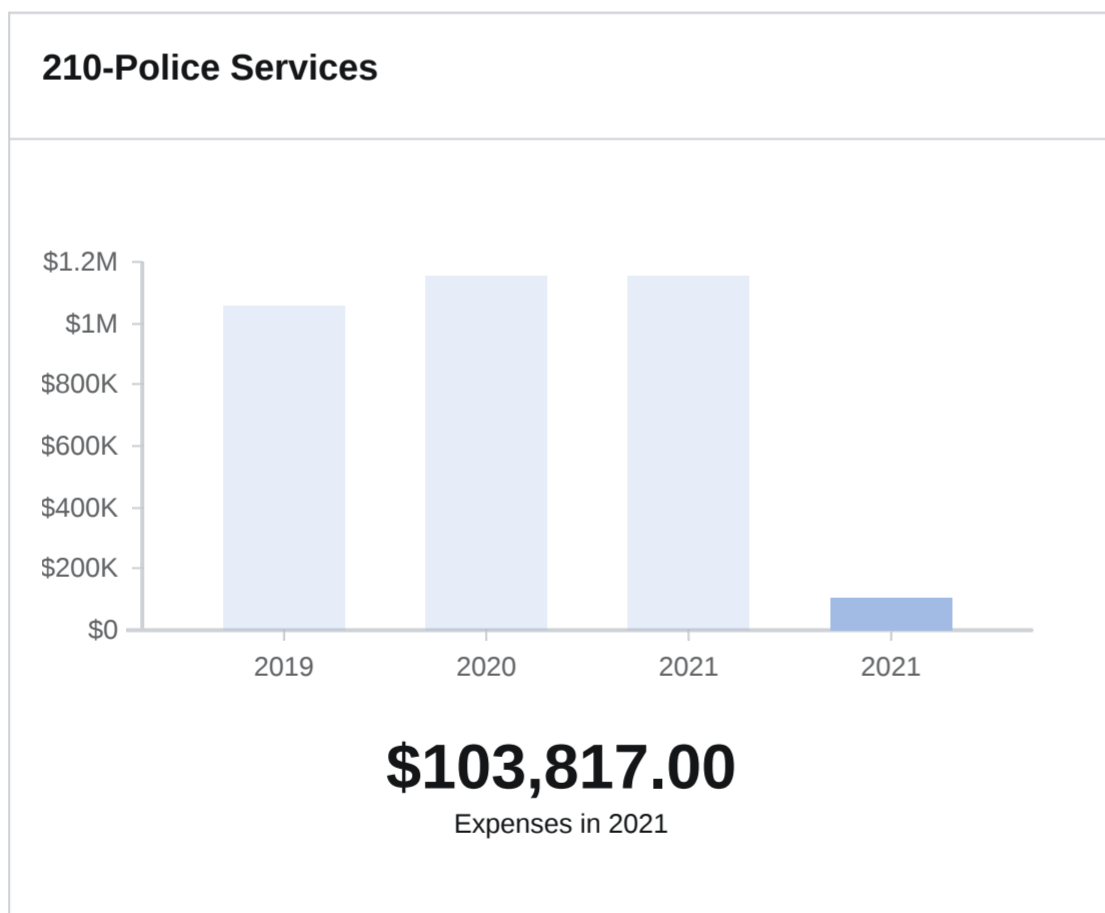
Police Services

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Section II - Public Safety: 210 Police Services

Description

The Town contracts for police services through a long-standing relationship with the San Mateo County Sheriff's Office. This contract provides a higher level of service provision, including assets that a small police department would otherwise not have access to.



Police Services - 210

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Services & Supplies	\$ 898,278	\$ 1,093,155	\$ 1,094,432	\$ 993,217	\$ 1,097,340
(62202) Animal Control	0	23,031	23,031	0	0
(62203) Dispatch Services	0	60,669	60,669	0	0
(62204) San Mateo County Sheriffs Ofc	744,935	823,006	823,006	823,006	906,305
(62205) COPS Addl Traffic Patrols	153,343	170,211	170,211	170,211	191,035
(62206) Emergency Services Council JPA	0	16,238	17,515	0	0
Total	\$ 898,278	\$ 1,093,155	\$ 1,094,432	\$ 993,217	\$ 1,097,340

Data filtered by Expenses, General Fund, Police Services, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 202

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 16,249	\$ 15,306	\$ 15,306	\$ 15,306	\$ 15,000
▼ Intergovernmental Revenue	16,249	15,306	15,306	15,306	15,000
(42812) Prop 172 Public Safety	16,249	15,306	15,306	15,306	15,000
▼ Expenses	15,000	15,306	15,306	15,306	15,000
▼ Services & Supplies	15,000	15,306	15,306	15,306	15,000
(62205) COPS Addl Traffic Patrols	15,000	15,306	15,306	15,306	15,000
Revenues Less Expenses	\$ 1,249	\$ 0	\$ 0	\$ 0	\$ 0

Data filtered by Types, Public Safety Sales Tax, Police Services, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 203

Expand All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Projected	Budget	Interim Budget	Revised Budget
▼ Revenues	\$ 148,747	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000
▼ Intergovernmental Revenue	148,747	145,000	145,000	145,000	145,000
(42814) Public Safety COPS Grant	148,747	145,000	145,000	145,000	145,000
▼ Expenses	145,000	145,000	145,000	145,000	145,000
▼ Services & Supplies	145,000	145,000	145,000	145,000	145,000
(62205) COPS Addl Traffic Patrols	145,000	145,000	145,000	145,000	145,000
Revenues Less Expenses	\$ 3,747	\$ 0	\$ 0	\$ 0	\$ 0

Data filtered by Types, Public Safety/COPS, Police Services, Placeholder, Placeholder and exported on September 19, 2020. Created with OpenGov



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Fire Services

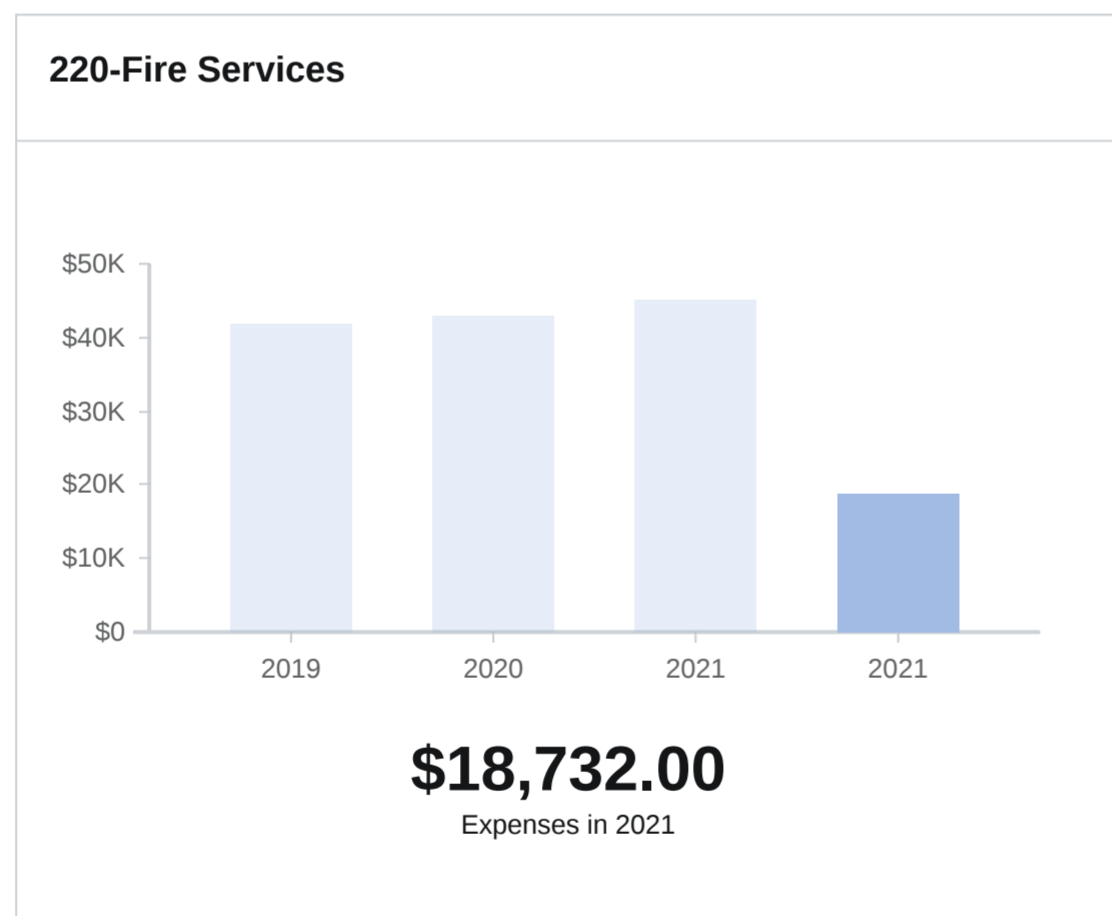
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Section II - Public Safety: 220 Fire Services

Description

Fire services are provided by the independent Woodside Fire Protection District. The Town partners with Woodside Fire Protection District to provide services to residents and the community to mitigate fire risk in town. Programs include annual wood chipping program and shared CERPP coordinator who serves the Portola Valley Community.

The Town also funds various disaster/emergency work, including AM radio support, vegetation management, and evacuation capital.



Fire Services - 220

General Fund

	2018-19 Actual	2019-20 Budget	2019-20 Projected	2020-21 Interim Budget	2020-21 Revised Budget
Collapse All					
▼ Services & Supplies	\$ 41,811	\$ 45,000	\$ 42,995	\$ 45,000	\$ 63,732
(62208) Fire Prevention	41,811	45,000	42,995	45,000	63,732
Total	\$ 41,811	\$ 45,000	\$ 42,995	\$ 45,000	\$ 63,732

Data filtered by Expenses, General Fund, Fire Services, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Dispatch Services

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Section II - Public Safety: 230 Dispatch Services

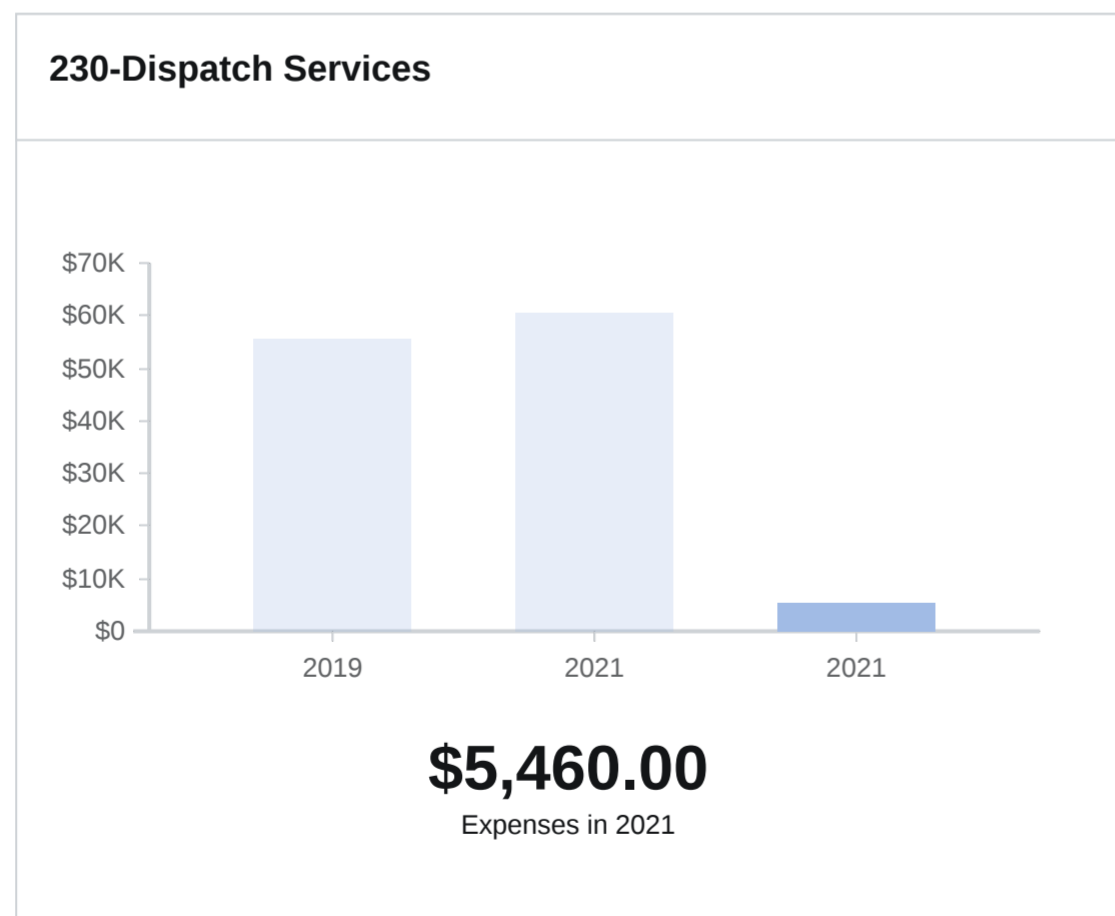
Description

The 9-1-1 Communications Center is a Public Safety Answering Point (PSAP) and dispatch center providing the residents of San Mateo County a vital link to emergency response personnel from medical, fire, police, and sheriff's office services.

Core Services

Primary and Secondary PSAP providing 911 callers access to public safety resources. This program also provides access to translation services and hearing impaired translation if needed.

PSC is an accredited center of excellence and provides services to all fire departments within San Mateo County; all 911 ambulances and provides pre-approved instruction through Medical Priority Dispatch Systems (MPDS) protocol.



Dispatch Services - 230

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Services & Supplies	\$ 55,660	\$ 0	\$ 0	\$ 60,669	\$ 66,129
(62203) Dispatch Services	55,660	0	0	60,669	66,129
Total	\$ 55,660	\$ 0	\$ 0	\$ 60,669	\$ 66,129

Data filtered by Expenses, General Fund, Dispatch Services, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



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Planning & Building Department

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Section II - Planning & Building: Department 300

Description

The Planning and Building Department works to ensure that Portola Valley continues to be a healthy, safe, attractive and enjoyable place to live work or visit. We are dedicated to protecting and enhancing the high quality of life based on the foundation of the Town's General Plan, with a focus on sustainability and environmental stewardship.

We strive to listen, be transparent, and provide the highest level of service possible while attempting to achieve the community's land use goals consistent with the Town's policies while balancing the challenges of future growth and change.

Our duties include:

- Permitting and entitlement for public and private development projects
- Development of new land use policies, based on current thinking and innovative ideas, through a public engagement process
- Staff the Planning Commission and ASCC
- Response to State law and reporting requirements, particularly related to housing
- Answer questions about the Town's policies and assist them through the process
- Enforcement of the Town's municipal code

Planning and Building FY 2020-21 Revised Budget All Funds Summary						
Funds / Divisions	FY 2018-19 Actuals	FY 2019-20 Projected	FY 2019-20 Adopted	FY 2020-21 Interim	FY 2021-22 Revised	FY 2020-21 Change
Revenues:						
General Fund						
Planning Division	\$132,849	\$92,661	\$255,975	\$255,975	\$231,115	(\$24,860)
Building Division	641,573	469,908	588,750	588,750	585,900	(2,850)
Customer Deposits	660,218	747,102	325,000	325,000	315,000	(10,000)
Total Revenues	\$1,434,640	\$1,309,671	\$1,169,725	\$1,169,725	\$1,132,015	(\$37,710)
Expenses:						
General Fund						
Planning Division	\$402,384	\$327,244	\$624,543	\$624,543	\$519,033	(\$105,510)
Building Division	447,684	438,373	529,621	529,621	478,405	(51,216)
Code Compliance	32,158	24,000	24,000	24,000	42,195	18,195
Customer Deposits	633,502	432,128	325,000	325,000	315,000	(10,000)
Total Expenses	\$1,515,728	\$1,221,746	\$1,503,164	\$1,503,164	\$1,354,633	(\$148,531)
Revenues Less Expenses:						
General Fund - Net Town Cost	(\$107,804)	(\$227,049)	(\$333,439)	(\$333,439)	(\$222,618)	\$110,821
Other Funds	26,716	314,974	0	0	0	0
Total Difference	(\$81,088)	\$87,925	(\$333,439)	(\$333,439)	(\$222,618)	\$110,821
Authorized Positions	4	5	5	5	4	0

Planning Division

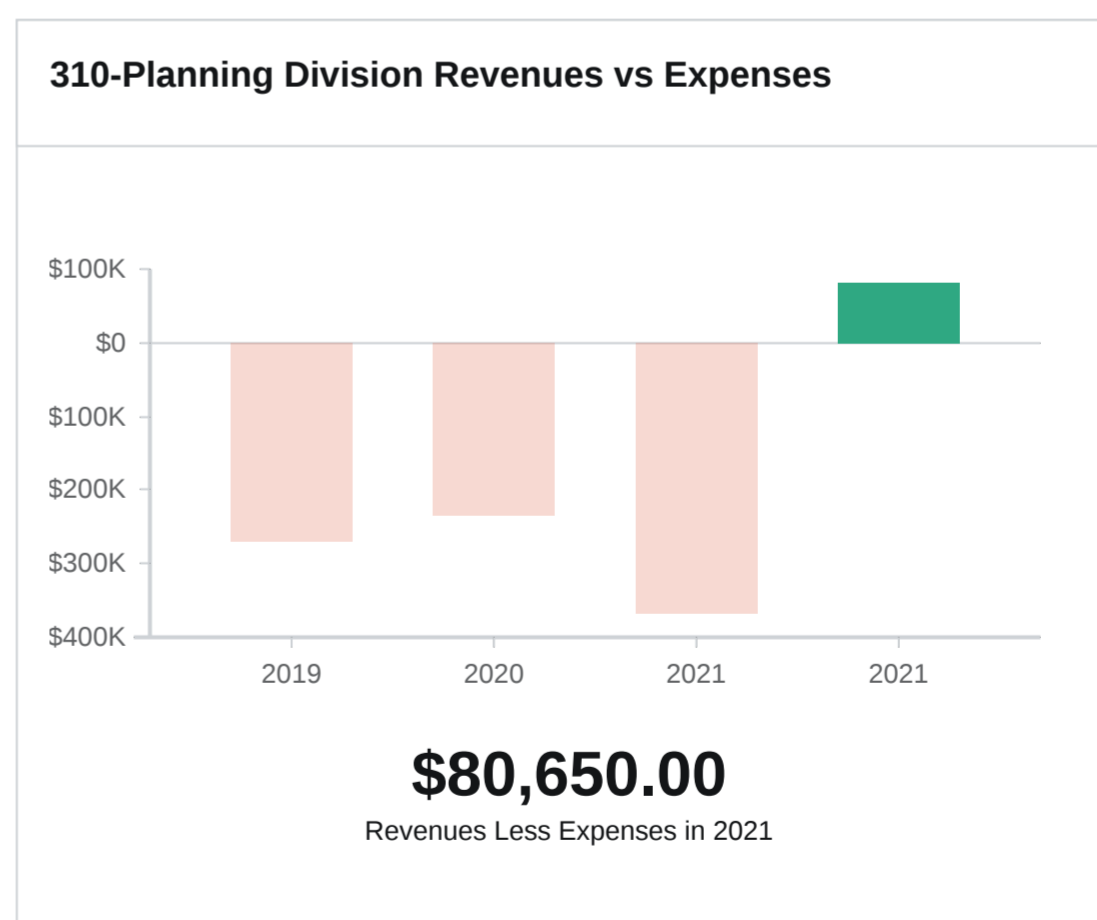
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Section II - Planning & Building: 310 Planning Division

Description

The Planning Division is responsible for processing all zoning applications, working with prospective applicants on their projects, providing interpretations of the Town's land-use code, and supporting the Planning and Architectural Site Control Commissions.

Planning Division						
Personnel Services Summary						
	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
Position Title	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Planning Director	0.50	\$112,340	0.50	\$116,331	0.60	\$141,823
Associate Planner	1.00	138,911	1.00	158,855	0.00	0
Assistant Planner	0.00	0	1.00	125,017	1.00	128,061
Planning Technician II	0.90	94,049	0.90	112,740	0.75	90,899
Totals	2.40	\$345,300	3.40	\$512,943	2.35	\$360,783



Planning Division - 310

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 132,849	\$ 255,975	\$ 92,661	\$ 255,975	\$ 231,115
▼ Licenses & Permits	49,040	49,910	32,664	49,910	45,410
(41912) Site Development Permits	29,000	30,000	19,709	30,000	30,000
(41913) Conditional Use Permits	12,460	12,000	10,747	12,000	7,500
(41915) Horsekeeping Permits	3,080	3,000	2,208	3,000	3,000
(41917) Zoning & Planning Permits	2,045	0	0	0	0
(41919) Variances	2,455	4,910	0	4,910	4,910
▼ Charges for Services	83,809	206,065	59,997	206,065	185,705
(43017) Subdivision Fees	1,680	3,360	4,865	3,360	0
(43018) Residential Data Reports	6,490	6,050	7,310	6,050	6,050
(43019) Pre-Application Mtg Fee	4,840	6,655	2,023	6,655	6,655
(43021) Architectural Review Fees	20,945	19,000	13,980	19,000	19,000
(43024) Geology Fees	11,700	11,000	5,693	11,000	10,000
(43033) Town Planning Fees	38,154	160,000	26,126	160,000	144,000
▼ Expenses	402,384	624,543	327,244	624,543	519,033
▼ Employee Services	267,072	364,905	158,009	364,905	253,363
(51011) Salaries - Permanent	264,448	359,905	158,009	359,905	253,363
(51015) Overtime	2,624	5,000	0	5,000	0
▼ Employee Benefits	89,489	153,538	153,038	153,538	107,920
(55011) Retirement - PERS	38,288	54,617	54,617	54,617	38,448
(55012) Retirement - Soc Sec	15,672	21,762	21,762	21,762	14,676
(55013) Medicare	3,895	4,069	4,069	4,069	3,600
(55021) Health Insurance Medical	20,093	53,051	53,051	53,051	36,667
(55024) Health Ins Dental & Vision	4,270	7,447	7,447	7,447	5,426
(55031) Long Term Disability Insurance	1,045	1,189	1,189	1,189	928
(55033) Workers Compensation	6,226	10,903	10,903	10,903	7,675
(55041) Tuition Reimbursement	0	500	0	500	500
▼ Services & Supplies	41,447	101,100	14,979	101,100	152,750
(62034) Transcription Services	8,100	10,000	6,676	10,000	10,000
(62035) Town Geologist	0	4,000	0	4,000	4,000
(62039) Planner	12,720	0	0	0	70,000
(62099) Miscellaneous Consultants	8,498	73,900	2,121	73,900	53,000
(62303) Scanning	9,132	10,000	0	10,000	7,500
(62305) Software & Licensing	2,998	3,200	6,182	3,200	8,250
▼ Education & Travel	4,376	5,000	1,218	5,000	5,000
(65012) Education & Training	3,138	3,000	0	3,000	3,000
(65014) Dues	1,238	2,000	1,218	2,000	2,000
Revenues Less Expenses	\$ -269,535	\$ -368,568	\$ -234,583	\$ -368,568	\$ -287,918

Data filtered by Types: General Fund; Planning Division, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



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Building Division

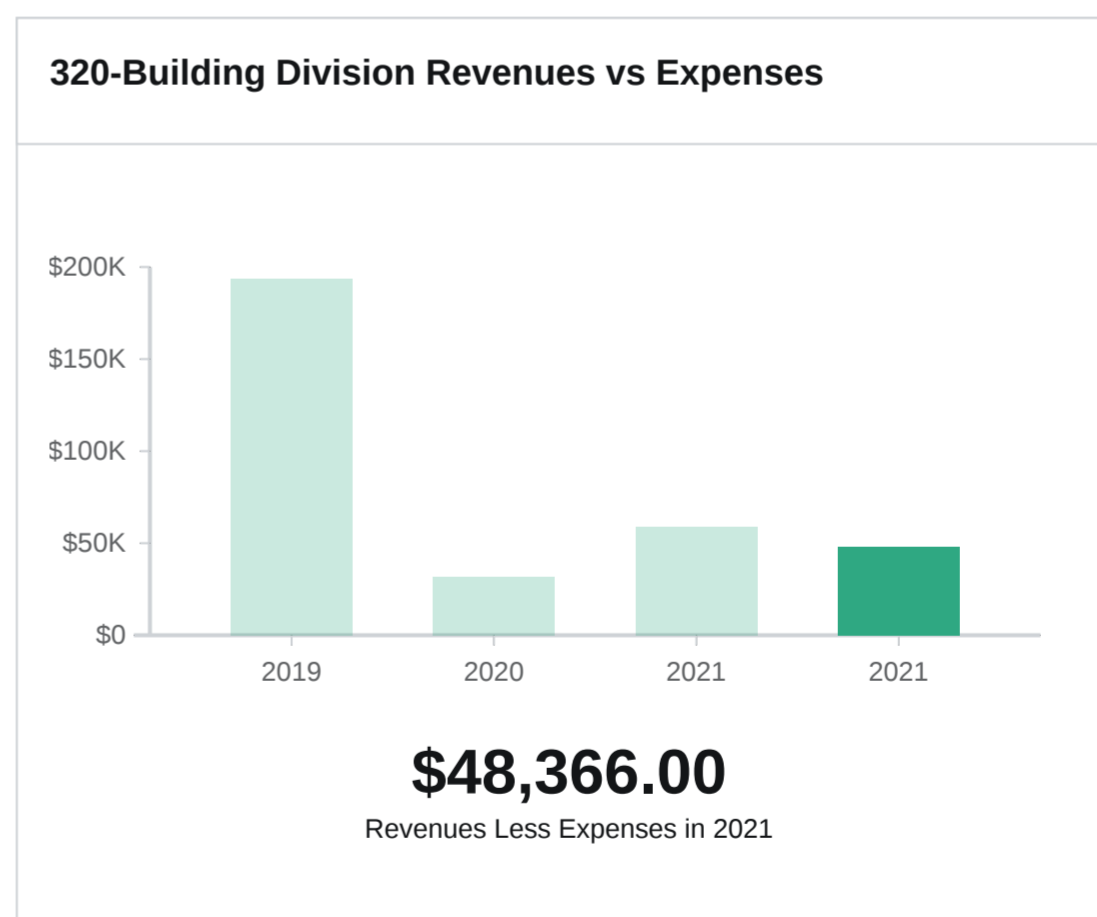
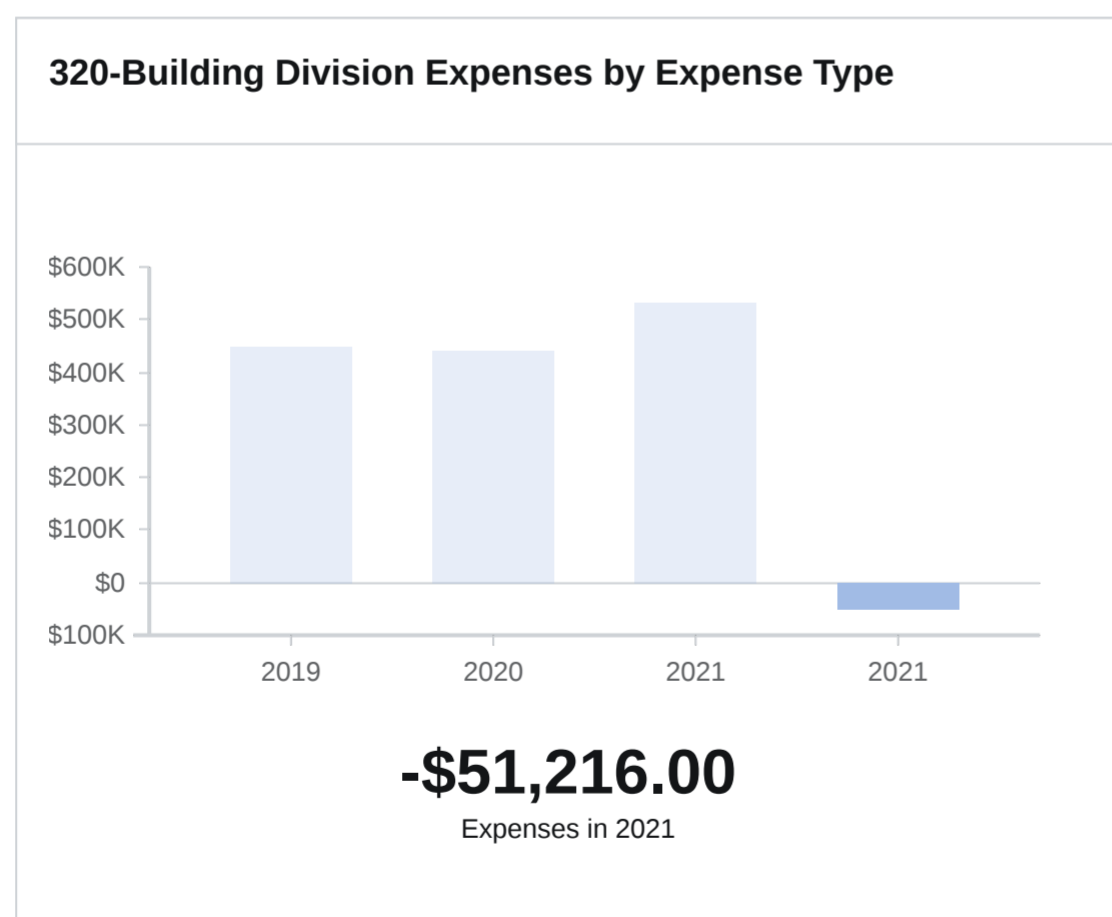
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Section II - Planning & Building Department: 320 Building Division

Description

The Building Division oversees applications for the construction of all projects in Portola Valley. Building officials are provided by contract, supported by full time staff.

Building Division						
Personnel Services Summary						
	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
Position Title	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Planning Director	0.50	\$112,340	0.50	\$116,331	0.30	\$70,912
Planning Technician II	0.90	94,049	0.90	112,740	1.00	121,643
Totals	1.40	\$206,389	1.40	\$229,071	1.30	\$192,555



Building Division - 320

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 641,573	\$ 588,750	\$ 469,908	\$ 588,750	\$ 585,900
▼ Licenses & Permits	190,524	193,500	147,908	193,500	192,650
(41911) Building Permits	162,979	172,500	121,482	172,500	172,500
(41914) Temp Occupancy Fee	5,160	4,000	7,113	4,000	4,000
(41916) Construction & Demolition Fee	22,385	17,000	19,313	17,000	16,150
▼ Charges for Services	451,048	395,250	322,000	395,250	393,250
(43011) Plan Check Fee	197,956	172,500	129,925	172,500	172,500
(43012) Inspection Fee	231,384	210,000	176,983	210,000	210,000
(43043) BSA Fee	1,587	1,500	1,006	1,500	1,500
(43044) SMIP Fee	4,888	5,000	3,255	5,000	5,000
(43045) DSA Fee	2,730	1,250	3,188	1,250	1,250
(43049) Miscellaneous Plan Charges	11,916	3,000	7,643	3,000	3,000
(43211) Town Inspection Fees	588	2,000	0	2,000	0
▼ Expenses	447,684	529,621	438,373	529,621	478,405
▼ Employee Services	147,137	167,526	139,708	167,526	139,708
(51011) Salaries - Permanent	144,770	162,526	134,708	162,526	134,708
(51015) Overtime	111	0	0	0	0
(51021) Vacation Buyout	2,256	5,000	5,000	5,000	5,000
▼ Employee Benefits	60,077	67,045	66,545	67,045	58,347
(55011) Retirement - PERS	20,960	24,664	24,664	24,664	20,443
(55012) Retirement - Soc Sec	8,642	9,116	9,116	9,116	7,853
(55013) Medicare	2,132	2,394	2,394	2,394	1,893
(55021) Health Insurance Medical	20,093	21,845	21,845	21,845	20,285
(55024) Health Ins Dental & Vision	4,270	3,066	3,066	3,066	2,847
(55031) Long Term Disability Insurance	572	537	537	537	445
(55033) Workers Compensation	3,408	4,923	4,923	4,923	4,081
(55041) Tuition Reimbursement	0	500	0	500	500
► Maintenance & Utilities	2,377	7,750	6,492	7,750	7,750
▼ Services & Supplies	237,569	285,300	225,628	285,300	270,600
(62042) Plan Check Services	113,429	130,000	86,237	130,000	123,500
(62051) Temp Bldg Inspection	110,642	0	0	0	0
(62099) Miscellaneous Consultants	0	135,000	135,000	135,000	135,000
(62303) Scanning	9,132	10,000	0	10,000	7,500
(62305) Software & Licensing	4,366	10,300	4,391	10,300	4,600
▼ Education & Travel	524	2,000	0	2,000	2,000
(65012) Education & Training	174	1,000	0	1,000	1,000
(65014) Dues	350	1,000	0	1,000	1,000
Revenues Less Expenses	\$ 193,889	\$ 59,129	\$ 31,535	\$ 59,129	\$ 107,495

Data filtered by Types: General Fund, Building Division, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



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Code Compliance Division

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Section II - Building & Planning: 330 Code Compliance Division

Description

The Town is responsible for enforcing the Portola Valley Municipal Code, which includes the Zoning Ordinance and the California Building Codes pertaining to properties inside the Town of Portola Valley's limits. The codes enforced cover public nuisances, zoning and land use violations, and building code violations. Common types of violations that are enforced include, but are not limited to:

- Structures or grading without permit (fences, sheds, etc.)
- Setback and Height Violations
- Building Code Violations
- Illegal Conversions

Planning and Zoning Issues

- Setback and Height Violations
- Fence/Walls (height and location)
- Sign Regulations
- Nonconforming exterior lighting
- Construction or planting in the Town right of way
- Encroachment into open space, designated horse or pedestrian trails

Nuisance Issues

- Noise Regulations
- Property Maintenance, public nuisances

Code Compliance Personnel Services Summary						
Position Title	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Planning Director	0.00	\$0	0.00	\$0	0.10	\$23,637
Planning Technician II	0.20	20,900	0.20	24,000	0.15	18,558
Totals	0.20	\$20,900	0.20	\$24,000	0.25	\$42,195

330-Code Compliance Expenses by Expense Type



Code Compliance - 330

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenses	32,158	24,000	24,000	24,000	42,195
Employee Services	24,252	16,170	16,170	16,170	30,080
(51011) Salaries - Permanent	24,252	16,170	16,170	16,170	30,080
Employee Benefits	7,906	7,830	7,830	7,830	12,115
(55011) Retirement - PERS	3,513	2,454	2,454	2,454	4,565
(55012) Retirement - Soc Sec	1,338	1,036	1,036	1,036	1,668
(55013) Medicare	357	238	238	238	423
(55021) Health Insurance Medical	1,674	3,121	3,121	3,121	3,901
(55024) Health Ins Dental & Vision	356	438	438	438	548
(55031) Long Term Disability Insurance	96	53	53	53	99
(55033) Workers Compensation	571	490	490	490	911
Revenues Less Expenses	\$ -32,158	\$ -24,000	\$ -24,000	\$ -24,000	\$ -42,195

Data filtered by Types, General Fund, Code Compliance, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



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Customer Deposits

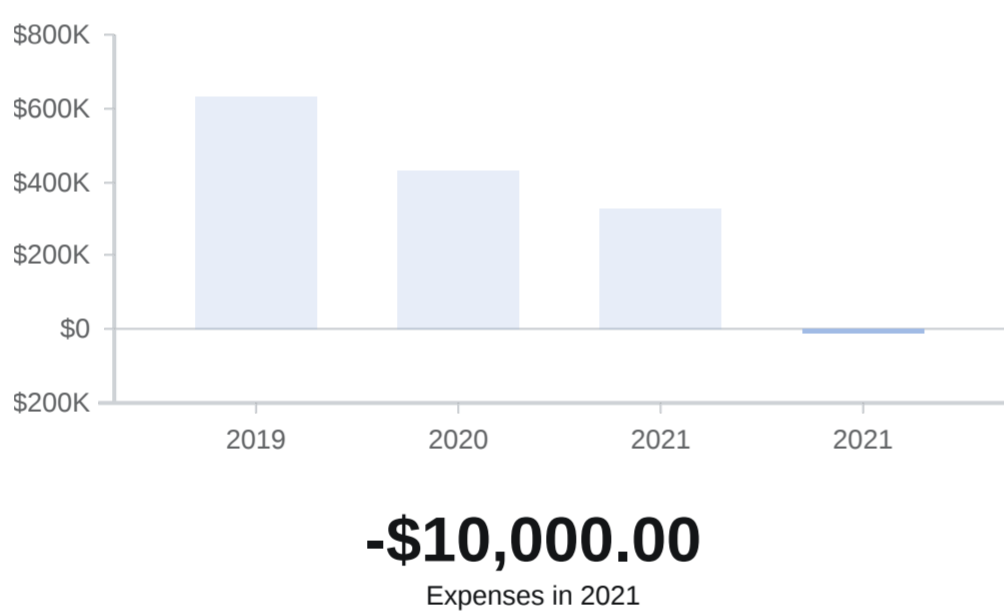
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Section II - Planning & Building: 340 Customer Deposits

Description

In order to efficiently process land-use applications, projects are required to provide deposits. These deposits are utilized by staff as a source to fund their hourly work and for other professional services. Unspent moneys are refunded to the applicant.

340-Customer Deposits Expenses by Expense Type



Customer Deposits - 340

Collapse All	2018-19 Actual	2019-20 Budget	2019-20 Projected	2020-21 Interim Budget	2020-21 Revised Budget
Revenues	\$ 660,218	\$ 325,000	\$ 747,102	\$ 325,000	\$ 315,000
Charges for Services	660,218	325,000	747,102	325,000	315,000
(43041) Applicant Charges	660,218	325,000	747,102	325,000	315,000
Expenses	633,502	325,000	432,128	325,000	315,000
Services & Supplies	633,502	325,000	432,128	325,000	315,000
(62033) Attorney - Charges to Appls	2,843	40,000	31,736	40,000	40,000
(62036) Geologist - Charges to Appls	180,397	125,000	76,684	125,000	125,000
(62038) Engineer - Charges to Appls	134,348	120,000	209,842	120,000	120,000
(62041) Planner - Charges to Appls	122,576	40,000	113,865	40,000	30,000
(62325) C&D Deposit	-24,793	0	0	0	0
(63012) Deposit Refunds, Other Charges	218,131	0	0	0	0
Revenues Less Expenses	\$ 26,716	\$ 0	\$ 314,974	\$ 0	\$ 0

Data filtered by Types, Customer Deposits. Customer Deposits, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Recreation Services Department

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Section II - Recreation Services: Department 400

Description

The Town provides residents and visitors alike with many opportunities to utilize the Town's facilities for their needs. The Town's fields, buildings and other amenities are available for rental to celebrate life events, hold local meetings of note, and enjoy sports.

Recreation Services						
FY 2020-21 Revised Budget						
All Funds Summary						
Funds / Divisions	FY 2018-19 Actuals	FY 2019-20 Projected	FY 2019-20 Adopted	FY 2020-21 Interim	FY 2021-22 Revised	FY 2020-21 Change
Revenues:						
General Fund						
Community Hall	\$244,954	\$152,754	\$235,100	\$235,100	\$0	(\$235,100)
Field Rentals	54,603	580	55,500	55,500	11,000	(44,500)
Total Revenues	\$299,557	\$153,334	\$290,600	\$290,600	\$11,000	(\$279,600)
Expenses:						
General Fund						
Community Hall	\$207,995	\$203,902	\$238,348	\$238,348	\$58,075	(\$180,273)
Field Rentals	76,797	65,215	91,000	91,000	91,000	0
Total Expenses	\$284,792	\$269,117	\$329,348	\$329,348	\$149,075	(\$180,273)
Revenues Less Expenses:						
General Fund - Net Town Cost	\$14,765	(\$115,783)	(\$38,748)	(\$38,748)	(\$138,075)	(\$99,327)



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Town of Portola Valley

Community Hall

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Section II - Recreation Services: 410 Community Hall

Description

The Community Hall serves as one of the epicenters of Town Center life. Whether hosting resident life events, classes taught by able instructors, or for special meetings and gatherings of community-wide interest, the Community Hall stands as the Town's "go to" location for our most important experiences.

410-Community Hall Expenses by Expense Type



Community Hall - 410

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 244,954	\$ 235,100	\$ 152,754	\$ 235,100	\$ 0
▼ Charges for Services	226,372	218,100	146,757	218,100	0
(43121) Class Fees	226,372	210,000	138,657	210,000	0
(43131) Merchant Svcs Credit Card Fees	0	8,100	8,100	8,100	0
▼ Use of Money & Property	18,582	17,000	5,997	17,000	0
(44051) Comm Hall & Acty Room Rents	3,157	3,500	1,972	3,500	0
(44052) Comm Hall Private Party Fees	15,425	13,500	4,025	13,500	0
▼ Expenses	207,995	238,348	203,902	238,348	58,075
▼ Maintenance & Utilities	32,224	54,000	40,479	54,000	54,000
(61051) Community Hall Maintenance	32,224	54,000	40,479	54,000	54,000
▼ Services & Supplies	175,772	184,348	163,423	184,348	4,075
(62305) Software & Licensing	3,248	3,248	3,248	3,248	4,075
(62331) Bank Fees	3,418	5,000	5,000	5,000	0
(62332) Merchant Svcs Credit Card Fees	0	8,100	8,100	8,100	0
(63013) Instructors & Class Refunds	166,078	165,000	145,898	165,000	0
(63104) Event Insurance	3,028	3,000	1,177	3,000	0
Revenues Less Expenses	\$ 36,959	\$ -3,248	\$ -51,148	\$ -3,248	\$ -58,075

Data filtered by Types, General Fund, Community Hall, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



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Parks & Fields Operations

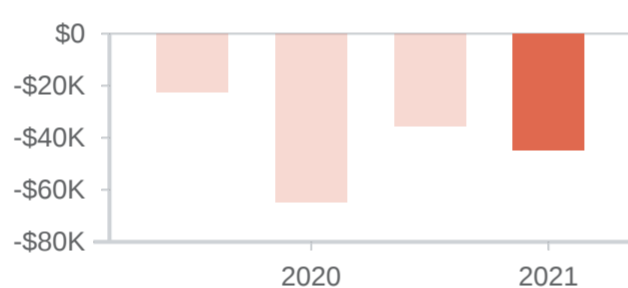
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Section II - Recreation Services: 420 Parks & Fields Operations

Description

The Town's fields at Town Center, Rossotti and Ford Fields are available to organized sports leagues to hold their annual seasons.

420-Parks & Fields Operations Revenues vs Expenses



-\$44,500.00

Revenues Less Expenses in 2021



Field Rentals - 420

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 54,603	\$ 55,500	\$ 580	\$ 55,500	\$ 11,000
Use of Money & Property	54,603	55,500	580	55,500	11,000
(44054) Parking Lot & Field Rentals	54,603	55,500	580	55,500	11,000
Expenses	76,797	91,000	65,215	91,000	91,000
Maintenance & Utilities	76,797	91,000	50,581	91,000	91,000
(61055) Parks & Fields Maintenance	71,484	86,000	45,751	86,000	86,000
(61056) Portable Lavatories	5,313	5,000	4,830	5,000	5,000
Fixed Assets	0	0	14,634	0	0
(73011) Fixed Assets - Software/Equip	0	0	14,634	0	0
Revenues Less Expenses	\$ -22,194	\$ -35,500	\$ -64,635	\$ -35,500	\$ -80,000

Data filtered by Types, General Fund, Field Rentals, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Public Works Department

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Section II - Public Works: Department 500

Mission Statement

The Public Works Department strives to provide outstanding cost effective service to support and enhance the quality of life for present and future generations of residents and visitors alike, by ensuring the maintenance and operations of the Town's facilities, infrastructure, lands, and services are efficiently and effectively performed. The Department also provides support and review services for public and private development projects. Duties include:

Construct, operate, maintain and upgrade the Town's infrastructure such as;

- Streets, easements, and rights of way.
- Storm drain systems
- Trails and paths
- Town Center, buildings, and facilities
- Parks, recreational fields, and all Town owned lots and open space
- Implement the Town's Fire Mitigation Program
- Preserve and enhance the Town's invaluable open spaces and playing fields
- Maintain the Town's corporation yard, equipment, and vehicle fleet
- Implement and administer the Town's annual Capital Improvement Program, engineering, studies, and regulatory requirements.
- Review, permit, inspect, and ensure that all development whether public or private, comply with the Town's municipal code, regulations, standards and administers associated inspections. Examples such as site development and encroachment permits, and right of way administration. Supporting revenue and applicant charges for site development / engineering services are collected through the Building/Planning Department budget.
- Other support services for: code enforcement issues, Town events, Town office staff, Committees, and investigates resident's issues.

The Town's various capital programs for roads, right of way, facilities, open space, parks and fields, and Community Hall maintenance are supported by staff salaries from this department/section and are not separated out within those divisions.

Public Works						
FY 2020-21 Revised Budget						
All Funds Summary						
Funds / Divisions	FY 2018-19 Actuals	FY 2019-20 Projected	FY 2019-20 Adopted	FY 2020-21 Interim	FY 2021-22 Revised	FY 2020-21 Change
Revenues:						
General Fund	\$31,747	\$26,910	\$24,000	\$24,000	\$24,000	\$0
Gas Tax	324,547	320,362	320,362	320,362	328,105	7,743
Library Fund	0	84,603	84,603	84,603	87,855	3,252
Measure A Trans Sales Tax	0	0	298,935	0	0	0
Measure M Motor Vehicle Fees	0	0	75,000	0	0	0
Total Revenues	\$356,294	\$431,875	\$802,900	\$428,965	\$439,960	\$10,995
Expenses:						
General Fund	\$727,629	\$738,526	\$883,501	\$883,501	\$1,119,306	\$235,805
Gas Tax	145,960	58,749	247,625	247,625	328,105	80,480
Library Fund	71,255	41,948	90,456	90,456	94,550	4,094
Measure M Motor Vehicle Fees	11,897	9,950	11,440	11,440	13,167	1,727
Total Expenses	\$956,741	\$849,173	\$1,233,022	\$1,233,022	\$1,555,128	\$322,106
Revenues Less Expenses:						
General Fund - Net Town Cost	(\$695,882)	(\$711,616)	(\$859,501)	(\$859,501)	(\$1,095,306)	(\$235,805)
Other Funds	95,435	294,318	429,379	55,444	(19,862)	(75,306)
Total Difference	(\$600,447)	(\$417,298)	(\$430,122)	(\$804,057)	(\$1,115,168)	(\$311,111)
Authorized Positions	4	4	4	4	4	0



TOWN OF Portola Valley

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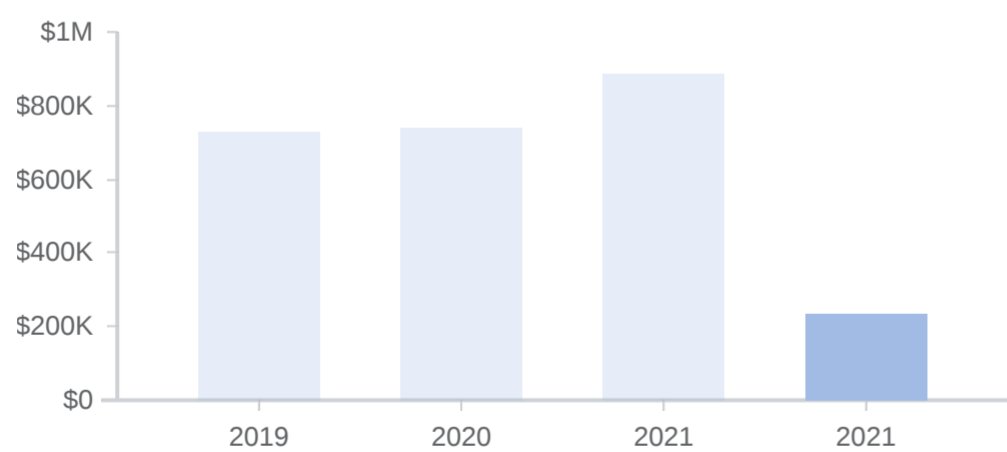
Public Works Division

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Section II - Public Works Department: 510 Public Works Division

Public Works						
Personnel Services Summary						
	FY 2018-19 Actual		FY 2019-20 Adopted		FY 2020-21 Revised	
Position Title	FTEs	Sal & Ben	FTEs	Sal & Ben	FTEs	Sal & Ben
Public Works Director/Engineer	1.00	\$259,204	1.00	\$270,208	1.00	\$271,041
Recreational Facilities Coordinator	0.00	0	1.00	124,714	1.00	125,089
Maintenance Worker II	3.00	288,775	2.00	207,403	2.00	207,837
Planning Technician II	0.00	0	0.00	0	0.10	12,174
Totals	4.00	\$547,979	4.00	\$602,325	4.10	\$616,141

510-Public Works Expense by Expense Type



\$235,804.60
Expenses in 2021



Public Works - 510

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 31,747	\$ 24,000	\$ 26,910	\$ 24,000	\$ 24,000
Licenses & Permits	17,625	10,000	13,660	10,000	10,000
(41951) Encroachment Permits	17,625	10,000	13,660	10,000	10,000
Charges for Services	13,897	14,000	13,250	14,000	14,000
(43252) Town Library Maintenance	8,497	11,000	11,000	11,000	11,000
(43253) Town Engineer Fees	5,400	3,000	2,250	3,000	3,000
Miscellaneous Revenue	225	0	0	0	0
(46079) Miscellaneous Receipts	225	0	0	0	0
Expenses	727,629	883,501	738,526	883,501	1,119,306
Employee Services	408,097	437,373	432,941	437,373	445,458
(51011) Salaries - Permanent	404,958	433,373	428,941	433,373	441,458
(51015) Overtime	13	0	0	0	0
(51031) Automobile Allowance	3,125	4,000	4,000	4,000	4,000
Employee Benefits	149,391	184,756	174,780	184,756	190,487
(55011) Retirement - PERS	59,033	66,373	66,373	66,373	69,718
(55012) Retirement - Soc Sec	22,358	24,125	24,125	24,125	24,643
(55013) Medicare	6,005	6,443	6,443	6,443	6,260
(55021) Health Insurance Medical	8,372	15,604	15,604	15,604	17,164
(55022) Health Opt Out	25,800	28,950	28,950	28,950	28,950
(55024) Health Ins Dental & Vision	7,117	8,761	8,761	8,761	8,980
(55031) Long Term Disability Insurance	1,611	1,446	1,446	1,446	1,473
(55033) Workers Compensation	9,599	13,250	13,250	13,250	13,495
(55041) Tuition Reimbursement	0	1,000	0	1,000	1,000
(55051) Deferred Compensation	9,495	18,804	9,828	18,804	18,804
Maintenance & Utilities	61,831	84,060	42,321	84,060	92,021
(61018) Repairs/Vandalism	3,804	5,000	689	5,000	5,000
(61021) NPDES Stormwater Program	5,692	6,500	5,692	6,500	6,500
(61052) Mechanical Sys Maint & Repair	8,729	20,500	8,519	20,500	20,500
(61054) Janitorial Services	31,638	37,640	25,938	37,640	45,168
(61081) Vehicle Maintenance	11,968	14,420	1,484	14,420	14,853
Services & Supplies	108,021	172,312	88,363	172,312	385,540
(62011) Building Maint Equip & Supp	8,526	15,000	6,627	15,000	15,000
(62012) Landscape Supplies & Services	39,305	63,240	16,097	63,240	109,240
(62014) Tools & Equipment	6,503	6,000	12,616	6,000	6,000
(62037) Engineer Services	2,269	25,000	11,169	25,000	25,000
(62044) GIS Mapping	0	1,000	0	1,000	1,000
(62047) WFPD-Fuel Mitigation Engineer	0	28,322	12,950	28,322	151,000
(62099) Miscellaneous Consultants	36,125	18,750	24,327	18,750	71,250
(62305) Software & Licensing	14,798	15,000	4,577	15,000	7,050
(62326) Contingency	150	0	0	0	0
(62399) Miscellaneous	345	0	0	0	0
Education & Travel	290	5,000	120	5,000	5,800
(65012) Education & Training	0	3,000	0	3,000	3,800
(65014) Dues	290	2,000	120	2,000	2,000
Revenues Less Expenses	\$ -695,882	\$ -859,501	\$ -711,616	\$ -859,501	\$ -1,095,306

Data filtered by Types: General Fund, Public Works, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 206

Gas Tax

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 324,547	\$ 320,362	\$ 320,362	\$ 320,362	\$ 328,105
Intergovernmental Revenue	192,351	210,390	210,390	210,390	197,203
(42111) State Gas Tax 2103	21,301	41,057	41,057	41,057	39,365
(42112) State Gas Tax 2105	26,155	26,475	26,475	26,475	24,695
(42113) State Gas Tax 2106	23,584	23,559	23,559	23,559	22,361
(42114) State Gas Tax 2107	32,892	34,578	34,578	34,578	29,709
(42115) State Gas Tax 2107.5	1,000	1,000	1,000	1,000	1,000
(42121) RMRA 2017 SB1	87,418	83,721	83,721	83,721	80,073
Use of Money & Property	0	0	0	0	5,263
(44011) Interest	0	0	0	0	5,263
Operating Transfers In	132,196	109,972	109,972	109,972	125,639
(49011) Operating Transfers In	0	0	0	0	125,639
(49021) Transfer In - Capital	132,196	109,972	109,972	109,972	0
Expenses	145,960	247,625	58,749	247,625	328,105
Maintenance & Utilities	143,316	227,625	58,749	227,625	228,032
(61011) Public Road Surface & Drainage	23,207	25,000	9,407	25,000	25,000
(61012) Street Sweeping	13,856	22,625	15,837	22,625	23,032
(61013) Street Signs & Striping	1,950	15,000	21,687	15,000	15,000
(61014) Trail Surface Rehabilitation	38,343	55,000	2,727	55,000	55,000
(61015) Storm Damage / Emerg Repairs	20,231	40,000	0	40,000	40,000
(61016) ROW Tree Trimming & Mowing	45,729	70,000	9,092	70,000	70,000
Services & Supplies	2,644	20,000	0	20,000	20,000
(62037) Engineer Services	2,644	20,000	0	20,000	20,000
Reserves	0	0	0	0	80,073
(85012) Capital Reserves	0	0	0	0	80,073
Revenues Less Expenses	\$ 178,587	\$ 72,737	\$ 261,613	\$ 72,737	\$ 0

Data filtered by Types, Gas Tax, Public Works, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 205

Library Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 0	\$ 84,603	\$ 84,603	\$ 84,603	\$ 87,855
Miscellaneous Revenue	0	84,603	84,603	84,603	87,855
(46039) Miscellaneous Contributions	0	84,603	84,603	84,603	87,855
Expenses	71,255	90,456	41,948	90,456	94,550
Maintenance & Utilities	45,131	57,820	16,692	57,820	61,914
(61052) Mechanical Sys Maint & Repair	13,592	18,000	4,120	18,000	18,000
(61053) Library Maint Staff Support	8,497	11,000	0	11,000	11,330
(61054) Janitorial Services	15,900	18,820	12,572	18,820	22,584
(61079) Maintenance/Improvements	7,142	10,000	0	10,000	10,000
Services & Supplies	26,124	32,636	25,256	32,636	32,636
(62011) Building Maint Equip & Supp	3,534	11,500	4,120	11,500	11,500
(62022) Utilities	22,590	21,136	21,136	21,136	21,136
Revenues Less Expenses	\$ -71,255	\$ -5,853	\$ 42,655	\$ -5,853	\$ -6,695

Data filtered by Types, Library Fund, Public Works, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 212

Measure M

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 0	\$ 75,000	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	0	75,000	0	0	0
(42132) Measure M Sales Tax	0	75,000	0	0	0
Expenses	11,897	11,440	9,950	11,440	13,167
Maintenance & Utilities	11,897	11,440	9,950	11,440	13,167
(61017) Litter Clean Up Program	11,897	11,440	9,950	11,440	13,167
Revenues Less Expenses	\$ -11,897	\$ 63,560	\$ -9,950	\$ -11,440	\$ -13,167

Data filtered by Types, Measure M Motor Vehicle Fees, Public Works, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Non-Departmental

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Section II - Non-Departmental: Department 600

Description

The Non-Departmental Department encompasses functions that are essential to the operation of the Town but do not fall within the jurisdiction of any single department or are expenditures of an organization-wide nature. Included are the City's major tax revenues, such as property tax, sales tax, and utility users' tax. Interfund overhead reimbursements are also included.

The responsibility for monitoring and controlling these revenues and expenditures lies within the Division of the Town Manager.

FY 2020-21 Revised Budget						
All Funds Summary						
Funds / Divisions	FY 2018-19 Actuals	FY 2019-20 Projected	FY 2019-20 Adopted	FY 2020-21 Interim	FY 2021-22 Revised	FY 2020-21 Change
Revenues:						
General Fund	\$4,448,315	\$4,848,720	\$4,559,677	\$4,775,677	\$5,337,976	\$562,299
Grants	10,000	0	5,000	5,000	5,000	0
Public Safety/Cops	2,098	2,614	2,614	2,614	0	(2,614)
Open Space	143,754	143,863	143,863	143,863	0	(143,863)
Library Fund	6,263	6,695	6,695	6,695	6,695	0
Gas Tax	(616)	5,263	5,263	5,263	0	(5,263)
Measure A Trans Sales Tax	3,980	1,003	1,003	1,003	0	(1,003)
Measure M Motor Vehicle Fees	0	5,227	5,227	5,227	0	(5,227)
Park in Lieu	780	6,015	6,015	6,015	788	(5,227)
Inclusion in Lieu	83,025	84,786	84,786	84,786	84,786	0
Maintenance Districts	131,628	0	0	0	0	0
Total Revenues	\$4,829,228	\$5,104,186	\$4,820,143	\$5,036,143	\$5,435,245	\$399,102
Expenses:						
General Fund	\$870,728	\$694,882	\$753,555	\$811,824	\$1,248,392	\$436,568
Grants	10,020	0	0	0	0	0
Maintenance Districts	3,050	0	0	0	0	0
Total Expenses	\$883,798	\$694,882	\$753,555	\$811,824	\$1,248,392	\$436,568
Reserves:						
General Fund	\$0	\$0	\$0	\$628,015	\$0	(\$628,015)
Total Reserves	\$0	\$0	\$0	\$628,015	\$0	(\$628,015)
Total Requirements*	\$883,798	\$694,882	\$753,555	\$1,439,839	\$1,248,392	(\$191,447)
Revenues Less Requirements:						
General Fund - Net Town Cost	\$3,577,587	\$4,153,838	\$3,806,122	\$3,335,838	\$4,089,584	\$753,746
Other Funds	367,843	255,466	260,466	260,466	97,269	(163,197)
Total Difference	\$3,945,430	\$4,409,304	\$4,066,588	\$3,596,304	\$4,186,853	\$590,549

*Total Requirements include Department Reserves.

Reserves are increased to offset capital expenditures funded by General Fund.

Non-Departmental

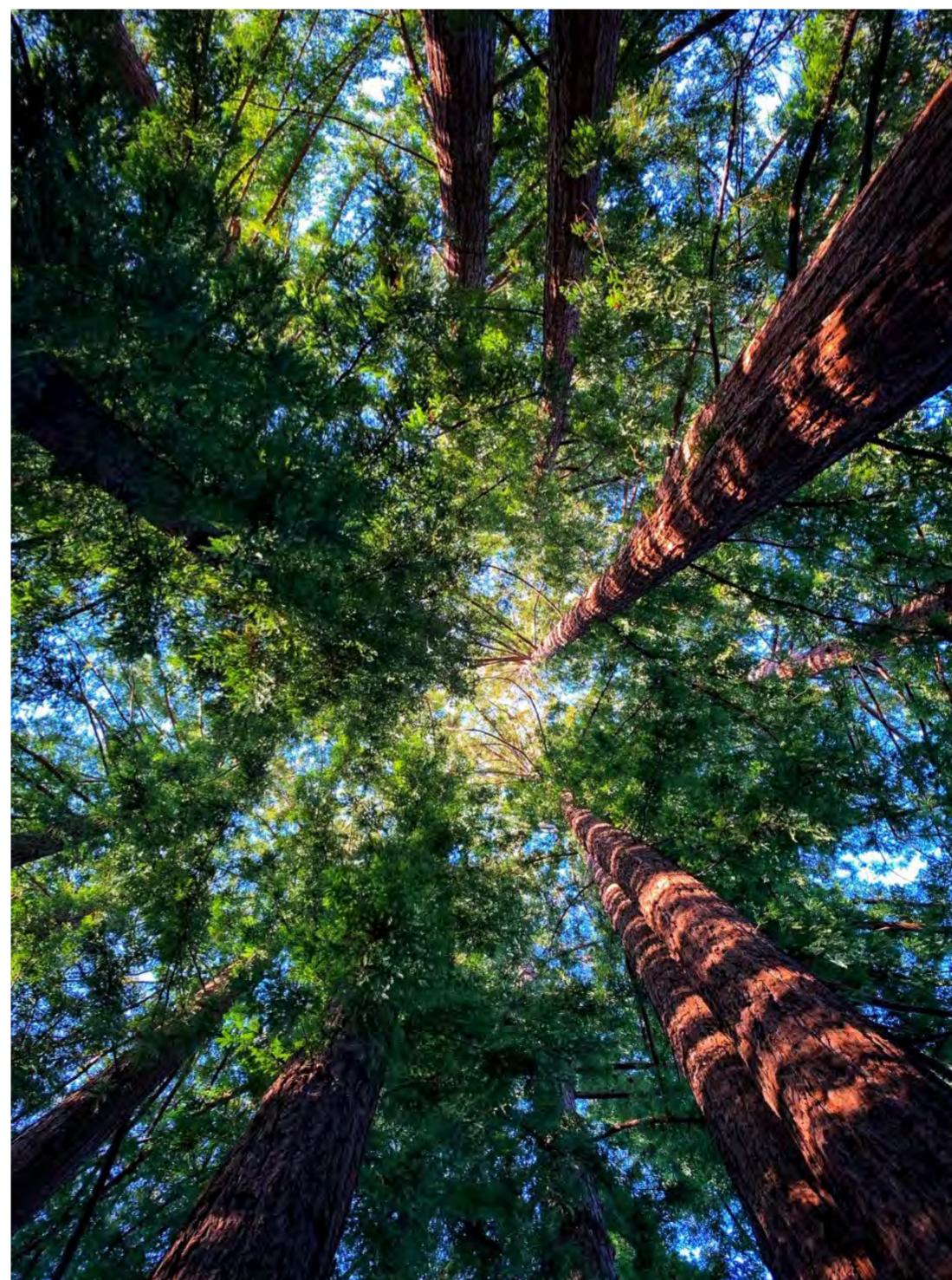
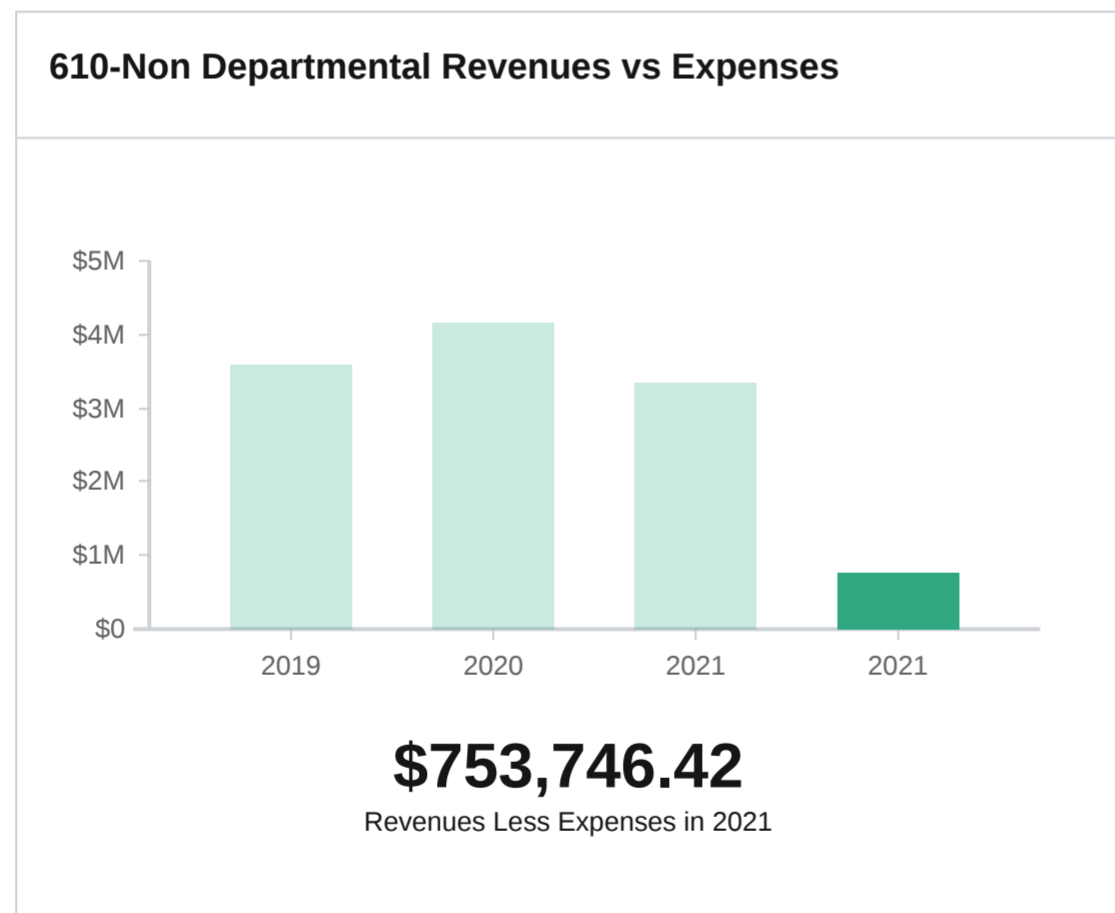
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Section II - Non-Departmental: 610 Non-Departmental

Description

The Non-Departmental Department encompasses functions that are essential to the operation of the Town but do not fall within the jurisdiction of any single department or are expenditures of an organization-wide nature. Included are the City's major tax revenues, such as property tax, sales tax, and utility users' tax. Interfund overhead reimbursements are also included.

The responsibility for monitoring and controlling these revenues and expenditures lies within the Division of the Town Manager.



Non-Departmental - 610

Revenue

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Fund Balance	\$ 0	\$ 0	\$ 216,000	\$ 216,000	\$ 482,134
(33333) Appropriated Fund Balance	0	0	216,000	216,000	482,134
▼ Property Taxes	3,058,184	3,124,362	3,143,785	3,124,362	3,241,725
(41111) Property Taxes - Secured	2,839,938	2,723,612	2,709,748	2,723,612	2,914,012
(41112) Property Taxes - Unsecured	105,735	110,000	107,207	110,000	127,188
(41121) ERAF Revenue	0	170,000	230,641	170,000	79,775
(41141) Real Property Transfer Tax	112,511	120,750	96,189	120,750	120,750
▼ Sales & Use Tax	184,175	217,221	203,607	217,221	215,000
(41311) Sales & Use Tax	184,175	217,221	203,607	217,221	215,000
▼ Other Taxes	87,232	105,000	128,034	105,000	125,000
(41411) Business License Tax	87,232	105,000	128,034	105,000	125,000
▼ Franchise Fees	311,471	320,112	325,863	320,112	354,295
(41601) Energy Services	80,564	92,538	87,001	92,538	92,538
(41602) Water Services	50,948	45,000	50,000	45,000	52,500
(41603) Garbage Services	91,723	89,528	100,679	89,528	120,863
(41604) Cable Services	88,236	93,046	88,183	93,046	88,394
▼ Fines & Forfeitures	10,659	8,500	7,126	8,500	8,500
(41811) Fines & Forfeitures	10,659	8,500	7,126	8,500	8,500
▼ Intergovernmental Revenue	10,625	9,700	11,953	9,700	12,725
(42811) Motor Vehicle	2,288	2,500	3,688	2,500	3,625
(42821) Homeowners Property Tax Relief	8,337	7,200	8,265	7,200	9,100
▼ Charges for Services	658,714	654,366	688,263	654,366	732,890
(43111) UUT - Energy	409,085	404,040	432,798	404,040	452,525
(43112) UUT - Telephone	29,036	30,326	33,844	30,326	33,985
(43113) UUT - Water	220,593	220,000	221,621	220,000	246,400
▼ Use of Money & Property	123,547	116,916	116,916	116,916	162,208
(44011) Interest	117,935	107,808	107,808	107,808	153,100
(44055) Lease Income - Parks	5,611	9,108	9,108	9,108	9,108
▼ Miscellaneous Revenue	3,709	3,500	7,174	3,500	3,500
(46039) Miscellaneous Contributions	250	0	0	0	0
(46079) Miscellaneous Receipts	3,459	3,500	7,174	3,500	3,500
Total	\$ 4,448,315	\$ 4,559,677	\$ 4,848,720	\$ 4,775,677	\$ 5,337,976

Data filtered by Revenues, General Fund, Non-Departmental, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Non-Departmental - 610

Expenditures

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Employee Benefits	\$ 2,036	\$ 6,000	\$ 1,000	\$ 6,000	\$ 6,000
(55025) Cafeteria Plan Mgmt	2,000	1,000	1,000	1,000	1,000
(55052) Wellness Program	36	5,000	0	5,000	5,000
▼ Services & Supplies	542,373	603,043	556,753	636,312	654,913
(62021) Telephones	9,866	10,700	8,738	10,700	15,700
(62022) Utilities	67,770	84,800	111,516	84,800	84,800
(62032) Town Attorney	136,320	140,000	100,669	140,000	140,000
(62046) IT & Website Consultants	30,364	39,000	28,922	39,000	43,500
(62099) Miscellaneous Consultants	30,301	33,200	61,782	33,200	10,300
(62201) HEART JPA	1,432	1,432	1,432	1,432	1,432
(62202) Animal Control	27,753	0	0	23,031	21,075
(62206) Emergency Services Council JPA	15,525	0	0	16,238	18,300
(62301) Office Supplies	17,803	19,800	18,469	19,800	12,225
(62304) Town Publications	1,114	10,000	1,700	10,000	11,000
(62305) Software & Licensing	32,060	35,000	36,459	35,000	69,495
(62306) Office Equipment	51,139	27,450	2,703	27,450	13,350
(62307) Equipment Services Contracts	2,866	9,075	2,976	9,075	8,150
(62308) Postage	6,015	10,000	4,074	10,000	8,000
(62309) Advertising	4,134	9,700	6,392	9,700	6,500
(62326) Contingency	0	15,000	0	15,000	0
(62327) Community Services	18,451	46,152	66,151	46,152	81,652
(62331) Bank Fees	10,872	17,000	17,000	17,000	17,000
(62334) Leaf Blower Buy Back Program	0	6,000	240	0	1,200
(62399) Miscellaneous	11,678	7,500	6,368	7,500	10,000
(63101) Property Insurance	10,686	12,793	13,325	12,793	12,793
(63102) Liability Insurance/Bonds	56,223	68,441	67,836	68,441	68,441
▼ Education & Travel	2,023	34,540	27,156	34,540	31,500
(65012) Education & Training	1,404	9,140	5,356	9,140	7,500
(65014) Dues	574	25,000	21,505	25,000	23,600
(65015) Mileage Reimbursement	45	400	296	400	400
▼ Fixed Assets	0	0	0	25,000	43,600
(73011) Fixed Assets - Software/Equip	0	0	0	25,000	43,600
▼ Operating Transfers Out	324,296	109,972	109,972	109,972	512,379
(75111) Transfer Out - Operating	0	0	0	0	125,639
(75121) Transfer Out - Capital	324,296	109,972	109,972	109,972	386,740
▼ Reserves	0	0	0	628,015	0
(85011) Department Reserves	0	0	0	628,015	0
Total	\$ 870,728	\$ 753,555	\$ 694,882	\$ 1,439,839	\$ 1,248,392

Data filtered by Expenses, General Fund, Non-Departmental, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



765 Portola Road

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Road Maintenance Districts

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Section II - Non-Departmental: 620 Road Maintenance District

Description

Five active districts created in Portola Valley to support the maintenance of privately-held roads:

- Crescent Road Maintenance District
- Portola Valley Ranch Maintenance District
- Wayside I & II Road Maintenance Districts
- Woodside Highlands Road Maintenance District



Each district collects taxes for road maintenance purposes, and manages and conducts such work.

Road Maintenance Districts - 620

Collapse All	2018-19 Actual	2019-20 Budget	2019-20 Projected	2020-21 Interim Budget	2020-21 Revised Budget
▼ Revenues	\$ 131,628	\$ 0	\$ 0	\$ 0	\$ 0
▼ Property Taxes	119,166	0	0	0	0
(41131) Assessment Revenue	119,166	0	0	0	0
▼ Use of Money & Property	12,462	0	0	0	0
(44011) Interest	12,462	0	0	0	0
▼ Expenses	3,050	0	0	0	0
▼ Services & Supplies	3,050	0	0	0	0
(62311) General Expenses	3,050	0	0	0	0
Revenues Less Expenses	\$ 128,578	\$ 0	\$ 0	\$ 0	\$ 0

Data filtered by Types, Special Districts, Non-Departmental, Placeholder: Placeholder and exported on September 14, 2020. Created with OpenGov



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Town of Portola Valley

Capital Projects

FY 2020-21

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Section III - Capital Projects: Department 700

Description

The Capital Improvement Program is a five-year plan that provides guidance to the Town Council, Town staff, and the community about the capital improvements and purchases that will/could be undertaken over the next five-year period. The Capital Improvement Program is a living document that will be revisited and revised at least annually as the Town plans its improvements. As a five-year plan, the projects are updated and phased over time taking into account the needs and resources available to complete the projects.

Capital Projects						
FY 2020-21 Revised Budget						
All Funds Summary						
Funds / Divisions	FY 2018-19 Actuals	FY 2019-20 Projected	FY 2019-20 Adopted	FY 2020-21 Interim	FY 2021-22 Revised	FY 2020-21 Change
Revenues:						
Open Space	\$904,663	\$301,907	\$302,337	\$302,337	\$482,360	\$180,023
Measure A Trans Sales Tax	323,067	309,938	0	298,935	299,938	1,003
Measure M Motor Vehicle Fees	0	0	0	75,000	80,227	5,227
Measure W Trans Sales Tax	0	128,922	132,860	132,860	132,860	0
Capital Projects Fund*	168,969	0	0	0	386,740	386,740
Total Revenues	\$1,396,699	\$740,767	\$435,197	\$809,132	\$1,382,125	\$572,993
Expenses:						
Open Space	\$37,631	\$0	\$0	\$0	\$482,360	\$482,360
Gas Tax	78,000	0	78,000	78,000	0	(78,000)
Measure A Trans Sales Tax	275,000	0	298,935	298,935	299,938	1,003
Measure M Motor Vehicle Fees	67,000	0	102,000	102,000	67,060	(34,940)
Measure W Trans Sales Tax	0	0	132,860	132,860	132,860	0
Capital Projects Fund*	171,621	96,806	729,015	76,000	386,740	310,740
Total Expenses	\$629,252	\$96,806	\$1,340,810	\$687,795	\$1,368,958	\$681,163
Reserves:						
Gas Tax	\$0	\$0	\$0	\$78,000	\$0	(\$78,000)
Measure A Trans Sales Tax	0	0	0	298,935	0	(298,935)
Measure M Motor Vehicle Fees	0	0	0	102,000	0	(102,000)
Measure W Trans Sales Tax	0	0	0	132,860	0	(132,860)
Total Reserves	\$0	\$0	\$0	\$611,795	\$0	(\$611,795)
Total Requirements**	\$629,252	\$96,806	\$1,340,810	\$1,299,590	\$1,368,958	\$69,368
Revenues Less Requirements:						
Capital Projects Fund*	(\$2,652)	(\$96,806)	(\$729,015)	(\$76,000)	\$0	\$76,000
Other Funds	770,099	740,766	(176,598)	197,337	13,167	(184,170)
Total Difference	\$767,447	\$643,960	(\$905,613)	\$121,337	\$13,167	(\$108,170)

FY 2020-21 Capital Improvement Projects List

Project Description	Fund 401 – Capital Projects
Road Improvement Project – Pre-work Design refresh	\$20,000
OBAG2 Resurfacing Project Design	\$40,000
Speed Survey for Radar Enforcement	\$25,000
Pavement Management System Update	\$30,000
Emergency Fire Access Gate	\$5,500
Pedestrian Safety Study Improvements	\$58,840
Storm Drain Repairs	\$10,000
Trails Rehabilitation	\$20,000
Springdown/Vernal Pond Vegetation Management	\$45,000
Springdown Blue Heron Pond Webcam	\$2,000
Tree Removal Adjacent to Shady Trail	\$17,000
Schoolhouse A/V Improvements	\$5,000
Re-key Community Hall & Installation of Cabinet Locks	\$5,000
Public Works Utility Truck	\$70,000
Town Center Maintenance/Improvements	\$3,500
Open Space Support	\$8,000
Virtual EOC	\$15,000
Washer & Dryer Hookups	\$6,900
Total Capital Program Expenditures:	\$386,740

Special Revenue - Fund 206

	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Projected	Budget	Interim Budget	Revised Budget
Revenues	\$ 87,418	\$ 83,721	\$ 83,721	\$ 83,721	\$ 80,073
Intergovernmental Revenue	2,010,619	1,925,583	1,925,583	1,925,583	1,841,679
(42121) RMRA 2017 SB1	87,418	83,721	83,721	83,721	80,073
Expenses	0	0	0	0	80,073
Reserves	0	0	0	0	80,073
(85012) Capital Reserves	0	0	0	0	80,073
Revenues Less Expenses	\$ 87,418	\$ 83,721	\$ 83,721	\$ 83,721	\$ 0

Data filtered by Types, Gas Tax, Public Works, Placeholder, Placeholder and exported on September 20, 2020. Created with OpenGov

Special Revenue - Fund 211

Measure A

	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
Revenues	\$ 323,067	\$ 0	\$ 309,938	\$ 298,935	\$ 299,938
Intergovernmental Revenue	323,067	0	309,938	298,935	298,935
(42131) Measure A Sales Tax	323,067	0	309,938	298,935	298,935
Use of Money & Property	0	0	0	0	1,003
(44011) Interest	0	0	0	0	1,003
Expenses	275,000	298,935	0	298,935	299,938
Fixed Assets	275,000	298,935	0	0	0
(74011) Infrastructure Improve Exp	275,000	298,935	0	0	0
Reserves	0	0	0	298,935	299,938
(85012) Capital Reserves	0	0	0	298,935	299,938
Revenues Less Expenses	\$ 48,067	\$ -298,935	\$ 309,938	\$ 0	\$ 0

Data filtered by Types, Measure A Trans Sales Tax, Roads & Right-of-Way, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 212

Measure M

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 0	\$ 0	\$ 0	\$ 75,000	\$ 80,227
▼ Intergovernmental Revenue	0	0	0	75,000	75,000
(42132) Measure M Sales Tax	0	0	0	75,000	75,000
▼ Use of Money & Property	0	0	0	0	5,227
(44011) Interest	0	0	0	0	5,227
▼ Expenses	67,000	102,000	0	102,000	67,060
▼ Fixed Assets	67,000	102,000	0	0	0
(74011) Infrastructure Improve Exp	67,000	102,000	0	0	0
▼ Reserves	0	0	0	102,000	67,060
(85012) Capital Reserves	0	0	0	102,000	67,060
Revenues Less Expenses	\$ -67,000	\$ -102,000	\$ 0	\$ -27,000	\$ 13,167

Data filtered by Types, Measure M Motor Vehicle Fees, Roads & Right-of-Way, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Special Revenue - Fund 213

Measure W

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 0	\$ 132,860	\$ 128,922	\$ 132,860	\$ 132,860
▼ Intergovernmental Revenue	0	132,860	128,922	132,860	132,860
(42133) Measure W Sales Tax	0	132,860	128,922	132,860	132,860
▼ Expenses	0	132,860	0	132,860	132,860
▼ Fixed Assets	0	132,860	0	0	0
(74011) Infrastructure Improve Exp	0	132,860	0	0	0
▼ Reserves	0	0	0	132,860	132,860
(85012) Capital Reserves	0	0	0	132,860	132,860
Revenues Less Expenses	\$ 0	\$ 0	\$ 128,922	\$ 0	\$ 0

Data filtered by Types, Measure W Trans Sales Tax, Roads & Right-of-Way, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov

Capital Projects Fund - 401

General Fund

Collapse All	2018-19	2019-20	2019-20	2020-21	2020-21
	Actual	Budget	Projected	Interim Budget	Revised Budget
▼ Revenues	\$ 168,969	\$ 0	\$ 0	\$ 0	\$ 386,740
▼ Operating Transfers In	168,969	0	0	0	386,740
(49021) Transfer In - Capital	168,969	0	0	0	386,740
▼ Expenses	171,621	729,015	96,806	76,000	386,740
▼ Services & Supplies	0	0	0	0	6,900
(62011) Building Maint Equip & Supp	0	0	0	0	6,900
▼ Fixed Assets	171,621	729,015	96,806	76,000	379,840
(72011) Facilities Structures Expense	24,681	64,000	7,134	7,000	10,000
(73011) Fixed Assets - Software/Equip	0	45,000	0	0	85,000
(74011) Infrastructure Improve Exp	146,940	598,015	89,672	69,000	284,840
(74021) Non-Capital Costs	0	22,000	0	0	0
Revenues Less Expenses	\$ -2,652	\$ -729,015	\$ -96,806	\$ -76,000	\$ 0

Data filtered by Types, Capital Projects Fund, Departments, Placeholder, Placeholder and exported on September 14, 2020. Created with OpenGov



765 Portola Road

www.portolavalley.net



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Brandi de Garneau, Assistant to the Town Manager
Brandon Alvarez, Sustainability & Communications Intern

DATE: September 23, 2020

RE: Climate Action Plan Study Session

RECOMMENDATION

Staff recommends that the Town Council participate in a study session on the creation of a Climate Action Plan, and provide feedback and guidance on next steps.

BACKGROUND

As a leader in sustainability issues, the Town continues to look for ways to reduce our carbon footprint, encourage innovative technologies that lessen our collective reliability on fossil fuels, and pilot programs that reduce landfill waste and water consumption.

The Town also works regionally and with other municipal partners to “show the way” on these endeavors, and many of the Town’s programs and ideas have been emulated in other communities.

An important next step on Town’s sustainability journey is to formalize the many existing programs and initiatives within a Climate Action Plan. Such a plan would be the Town’s statement on its commitment to sustainability issues related to climate change, as well as our programmatic strategy for implementing future programs to meet adopted greenhouse gas emissions reduction targets.

A group of 20 cities in San Mateo County and County itself that have been working together to plan and implement measures to reduce greenhouse gas emissions, and to plan for climate change. This working group of cities – called RICAPS - meets monthly and a countywide technical contractor supports the cities and the County by helping them develop climate action plans, greenhouse gas emission inventories, and by providing guidance on plan implementation. Staff has participated in RICAPS since its inception and has been working the technical contractor support to understand the Town’s emissions data and opportunities as related to the Town’s Climate Action Plan.

DISCUSSION

The development of a Climate Action Plan will take significant time, resource and creative thinking, by staff, residents and committees. As a kickoff to this development process, in staff shall provide in the Study Session a review of the following:

- Basics of a Climate Action Plan
- Town's adopted greenhouse gas emissions reduction targets and brief background on Climate Action Plan efforts
- County's RICAPS Climate Action Plan Template
- Regional Landscape for Climate Action Plan efforts
- Approach options for Climate Action Plan Adoption
- Status of Town's greenhouse gas emissions inventories
- RICAPS Menu of Measures Tool
- "High-Potential" mitigation measures

In the Study Session, staff will also seek feedback and guidance from the Town Council on the following topics:

1. Utilizing the RICAPS Template and Menu of Measures for Creation of the Climate Action Plan
2. Approach for Plan Adoption – Work Plan versus Formal Adoption
3. Initial feedback on approach to identifying programs to consider for inclusion in the Climate Action Plan
4. Thoughts on Community Engagement – residents and Town committees
5. General outline of next steps and a potential timeline for adoption of the Climate Action Plan

To provide the foundation for collective understanding of what a Climate Action Plan is, how they are developed as well as the policy context, staff has included a link below to the RICAPS Climate Action Plan Template. This new Climate Action Plan Template was recently updated and includes the following innovations: guidance for collaborating with community groups when developing and implementing the CAP, identification of emissions from consumption activities (such as air travel, food, and purchases), and information on carbon sequestration and workforce development. The document is designed to be accessible to the public and highly editable to include a city's/town's unique goals and strategies.

Link to San Mateo County Climate Action Plan Template, as developed by the Regional Climate Action Planning Suite (RICAPS) group: https://smcenergywatch.org/wp-content/uploads/RICAPS_Template_WIP_v9.4.pdf

Approved by: Jeremy Dennis, Town Manager



There are no written materials for Update on Enterprise Resource Planning (ERP) Finance Module



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Jeremy Dennis, Town Manager
Cara Silver, Town Manager

DATE: September 23, 2020

RE: Extension of Local Emergency Declaration in Response to Novel Coronavirus (COVID-19)

RECOMMENDATION

Staff recommends that the Town Council extend the Town's Local Emergency Declaration for another 70 days, thus expiring on December 10, 2020.

BACKGROUND

In response to the COVID-19 pandemic, the Town Council adopted a Local Emergency Declaration at a special meeting on March 17 (Attachment 1).

The order:

1. Declares that a Local Emergency now exists throughout the Town of Portola Valley, California;
2. During the existence of this Local Emergency, the Town Manager/Director of Emergency Services shall have the authority to adopt emergency orders or regulations to ensure the health and wellbeing of the public and mitigate the effects of the Local Emergency, including but not limited to public health, safety and welfare measures, employee service levels and purchasing and procurement;
3. During the existence of the Local Emergency, the City Council authorizes the Mayor to appoint a subcommittee of two council members to approve the warrant list on behalf of the Town Council in the event regular Town Council meetings are cancelled or prompt payment is needed while the Council is not in session.
4. During the existence of this Local Emergency, the powers, functions and duties of the Town Manager/Director of Emergency Services and the Town Council shall be those prescribed by state law, by the existing ordinances and resolutions of the Town Council as well as this resolution and any subsequent emergency orders or regulations adopted by the Town Council or Director of Emergency Services.

To augment this declaration, the Council has authorized the following COVID-19-related subcommittees:

1. Local Emergency Order support – Mayor Aalfs and Vice Mayor Derwin
2. Fiscal Matters – Councilmembers Hughes and Wengert
3. Reactivating Full Town Service Delivery – Mayor Aalfs and Councilmember Richards

The emergency order was extended for 30 days on May 13, 2020, 45 days on June 10, 2020, and 60 days on July 22.

DISCUSSION

Substantial restrictions on business operations and individual's activities are expected in the coming weeks and months will remain in place, staff believes that an extension of the current local emergency order is warranted. Service provision continues to be disrupted by the shelter-in-place, and important, immediate decisions are required to be made on a regular basis. Extension of the order will allow for continuity of service and allow staff to respond quickly to new needs.

Staff recommends that the order, as currently drafted, be revised for an additional 70 days. This current extension, if approved would start on October 2 and extend through December 10; staff chose 70 days to accommodate for the Thanksgiving holiday, with the next council meeting scheduled for December 9.

ATTACHMENT

1. March 17 Local Emergency Order

Approved by: Jeremy Dennis, Town Manager



RESOLUTION NO. 2819-2020

**URGENCY RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY
DECLARING EXISTENCE OF LOCAL EMERGENCY**

WHEREAS, Government Code Section 8637 authorizes the Town Council to declare a local emergency; and

WHEREAS, Portola Valley Municipal Code defines a local emergency as “actual or threatened, existence of conditions of disaster or of extreme peril to the safety of persons, property and environment, within or affecting the territorial limits of the town, caused by such conditions as air pollution, drought, earthquake, epidemic, fire, flood, human acts, plant or animal infestation or disease, riot, severe weather, sudden and severe energy shortage, technological interruptions, the governor’s warning of an earthquake or volcanic prediction, or other conditions including conditions resulting from war or imminent threat of war, which are, or are likely to be, beyond the control of town services, personnel, equipment and facilities and requiring the combined forces of other public agencies to combat”; and

WHEREAS, the Town Council hereby finds conditions of extreme peril to the safety of persons and property have arisen within the Town due to the following:

The Centers for Disease Control and Prevention has stated that a novel coronavirus named “COVID-19” is a serious public health threat, based on current information.

The County of San Mateo’s Health Officer issued a statement on March 10, 2020, that evidence exists of widespread community transmissions of COVID-19 in San Mateo County. The Health Officer further clarified that implementation of activities prescribed in his statement March 5, 2020, is now critical;

On March 11, 2020, the World Health Organization declared COVID-19 constituted a world pandemic; and

WHEREAS, implementation of the Health Officer’s direction may have immediate or future impacts on the Town’s ability to provide services to the community as follows:

Urgent modification to Town services, including temporary closure of the Portola Valley Town Hall, cancellation of upcoming non-essential Town sponsored events and meetings, and increased telework by Town employees; and

Additional service impacts such as temporary closure of Town facilities and/or postponement or cancellation of programs and services involving the Town’s recreation centers, library, and Town Hall including planning and building services; and

Reassignment of available staff to deliver the following essential services necessary to protect life and property of the Portola Valley community: emergency building inspections, public works emergency response, public information and Town Council support, and the internal services necessary to support essential services including payroll, accounts payable, procurement, information technology, and critical fleet maintenance; and

Reassignment of staff may impair ability to make progress on Town Council priorities and work plan and comply with mandated state and federal reporting; and

WHEREAS, the economic impact of COVID-19 is projected to cause significant reductions in Town revenues; and

WHEREAS, That the aforesaid conditions of extreme peril warrant and necessitate the proclamation of a Local Emergency;

WHEREAS, said Town Council does hereby find that the aforesaid conditions of extreme peril warrant and necessitate the proclamation of the existence of a local emergency; and

NOW, THEREFORE, the Town Council of Portola Valley does hereby:

1. Declare that a Local Emergency now exists throughout the Town of Portola Valley, California;
2. During the existence of this Local Emergency, the Town Manager/Director of Emergency Services shall have the authority to adopt emergency orders or regulations to ensure the health and wellbeing of the public and mitigate the effects of the Local Emergency, including but not limited to public health, safety and welfare measures, employee service levels and purchasing and procurement;
3. During the existence of the Local Emergency, the City Council authorizes the Mayor to appoint a subcommittee of two council members to approve the warrant list on behalf of the Town Council in the event regular Town Council meetings are cancelled or prompt payment is needed while the Council is not in session.
4. During the existence of this Local Emergency, the powers, functions and duties of the Town Manager/Director of Emergency Services and the Town Council shall be those prescribed by state law, by the existing ordinances and resolutions of the Town Council as well as this resolution and any subsequent emergency orders or regulations adopted by the Town Council or Director of Emergency Services.
5. This Local Emergency shall continue until it is terminated by proclamation of the Town Council. Pursuant to Section 8630 of the Government Code, the Town Council shall proclaim the termination of a local emergency at the earliest possible date that conditions warrant. The need for continuing this local emergency shall be reviewed within 60 days by the Town Council.

REGULARLY PASSED AND ADOPTED this 17th day of March, 2020.

Jeff Aalfs, Mayor

ATTEST

Sharon Hanlon, Town Clerk

There are no written materials for Council Liaison Committee and Regional Agencies Reports

There are no written materials for Town Manager Report

TOWN COUNCIL WEEKLY DIGEST

Friday – September 11, 2020

1. Agenda – Architectural & Site Control Commission – Monday, September 14, 2020
2. Agenda – Trails & Paths Committee – Tuesday, September 15, 2020
3. Agenda (Canceled) – Planning Commission – Wednesday, September 16, 2020
4. Agenda – Finance Committee – Thursday, September 17, 2020

Attached Separates (Council Only)

(being mailed to your home)

1. None



TOWN OF PORTOLA VALLEY

4:00 PM – Architectural Site Control Commission Meeting
Monday, September 14, 2020

**THIS SPECIAL MEETING IS BEING HELD
VIA TELECONFERENCE ONLY**

SPECIAL MEETING AGENDA

COVID-19 DISEASE ADVISORY NOTICE

The San Mateo County Health Officer, in conjunction with colleagues from five other Bay Area Counties, has issued legal orders to help stop the spread of the coronavirus. These legal orders include directing all residents to shelter in place, with exceptions for visits to essential service providers such as grocery stores, gas stations, and pharmacies.

This meeting will be conducted in compliance with the Governor's Executive Order N-25-20 issued on March 12, 2020, and N-29-20 issued on March 18, 2020, allowing for deviation of teleconference rules required by the Brown Act. On Thursday, March 19, Governor Gavin Newsom issued a statewide stay-at-home order to protect the health and well-being of all Californians. In an effort to reduce the risk of spreading Coronavirus (COVID-19), members of the Town Council, the Town Manager, and the Town Attorney will all participate via teleconference. The purpose of this is to provide the safest environment for officials, staff, and the public while allowing for public participation.

Below are instructions on how to join and participate in a Zoom meeting.

Join Zoom Meeting Online:

Please select this link to join the meeting: <https://zoom.us/j/95943363167>

Or: Go to Zoom.com – Click Join a Meeting – Enter the Meeting ID

Meeting ID: 959 4336 3167

Or Telephone:

1.669.900.6833

1.888.788.0099 (toll-free) Enter same Meeting ID

Remote Public Comments: Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Please send an email to Dylan Parker, Assistant Planner at dparker@portolavalley.net by 12:00 PM on the day of the meeting. All received questions and comments will be read by staff and will be included in the public record.

We encourage anyone who has the ability to join the meeting online to do so. You will have access to any presentations that will be shown on your screen and can easily ask questions using the "raise your hand" feature when the Chair calls for them.

4:00 PM - CALL TO ORDER

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 of a new 2-car attached garage with 368 SF art studio above, 4 Portola Green Circle, Nordgren, File #PLN_ARCH08-2020 (D.Parker)

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

2. Commission Reports
3. Staff Report
4. News Digest: Planning Issues of the Day

APPROVAL OF MINUTES

5. ASCC Meeting of August 24, 2020

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).



Special Videoconference Meeting via Zoom

SPECIAL VIDEOCONFERENCE MEETING AGENDA

Join Zoom Meeting:

<https://zoom.us/j/93937709556?pwd=dIBIM29leGJCvG5paDNJMndTdnPpUT09>

Phone into Zoom Meeting:

1-669-900-6833

1-877-853-5247 Toll-free

Meeting ID: 939 3770 9556

Password: 297647

1. **Call to Order**
2. **Oral / Community Communications**
3. **Approval of Minutes:** August 18, 2020 Meeting
4. **Old Business**
 - a. **Trail Conditions, Work, and Budget, August 2020:** Howard - Update/Discussion
 - b. **Temporary Signs:** Group – Discussion
 - c. **Replacement Metal Signs:** Subcommittee/Group - Discussion
 - d. **Sequoia Trail Status:** Group - Discussion
5. **New Business**
 - a. **Safe Routes to School:** Group - Discussion
 - b. **Dogs on trails:** Group – Discussion
 - c. **Parking on Willowbrook Update:** Group – Discussion
6. **Other Business**
7. **Adjournment**

Enclosures:

Minutes from August 18, 2020 meeting

Trail Work Map & Memo and Budget – August 2020



TOWN OF PORTOLA VALLEY
7:00 PM – Regular Meeting of the Planning Commission
Wednesday, September 16, 2020
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028

NOTICE OF MEETING CANCELLATION

PORTOLA VALLEY PLANNING COMMISSION MEETING REGULARLY SCHEDULED FOR

Wednesday, September 16, 2020

Notice is hereby given that the Portola Valley Planning Commission meeting regularly scheduled for Wednesday, September 16, 2020 has been cancelled.

The next regular meeting of the Portola Valley Planning Commission is scheduled for Wednesday, October 7, 2020 at 7:00 PM.



TOWN OF PORTOLA VALLEY
Finance Committee Meeting
Thursday, September 17, 2020– 4:00 PM

Special Videoconference Meeting via Zoom

SPECIAL VIDEOCONFERENCE MEETING AGENDA

Join Zoom Meeting:

<https://zoom.us/j/93896515495>

Phone into Zoom Meeting:

1-669-900-6833

1-877-853-5247 Toll-free

Meeting ID: 938 9651 5495

1. Call to Order
2. Roll Call
3. Oral Communications and Announcements
4. Approve minutes from July 15, 2020 meeting
5. New Business
 - a. Presentation of the revised FY 2020-21 Budget
6. Old Business
 - a. OPEB update – Council discussion of CERBT payment plan and further minor direction on payment
 - b. Net Pension Liability Update, 2018-19 Audit
7. Adjournment

TOWN COUNCIL WEEKLY DIGEST

Friday – September 18, 2020

1. Agenda – Sustainability Committee – Monday, September 21, 2020
2. Agenda – Conservation Committee – Tuesday, September 22, 2020

Attached Separates (Council Only)

(being mailed to your home)

1. Sierra Club/Guardians of Nature – 2020 Online Benefit for the Loma Prieta Chapter – Friday, October 9, 2020, 7:00 – 8:00 pm
2. LegalizeFerrets.org – Request for letter of Support for State Legislature introducing a Ferret Legalization Bill



TOWN OF PORTOLA VALLEY
Special Sustainability Committee Virtual Meeting
Monday, September 21, 2020 – 10:30 AM

Special Videoconference Meeting via Zoom

SPECIAL VIDEOCONFERENCE MEETING AGENDA

To access the meeting by computer, click on the link below:

<https://zoom.us/j/97016485669?pwd=ZDNLRXVhVytXNWijUkVKNXRod0NiUT09>

To access the meeting by phone, dial:

1-699-900-6833

1-877-853-5247 (toll-free)

Meeting ID: 970 1648 5669

Password: 783279

- 1. Call To Order**
- 2. Oral Communications**
- 3. Old Business:**
 - a. Updates from Maryann**
 - b. Updates from Brandi**
 - c. Review of Committee Goals & Priorities**
 - d. Review of Sub-Committee Work**
- 4. New Business:**
 - a. Update on Status of Climate Action Plan 2030**
- 5. Discuss Date and Topics for Next Meeting**
- 6. Announcements**
- 7. Adjournment**



**TOWN OF PORTOLA VALLEY
Special Conservation Committee
Virtual Meeting
Tuesday, September 22, 2020 – 2:00 PM**

Special Videoconference Meeting via Zoom

SPECIAL VIDEOCONFERENCE MEETING AGENDA

To access the meeting by computer, click on the link below:

<https://zoom.us/j/98461771665?pwd=RkVTSDk4Y1I6Y21FM05XZE9BRWdGUT09>

To access the meeting by phone, dial:

1-699-900-6833

1-877-853-5247 (toll-free)

Meeting ID: 984 6177 1665

Password: 540857

SPECIAL MEETING AGENDA

1. Call to Order
2. Oral Communications
3. Approval of Minutes for August 25, 2020
4. Site Permits – 245 Shawnee Pass
5. Old Business
 - a. Oversight of Significant Town Owned Properties.
 - I. Spring Down
 - II. Town Center
 - III. Frog Pond
 - IV. Triangle Park
 - V. Ford Field
 - VI. Rossotti Field
 - VII. ROW
 - b. Committee/Town Cooperation
 - I. Public Works - Murphy
 - II. Sustainability Committee - Murphy
 - III. Trails - Stromeyer
 - IV. Open Space - Chiariello
 - c. Label trees at Town Center
 - d. Milkweed/Monarchs – Gibson Anderson, Heiple, Kawaja
 - I. Presentation by Rebecca Shostak
 - e. Tip of the Month – Magill Planning fire safe garden – roll out of fire safe plant list
 - f. What's blooming now - Magill
 - g. Kudos
 - h. What are our Singing Frogs doing now? Murphy, Kawaja, Heiple
 - i. Changes heritage shrubs – in Planning hands
 - j. Predators / Rodenticides – Chiariello, Plunder, Kawaja
6. New Business
7. Adjournment
8. Next meeting: Tuesday, October 27, 1:00 pm via Zoom