



# TOWN OF PORTOLA VALLEY

7:30 PM – Regular Meeting of the Town Council  
 Wednesday, February 25, 2015  
 Historic Schoolhouse  
 765 Portola Road, Portola Valley, CA 94028

## REGULAR MEETING AGENDA

### I. CALL TO ORDER AND ROLL CALL – 7:30 PM

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

### II. 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.

### III. 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** – Town Council Regular Meeting of January 28, 2015 (3)
2. **Approval of Warrant List** – February 25, 2015 (20)

### IV. REGULAR AGENDA

#### A. **PRESENTATIONS** – Tina Hugg, MROSD Senior Planner, with Midpeninsula Regional Open Space (30) District's Proposal of Priority Conservation Areas (PCA) within Portola Valley and its Sphere of Influence

- (a) A Resolution of the Town Council of the Town of Portola Valley Supporting Priority Conservation Area Designations within the Town and its Sphere of Influence (Resolution No. \_\_)

#### B. **COMMITTEE REPORTS & REQUESTS**

1. **Council Liaison Reports** - *There are no written materials for this agenda item*

#### C. **PUBLIC HEARING** – *None*

#### D. **STAFF REPORTS AND RECOMMENDATIONS**

1. **Report by Town Attorney** – Update to Personnel Policies Manual (50)
  - (a) A Resolution of the Town Council of the Town of Portola Valley Adopting the Revised Town of Portola Valley Personnel Policies Manual (Resolution No. \_\_)
2. **Report by Town Manager** – Update on Pension and Retiree Medical Liabilities (113)
3. **Report by Town Manager** – Update on Budget Goals and Priorities (141)

#### E. **Council Liaison Reports on Regional Agencies and Organizations** - *There are no written materials for this agenda item*

### V. WRITTEN COMMUNICATIONS

1. **Town Council Digest** – February 13, 2015 (149)
2. **Town Council Digest** – February 20, 2015 (169)

### VI. 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 REGULAR MEETING NO. 902, JANUARY 28, 2014

**I CALL TO ORDER AND ROLL CALL**

Mayor Aalfs called the Town Council's regular meeting to order at 7:30 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

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

Absent: None

Others: Nick Pegueros, Town Manager  
Leigh Prince, Town Attorney  
Sharon Hanlon, Town Clerk  
Stacie Nerdahl, Administrative Services Manager  
Brandi de Garmeaux, Sustainability & Special Projects Manager

**II ORAL COMMUNICATIONS – None**

**III CONSENT AGENDA [7:32 p.m.]**

- (1) Approval of Minutes: Town Council Regular Meeting of January 14, 2015 [*pulled from Consent Agenda*]
- (2) Approval of Warrant List: January 28, 2015, in the amount of \$132,670.44
- (3) Appointment by Mayor: 2015 Commissions, Committees and Council Liaisons
- (4) Recommendation by Administrative Services Manager: Proposed Amendments to the Purchasing & Inventory Control Policy
- (5) Recommendation by Public Works Director: Acceptance of the Alpine Road Bank Protection Project in the Town of Portola Valley, CA #2012-PW03 Federal Project #PR ER-22X0 (001)
  - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley to accept the completed Alpine Road Bank Protection Project in the Town of Portola Valley, CA #2012-PW03 Federal Project #PR ER-22X0 (001) and authorizing final payment to "Engineered Soil Repairs, Inc." concerning such work and directing the Town Clerk to file a Notice of Completion (Resolution No. 2643-2015)

Councilmembers approved Items 2, 4 and 5 unanimously with a roll-call vote.

- (1) Approval of Minutes: Town Council Regular Meeting of January 14, 2015

Councilmember Richards moved to approve the minutes of the January 14, 2015 meeting, as amended. Seconded by Councilmember Hughes, the motion carried 4-0-1 (Wengert abstained).

- (3) Appointment by Mayor: 2015 Commissions, Committees and Council Liaisons

Mayor Aalfs reported the following updates: Councilmember Hughes is liaison to the Bike, Pedestrian & Traffic Safety Committee, with Councilmember Wengert the alternate. Mayor Aalfs is liaison to the ASCC for the April-June period. BPTS Committee member Kari Rust has resigned, but several other committees have new members: Geologic Safety Committee, Carl Wentworth; Historic Resources Committee, Virginia Bacon and Rachael Myrow; and Nature & Science Committee, Michael Bray.

Considering that the BPTS Committee's loss of a member could detract from its ability to take on new activities, Councilmember Wengert said we should be recruiting. Mr. Pegueros said the Town would advertise the Committees that have vacancies in the *Almanac*.

Councilmember Wengert moved to approve the 2015 appointments of Commissioners, Committee members and Council Liaisons, as amended. Seconded by Councilmember Richards, the motion carried 5-0.

#### IV REGULAR AGENDA [7:37 p.m.]

(A) Presentations: None

(B) Committee Reports and Requests

(1) Recommendation by the Nature & Science Committee: Proposed revision to Committee Charter

Vice Mayor Derwin moved to approved the Nature & Science Committee's request to change its charter to reflect a meeting start time of 5:00 p.m. instead of 4:00 p.m. Seconded by Councilmember Hughes, the motion carried 5-0.

(2) Council Liaison Reports

- Councilmember Richards and Vice Mayor Derwin attended a Planning Commission public hearing on the Portola Road Corridor Plan.
- Vice Mayor Derwin attended the first meeting of the newly constituted *Water Conservation Committee* and a *Friends of the Library* meeting that focused on the planned installation of a children's activity wall.

(C) Public Hearing: None

(D) Staff Reports and Recommendations

(1) *Discussion and Council Action*: Request from resident Lorrie Duval that the Town purchase a second Automated External Defibrillators (AED) at Town Center

Ms. Duval thanked a number of people in Town and at the Woodside Fire Protection District (WFPD) for their help and support in preparing the background materials on AEDs that she, Lindsay Bowen and Rita Williams assembled for the Council packets. To demonstrate the use of an AED and answer questions, Ms. Duval also brought along a contingent from WFPD, including Firefighting Paramedic and CPR Coordinator Michael Lambert, and Public Education Officer/CERPP Coordinator Selena Brown.

In response to Councilmember Wengert, who asked about problems of mischief, vandalism and theft, the units can be equipped to automatically trigger alerts at WFPD and also can be equipped with loud external alarms and flashing lights when the door that secures the AED is opened. Councilmember Wengert also asked how after-hours people would know where the AED is located. In response, Ms. Duval said it should be in a central, visible and accessible place that is well-signed. In addition, Ms. Williams said that coaches, instructors, etc. would be informed about the AED location.

Councilmember Hughes suggested that we might also consider Ford Field for another AED location in the future. Mr. Pegueros pointed out that staff at Town Hall is trained to perform the maintenance that AEDs require every 30 days, so the location at Community Hall behind the kitchen is a reasonable but a third AED at Ford Field would be difficult to manage.

Councilmember Wengert, who said she favors the AED choice recommended by staff, said the second AED is a terrific proposal, even more effective with the educational efforts Ms. Williams mentioned. Vice Mayor Derwin, who also agreed with the AED option staff recommended as well as its proposed location, applauded the amount of work that went into preparing the proposal, and said this is something we have to do. Mayor Aalfs said that although he would have been open to another option for the equipment, he supports the option and location staff recommended. Councilmember Richards also favors the proposal, noting that Portola Valley has the oldest average age in San Mateo County. Councilmember Hughes concurred that it's a great idea.

Councilmember Wengert moved to approve the staff recommendation to implement Option 1 and acquire and install a new AED to be located outside the Community Hall kitchen. Seconded by Councilmember Hughes, the motion carried 5-0.

(2) *Recommendation by Sustainability & Special Projects Manager:* Adoption of a Resolution approving Beacon Award participation [8:14 p.m.]

(a) Adopt a Resolution of the Town Council of the Town of Portola Valley approving participation in the Institute for Local Government's Beacon Award: Local Leadership toward Solving Climate Change (Resolution No. 2644-2015)

Ms. de Garneau explained that the Beacon Award recognizes cities and counties for their efforts on saving energy, and that participating in the program would increase the Town's visibility within the region and statewide.

In response to Mayor Aalfs, she confirmed that Portola Valley already has completed much of the work necessary to apply. A significant portion of the data needed to participate was collected to prepare the Draft Climate Action Plan and Town's greenhouse gas emissions inventories, she said. In addition, the Regionally Integrated Climate Action Planning Suite (RICAPS) staff will help gather the remaining data required.

With few cities on the list of participants, Councilmember Wengert asked if there had been any pushback from other municipalities since the program began. Ms. de Garneau said there's been no pushback at all. Vice Mayor Derwin said the program started six months ago, and the holidays may have slowed the rate of adoption.

Councilmember Wengert asked if the Town would be eligible for a Platinum-level award based on what we achieved last year. Ms. de Garneau said we'd be Platinum for Government Operations and Best Practices categories, but probably not in the Community area. She noted that while we've done very well with electricity, we're challenged by natural gas, especially with cold winters.

Mayor Aalfs invited public comment. There was none.

Councilmember Wengert said it sounds like a great program, well thought out with rising participation levels. She said it will probably give us additional ammunition in pointing out to our community that we still have a long way to go, even though we've made significant inroads. Councilmember Richards agreed, underscoring the advantage of having an additional layer to point out the extent and duration of the effort we've been making. Vice Mayor Derwin said it's another way to measure progress toward a goal.

Vice Mayor Derwin moved to adopt the resolution approving participation in the Institute for Local Government's Recognition Program, The Beacon Award: Local Leadership toward Solving Climate Change. Seconded by Councilmember Richards, the motion carried 5-0.

- (3) *Recommendation by Administrative Services Manager:* Review and accept the Independently Audited Town of Portola Valley Basic Financial Statements and Memorandum of Internal Control for the Year Ended June 30, 2014 [8:20 p.m.]

Mayor Aalfs said the audit report is favorable due in large part to Ms. Nerdahl and her team's efforts in managing the Town's financial records.

Ms. Nerdahl presented the audit conducted by Maze & Associates, which also produces such yearly reports as the Basic Financial Statements (BFS) and the Memorandum of Internal Controls. She said the audit was clean, with no findings of difficulties, misstatements, misrepresentations or disagreements with Town processes or financial activity. One of the key financial highlights is that our Total Fund Balance, comprising all 13 of our funds, including the General Fund, increased by 10.4% for a total of \$12.1 million.

The General Fund on its own increased by just under \$900,000, 22.6% during the fiscal year. Ms. Nerdahl said. Our net position -- which takes all our assets and all our liabilities, including our net capital assets -- increased by 2.4% or just over \$1 million. The two main factors contributing to the increased net position are the Open Space Fund, which increased by more than \$300,000, and the General Fund.

Revenues decreased by 34.2% over the last year, mainly due to the prior year's sale of one of the Blue Oaks parcels for \$2.7 million, with the original valuation being \$1 million. The General Fund revenues decreased by more than \$500,000, due primarily to several factors from the prior year: a correction in how the Tax Equity Allocation (TEA) revenues were calculated; a significant one-time private purchase and private donations related to the Ford Field renovation.

The General Fund revenues were 14.4% over the adopted budget of \$4.3 million. Ms. Nerdahl said the economy was doing so well that building permit revenue, which was \$100,000 over the prior year, was \$223,000 over the adopted building permits budget. The Town issued 535 building permits in 2013 and 712 in 2014. Ms. Nerdahl compared the first six months of this current fiscal year to 2014, noting an 18% reduction in building permits issued. Secured and unsecured property taxes collectively were 10% over budget.

The County continues to refine its TEA calculations and we continue adjusting to the recalculated revenues, Ms. Nerdahl said. Councilmember Wengert asked if the auditors ever question or call the County to understand or verify. Ms. Nerdahl said the County has its own auditors who look at their calculations. Mr. Pegueros said there are two audits of the County processes -- their own independent audit, which doesn't generally dive into the details of the mechanics of property tax distribution. But once every 10 years, he explained, the state audits the actual mechanics of their processes and confirms that they're applying the laws appropriately. He said those audits, the latest of which was in 2010, are incredibly important because as of a certain date, the state basically says all of the calculations prior to that date that they audited were good and therefore final. So even if we found a mistake, it would be very difficult to go back and fix it if finalized by the state.

With regard to the County's calculations, Mr. Pegueros said he agrees with Ms. Nerdahl that the County Controller's office finally appears to be on the right track to understanding the law and applying it correctly to property tax calculations. The problem, however, is there are so many nuances. Sacramento has played with property taxes so much that they've created new iterative calculations, and sometimes there are unintended consequences or there's a layer that doesn't get caught when the County makes corrections. Although they do their best to send us the correct amount of property tax revenue, it's incredibly unnerving not to really know what's happening with our revenues, because this is such a key piece of our financial picture. For that reason, as the County works through all of these calculations over the next several years, we really need to exercise some fiscal prudence.

Ms. Nerdahl said expenditures were slightly more than last year, but still within the adopted budget. They include a new inclusion in the Town-wide statements, which is Other Post-Employment Benefits. OPEB typically represents post-employment healthcare benefits.

While General Fund expenditures were 2.4% over the prior year, this isn't anything to worry about, Ms. Nerdahl said. It's due mostly to several increases in general government, such as higher plan check expenditures resulting from the higher level of building permit activity.

As far as expenditures versus our adopted budget are concerned, Ms. Nerdahl explained that one reason why General Fund expenditures were 7% less, or \$300,000, is that actual Planning Commission and ASCC costs were lower than budgeted as we were in the process of transitioning to in-house staff, and several capital improvement projects were postponed.

As Ms. Nerdahl told the Council, it is apparent from the two most recent fiscal years that our finances are in good shape at this time. Looking ahead, It is important to note that we're still adjusting to the new TEA calculations, and it is rumored that excess Educational Revenue Augmentation Funds (ERAF) will go away in two to five years. The Town has several CalPERS-related issues on the doorstep (the unfunded pension liability and other post-employment benefits), she added, but the Town is in a position of minimizing the impacts of these liabilities to its balance sheet.

She said she's done an analysis of our road projects, and although we currently have some outside funding sources, local and federal reimbursement grants..we can't count on those to continue. We no longer have a road impact fee, and it should be noted that before that fee came into being, the General Fund actually did support our annual road project more than recent years.

Councilmember Wengert asked whether Governmental Accounting Standards Board (GASB) 68 provides for a phase-in of unfunded pension liabilities. Ms. Nerdahl said she thinks this is the year that we get our turn on implementing the phase-in.

Mayor Aalfs pointed out that there are actually two unfunded liabilities – the general pension fund and OPEB. There are two numbers, he added, the \$308,000 unfunded liability and, the \$49,000. Mr. Pegueros explained that GASB 45 requires all public agencies to analyze the commitments they've made to their employees for post-employment medical benefits. It may also include other benefits like vision, but the Town doesn't provide those, so when we talk about OPEB for Portola Valley, we're just talking about retiree medical. The impact of that liability is phased into our financial statements over a period of 10 to 30 years. We chose 10 years, but that can always be changed in future evaluations. We're required to update the evaluation once every two or three years to account for changes in healthcare costs, etc. But the number you see on the financial statements is the current annual required contribution to fully fund, eventually, the retiree medical benefit.

One thing that will be coming back to the Council is a proposal to fund that liability, Mr. Pegueros said. If we were to fund the liability, the financial statements would show an asset in trust that equals or exceeds the OPEB liability. A number of cities are showing the OPEB liability, but they haven't put any asset's away, so that clearly affects their net position. Here in Portola Valley, staff would recommend that at a minimum we put away the annual required contribution for a net zero effect on the net position.

Councilmember Hughes asked if that would mean that for 10 years we'll have roughly a number that's pretty similar to this year's, and then in year 11 it would drop down to some smaller amount so that we don't fall behind. Mr. Pegueros said that's exactly right, adding that the Council would have the option of funding it all at one time, in which case the asset would exceed the liability, so the liability would catch up to the asset.

Councilmember Wengert asked whether as part of the analysis on the liability side, the state provides a pre-specified discount rate every year in terms of that valuation. Mr. Pegueros said that we control the assumptions for retiree medical, and our assumptions are realistic. He consulted with the Finance Committee on the discount rate to use, and recalls it in the range of 4.25%. It's a policy decision, he added, so the Council could take it down to zero if you want or bump it up, but it needs to be realistic. The accounting standard requires us to demonstrate that there's a reasonable possibility that we could achieve whatever discount rate we're using. That is only for the medical piece.

Mr. Pegueros said the pension piece to which Ms. Nerdahl alluded is included in the Memorandum of Internal Controls, GASB 68, which will treat the unfunded pension the same way as unfunded retiree medical, so each year the amount will be factored in to our financial statements. We'll have an option of paying it down or not, but it could have an impact. In response to Councilmember Wengert, Mr. Pegueros said we'd at least have consistency.

Mayor Aalfs invited public comments. There were none.

Councilmember Wengert congratulated Ms. Nerdahl for once again guiding the Council through the financial maze, and the way she presented it hit on the questions we'd likely have, such as how things varied relative to projections to budget and to actual. She said her final issue is, given the uptick in the amount of activity, particularly on the permit side, whether we feel comfortable that we're adequately staffed, in the sense that clearly we don't want CheyAnne Brown (Planning Technician) and Debbie Pedro (Town Planner) and the other building and planning staff running against the wind to such degree that it creates a huge problem for them. She asked Mr. Pegueros to add this issue on his "watch list."

Mr. Pegueros said he'd definitely do that. He said part and parcel of this discussion is what rate of cost recovery we're achieving with our fee schedule. Sometimes it's easy to assume that if the revenues are going up, we're recovering more money, but that isn't necessarily the case. He emphasized two points:

The first is building permits paid in 2013-14 are for services and inspections that are likely to span multiple years. Because we didn't spend all of it in 2013-14, we have building inspection obligations remaining.

Our reorganization of the Planning Department definitely suggests that we take a comprehensive look at our fees next year, and that will be one of the budget proposals. It's a costly and time-consuming exercise, but now that we have a model that we believe will go forward, it's a good time to stop – and in that process we'd look at the workload and how things are moving through the system, whether we need more staff. As Mr. Pegueros explained, the work is clearly cyclical and the hard part of staffing a Planning Department is that if you staff for when you're busy, what does all the staff do when it's not busy? So a combination of new staff and/or an on-call consultant planner or building inspector to pick up the slack may be the answer.

Councilmember Wengert said another variable that's very much part of the equation is given what we're all seeing around Town in terms of size, scale and scope, projects are more sophisticated and take longer. She said it would be interesting to see how long a time period it's taking from the time the permits are issued to when the building inspection is performed. Whereas in the past 12 or 18 months may have been a typical timeframe, now it may be a longer. When Mr. Pegueros pointed out a case that's more than 10 years old, Councilmember Wengert said she's aware of a few of those and hopes they're outliers. Still, she added, she guesses the days of shorter, easier and simpler transactions are probably gone.

Councilmember Richards complimented Ms. Nerdahl on a very nice job and thanked her for making the information understandable to non-financial types.



Councilmember Hughes agreed, and having been on the Council for 18 months now, he's impressed by the transparency of the Town's financial situation and how Ms. Nerdahl and Mr. Pegueros go out of their way to make things clear, do things in a way that makes sense and really highlight where the important stuff is. That said, Councilmember Hughes continued, we've had two years in a row of significantly more revenues than expenses, so we're probably going to have think about what to do with that.

Referring to Councilmember Hughes' comment about transparency, Vice Mayor Derwin said that not all entities have transparent finances, and she's proud to be in Portola Valley, which is so well managed financially – and Ms. Nerdahl and Mr. Pegueros are a large part of that.

Mayor Aalfs said because he's not "a finance type" and has little to look at by way of comparison, he expects to be let down someday when he realizes that not everyone's accounts are as easy to read and understand as Portola Valley's. He, too, thanked Ms. Nerdahl and Mr. Pegueros – including thanks for introducing him to his new favorite accounting term, triple-flip revenue.

Councilmember Wengert moved to receive the audit and financial statements for FYE June 30, 2014. Seconded by Councilmember Hughes, the motion carried 5-0.

(4) *Recommendation by Administrative Services Manager: Adjustments to General Fund Assigned Funds [8:52 p.m.]*

Ms. Nerdahl said about a year ago, when several adjustments were made to the assigned funds within the General Fund, there was discussion about some of the assigned funds that had been on the books since before she joined the Town staff. Portola Valley's first assigned fund, established in 1980, was the Legal Fee Contingency Fund (\$100,000 balance as of June 30, 2014). Ms. Nerdahl undertook some research into the Children's Theater Fund, the Open Space Acquisition Fund and the Historic Museum Fund. The research led her to learn that these funds were established in 1991, 1995 and 1998, respectively, and to make the following recommendations:

- Donate the balance in the Children's Theater Fund (\$2,659.62) to a public school with a children's theater program.
- Return the balance in the Historic Museum Fund (\$2,990.95) to the General Fund, and used to pay for landscape improvements in front of the Schoolhouse; funds for the Historic Resources Committee are made available during the annual budget process.
- Transfer the balance of the Open Space Acquisition Fund (\$377,499.04) to the restricted Open Space fund.

Of the remaining assigned funds, staff recommends:

- Reducing the balance in the Unfunded Pension Liability Fund (\$1,015,000 as of June 30, 2014) to \$955,472 to correspond to CalPERS most recent actuarial valuation, which was June 30, 2013.
- Renaming the "Emergency Capital Replacement/Repairs Fund to Capital Replacement/Repairs Fund to make these funds available for non-emergency capital replacement/repairs and to streamline the Town's ability to request FEMA assistance in the case of a disaster.
- Establishing the Retiree Medical Liability Fund to set aside the OPEB reported in each year's financial statement (\$308,280 for the FYE June 30, 2014).

Mr. Pegueros clarified that in this context Ms. Nerdahl is referring to funds with a lower-case “f” – the Open Space fund, a restricted fund, as opposed to the Open Space Acquisition Fund, an assigned fund in the General Fund. The restricted funds use the lower-case “f.”

Councilmember Wengert asked whether any restrictions were made on the Open Space assignment in the General Fund. Ms. Nerdahl said she was not able to determine any.

Councilmember Hughes said that Gary Nielsen, a member of the Town Council when the Open Space Acquisition Fund was established, attended a Finance Committee meeting at which he said they were essentially trying to kick start the open space fund before they created the separate dedicated restricted fund, but it didn't go farther than earmarking some money within the General Fund. He said the recommendation to transfer it to a restricted fund within the General Fund makes sense.

Councilmember Hughes said the Finance Committee also discussed the possibility of moving the funds to an “undevelopment” fund, which is like a development fund, but for open (i.e., undeveloped) space. The difference, he said, is that we might be able to actually get a better return on the money while it's sitting there waiting for an open-space project. As it stands, the fund is losing value relative to the price of real estate.

Mr. Pegueros pointed out that the Finance Committee supports the recommendations included in the staff report. Committee members also had a somewhat lengthy discussion about the size of what would be designated the Capital Replacement/Repairs Fund. Reviewing the amounts of the General Fund assignments, Mr. Pegueros noted that some of the numbers are rather specific. For instance, we brought the Unfunded Pension Liability Fund up to date to an actual number that is substantiated by a report. However, we had no particular basis to arrive at a capital reserve of \$1.4 million, which the Finance Committee discussed in 2014 and again in their meeting on January 6, 2014. According to Mr. Pegueros, Committee members wrestled with whether we need to do a study, how we arrive at a number and whether we are comfortable with the number? Given the consideration of past events, such as the experience from the El Niño years, and needs for cash to deal with emergencies, he said \$1.4 seems about right and the Committee supported it. They did not recommend spending time or money trying to further refine that number through consultant studies on deferred capital improvements or whatever the case may be. That said, Mr. Pegueros emphasized that assignments authorized by the Council can be undone by the Council in the future.

Councilmember Hughes asked whether the Council should decide exactly where the Children's Theater Fund balance. Would we split it half-and-half between Ormondale and Corte Madera? Or just give it to the school district? Mr. Pegueros said that a Council decision would be necessary before cutting any checks. Because the money was donated to a public institution in the first place, he said it should be forwarded to a public institution and the Council can give direction tonight where that should go.

Vice Mayor Derwin said she'd prefer Woodside High School to get the money. Corte Madera has the capacity to raise a lot of money, but Woodside does not. She said they need it more than the Portola Valley School District does. Councilmember Richards said he'd be okay with Woodside, noting that the school has a great program. Councilmember Hughes said it made sense to him. Councilmember Wengert said she agreed if Woodside has a greater need.

Councilmember Wengert said she has no issues about the restricted fund for open-space money, but on a related point, she would like to see the Open Space Acquisition Advisory Committee reactivated. As she sees it, the Committee has been pretty dormant for the last couple of years and there's enough money there. She suggested we at least look at another way of potentially managing those dollars. .

Mayor Aalfs asked whether any Finance Committee members were hesitant about transferring open-space money from an assigned but unrestricted fund to a restricted fund. He said the restricted Open Space Acquisition Fund is small enough that we can't do much with it anyway, so adding a small amount to a fund that's already insufficient doesn't do a lot of good. On the other hand, he continued, in the interest of prudence we could put it in an unassigned General Fund.

Councilmember Hughes said the Finance Committee briefly discussed shifting the open-space money from an assigned to an unrestricted fund, but a big part of the meeting focused on how since 1995, \$350,000 has turned into \$377,000 – not even close to any real estate appreciation. He said that's true of all of our funds; we don't get a good return on investment.

Councilmember Hughes said there also was some discussion in the Finance Committee about whether there's any realistic likelihood that this \$377,000 would ever, for political reasons, possibly be spent on anything other than open space. Given that seems extremely unlikely, it might as well go into the restricted fund.

Mr. Pegueros pointed out that the Council also has the option to leave everything as is. Staff would like to clean up the small numbers and tie the Unfunded Pension Liability Fund to a number that's in an actuarial report. But with respect to the Open Space assignment, he said Councilmember Hughes hit the nail on the head. The question is, where does the Council want those funds available? For open-space acquisition exclusively? Or for open-space acquisition possibly in the General Fund, but possibly for other purposes? There's no burning need to make a decision tonight, he said, but since we were looking at all of the assignments, we thought it would be a great idea to bring this up.

Councilmember Wengert said the bigger question for her is that if we're not able to buy open space in the future, because pricing has just moved so dramatically out of reach, how else could these monies be used? She emphasized that she's not suggesting even starting down that path, but she's still interested in reactivating the Open Space Acquisition Advisory Committee because we just haven't had any activity there for a while.

Mayor Aalfs said it appears we have two issues:

- Councilmembers are agreeable to disposing of the two smaller funds
- We could just go ahead with transferring the Open Space assignment to the Open Space Acquisition Fund as recommended or defer that decision.

Councilmember Hughes said he'd favor moving the open-space money as recommended. .. Otherwise, he said, we end up having this discussion again every year. Twice – once during the budget and once now, and ultimately I just don't think that money has any possibility of being spent on anything other than what the assignment was intended – open space acquisition.

Councilmember Richards said he agreed, given the provenance of it.

Mayor Aalfs invited a discussion of who should discuss the recipient of the Children's Theater Fund monies. Councilmember Wengert said she agreed with Vice Mayor Derwin to donate the funds to Woodside High.

Mayor Aalfs invited public comment,

Alex Von Feldt, Creek Park Drive, said she isn't sure if the Open Space Acquisition Fund is restricted to acquisition, if the amounts are small and is worried about being able to buy new property. She pointed out that a lot of property that the Town already owns are in dire need of

maintenance. Would putting the money in the restricted fund mean you could no longer use it for maintenance?

With the benefit of recent staff research, Mr. Pegueros indicated that the Open Space Acquisition Fund's intent was for acquisition and preservation of open space, and an argument could be made that preservation includes some maintenance. At an Open Space Acquisition Advisory Committee meeting he attended soon after joining the staff, Mr. Pegueros said there was quite a discussion about how much of the funds in the Open Space Acquisition Fund should be used for maintenance. The fact that it was being debated made it clear the issue hasn't been resolved fully, Mr. Pegueros said, and he thinks the only way to resolve it would be for the Council to give very clear direction.

Mayor Aalfs asked whether the restriction precludes maintenance, as long as the property remains open space. Mr. Pegueros said it does not preclude preservation.

In response to Vice Mayor Derwin, who asked whether the Council vote on the assigned funds would allow using the money now in the Open Space Advisory Fund to maintain our open space, Mr. Pegueros said no, the Council would need to discuss and decide in a separate action. Councilmember Wengert said it's another reason for the Open Space Acquisition Advisory Committee to swing into action.

Councilmember Hughes added that obviously this money is less restricted as an assigned fund in the General Fund, so we can do with it what we want, but essentially the purpose was the same as whatever that restricted fund was when it was set up.

There were no further public comments.

Councilmember Hughes moved to make all the assigned fund balance reserve adjustments recommended in the staff report and donating the balance in the Children's Theater Fund should to Woodside High School for its theater program. Seconded by Councilmember Richards; the motion carried 5-0.

- (5) *Recommendation by Town Manager:* Request from residents to issue a letter to Stanford University regarding steelhead recovery in the creeks upstream of Searsville Dam [9:10 p.m.]

Mr. Pegueros said that after hearing from several residents at the January 14, 2015 Council meeting, Mayor Aalfs, with concurrence of the Council, gave staff direction to put this item on tonight's agenda for discussion.

Councilmember Wengert said that although Mr. Pegueros briefed her on this item because she missed the January 14, 2015 meeting, she had some basic questions about what Stanford has been doing, the process they're going through on the Searsville Dam issue, who has been participating, where things stand and where we would be in this process.

Mr. Pegueros said the packet contains several press releases from Stanford that outline the development of the process used to identify alternatives for Searsville Dam. He said it's his understanding that:

- The advisory group, made up of community members, has submitted three recommendations to Stanford for alternatives to Searsville Dam
- The matter is now with the faculty and administration committee that was developed or assigned to look at it, and that committee will be making a final recommendation on which alternative or alternatives to pursue.

- Although the process was expected to conclude last year, it got delayed and now they're very close to making that final report

Councilmember Wengert said in trying to frame the issue, she wondered why it's emerging here now. She said she wants to know the etiology of us commenting to them. She asked whether others are commenting as well, one way or the other. She also asked whether Stanford's process is an open process in terms of accepting input. As she observed, Stanford is obviously in our sphere of influence, and if it were in the public sector, we would potentially have been providing commentary throughout the process.

Mr. Pegueros said that looking back at several instances where the Town has weighed in on more regional matters, we were reacting to reports or a project or proposal that has been on the table and was open for public comment. Clearly this letter comes before the distribution of the Stanford report, he said, noting that the residents in attendance tonight can probably fill in some blanks.

Vice Mayor Derwin reiterated that Stanford is expected to come to a decision soon and the residents who came to the Town would like Stanford to choose an alternative that allows for fish passage. If they wait until after Stanford renders its decision is rendered, they won't have been able to make that suggestion. For that reason, she said it's critical to get the letter in to Stanford before they announce a decision, in the hope that the letter will influence a decision to choose an alternative that allows for fish passage, as well as watershed and habitat restoration.

Councilmember Wengert asked whether we know what three options Stanford is considering, whether its decision will be final, or if public input will be allowed.

Vice Mayor Derwin said she believes information about the options is in the packet.

Ms. Prince said that even though Stanford is a unique entity, it still has to go through the environmental review process. It will include a Notice of Preparation (NOP), where you can comment on the option and the alternatives and what specifically should be studied – for example, the migration of fish. And there's the process whereby Stanford will have to reach out to the public agencies within the sphere of influence, which will be another chance to comment, as well as on the draft document and the final document that gets produced. So not only do you have the opportunity to comment on the review, but also on the project itself and whether you like it or don't, a whole variety of options.

Councilmember Hughes said there's an opportunity in a "pre-decision" letter to say that if one of the options available satisfies the needs, we'd be more supportive of it through the review process. He said we also can let Stanford know we have residents who have thought about this and put some time into it, and whatever options are being considered, this is important to us.

Mayor Aalfs invited public comment.

Danna Breen, Alpine Road, said that with Stanford in Portola Valley's sphere of influence, it's interesting that the Town didn't weigh in a long time ago or at any time previous to this. She said she just came from a talk at the Woodside Priory on a sacred sanctuary on this planet, the estuary of San Francisco Bay, and it was an extremely moving experience. Two weeks ago at an Audubon talk in Portola Valley she said she learned about the extinction of 50 birds coming up in the next 50 years due to climate change, and we know dams are associated with climate degradation. She said we also know that Stanford diverts 400 million gallons of water a year out of the steelhead ecosystem habitat from our sacred water source.

Ms. Breen said the letter must go forward. The dam will come down at some point and our Town needs to have been a stakeholder on that. It's time to put our oar in the water and say this is not

okay. If we are in fact stewards of creeks and lands, we need to have made a statement that this dam is not okay. A methane hole sits on the top of that dam and the steelhead can't run into our creeks. How do we feel about that? She said she was involved in the idea behind this letter, which she described as incredibly benign and gentle, and not strong enough.

Bill Kaspari, Alpine Road, read a letter from Tom Schreck one of the residents who spoke at the January 14, 2015 meeting but was unable to attend tonight:

*“ . . . As you may recall, I am a 57-year-old resident of Portola, son of Albert and Joel Schreck. I've lived in Portola Valley most of my life and am fortunate that I've been raised by such wonderful parents. We also know that my father was a founding father of Portola Valley along with Bill Lane, helping to write the incorporation documents which established in perpetuity the guiding principles and ethos of our Town to forever maintain and preserve our rural character. To this end, I believe we have an important opportunity in writing Stanford University when considering Searsville Dam options, to only consider those options that restore steelhead migration upstream of the dam. This is in keeping with our Town guiding principles and will ensure we maintain, observe and restore our native flora and fauna if possible.*

Mr. Kaspari said he's lived here close to 45 years, and one day about a year after moving in, his 10-year-old son walked in the house carrying a 12-inch rainbow trout. He caught it in the creek that goes around our place. He didn't have any bait. The trout was so lethargic in this warm water that he had snagged it, pulled it out and brought it home. I never forgot that because I've never seen any other fish in there. Mr. Kaspari said it would be nice if we could convince Stanford, at least weigh in the side of an alternative that allows fish to go up and down this creek. Seven creeks in Portola Valley feed into Searsville Dam and they're sort of dead in the sense of flow process, so I'm very much in favor of sending this letter out.

Sue Crane, Portola Road, said she knows this is a very delicate subject, this sleeping giant all around us, and she feels this needs a gentle approach. She said the drafted letter speaks for us and serves as a good representation of our feelings to a neighbor. She said it is non-pejorative, and we would be happy to have Stanford hear our voice.

Alex Von Feldt, Creek Park Drive, said that although she's no expert on the Searsville issue, she's aware of the citizens' group that's been meeting to talk about it for the past few years. She said Stanford has done an excellent job involving the community and actually George Mader (retired Town Planner) has been one of the leads of the advisory committee. She said the environmental community also has been represented, including Acterra and the Regional Water Quality Control Board. She said a lot of conservation environmentalists she respects have differing opinions about the Searsville issue. Some think that it should be retained for wetlands and open-water habitat.

One of the things she's learned, Ms. Von Feldt said, is that the current Searsville Lake is not sustainable. It's filling up with sediment, and Stanford has acknowledged that something must be done. Options include partial and full removal of the dam, and even some Stanford faculty anecdotally say it's time for the dam to go. Another option is trucking out the sediment and hauling it off, making a big carbon impact in the process and also affecting our communities.

Stanford must do something about the fish, too, Ms. Von Feldt said, because the fact that the dam isn't passable to fish violates state and federal laws. One option involves a very large fish ladder, which most experts say will not work. Even the small fish ladder in Los Trancos Creek doesn't work, she said. Another idea is to stun the fish and then truck them around the dam to release. According to Ms. Von Feldt, other than taking out the dam, most of the options for solutions are clumsy at best. However, she noted that even Stanford acknowledges that all of the options would improve flood protection for downstream communities.

To Ms. Crane's point, Ms. Von Feldt said, the letter to Stanford is gentle and undemanding. It's about how we support restoring natural stream functions. As she sees it, this situation presents a unique opportunity. She urged the Council to send the letter in the hope that we can see something happen in our lifetimes

Marty Mackowski said the Town has a responsibility to make its intentions known. These creeks are an integral part of our environment, he said, and he'd love to see the fish come back up the stream. Going so far as taking down the dam would certainly be a big project on the part of Stanford, but at least we can let our opinion be known, he said.

With no other speakers coming forward, Mayor Aalfs brought the issue back to the Council.

Councilmember Wengert asked who's come out in favor of keeping the dam. Someone said the only people who want to maintain the status quo are Stanford people whose stance is based on how expensive it would be to remove it.

Ms. Von Feldt pointed out that if nothing happens, the open-water habitat will disappear. And if Stanford removes the dam, they'll have to mitigate any wetland loss.

Ms. Breen pointed out that the water is also a commodity, an asset, a function for Stanford; they use it to irrigate their golf course – at the expense of the steelhead.

Mayor Aalfs read from the letter: "We support a Searsville alternative that reduces or eliminates artificial reservoir habitat that encourages the reproduction and spread of non-native species such as bullfrogs . . ." He asked for confirmation that the dam and wetlands actually have introduced non-native species? A woman from the audience responded affirmatively, and added, "predatory fish as well."

Councilmember Richards said he's frankly puzzled that the Town hasn't weighed in on this before, because it's fairly well known and has been ongoing for a while now. He said he would personally probably opt for a more vigorous approach, but he's happy with the way this letter is written and would absolutely support it. He said getting the creek back to a natural state and have its real bloodstream become real again is so fundamental to what we purport to support here in Town. He said not weighing in at all would be a big mistake, and he's good with going with what we've got.

Councilmember Hughes agreed, but he likes the fact that the letter is pretty mild and non-controversial. From the point of view of the Town, what the Town is trying to do and why it was incorporated in terms of preserving natural environment and so on, this letter essentially just lays that out with respect to the creeks and the dam's impact on them. For those reasons, he said it's appropriate to let Stanford know that we care about the decision they're about to make, and we hope it's not one that heads in a direction that may not have a positive impact on Portola Valley and may be hard to change later.

Describing the letter as "really rich," Vice Mayor Derwin said that no one else had yet mentioned bullet points that talk about how this alternative would support groundwater recharge, increase the watershed's resiliency to climate change and is conceptually supported by Governor Brown's Water Action Plan. She said the letter contains much to embrace, and it's we our responsibility as stewards of the creeks and the lands to tell Stanford how we feel about their decision, about the dam that will affect all our creeks and lands. She also said it is congruent with the values embodied in our General Plan, particularly the Conservation and Sustainability Elements, and she's thankful to the residents who brought this to us.

Mayor Aalfs agreed that it's very much congruent with Town values, and very much in the Town's purview to comment on something that affects us as profoundly as anyone. He said he might have questions about specific points, but support the letter.

Councilmember Wengert said her apparent hesitancy has nothing to do with what the letter says, but is related to being comfortable that all sides of the issue have been presented. She said typically when the Council is asked to opine on something, there's more opportunity to see all the opinions and all of information on whatever the issue is. She added that she certainly benefited particularly by Ms. Von Feldt's comments, but in any case, she said she tends to agree with her colleagues and appreciates those who brought the matter to the Council's attention.

Councilmember Wengert said obviously the process in this case reflects the Stanford's complexity – who they are and how they interact with the communities in which they're located, and it's not really a public process in the way we're used to having it,. Given all of that, this probably is our opportunity to say something. We should say it now rather than later. We may have another opportunity with the Environmental Impact Report (EIR). Echoing Ms. Crane's comments, she added that letter certainly shows a respectful approach, but still it makes all the points to the extent that it articulates our position and our continuing commitment to restoring native habitat. Also, looking at the fact that Searsville Lake is down to 10% of its original capacity, clearly there's a major problem, she concluded, and this is the timing.

Mayor Aalfs said he thinks the letter is fine, noting the fact that we are not telling Stanford what to do but rather what we want. Also noting that we want fish to be able to get up and down the river by themselves, he asked whether our desire for an "unimpeded migration corridor" implies either partial or complete removal of the dam. Councilmember Hughes said if the fish-ladder option is not expected to work well in letting fish pass, it may be that effectively we're recommending partial or complete removal of the dam.

Vice Mayor Derwin moved to approve the letter drafted to Stanford University, pending minor modifications by the Mayor. Seconded by Councilmember Richards, the motion carried 5-0.

(E) Council Liaison Reports on Regional Agencies and Organizations [9:38 p.m.]

(1) *Councilmember Richards*: County Emergency Council

- The JPA agreement needs one last signature, from Redwood City, which is expected on February 9, 2015.
- A new position of Fire Battalion Chief was approved, which will cost Portola Valley about \$500 annually.
- There was a drought update; for the time being, the emergency water situation at Alpine Creek has abated, although a number of wells failed. San Mateo County housed 100 displaced residents in the OES during the last heavy rainstorm.

(2) *Vice Mayor Derwin*: Resource Management Climate Committee (RMCP), Bay Area Water Supply and Conservation Agency (BAWSCA) and Housing Endowment Regional Trust (HEART)

The RCMP meeting on January 21, 2015, included:

- A presentation on the Alternative Fuel Readiness Plan for San Mateo County, which is being funded by the California Energy Commission. Alternative Fuel Vehicles (AFVs) use hydrogen fuel, liquid natural gas (LNG), compressed natural gas (CNG), and many other fuels.



- A presentation on the Sustainability Circles Program, which is trying to address sustainability in small to midsize businesses and change the mindset of their office employees. The program involves taking people from 10 organizations, with each participant attending six full-day workshops, after which their organizations are more profitable, more efficient and more sustainable.

For instance, Vice Mayor Derwin said that Mi Rancho did an action plan, and its return on investment (ROI) will generate \$1.05 million in savings over five years. She said she can think of several candidate organizations in Portola Valley that might benefit.

- A review of Outcomes of 2013-2014 San Mateo County Energy Watch Program Cycle and update on 2015. Vice Mayor Derwin said that everything is on track except natural gas, which is a difficult category to control. 2:11:12.2 Councilmember Hughes supposed that it might be easier with power plants and in industrial areas versus residential.

From BAWSCA's January 15, 2015 meeting coverage of Water Supply and Conservation Efforts in San Mateo County:

- With no rainfall since December 2014, the good news is that we're making progress in converting non-potable water to potable water, and as a region we're conserving well.
- To put the conservation picture in perspective, Vice Mayor Derwin pointed out that Portola Valley uses 300-plus gallons per day whereas some other communities' comparable numbers are 44, 46, 49.4 and 56 gallons per day in Daly City, East Palo Alto, Mountain View and Sunnyvale.
- Precipitation in February and March could put us on the road to recovery, but rainfall wise, we're tracking above the worst year on record since 1977. The 10% reduction would stay if we experience precipitation in the range of what we experienced in 2007, but another year like 1977 would trigger state and federal declarations of emergency, widespread diversion curtailments and water reallocations, suspension of certain environmental protection laws and mandatory rationing to reduce water consumption by 20%, she said.
- The San Francisco Public Utilities Commission is scheduled to reevaluate the water storage situation on April 15, 2015.

From the HEART Board meeting today:

- The organization is counting on Portola Valley to promote donations and attendance at this year's fundraising luncheon, scheduled for May 15, 2015. The featured speaker will be John Stewart, who founded the John Stewart Company in 1978 with a commitment to provide high-quality management for affordable housing in the Bay Area.
- There also was a report by the newest consultant, Consulting Within Reach, which advocates capital-preserving philanthropy and discussed momentum to begin an actual experimental project.

(2) *Councilmember Hughes: Community Choice Aggregation (CCA)*

Councilmember Hughes, with Ms. de Garmeaux and Greg Beverlin, took part in a three-hour workshop in Redwood City this afternoon, during which representatives of Marin Clean Energy and Sonoma Clean Power discussed their experiences in the CCA program. From Commissioner Hughes' notes:

- PG&E provides power distribution, lines and line maintenance, and billing services. The local agency (e.g., the geography area of a town or county, such as Marin County or Sonoma County) buys the energy on the energy market, contracting the supply. That gives the CCA local control over the suppliers it buys from and how they generate the electricity they sell. A Joint Powers Authority (JPA) is created to implement and provide governance for each CCA program.
- With the energy-trading profit out of the equation, the CCA can reduce rates somewhat in comparison to PG&E. Marin and Sonoma have both had pretty good experiences so far, Councilmember Hughes reported, and the results on their residents' energy bills are pretty significant.
- PG&E' standard mix of electricity, between what it produces and what it purchases, is about 22% renewable, much of it hydropower. Marin Clean Energy has two plans for residents to choose from now, and is about to launch a third. The default is "Light Green," 50% renewable, which has been 5-10% cheaper than PG&E's. "Deep Green" is 100% renewable, which is one cent more per kWh than PG&E for residential users, but significantly less than PG&E for commercial users, who can get significantly more renewable energy at cheaper rates. San Mateo County differs in scale from Marin and Sonoma, so the savings might not be comparable.
- CCA is asking San Mateo County cities, including Portola Valley, to authorize PG&E's release of usage data so CCA can do a study. That's all they want – no financial commitment. Councilmember Hughes said we'd have to make a decision on CCA's request soon, because they want to know by February 20, 2015.
- CCA indicates that a program can be in operation by the third quarter of 2016. Councilmember Hughes said the up-front capital cost would require a loan, because the JPA would have to buy the electricity before the CCA could bill customers for it.
- Councilmember Wengert said because the CCA buys the electricity on the open market, it doesn't really control the source. Councilmember Hughes said that although once the power goes in the grid, that's true because an electron is an electron, but the CCA specification for renewable sources would ensure that the amount of renewable power being fed into the grid matches the amount the CCA customers are taking out.
- Councilmember Hughes said that from an environmental point of view and the cost advantage for consumers, arguments for CCAs are pretty compelling. He said he's trying to find out under what circumstances it could go sour, but said they didn't talk much about risks at the workshop.
- A discussion of the CCA program, led by San Mateo County Supervisor Dave Pine, is on the agenda for the Council of Cities dinner meeting, scheduled for January 30, 2015.

## **V WRITTEN COMMUNICATIONS [9:56 p.m.]**

(1) Town Council Digest: January 16, 2015

#8 – Invitation to Council of Cities Dinner Meeting – Friday, January 30, 2015

Vice Mayor Derwin noted that four Councilmembers plan to attend the meeting, with Mayor Aalfs voting. Council members briefly discussed some of the candidates who are vying for some contested seats to represent the Council for the agencies as indicated.

- MTC (Metropolitan Transportation Commission): Vice Mayor Derwin favors incumbent Redwood City Councilmember Alicia Aguirre for the seat available.
- HEART: Millbrae Mayor Robert Gottschalk, San Carlos Mayor Ron Collins and San Mateo, Vice-Mayor Jack Matthews, all incumbents, are running for the three seats available.
- LAFCo (Local Agency Formation Commission): Atherton Councilmember Cary Wiest and Pacifica Councilmember Mike O'Neill, who was alternate for the seat when it was held by Allan Alifano (Pacifica), are running for one seat. Councilmember Wiest said she favors Mr. Wiest. Vice Mayor Derwin likes both candidates, she said, but Mr. O'Neill probably would get her vote if she were voting.

Mayor Aalfs said LAFCo will face big challenges in the next several years, when its sole employee, Executive Director Martha Poyatos, a long-time staff member with a great deal of institutional knowledge decides to retire. Councilmembers also briefly discussed membership on the LAFCo board.

(2) Town Council Digest: January 23, 2015

#6 – Request for Town participation in Community Choice Aggregation (CCA) Study for San Mateo County

Mayor Aalfs said the resolution concerning the CCA Study, part of San Mateo County's first step toward a Community Choice Aggregation program, will come before the Council at its meeting on February 11, 2015. In response to Councilmember Wengert's asking why the County is taking the initiative on this program – which would be governed by a JPA – Councilmember Hughes said it's probably easier for the County to reach significant scale.

#10/1 – Memo from Town Manager, Nick Pegueros, re: Weekly Update – Friday, January 23, 2015

Mr. Pegueros said he would provide an update on the pension retiree medical liabilities report as well as the budget and workplan at the Council's meeting on February 25, 2015.

#10/2 – Memo from Town Manager, Nick Pegueros, re: Weekly Update – Friday, January 23, 2015

Councilmembers discussed web problems, including Distributed Denial of Service attacks (DDoS).

#10/7 – Memo from Town Manager, Nick Pegueros, re: Weekly Update – Friday, January 23, 2015

Vice Mayor Derwin pointed out a ruling that judges cannot join the Boy Scouts because they're discriminatory in that gay people cannot serve as scout leaders. Nor do the scouts allow atheist or agnostic children to join. Mr. Pegueros said that at one point when he was having a discussion with one of local scout leaders, who expressed a perception that the Town was dissatisfied with some of the national organization's policies. He told Mr. Pegueros the local organization looks the other way on a number of issues.

**VI ADJOURNMENT** [10:10 p.m.]

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Mayor

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Town Clerk

**INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST**

02/25/15

Date: 02/20/2015

Time: 8:51 am

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TOWN OF PORTOLA VALLEY

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

MIKE AGOFF	Instructor Fees, Winter 2015	16126	02/25/2015	
			02/25/2015	
2341 KEHOE AVENUE	0016		02/25/2015	0.00
SAN MATEO	BOA	49397	02/25/2015	0.00
CA 94403				5,184.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4246	Instructors & Class Refunds	5,184.00	0.00

Check No.	49397	Total:	5,184.00
Total for	MIKE AGOFF		5,184.00

AT&T	01/06/15 - 02/05/15 Statements	16103	02/25/2015	
			02/25/2015	
P.O. BOX 9011	441		02/25/2015	0.00
CAROL STREAM	BOA	49398	02/25/2015	0.00
IL 60197-9011				249.83

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4318	Telephones	249.83	0.00

Check No.	49398	Total:	249.83
Total for	AT&T		249.83

BAY AREA PAVING CO., INC.	Wds H'lands, Concrete Swale/ Valley Gutter Work	16104	02/25/2015	
			02/25/2015	
P.O. BOX 6339	567		02/25/2015	0.00
SAN MATEO	BOA	49399	02/25/2015	0.00
CA 94403	C51-185			1,980.00

GL Number	Description	Invoice Amount	Amount Relieved
90-00-4375	General Expenses	1,980.00	0.00

Check No.	49399	Total:	1,980.00
Total for	BAY AREA PAVING CO., INC.		1,980.00

CALIFORNIA WATER SERVICE CO	February Statements	16137	02/25/2015	
			02/25/2015	
3525 ALAMEDA DE LAS PULGAS	0011		02/25/2015	0.00
MENLO PARK	BOA	49400	02/25/2015	0.00
CA 94025844				101.13

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4330	Utilities	101.13	0.00

Check No.	49400	Total:	101.13
Total for	CALIFORNIA WATER SERVICE CC		101.13

CITY OF REDWOOD CITY (IT)	January IT Services	16105	02/25/2015	
			02/25/2015	
P.O. BOX 3629	586		02/25/2015	0.00
REDWOOD CITY	BOA	49401	02/25/2015	0.00
CA 94064	BR35112			2,029.83

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

02/25/15

Date: 02/20/2015

Time: 8:51 am

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TOWN OF PORTOLA VALLEY

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

05-54-4216	IT & Website Consultants	2,029.83	0.00	
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Check No.	49401	Total:	2,029.83
Total for	CITY OF REDWOOD CITY (IT)		2,029.83

CLEANSTREET	November Street/Litter Cleanup	16127	02/25/2015	
			02/25/2015	
1937 W. 169TH STREET	0034		02/25/2015	0.00
GARDENA	BOA	49402	02/25/2015	0.00
CA 90247-5254	76537			1,603.62

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4342	Landscape Supplies & Services	74.00	0.00
20-60-4262	Street Sweeping	659.52	0.00
20-60-4266	Litter Clean Up Program	870.10	0.00

CLEANSTREET	January Street/Litter Cleanup	16128	02/25/2015	
			02/25/2015	
1937 W. 169TH STREET	0034		02/25/2015	0.00
GARDENA	BOA	49402	02/25/2015	0.00
CA 90247-5254	77240			1,603.62

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4342	Landscape Supplies & Services	74.00	0.00
20-60-4262	Street Sweeping	659.52	0.00
20-60-4266	Litter Clean Up Program	870.10	0.00

Check No.	49402	Total:	3,207.24
Total for	CLEANSTREET		3,207.24

CSG CONSULTANTS INC	Bldg Insp Svcs, 12/27 - 01/30	16129	02/25/2015	
			02/25/2015	
1700 S. AMPHLETT BLVD	622		02/25/2015	0.00
SAN MATEO	BOA	49403	02/25/2015	0.00
CA 94402	029040			14,440.00

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4062	Temp Bldg Inspection	14,440.00	0.00

Check No.	49403	Total:	14,440.00
Total for	CSG CONSULTANTS INC		14,440.00

TREENA JOI DIEHL	Reimb for N&S Microscopes for Future Events	16140	02/25/2015	
			02/25/2015	
500 W. MIDDLEFIELD, #129	419		02/25/2015	0.00
MOUNTAIN VIEW	BOA	49404	02/25/2015	0.00
CA 94043				397.75

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4163	Science & Nature	397.75	0.00

Check No.	49404	Total:	397.75
Total for	TREENA JOI DIEHL		397.75

INVOICE APPROVAL LIST REPORT - DETAIL WITH GL DIST

02/25/15

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Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

FRANK & GROSSMAN	Refund, BUSLI Employee Fees	16106	02/25/2015	
			02/25/2015	
1400 EGBERT AVENUE	0496		02/25/2015	0.00
SAN FRANCISCO	BOA	49405	02/25/2015	0.00
CA 94124				71.00

GL Number	Description	Invoice Amount	Amount Relieved
05-56-4228	Miscellaneous Refunds	71.00	0.00

Check No.	49405	Total:	71.00
Total for	FRANK & GROSSMAN		71.00

HORIZON	Field Fertilizer	16124	02/25/2015	
			02/25/2015	
P.O. BOX 52758	0289		02/25/2015	0.00
PHOENIX	BOA	49406	02/25/2015	0.00
AZ 85072-2758	1N205803			497.28

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	497.28	0.00

Check No.	49406	Total:	497.28
Total for	HORIZON		497.28

MARSHA HOVEY LLC	Emerg Prep Consult, January	16107	02/25/2015	
			02/25/2015	
1035 APPIAN WAY	0381		02/25/2015	0.00
MORGAN HILL	BOA	49407	02/25/2015	0.00
CA 95037	PV-12			1,275.00

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4214	Miscellaneous Consultants	1,275.00	0.00

Check No.	49407	Total:	1,275.00
Total for	MARSHA HOVEY LLC		1,275.00

JORGENSON SIEGEL MCCLURE & FLEGEL	January Statement	16108	02/25/2015	
			02/25/2015	
1100 ALMA STREET	0089		02/25/2015	0.00
MENLO PARK	BOA	49408	02/25/2015	0.00
CA 94025				14,000.25

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4182	Town Attorney	14,000.25	0.00

Check No.	49408	Total:	14,000.25
Total for	JORGENSON SIEGEL MCCLURE &		14,000.25

DANIEL MATTAR	Instructor Fees, Winter 2015	16130	02/25/2015	
			02/25/2015	
1312 VERSAILLES AVENUE	0500		02/25/2015	0.00
ALAMEDA	BOA	49409	02/25/2015	0.00
CA 94501				863.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4246	Instructors & Class Refunds	863.00	0.00

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

Check No.	49409	Total:	863.00
Total for	DANIEL MATTAR		863.00

METROPOLITAN TRANS COMMISSION	PTAP 16 Award, Match	16136	02/25/2015	
ATTN: Accts Rec, Elena Federis			02/25/2015	
P.O. BOX 45788	741		02/25/2015	0.00
SAN FRANCISCO	BOA	49410	02/25/2015	0.00
CA 94145-0788	AR0500			3,000.00

GL Number	Description	Invoice Amount	Amount Relieved
05-68-4503	CIPStreetDesignFutureFY	3,000.00	0.00

Check No.	49410	Total:	3,000.00
Total for	METROPOLITAN TRANS COMMIS		3,000.00

MUNICIPAL CODE CORPORATION	Muni Code-PDF File, Pedro	16110	02/25/2015	
			02/25/2015	
P.O. BOX 2235	788		02/25/2015	0.00
TALLAHASSEE	BOA	49411	02/25/2015	0.00
FL 32316	00252201			163.50

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4300	Codification	163.50	0.00

Check No.	49411	Total:	163.50
Total for	MUNICIPAL CODE CORPORATION		163.50

ASHLEY NORFLEET	Refund Deposit, CX Application	16109	02/25/2015	
			02/25/2015	
465 WAYSIDE ROAD	0497		02/25/2015	0.00
PORTOLA VALLEY	BOA	49412	02/25/2015	0.00
94028				500.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	500.00	0.00

Check No.	49412	Total:	500.00
Total for	ASHLEY NORFLEET		500.00

PERS HEALTH	March Health Premium	16138	02/25/2015	
			02/25/2015	
VIA EFT	0108		02/25/2015	0.00
	BOA	49413	02/25/2015	0.00
				15,655.47

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4086	Health Insurance Medical	15,655.47	0.00

Check No.	49413	Total:	15,655.47
Total for	PERS HEALTH		15,655.47

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

PRINTER ASSIST	Printer Repair	16111	02/25/2015	
			02/25/2015	
P.O. BOX 1533	944		02/25/2015	0.00
PALO ALTO	BOA	49414	02/25/2015	0.00
CA 94302-1533	8809			27.13

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4308	Office Supplies	27.13	0.00

Check No.	49414	Total:	27.13
Total for	PRINTER ASSIST		27.13

REGIONAL GOVERNMENT SERVICES	Beverlin, January Svcs.	16131	02/25/2015	
			02/25/2015	
P.O. BOX 1350	1165		02/25/2015	0.00
CARMEL VALLEY	BOA	49415	02/25/2015	0.00
CA 93924	4731			2,798.88

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4060	Temp NonPay Cler/Admin	2,798.88	0.00

Check No.	49415	Total:	2,798.88
Total for	REGIONAL GOVERNMENT SERVIC		2,798.88

RELIABLE FIRE EXTINGUISHER CO	Annual Extinguisher Service	16113	02/25/2015	
			02/25/2015	
P.O. BOX 3461	2028		02/25/2015	0.00
REDWOOD CITY	BOA	49416	02/25/2015	0.00
CA 94064	82299			463.89

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4346	Mechanical Sys Maint & Repair	463.89	0.00

Check No.	49416	Total:	463.89
Total for	RELIABLE FIRE EXTINGUISHER C		463.89

RON RAMIES AUTOMOTIVE, INC.	January Fuel Statement	16112	02/25/2015	
			02/25/2015	
115 PORTOLA ROAD	422		02/25/2015	0.00
PORTOLA VALLEY	BOA	49417	02/25/2015	0.00
CA 94028				438.27

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4334	Vehicle Maintenance	438.27	0.00

Check No.	49417	Total:	438.27
Total for	RON RAMIES AUTOMOTIVE, INC.		438.27

SAN MATEO CO INF SERVICES	January M/W	16114	02/25/2015	
			02/25/2015	
455 COUNTY CENTER, 3RD FLOOR	0307		02/25/2015	0.00
REDWOOD CITY	BOA	49418	02/25/2015	0.00
CA 94063	1YPV11501			76.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4152	Emerq Preparedness Committee	76.00	0.00



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

Check No.	49418	Total:	76.00
Total for	SAN MATEO CO INF SERVICES		76.00

SHARP BUSINESS SYSTEMS	January Copies	16115	02/25/2015	
			02/25/2015	
DEPT. LA 21510	0199		02/25/2015	0.00
PASADENA	BOA	49419	02/25/2015	0.00
CA 91185-1510	C852760-541			157.46

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4308	Office Supplies	157.46	0.00

Check No.	49419	Total:	157.46
Total for	SHARP BUSINESS SYSTEMS		157.46

SIERRA PACIFIC TURF SUPPLY INC	Soil Test	16125	02/25/2015	
			02/25/2015	
P.O. BOX 84	842		02/25/2015	0.00
CAMPBELL	BOA	49420	02/25/2015	0.00
CA 95009	0445278-IN			43.60

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	43.60	0.00

Check No.	49420	Total:	43.60
Total for	SIERRA PACIFIC TURF SUPPLY IN		43.60

SMALL BUSINESS BENEFIT PLAN TR	March Dental/Vision	16116	02/25/2015	
			02/25/2015	
	0132		02/25/2015	0.00
BELMONT	BOA	49421	02/25/2015	0.00
CA 94002-0156				1,822.90

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4090	Health Ins Dental & Vision	1,822.90	0.00

Check No.	49421	Total:	1,822.90
Total for	SMALL BUSINESS BENEFIT PLAN		1,822.90

CONNIE STACK	Instructor Fees, Winter 2015	16132	02/25/2015	
			02/25/2015	
10127 LAMPLIGHTER SQUARE	648		02/25/2015	0.00
CUPERTINO	BOA	49422	02/25/2015	0.00
CA 95014				1,689.60

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4246	Instructors & Class Refunds	1,689.60	0.00

Check No.	49422	Total:	1,689.60
Total for	CONNIE STACK		1,689.60

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

STANDARD INSURANCE CO.	February LTD/Life Premium	16139	02/25/2015	
			02/25/2015	
PO BOX 5676	0469		02/25/2015	0.00
PORTLAND	BOA	49423	02/25/2015	0.00
OR 97228				332.96

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4091	Long Term Disability Insurance	332.96	0.00

Check No.	49423	Total:	332.96
Total for	STANDARD INSURANCE CO.		332.96

STAPLES	January Office Supplies	16117	02/25/2015	
			02/25/2015	
STAPLES CREDIT PLAN	430		02/25/2015	0.00
DES MOINES	BOA	49424	02/25/2015	0.00
IA 50368-9020				970.02

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4308	Office Supplies	970.02	0.00

Check No.	49424	Total:	970.02
Total for	STAPLES		970.02

BARBARA TEMPLETON	Transcription, Oct - Jan	16118	02/25/2015	
			02/25/2015	
304 MELVEN COURT	369		02/25/2015	0.00
SAN LEANDRO	BOA	49425	02/25/2015	0.00
CA 94577-2011	801			5,262.50

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4188	Transcription Services	5,262.50	0.00

Check No.	49425	Total:	5,262.50
Total for	BARBARA TEMPLETON		5,262.50

THERMAL MECHANICAL, INC	January Bi-Monthly Maint	16133	02/25/2015	
			02/25/2015	
425 ALDO AVENUE	955		02/25/2015	0.00
SANTA CLARA	BOA	49426	02/25/2015	0.00
CA 95054	PM-62102			1,495.00

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4341	Community Hall	498.34	0.00
05-66-4346	Mechanical Sys Maint & Repair	498.33	0.00
25-66-4346	Mechanical Sys Maint & Repair	498.33	0.00

Check No.	49426	Total:	1,495.00
Total for	THERMAL MECHANICAL, INC		1,495.00

TOWNSEND MGMT, INC	App Charges, Feb/May/July 2014	16135	02/25/2015	
			02/25/2015	
P.O. BOX 24442	609		02/25/2015	0.00
SAN FRANCISCO	BOA	49427	02/25/2015	0.00
CA 94124				3,066.50

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

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4194	Engineer - Charges to Appls	3,066.50	0.00

Check No.	49427	Total:	3,066.50
Total for	TOWNSEND MGMT, INC		3,066.50

TREE SPECIALIST INC	Emergency Tree Removal	16134	02/25/2015	
			02/25/2015	
1198 NEVADA AVE	839		02/25/2015	0.00
SAN JOSE	BOA	49428	02/25/2015	0.00
CA 95125				3,200.00

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4271	Storm Damage / Emerg Repairs	3,200.00	0.00

Check No.	49428	Total:	3,200.00
Total for	TREE SPECIALIST INC		3,200.00

VERIZON WIRELESS	January Statement	16119	02/25/2015	
			02/25/2015	
P.O. BOX 660108	0131		02/25/2015	0.00
DALLAS	BOA	49429	02/25/2015	0.00
TX 75266-0108	9739524061			244.46

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4318	Telephones	244.46	0.00

Check No.	49429	Total:	244.46
Total for	VERIZON WIRELESS		244.46

SCOTT WEBER	Reimbursement, Work Boots/Pant	16120	02/25/2015	
			02/25/2015	
	793		02/25/2015	0.00
	BOA	49430	02/25/2015	0.00
				210.08

GL Number	Description	Invoice Amount	Amount Relieved
05-60-4267	Tools & Equipment	210.08	0.00

Check No.	49430	Total:	210.08
Total for	SCOTT WEBER		210.08

SARAH WERNIKOFF	Refund, C&D Deposit	16121	02/25/2015	
			02/25/2015	
145 BEAR GULCH	0498		02/25/2015	0.00
PORTOLA VALLEY	BOA	49431	02/25/2015	0.00
CA 94028				5,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4205	C&D Deposit	5,000.00	0.00

Check No.	49431	Total:	5,000.00
Total for	SARAH WERNIKOFF		5,000.00

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

PHIL WHITE	Refund, C&D Dep-683 Portola Rd	16122	02/25/2015	
			02/25/2015	
95 ATHERTON AVENUE	0499		02/25/2015	0.00
ATHERTON	BOA	49432	02/25/2015	0.00
CA 94027				1,885.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4205	C&D Deposit	1,885.00	0.00

Check No.	49432	Total:	1,885.00
Total for	PHIL WHITE		1,885.00

WOODSIDE FIRE PROTECTION DISTR	CERPP Coordinator,Jan-Mar 2015	16123	02/25/2015	
			02/25/2015	
3111 WOODSIDE ROAD	709		02/25/2015	0.00
WOODSIDE	BOA	49433	02/25/2015	0.00
CA 94062	102_PV			2,711.85

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4333	Fire Prevention	2,711.85	0.00

Check No.	49433	Total:	2,711.85
Total for	WOODSIDE FIRE PROTECTION DI		2,711.85

Total Invoices: 38

Grand Total:	95,511.38
Less Credit Memos:	0.00
Net Total:	95,511.38
Less Hand Check Total:	0.00
Outstanding Invoice Total:	95,511.38

**TOWN OF PORTOLA VALLEY**  
**Warrant Disbursement Journal**  
**February 25, 2015**

Claims totaling \$95,511.38 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 \_\_\_\_\_

\_\_\_\_\_  
Nick Pegueros, 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



# MEMORANDUM

## TOWN OF PORTOLA VALLEY

---

**TO:** Mayor and Members of the Town Council

**FROM:** Debbie Pedro, Town Planner

**DATE:** February 25, 2015

**RE:** Proposed Priority Conservation Areas (PCA) within Portola Valley and its Sphere of Influence

### RECOMMENDATION

It is recommended that the Town Council adopt the resolution in Attachment 1 supporting the proposed Priority Conservation Areas located within the Town of Portola Valley and its sphere of influence (SOI).

### BACKGROUND

Midpeninsula Regional Open Space District (MROSD) has recently informed the Town of their plans to participate in the Association of Bay Area Government (ABAG) Priority Conservation Area (PCA) Program. (Attachment 2) The PCA program was first introduced in 2007 to identify regionally significant open spaces that are important natural resources. There are currently four categories of PCAs:

1. **Natural Landscapes** – Areas critical to the functioning of wildlife and plant habitats, aquatic ecosystems and the region's water supply and quality.
2. **Agricultural Lands** – Farmland, grazing land and timberland that support the region's agricultural economy and provide additional benefits such as habitat protection and carbon sequestration.
3. **Urban Greening** – Existing and potential green spaces in cities that increase habitat connectivity, improve community health, capture carbon emissions, and address stormwater.
4. **Regional Recreation** – Existing and potential regional parks, trails, and other publicly accessible recreation facilities.

PCA designations serve to identify regionally significant open spaces and to position agencies to attract grant funding to support the long-term protection of these areas. Through the Plan Bay Area process, the Metropolitan Transportation Commission

(MTC) has established a \$10 million pilot grant program to help fund the protection of PCAs. Additional information about the PCA program is included in Attachment 3.

Currently, there are over 100 PCAs located in the nine Bay Area counties. For the 2014/15 PCA program update, MROSD is proposing a total of 16 new PCAs in San Mateo and Santa Clara Counties. The deadline for submitting PCA applications to ABAG is May 30, 2015. Per the requirements of the PCA program, MROSD is reaching out to the Town to ensure that the proposed areas are appropriate and in line with the conservation goals of the affected jurisdictions. An adopted resolution of support from the jurisdiction in which the PCAs are located is required to be included with the application. Conversely, a jurisdiction can file a resolution of opposition within 90 days to invalidate the nomination.

The proposed PCAs in and around Portola Valley are all lands owned and/or managed by MROSD. These areas include the 1,000+ acres Windy Hill Open Space Preserve and the 79 acres Hawthorn property which became part of the District's Windy Hill Open Space Preserve in 2011. In addition, Coal Creek Open Space Preserve and Los Trancos Open Space Preserve, located in unincorporated Santa Clara County within the Town's sphere of influence are also included. (Attachment 4)

The proposed PCA designations for Windy Hill, Coal Creek, and Los Trancos open space preserves are consistent with the major community goals in the Town's General Plan which calls for the long range preservation and conservation of natural features and open space of the planning area.

#### **FISCAL IMPACT**

None

#### **ENVIRONMENTAL REVIEW**

This action is not a project under the California Environmental Quality Act (CEQA), and no CEQA analysis is therefore required.

#### **ATTACHMENT**

1. Resolution
2. Letter from MROSD General Manager Stephen Abbors dated January 29, 2015
3. Priority Conservation Area Concept Paper
4. Map of proposed PCAs within Portola Valley and its Sphere of Influence

APPROVED – Nick Pegueros, Town Manager

**RESOLUTION NO. \_\_\_\_\_-2015**

**A RESOLUTION OF THE TOWN COUNCIL  
OF THE TOWN OF PORTOLA VALLEY  
SUPPORTING PRIORITY CONSERVATION AREA  
DESIGNATIONS WITHIN THE TOWN AND ITS SPHERE OF INFLUENCE**

**WHEREAS**, the Association of Bay Area Governments is requesting nominations from local governments and special districts for Priority Conservation Areas (PCA) as part of the Plan Bay Area Implementation effort; and

**WHEREAS**, PCAs are intended to be areas which contain important agricultural, natural resource, watershed, historic, scenic, cultural, recreational, and/or ecological values and ecosystem functions deserving of conservation funding; and

**WHEREAS**, the 2014 PCA program update specifically addresses the Open Space and Farmland implementation areas and introduces four categories to recognize the role of different kinds of PCAs in supporting the vitality of the region's natural systems, rural economy and human health; and

**WHEREAS**, the Priority Conservation Areas that are nominated by Midpeninsula Regional Open Space District, are mutually compatible and complementary, and represent a diverse and balanced mix of conservation priorities in the Town of Portola Valley.

**NOW, THEREFORE**, the Town Council of the Town of Portola Valley hereby RESOLVE to endorse the designation of Priority Conservation Areas, as listed below and as detailed in Exhibit A.

1. Windy Hill Open Space Preserve – Regional Recreation and Natural Landscapes
2. Coal Creek Open Space Preserve - Regional Recreation and Natural Landscapes
3. Los Trancos Open Space Preserve - Regional Recreation and Natural Landscapes

**REGULARLY PASSED AND ADOPTED** this 25<sup>th</sup> of February, 2015.

---

Jeff Aalfs, Mayor

ATTEST:

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Sharon Hanlon, Town Clerk





Midpeninsula Regional Open Space District

GENERAL MANAGER  
Stephen E. Abbors

BOARD OF DIRECTORS  
Pete Siemens  
Yoriko Kishimoto  
Jed Cyr  
Curt Riffle  
Nonette Hanko  
Larry Hassett  
Cecily Harris

January 29, 2015

Town Manager Nick Pegueros  
Town of Portola Valley  
765 Portola Road  
Portola Valley, CA. 94028

SUBJECT: Proposed Priority Conservation Area within Portola Valley

Dear Town Manager Pegueros:

In July 2013, the Association of Bay Area Governments (ABAG) Executive Board and the Metropolitan Transportation Commission (MTC) approved Plan Bay Area, a long-range, integrated transportation and land-use/housing strategy through 2040 for the San Francisco Bay Area. Plan Bay Area includes the designation of Priority Conservation Areas (PCAs) to balance housing and transportation demands with the need to preserve the region's diverse farming, recreational, scenic, and natural resource lands and their many ecological values and ecosystem functions for future generations.

PCAs are intended to identify lands of conservation significance that are broadly supported by the public and local jurisdictions to be eligible for future PCA Program funding and potentially other conservation-based funding. PCA designations are strictly for grant funding purposes only, to identify lands of key open space importance that merit grant funding. PCAs are neither regulatory in nature, nor do they have any effect on local land use or zoning designations or future local land use decisions. They are, however, intended to align with and build upon local General Plan strategies for open space conservation to remain consistent with local policies and objectives.

PCAs are of high importance to the Midpeninsula Regional Open Space District (Midpen), as these designations will affect future funding opportunities for land conservation and recreation on the Peninsula. Midpen is reaching out to the Town of Portola Valley at this time to notify you of the proposed new PCA designation that is being considered within your jurisdiction, for which Midpen has already initiated conversations with staff from the Town Planning Department (see Attachment 1 for PCA Map and Attachment 2 for PCA description). Over the next three (3) months, Midpen will continue to work alongside Town Planning to further develop and refine the proposed PCA to ensure that the PCA is aligned with the Town's conservation strategies. Midpen anticipates submitting an application to ABAG by the May 30<sup>th</sup> deadline for PCA nominations.

If you have questions about the PCA Program and Midpen's proposed PCA within the Town of Portola Valley, please do not hesitate in contacting me at (650) 691-1200 or via email at [SAbbors@openspace.org](mailto:SAbbors@openspace.org).

Sincerely Yours,

A handwritten signature in blue ink that reads "Steve E. Abbors for JEA". The signature is written in a cursive, flowing style.

Stephen E. Abbors  
General Manager

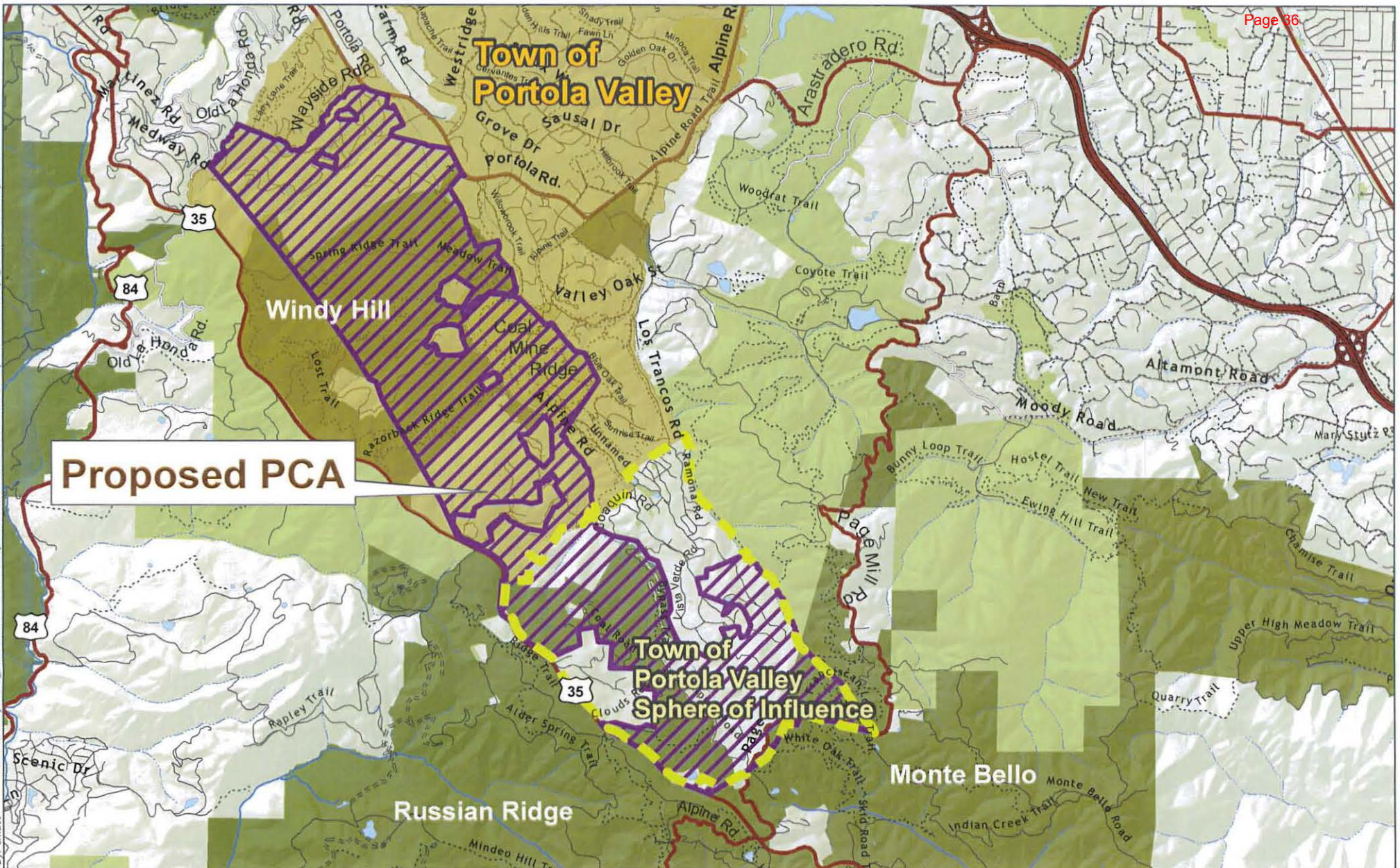
Attachments: Map of proposed PCA in Portola Valley  
Table of PCA Designation

CC (email): Joanna Bullock, Association of Bay Area Governments  
Debbie Pedro, Planning Director, Town of Portola Valley

## ATTACHMENT

Proposed PCA Designation within Portola Valley

<b>Open Space Preserves</b>	<b>Affected Jurisdictions</b>	<b>Midpen Open Space Vision Plan Priority Areas</b>	<b>Proposed Designations for PCA</b>
Windy Hill & Coal Creek	Portola Valley	6, 8, 10 & 40	Regional Recreation, Natural Landscapes



Proposed PCA

Town of Portola Valley Sphere of Influence

### Proposed PCA Within Town of Portola Valley's Sphere of Influence

-  Proposed PCA
-  Town of Portola Valley Sphere of Influence
-  Town of Portola Valley
-  MROSD Preserves
-  Private Property

Midpeninsula Regional Open Space District (MROSD)



January, 2015

Miles 

While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.

Path: G:\Projects\Districtwide PCAs\PriorityConservationAreas\SantaClaraCounty\NotificationMaps\_SCL\PortolaValley2.mxd  
Created By: chiatt

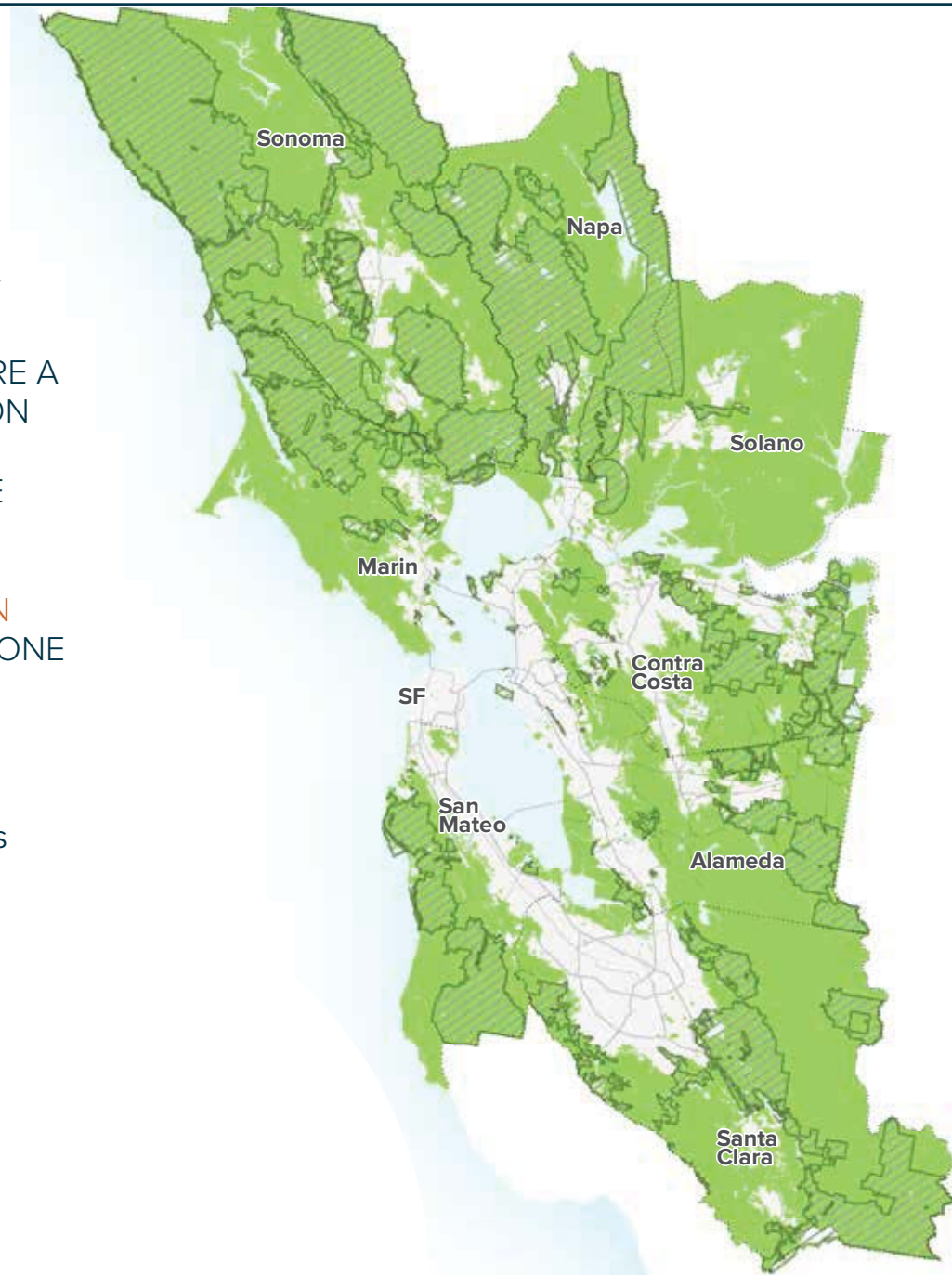
# PRIORITY CONSERVATION AREAS

THE SAN FRANCISCO BAY AREA IS UNIQUE AMONG AMERICAN METROPOLISES. Parks and trails support our health and quality of life. Watersheds and other natural areas contribute to our clean water and air and help to protect us from disasters. The region's farms and ranches give us fresh, healthy local food. Together our open spaces define the identity of the Bay Area and are a magnet for the innovators that drive its \$535 billion economy.

SAFEGUARDING THE BAY AREA'S ONE-OF-A-KIND LANDSCAPE WILL REQUIRE A REGIONAL CONSERVATION STRATEGY BASED IN CONSERVATION SCIENCE AND RIGOROUS DATA.

PRIORITY CONSERVATION AREAS ARE A CORNERSTONE OF THAT STRATEGY.

-  PRIORITY CONSERVATION AREAS
-  BAY AREA GREENBELT



## OUR CHERISHED LANDSCAPE

We are lucky to live someplace so special. The San Francisco Bay Area is unique among American metropolises in the stunning beauty of its landscape. Parks and trails support our health and quality of life by giving us the opportunity to get outside. Watersheds and other natural areas contribute to our resilience by providing us with clean water and air and help to protect us from disasters like flooding and landslides—threats that will only grow with climate change. The region’s farms and ranches give us fresh, healthy local food. Together our open spaces define the identity of the Bay Area and are a magnet for the innovators that drive its \$535 billion economy.

The people of the Bay Area clearly cherish our special landscape. Through 24 bond measures and tax increases since 1988, voters across the region have approved close to \$1.6 billion to preserve critical habitat, protect farmland, improve water quality, and create new parks. Of the region’s 3.6 million acres of open space—our greenbelt—1.3 million acres have been preserved through land purchases and easements. An additional 2 million acres are protected through a range of growth management policies that have been put in place by voters and elected leaders.

Despite our region’s success in protecting open space, the risks to our greenbelt are profound. Over 322,000 acres are at risk of development in the next 30 years. The Bay Area will add 2 million new residents by 2040 and this growth could create pressure to weaken the growth management policies that protect 60 percent of the greenbelt. Effectively safeguarding the Bay Area’s one-of-a-kind landscape will require a regional conservation strategy based in the latest conservation science and rigorous data. Priority Conservation Areas (PCAs) have the potential to be a cornerstone of such a strategy.

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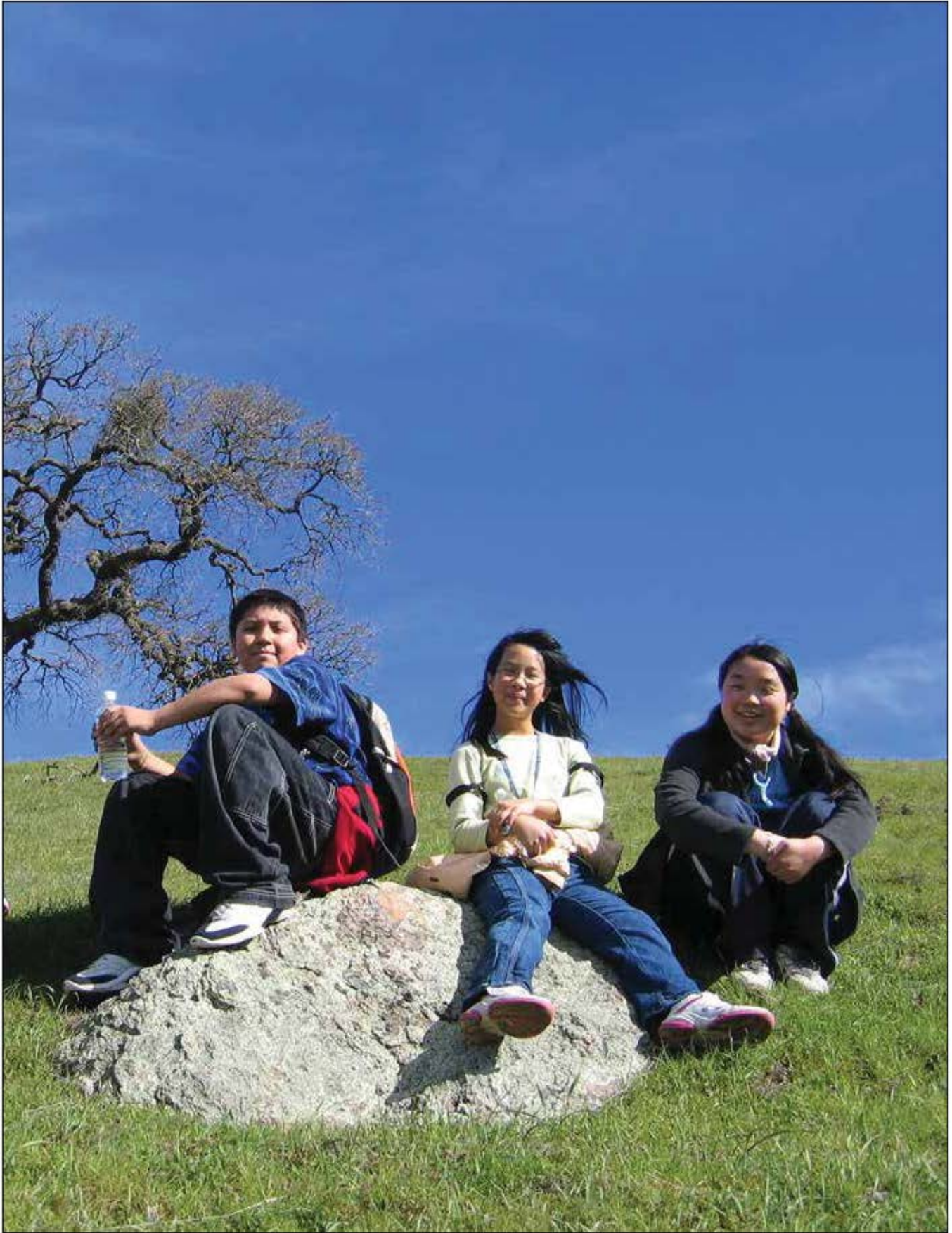
VOTER & ELECTED  
LEADER SUPPORT  
FOR LANDSCAPES

24 BOND MEASURES  
& TAX INCREASES

\$1.6 BILLION IN  
PRESERVATION,  
WATER QUALITY &  
PARKS

2 MILLION ACRES  
PROTECTED BY  
POLICY

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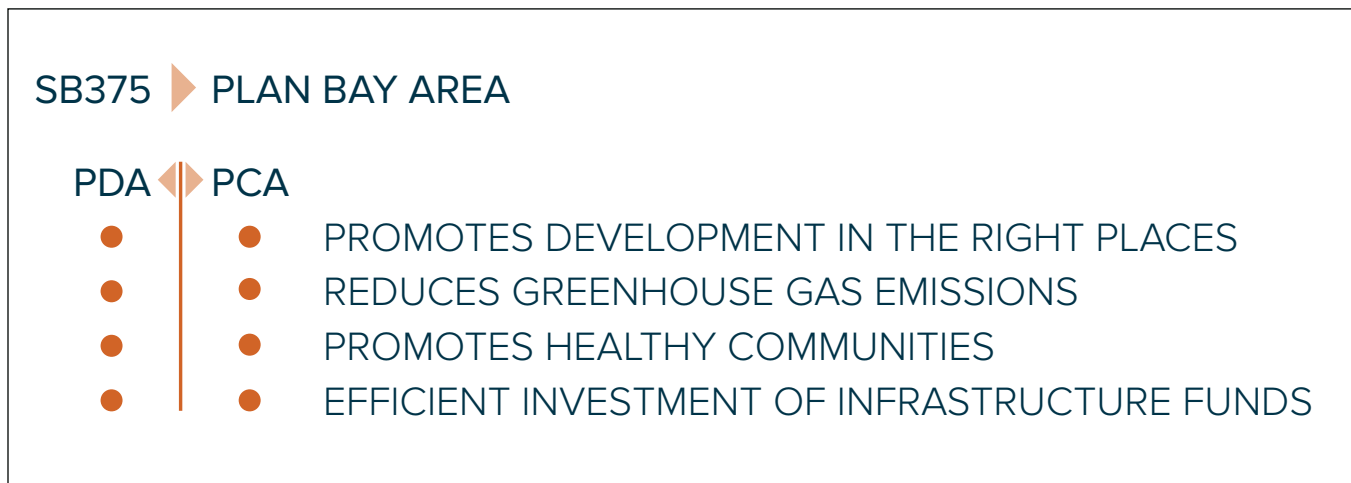


## CONSERVING THE LANDSCAPE: KEY TO PLAN BAY AREA

The preservation and stewardship of the Bay Area’s greenbelt is key to implementing Plan Bay Area. Under Plan Bay Area, the region’s next generation of growth is to be focused in Priority Development Areas (PDAs) within our cities and towns; no development is envisioned beyond existing urban boundaries. Because this focused growth will require Bay Area residents and workers to drive less, greenhouse gas emissions from personal vehicles are expected to drop 16% per capita by 2035. Development in the greenbelt that is isolated from public transit and other services and amenities requires more driving and could cause the region to fall short of Plan Bay Area’s greenhouse gas pollution reduction expectation. Farms, ranches, and natural areas also function as carbon sinks. Trees, plants and crops growing on the landscape remove greenhouse gases from the atmosphere and store them away. Allowing development that paves over the Bay Area’s greenbelt degrades this carbon storage function.

Additionally, if development does occur beyond existing urban boundaries it will require significant expenditures to build new roads, sewer lines, and other infrastructure. Such infrastructure costs would be in addition to the substantial infrastructure investment needs within the region’s PDAs. Development in the greenbelt would result in the region’s infrastructure funds being spread too thin.

A robust regional conservation strategy for the Bay Area is a win-win approach. It will guide the protection of the unique open spaces that make the Bay Area so special—our parks and trails, farms and ranches, watersheds and other components of the greenbelt. Such a strategy will also serve as a driver of focused growth, ensuring that urban infrastructure dollars are spent wisely and that we achieve the ambitious greenhouse gas pollution reduction goals envisioned in Plan Bay Area.



*Priority Conservation Areas and Priority Development Areas complement each other in many ways. For example, each contribute to the above goals.*



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# THE PRESERVATION AND STEWARDSHIP OF THE BAY AREA'S GREENBELT IS KEY TO IMPLEMENTING PLAN BAY AREA.

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## **PRIORITY CONSERVATION AREAS: WHAT ARE THEY?**

In 2008, local governments, special districts and conservation organizations worked together to establish the Bay Area's original Priority Conservation Areas. These PCAs consist of regionally significant open spaces about which there is broad consensus for long-term protection. The PCAs are diverse and include everything from recreation areas that help Bay Area residents live healthy active lifestyles, to watersheds that provide the region with high-quality drinking water, to farmland from which we get fresh, local food. The PCAs serve to attract funds to support the long-term protection of these areas. Through the Plan Bay Area process, the Metropolitan Transportation Commission (MTC) established a \$10 million pilot grant program to help fund the protection of the PCAs.

Community leaders embraced the PCA concept; currently there are nearly 100 PCAs spread across the nine Bay Area counties. The PCAs not only serve to indicate what land should be protected, they also help to articulate where urbanized development is most appropriate and where it is not. In doing so, the PCAs help to define the holistic vision of Plan Bay Area. They serve as the underpinnings of a "greenprint" to complement the region's blueprint for how our cities and towns should grow.

Since 2008, our understanding of the Bay Area's one-of-a-kind landscape has improved. Research and analysis now gives us a much better sense of how our farms, ranches, and working lands benefit our health and quality of life. This research and analysis also helps us understand how conservation of the landscape can contribute to our

economy as well as the resilience of natural systems that do everything from protect us from floods, to ensure the long-term viability of plants and animals that also call the Bay Area home. Using this information to update the PCA program will improve the program's ability to serve as a cornerstone of the region's conservation strategy.

## **THE PCA PROGRAM UPDATE**

The Association of Bay Area Governments (ABAG) is now in the process of revising the PCA program. This update will result in greater specificity about the qualities and functions of different types of PCAs. To achieve this specificity, ABAG has developed a new set of designations for different PCA types (similar to the "place types" developed for PDAs during the Plan Bay Area process). Additionally, a science-based method has been developed for evaluating nominated PCAs. The revised PCA program also seeks to address the need for urban parkland and providing green space in growing PDAs.

These modifications will greatly enhance the ability of PCAs to contribute effectively to a regional conservation strategy.

By June 2014, ABAG will have adopted modifications to the PCA Program and opened an application window that will last through May 2015. As currently recommended, nominations will be accepted to transition existing PCAs into the revised program as well as for new PCAs. PCA applications will be accepted on a rolling basis with two adoption points over the course of the year.

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## ANALYZING THE UPDATE: REASONS TO BE EXCITED

ABAG's proposed revision to the PCA program is a significant positive step toward ensuring the program realizes its potential to serve as an effective guide for a regional land conservation strategy. The four "designations" (again, similar to the "place types" for PDAs)—Natural Landscapes, Agricultural Lands, Regional Recreation and Urban Greening—provide a simple typology that helps to communicate how the Bay Area's open spaces provide benefits to the quality of life, economy, and resilience of the region. The new application process explicitly requires applicants to use data from a rich set of information sources to articulate the benefits of proposed PCAs. This commitment to an evidence-based approach will help to ensconce conservation-science and an understanding of conservation priorities into land-use planning across the Bay Area.

The addition of **the Urban Greening designation is an exciting recognition that nature in urban areas matters.**

To most effectively contribute to the region's conservation strategy, Urban Greening PCAs should contribute to regionally significant functions; functions such as contributions to regional agricultural, natural resource conservation, ecosystem protection, or the enhancement of scenic or recreational values.

Transitioning the existing PCAs into the new program is critical. These areas are a solid foundation upon which an even better program will be built. The original PCAs demonstrate the shared values regarding our landscape that exist across the Bay Area and a broad recognition of the many benefits our natural and working lands provide (maps at the end of the document demonstrate how current PCAs overlap with open space benefits). The original PCAs were adopted without requiring resolutions from city councils or boards of supervisors. A testament to the level of consensus that exists around the original PCAs is that none have been challenged since they were adopted. Since existing PCAs did not require approval from city

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# PRIORITY DEVELOPMENT AREAS AND PRIORITY CONSERVATION AREAS ARE ESSENTIAL PILLARS TO A SUSTAINABLE, THRIVING BAY AREA.

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councils or boards of supervisors when they were initially approved, such resolutions should not be necessary to transition existing PCAs into the revised program.

## MAKING IT HAPPEN

The Priority Development Areas and the Priority Conservation Areas are two essential pillars in the effort to make the Bay Area a sustainable, thriving region in the decades ahead. These two programs knit together the region's land use and transportation priorities and provide clear guidance on how to best focus limited intellectual and financial resources. Both programs help local leaders ensure that our cities and towns are healthy and thriving and are supported by the amazing assets nature provides. Effective implementation of the Priority Conservation Area program must be prioritized in order to fully achieve the vision of a sustainable and thriving region articulated in Plan Bay Area. The conservation community, from land trusts to special districts to local and regional non-profits, is ready to work with local leaders to effectively implement the PCA program, as well as use the plethora of data and analysis that now exists regarding the Bay Area's landscape to help make land-use decisions with conservation in mind.

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The following are recommendations for how both local leaders and the Association of Bay Area Governments can ensure the implementation of the PCA program is successful—not only in the near-term as the program is updated and new PCAs are nominated and reviewed, but over the long-term as the PCAs anchor the region’s conservation strategy.

## RECOMMENDATIONS FOR LOCAL LEADERS

The first thing local leaders can do to maximize the success of the PCA program is to **support the immediate inclusion of existing PCAs** into the new framework.

Additionally, local leaders should **work with land management agencies and public health groups to identify new PCAs** and make sure they are adopted.

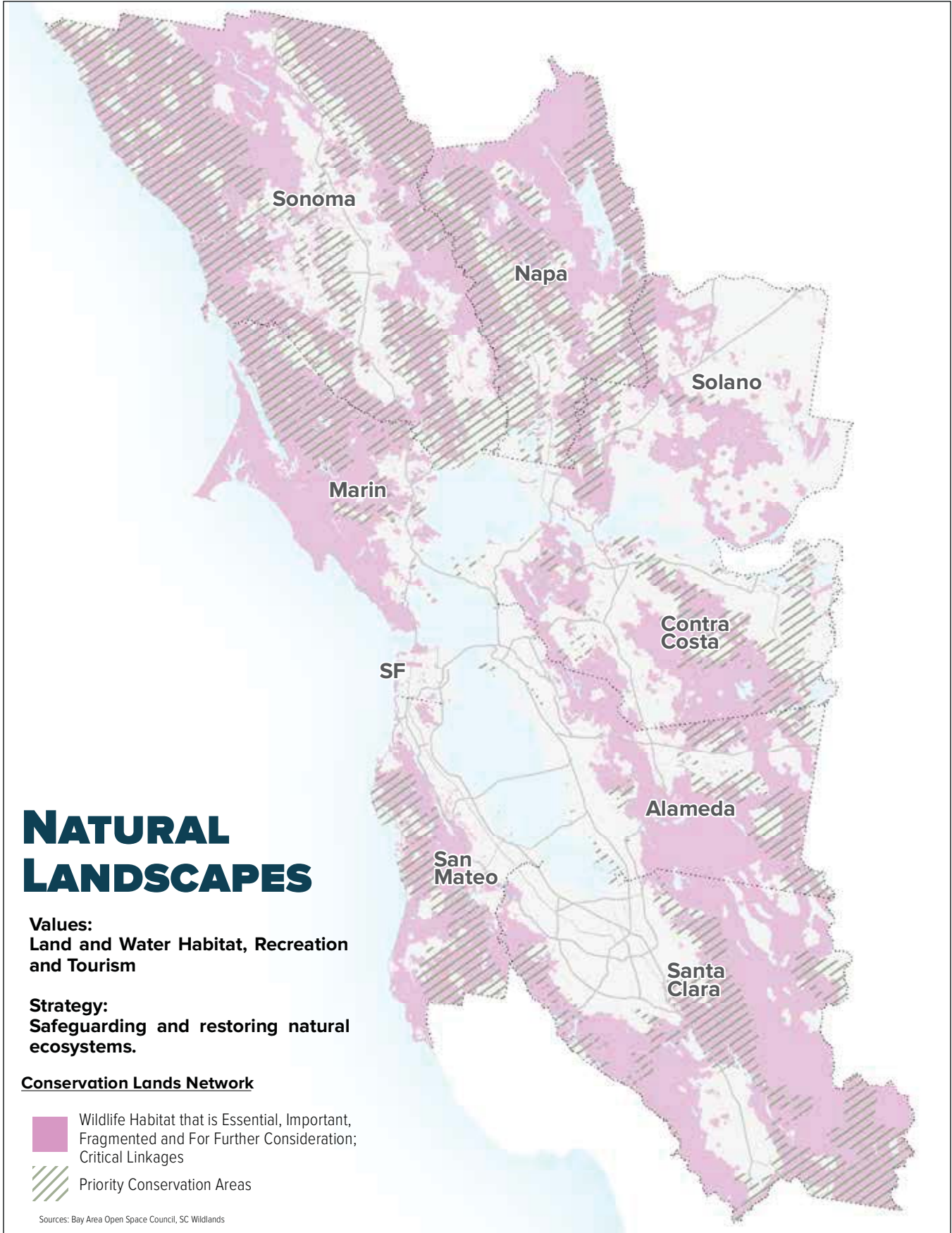
Also, local leaders should **feel empowered to take the conservation science that will be used to modify and create PCAs and use those tools broadly** in land-use decision making. Steps can be taken such as:

- Factor in the impacts/benefits of natural resources, working lands, and parks as a baseline for infrastructure plans, programs, and project decisions.
- Consider “green infrastructure” as a viable solution to infrastructure challenges, such as water quality control and sea-level rise adaptation.
- Establish agricultural land preservation strategies that ensure a critical mass of land for the production, processing, and distribution of local food.
- Ensure conservation best practices are integrated into the implementation of development and infrastructure projects.

## RECOMMENDATIONS FOR ABAG

ABAG should **continue to play a leadership role by providing support and guidance to local leaders** as they submit PCA applications. As the PCA program is implemented ABAG can take the specific following actions to help ensure that conservation strategies are effectively implemented throughout the region.

- Facilitate access to online data that will allow users to identify the specific benefits a particular geographic area contains.
- Develop a system to track how well communities across the region are achieving conservation goals.
- Provide technical assistance to facilitate connection of conservation funds with appropriate projects.
- Support policy innovation as a strategy to protect PCAs and implement regional conservation strategies.
- Continue to support the State Coastal Conservancy’s management of the region-wide OBAG conservation grant program.
- Scale local efforts to map urban greening benefits to produce a regional strategy.



# NATURAL LANDSCAPES

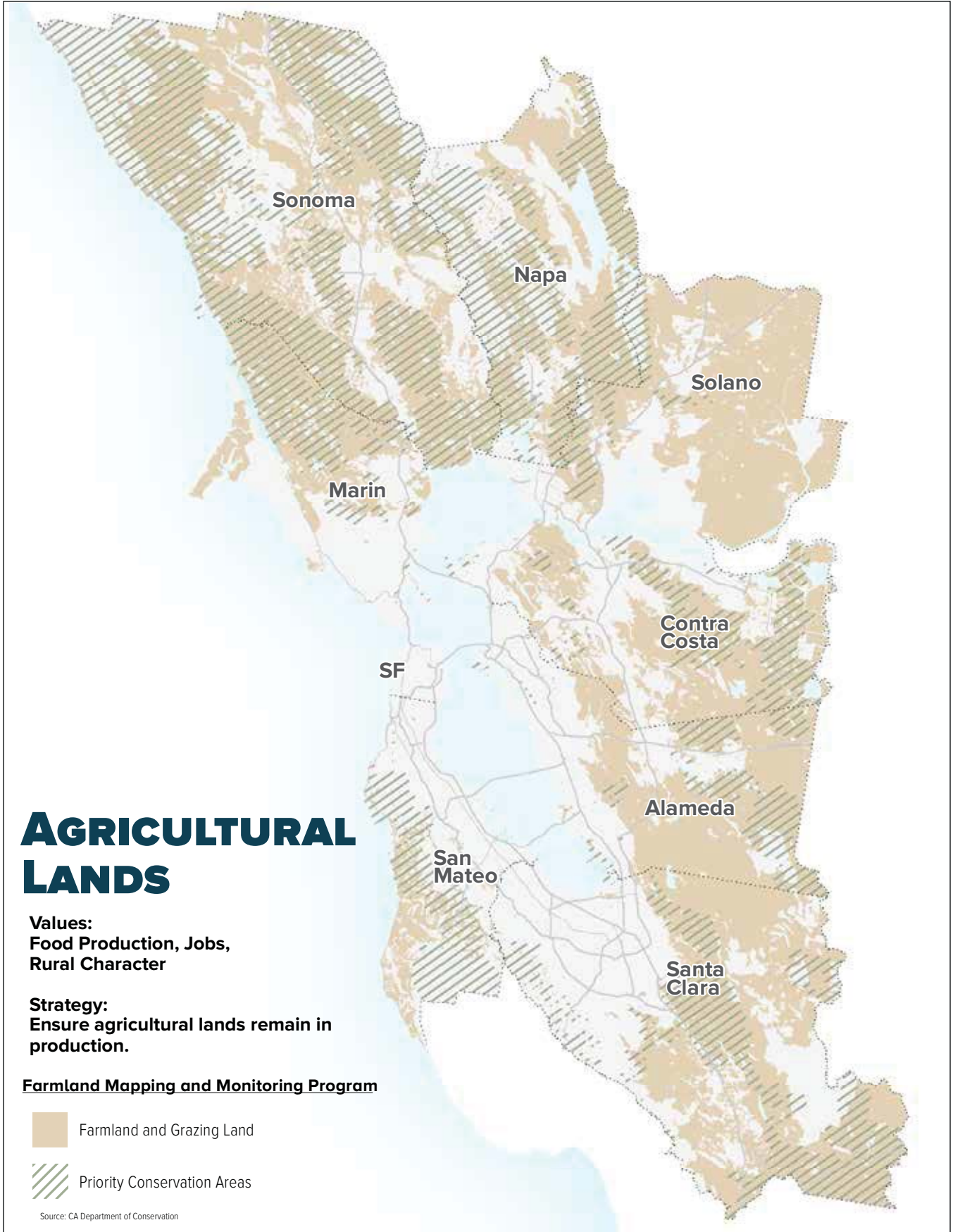
**Values:**  
Land and Water Habitat, Recreation and Tourism

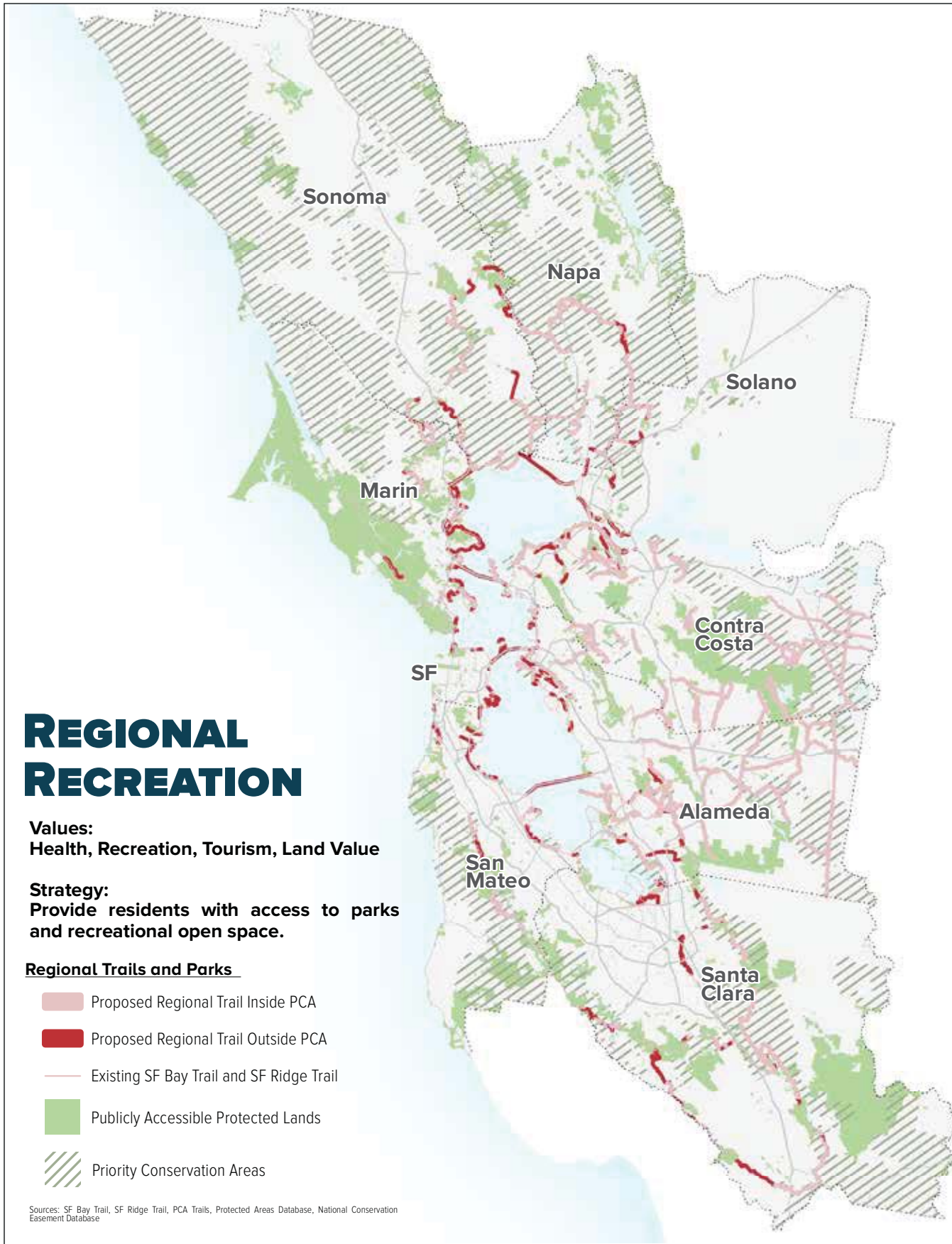
**Strategy:**  
Safeguarding and restoring natural ecosystems.

**Conservation Lands Network**

- Wildlife Habitat that is Essential, Important, Fragmented and For Further Consideration; Critical Linkages
- Priority Conservation Areas

Sources: Bay Area Open Space Council, SC Wildlands





# REGIONAL RECREATION

**Values:**  
Health, Recreation, Tourism, Land Value

**Strategy:**  
Provide residents with access to parks and recreational open space.

**Regional Trails and Parks**

- Proposed Regional Trail Inside PCA
- Proposed Regional Trail Outside PCA
- Existing SF Bay Trail and SF Ridge Trail
- Publicly Accessible Protected Lands
- Priority Conservation Areas

Sources: SF Bay Trail, SF Ridge Trail, PCA Trails, Protected Areas Database, National Conservation Easement Database

# CONTACTS

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**Ed Thompson**, California Director & Senior Associate

American Farmland Trust

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TOGETHER OUR  
OPEN SPACES DEFINE  
THE IDENTITY OF  
THE BAY AREA AND  
ARE A MAGNET FOR  
THE INNOVATORS  
THAT DRIVE ITS \$535  
BILLION ECONOMY.

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**Town of Portola Valley**

Portola Rd.

Windy Hill Open Space Preserve

Windy Hill Open Space Preserve

Coal Mine Ridge

**Proposed PCA**

Palo Alto Foothills Park

Foothills Open Space Preserve



Town of Portola Valley Sphere of Influence

Coal Creek Open Space Preserve

**Unincorporated San Mateo County**

Los Trancos Open Space Preserve

Diablo Mill Rd.

Hidden Villa

Russian Ridge Open Space Preserve

Monte Bello Open Space Preserve

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### Proposed PCA Within Town of Portola Valley and its Sphere of Influence

-  Proposed PCA (includes Midpen lands only)
-  Town of Portola Valley
-  Town of Portola Valley Sphere of Influence (Unincorporated San Mateo County)
-  Midpen Preserves
-  Private Property

Midpeninsula Regional Open Space District (Midpen)



February, 2015

Miles 



While the District strives to use the best available digital data, this data does not represent a legal survey and is merely a graphic illustration of geographic features.



# MEMORANDUM

## TOWN OF PORTOLA VALLEY

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**TO:** Mayor and Members of the Town Council

**FROM:** Leigh F. Prince, Town Attorney

**DATE:** February 17, 2015

**RE:** Personnel Policies Manual

**RECOMMENDATION:** Review the proposed Town of Portola Valley Personnel Policies Manual (“Personnel Manual”) which has been revised for consistency, clarity, to reflect current Town practice and to comply with current law and approve a resolution adopting the Personnel Manual.

**BACKGROUND:** The Personnel Manual was last updated in January 2012. In light of recent changes to the work week, the Town Manager and Town Attorney, with the assistance of outside counsel specializing in labor law, reviewed and revised the Personnel Manual not only to address the changing work week, but also to update the document as a whole. Town staff was provided with a draft of the proposed updated Personnel Manual and had the opportunity to review a summary of the more significant changes and ask questions in advance of the Council’s review.

**DISCUSSION:** A number of changes have been made to the Personnel Manual for consistency, clarity, to reflect current Town practice or to comply with current law. The attached draft of the Personnel Manual highlights the changes that were made. Minor changes such as capitalizing defined terms or changes for consistency have not been highlighted. The following is a list of the highlighted changes that were made to the Personnel Manual:

1. Section 1.3 has been revised to allow the Personnel Manual to be reviewed at reasonable intervals, rather than annually.
2. Section 5.5 allows recruitments to remain open until filled.

3. Section 5.7 distinguishes between Town-hired temporary employees and those supplied by a staffing agency.
4. Section 6.2 was revised for consistency with both legal requirements and current practice. Requests for accommodation may be verbal and therefore, the requirement that they be in writing was removed. Language was added regarding the process for determining reasonable accommodation. Those situations in which a fitness for duty examination may be required was updated for consistency with other sections of the Personnel Manual.
5. Section 6.3 was reorganized for clarity as follows: (a) purpose; (b) policy; (c) definitions; and (d) procedures. The section was also updated to comply with the California Fair Employment and Housing Act (e.g. legally required training).
6. Section 6.4 identifies that for complaints relative to the Town Manager, the Town Attorney rather than the Mayor will address complaints (this change was also made in Section 11.1 regarding work related complaints). Section 6.4 was also updated to comply with the California Fair Employment and Housing Act (e.g. privacy).
7. Section 7.1 has been updated to reflect the recent change to a 40 hour work week.
8. The requirement to submit time cards has been deleted from Section 7.2 because it is not the Town's practice to use time cards. The previous Section 14.2.2 has also been deleted for that reason. The only section where a time card is necessary is Section 8.3.3.4 regarding call-back time.
9. The definition of immediate family in Section 7.3 was revised for consistency with Labor Code Section 245.5(c).
10. Section 7.4 was revised for consistency with the new state sick leave law (AB 1522) and to indicate a doctor's verification may be required for absences of more than three consecutive days.
11. Section 7.6 allows for the Town Manager to grant an exception to vacation leave that will result in a leave balance deficit. With regard to the sale of accrued vacation hours, the election must be made by April 31 and the payout will occur no later than May 31.
12. In Section 7.7, payment for jury services has been limited to 15 working days, which should cover most jury service, but limits the burden on a small town in the event an employee is required to serve on an unusually long trial.
13. Section 7.9 was updated to comply with Military and Veterans Code Section 395.01.
14. Section 7.12 was updated to comply with law regarding pregnancy disability leave and Section 13.13 was updated regarding lactation accommodation.
15. Section 7.13 was revised such that a leave of absence without pay is not to exceed two rather than four months because a four month leave can be a burden for a small employer like the Town.
16. Previous Section 7.20, leave to participate in school related activities, has been removed as it does not legally apply to employers with less than 25 employees.
17. Section 7.17 has been revised to identify those family members to whom coverage legally applies.

18. Section 13.1 was re-written to be current with modern technology and the previous Section 20.4 was deleted as unclear.
19. Previous Section 15.27 regarding rental of Community Hall has been removed; the reduced rental rate will be reflected in the Community Hall Usage Policy.
20. In Section 13.5.3 regarding automobiles, the appendixes have been removed from the Personnel Manual, but remain on file, and employees are now required to provide proof of insurance each January, and may also be required to submit proof of insurance anytime upon request.
21. A new Section 13.6 indicating the Town is a fragrance-free workplace has been added.
22. Section 13.9 was revised to update the definition of drugs and address prescription and over-the-counter medication.

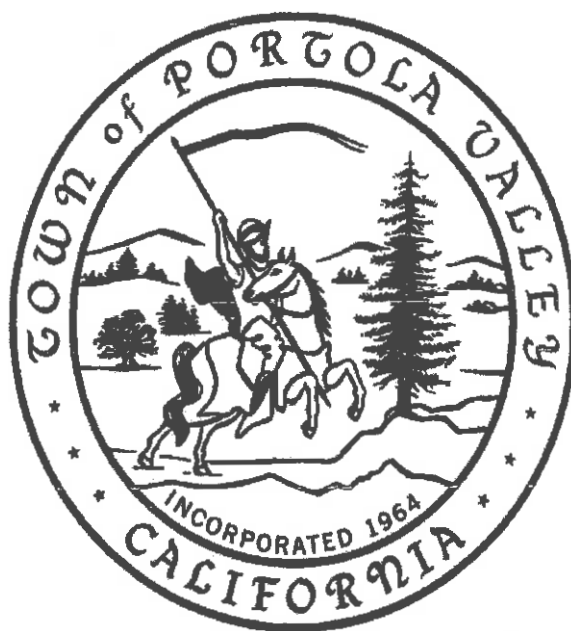
These changes bring the Town's Personnel Manual up to date with current best practices and the law. If the proposed revisions are approved, the Personnel Manual is not required to be reviewed and approved annually, but will be reviewed at reasonable intervals or if changes in the law or best practices arise that necessitate changes to the document.

Attachments:

1. Town of Portola Valley Personnel Policies (with highlights reflecting the above listed changes)
2. Resolution of the Town Council of the Town of Portola Valley Adopting the Town of Portola Valley Personnel

cc: Town Manager

**TOWN OF PORTOLA VALLEY**  
**PERSONNEL POLICIES MANUAL**



Revised: February 2015

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## SECTION 1 GENERAL PROVISIONS

### 1.1 COVERAGE

This Personnel Policy Manual (“Manual”) establishes the personnel system for the Employees of the Town of Portola Valley. All Town Employees serve at the will of the Town Manager, and nothing in this Manual creates any right, contractual or otherwise, to continued employment.

In addition, the provisions of Section 6.3, Policy Against Harassment, Discrimination and Retaliation, also apply to all elective officers and their duly appointed deputies, members of appointive boards, commissions and committees, persons engaged under contract, and volunteer personnel.

### 1.2 ADOPTION

The Town Council of the Town of Portola Valley adopts this Manual pursuant to Resolution No. \_\_\_\_\_, and supersedes and replaces any previous Town policies or regulations related to personnel issues.

### 1.3 REVIEW AND AMENDMENT

**This Manual will be reviewed at reasonable intervals to ensure compliance with state and federal employment laws.** The Town Manager may recommend amendments and revisions to this Manual, which will become effective when adopted by the Town Council. Each Employee will receive a copy of any substantive changes to this Manual within thirty (30) days of its adoption.

### 1.4 VIOLATION

Violation of any of the provisions of this Manual constitutes grounds for rejection of applicants or discipline of Employees, including but not limited to suspension, demotion or termination.

## SECTION 2 DEFINITION OF TERMS

- 2.1 “Classification”: All positions that are sufficiently similar in duties, responsibilities, and working conditions to permit grouping under a common classification with a

common title, and to permit equitable application of common standards of selection, transfer, promotion, and salary. Classifications are set forth in the Classification Plan.

- 2.2 “Compensation Plan”: The assignment by Town Council Resolution of salary ranges and/or salary rates.
- 2.3 “Demotion”: The movement of an Employee from one position to another that has a lower maximum rate of pay.
- 2.4 “Employee”: Any person hired to work for the Town for compensation in a position directly supervised by or on behalf of the Town Manager. Employees do not include, however, independent contractors, Council members and members of Town Committees and Commissions, whether or not compensated, or persons supplied by temporary staffing agencies.
- 2.5 “Full-Time Position”: A position having a minimum Workweek of forty (40) hours per week.
- 2.6 “Management Employee”: An Employee who holds a position designated as “management”. Employees in the following job classifications are considered Management Employees: Town Manager, Assistant to the Town Manager; Public Works Director, Planning Director; other positions designated as management positions by the Town Council through job classification specifications without amendment to this Manual.
- 2.7 “Overtime”: Hours worked that are required and authorized in excess of forty (40) hours in a Workweek. For the purpose of determining overtime, “hours worked” is only time actually spent working for the Town and does not include leave time.
- 2.8 “Part-Time Position”: A position having a Workweek of fewer hours than the Workweek established for full-time positions in the class.
- 2.9 “Position”: A particular job assignment that includes certain duties and responsibilities assigned to a single Employee and performed on either a full-time or part-time basis.
- 2.10 “Promotion”: The movement of an Employee from one position to another that has a higher maximum rate of pay.
- 2.11 “Reinstatement”: The re-employment without examination of a former Employee.

- 2.12 “Regular Employee”: A non-Temporary Employee.
- 2.13 “Supervisor” or “Supervisory Employee”: Any individual having the authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other Employees, or the responsibility to direct them, or to address their grievances, or effectively to recommend any of these actions. Supervisor or Supervisory Employee includes, but is not limited to, Management Employees.
- 2.14 “Suspension”: The temporary separation from Town service, without pay, for disciplinary purposes, of an Employee.
- 2.15 “Temporary Employee”: An Employee of limited duration.
- 2.16 “Termination”: The separation of an Employee from Town service because of retirement, resignation, layoff, death or at-will termination.
- 2.17 “Town”: The Town of Portola Valley.
- 2.18 “Town Manager”: The Employee appointed by the Town Council to assume full management responsibility for all Town operations, which, for purposes of this Manual, includes direct supervision over all Employees.
- 2.19 “Town Council”: The elected legislative body of the Town.
- 2.20 “Transfer”: A change of an Employee from one position to another position in the same class or in a comparable class with the same maximum rate of pay.
- 2.21 “Workweek”: The work period beginning Sunday at midnight and ending the following consecutive Sunday at midnight. The Town Manager may assign a different workweek when it is deemed to be beneficial to the Town.

### **SECTION 3**

#### **MANAGEMENT RIGHTS**

The Town retains all of its powers and authority to manage municipal services and the work force performing those services, including but not limited to, the following rights to:

1. Determine and modify the organization and administration of Town government and its constituent work units.
2. Determine the nature, standards, levels and mode of delivery of services to be offered to the public.

3. Determine the methods, means, and numbers and kinds of personnel by which services are to be provided.
4. Determine whether goods or services shall be made or provided by the Town, or shall be purchased, or contracted for.
5. Direct Employees on all issues, including but not limited to scheduling and assigning work, work hours, and overtime.
6. Establish and require compliance with Employee performance standards.
7. Discharge, suspend, demote, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline Employees subject to the requirements of applicable law.
8. Implement rules, regulations, and directives consistent with law.
9. Take all necessary actions to protect the public and carry out its mission in emergencies.

## **SECTION 4 CLASSIFICATION**

### **4.1 PREPARATION AND MAINTENANCE OF CLASSIFICATION PLAN**

The Town Manager determines and records the duties and responsibilities of all positions and prepares and maintains the Classification Plan to be approved by the Town Council. The Classification Plan consists of a list of every classification in use by the Town. The Classification Plan contains, as an addendum, job descriptions for each position, including the class title, a description of the position, examples of typical duties and responsibilities, a description of abilities and other qualifications for the position and salary ranges and/or salary rates.

### **4.2 ADOPTION OF PLAN**

Town Council approval of the Classification Plan is required before the Classification Plan or any part of it becomes effective. The Classification Plan will be amended or revised in the same manner.

#### 4.3 NEW POSITIONS

When a new position is created by Town Council action, before it may be filled, and except as otherwise provided by the Municipal Code or this Manual, no person will be appointed or employed to fill it until the Classification Plan has been amended.

#### 4.4 RECLASSIFICATION

Reclassification is the reassignment of a position from one class to a different class in accordance with a re-evaluation of the minimum qualifications, duties and responsibilities of the position. When the duties of a position have materially changed so that reclassification is necessary, the Town Manager will, subject to Town Council approval, allocate the position to a more appropriate class, whether new or already created. Reclassification will not be used as a pretext for demotion or promotion.

### **SECTION 5**

#### **THE SELECTION AND APPOINTMENT PROCESS**

##### 5.1 METHODS FOR FILLING VACANCIES

Position vacancies may be filled by a closed, promotional process, an open, competitive process, or by a process that is both open and promotional. Vacancies may also be filled by re-employment, transfer or demotion.

The Town Manager determines whether and in what manner vacancies for all positions (other than that of the Town Manager) are to be filled. The Town Council determines the manner in which a vacancy in the Town Manager position will be filled.

##### 5.2 PUBLICATION OF VACANCIES

Openings may be publicized by placing an appropriate classified advertisement regarding the position in one or more regional publications of general circulation; by posting announcements on recruitment websites and/or bulletin boards; and by other recruiting activities that the Town Manager deems necessary or advisable to fill a particular position in a way that meets the Town's goal of obtaining the most qualified Employees.

The announcement may include: title and pay for the position; the nature of the work to be performed; the minimum qualifications; the essential functions of the

position; the method of applying; the closing date for the application; and other information the Town Manager deems necessary or advisable.

### 5.3 APPLICATION FORMS

Applicants must submit completed job applications provided by the Town.

### 5.4 DISQUALIFICATION OF APPLICATIONS

The Town Manager may reject an application or, after examination, may disqualify the applicant, if the applicant:

1. Made false, deceptive, or fraudulent statements in declarations or in securing eligibility appointment;
2. Is found to lack any of the requirements, certifications, or qualifications for the position involved;
3. Is physically or psychologically unfit for the performance of the position duties because of reasons, including, but not limited to, impairment caused by current abuse of alcohol or drugs, and cannot be reasonably accommodated;
4. Has been convicted of either a misdemeanor or a felony (including a plea of no contest) that relates to the position duties that the applicant would perform;
5. Used or attempted to use inappropriate political pressure or bribery to secure an advantage in the examination or appointment;
6. Directly or indirectly obtained information regarding examinations;
7. Failed to submit the employment application correctly or within the prescribed time limits;
8. Has had his/her privilege to operate a motor vehicle in the State of California suspended or revoked, if having it is a job requirement; and/or
9. For any reason that in the judgment of the Town Manager would render the applicant unfit for the position.

## 5.5 SELECTION PROCESS

After the time limit for receiving applications for a particular position has expired, the Town Manager will determine the total number of applicants who meet the minimum qualifications for the position, or other job-related screening criteria. The chosen applicants will then be allowed to participate further in the selection process.

The Town Manager will establish the particular selection process for each position. The Town Manager may prepare and administer or contract with any competent agency or individual for the administration of any part of the selection process, as s/he deems most appropriate.

Each applicant who participates in an interview will be notified of the interview results.

**The Town Manager retains the right to keep recruitments “open until filled.”**

## 5.6 PROMOTIONS

Only Employees who meet the requirements for the classification set forth in the promotional announcements may be admitted to promotional interviews.

Promoted Employees shall receive a rate of pay that is at least equal to or higher than the Employee’s present rate of pay.

## 5.7 TEMPORARY POSITIONS EXEMPT

The Town may hire Employees on a temporary basis, usually for a period of one hundred eighty (180) days, without regard to the requirements of this Section. The Town may extend the period of a temporary position for up to an additional one hundred eighty (180) days, but the Temporary Employee may not work more than one thousand (1,000) hours in a fiscal year.

**The above restriction does not apply to staff supplied by temporary staffing agencies, or to Temporary Employees hired in response to an emergency condition, such as a flood, earthquake, or other public calamity that threatens public health, safety or welfare.** Such Employees may be employed for the duration of the emergency in order to protect public health, safety and welfare.



## 5.8 APPOINTMENTS

The Town Manager makes final appointments. The Town Manager has the authority to approve or disapprove appointment of Employees in accordance with the Municipal Code and this Manual.

The person accepting appointment reports to the Town Manager on the date designated. Otherwise, the applicant is deemed to have declined the appointment.

## **SECTION 6**

### **EQUAL OPPORTUNITY EMPLOYMENT**

#### 6.1 EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Town does not discriminate against qualified Employees or applicants for employment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, genetic characteristics, sexual orientation, military and veteran status, or any other basis protected by law. The Town will afford equal employment opportunity to all qualified Employees and applicants as to all terms and conditions of employment, including compensation, hiring, training, promotion, transfer, discipline and termination.

#### 6.2 REASONABLE ACCOMMODATION POLICY

##### 6.2.1 POLICY

The Town provides employment-related reasonable accommodations to qualified individuals with disabilities within the meaning of the California Fair Employment and Housing Act and the Americans with Disabilities Act.

##### 6.2.2 PROCEDURE FOR OBTAINING REASONABLE ACCOMMODATION

An Employee or applicant with a disability who needs reasonable accommodation in the application process or in order to perform essential job functions should make such request to the Town Manager. Once the Town Manager receives or is made aware of the request, the Town Manager or his/her designee may require the Employee or applicant to submit additional information in writing,

including medical certification from a health care provider supporting the need for accommodation.

Once it is determined that the Employee or applicant has a qualifying disability, the Town will discuss with the Employee or applicant to determine if and how reasonable accommodation can be made. The purpose of this discussion is to timely communicate in good faith to understand restrictions or limitations on an Employee's ability to perform essential job functions or an applicant's ability to participate in the application process, and to fully consider all potential reasonable accommodations. The refusal or failure of an Employee or applicant to participate or cooperate in this discussion may result in denial of accommodation. Any information relating to the Employee's or applicant's request for accommodation shall be kept confidential to the extent required by law and shall be kept in a file separate from applicant and personnel files.

The Town determines, in its sole discretion, whether reasonable accommodation(s) can be made, and the type of accommodation(s) to provide. The Town will not provide accommodation(s) that would pose an undue hardship upon the Town's finances or operations, that would endanger the health or safety of the Employee or others, or that would eliminate an essential job function. The Town will inform the Employee of its decision as to reasonable accommodation(s) in writing.

### 6.2.3 FITNESS FOR DUTY EXAMINATIONS

The Town Manager may require a fitness for duty examination in any of the following situations: (a) to determine whether the Employee can perform the essential functions of the job with or without accommodation, if the examination is job-related and consistent with business necessity; (b) to examine an applicant who has received an offer of employment, if that offer is conditioned only on the successful completion of the examination; and (c) for other reasons that the Town deems to be job-related and consistent with business necessity. The Town Manager may require that a Town-approved physician conduct the examination. The Town will pay for fitness for duty examinations that it initiates.

## 6.3 POLICY AGAINST HARASSMENT, DISCRIMINATION, AND RETALIATION

### 6.3.1 PURPOSE

The purpose of this policy is to establish a strong commitment to prohibit harassment, discrimination, or retaliation in employment, to define discrimination, harassment, and retaliation, and to set forth a procedure for investigating and resolving such complaints.

### 6.3.2 POLICY

The Town prohibits and will not tolerate any harassment or discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, military and veteran status, or any other basis protected by law ("Protected Status"). **This policy prohibits harassment against Employees, applicants, unpaid interns, volunteers and independent contractors by other Employees, officers, elected officials, volunteers, independent contractors, vendors, and anyone with whom the Town engages in business with.** Violations of this policy may result in disciplinary action up to and including termination of employment.

The Town Council may discipline commissioners and committee members who are found to have violated this policy.

This policy also protects Employees from retaliation, as described in Section 6.3.6.

**All Employees will receive training regarding this policy within the first six (6) months of hire, and, on a recurring basis, no less than every three (3) years thereafter. Employees in a Supervisory position will receive training regarding this Policy on a recurring basis, no less than every two (2) years following the initial post-employment training.**

### 6.3.3 SEXUAL HARASSMENT

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, or other visual, verbal, or physical conduct of a sexual nature when: (a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's

employment; (b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting that individual; or (c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment may include a range of behaviors and may involve individuals of the same or different gender. Sexually harassing conduct need not be motivated by sexual desire. Examples of sexual harassment may include, but are not limited to:

1. Physical conduct including unwelcome touching, intentionally blocking normal movement, pinching, patting, or coerced sexual conduct;
2. Verbal conduct including making derogatory comments, sexually explicit jokes, slurs, sexual innuendo and insults, or comments about an individual's body or dress;
3. Visual conduct including leering, or displaying sexually oriented posters, photography, cartoons, drawings, emails, or gestures;
4. Offering employment benefits in exchange for sexual favors; and
5. Making or threatening reprisals after a negative response to sexual advances.

#### 6.3.4 HARASSMENT BASED ON OTHER PROTECTED STATUS

Harassment on the basis of other Protected Status is also prohibited. Such harassment includes physical, verbal, and visual conduct when such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

#### 6.3.5 DISCRIMINATION

Discrimination means treating a person differently or subjecting a person to different treatment due to a person's actual or perceived Protected Status in a way that adversely affects the person's employment. Such treatment may include, but is not limited to, refusing to hire or employ a person; discharging a person from employment; refusing to select for or discharging a person from a

training program leading to employment; or treating a person differently in compensation or with regard to other terms, conditions, or privileges of employment

### 6.3.6 RETALIATION

The Town prohibits Employees and Town officials, officers, volunteers and contractors from taking any Adverse Action against an Employee, officer, volunteer, contractor, or applicant because s/he in good faith engaged in a Protected Activity.

“Protected Activity” may include, but is not limited to, any of the following:

1. Filing a complaint with a federal or state agency
2. Participating in or cooperating with a federal or state enforcement agency that is conducting an investigation of the Town regarding alleged unlawful activity
3. Testifying as a party or witness regarding alleged unlawful activity
4. Associating with another Employee who is engaged in a Protected Activity
5. Making or filing a complaint regarding alleged unlawful activity
6. Calling a governmental agency’s “Whistleblower hotline”

“Adverse Action” may include, but is not limited to, any of the following:

1. Real or implied threats of intimidation to attempt or prevent an individual from reporting alleged wrongdoing or because of Protected Activity
2. Refusing to hire an individual because of Protected Activity
3. Denying promotion to an individual because of Protected Activity
4. Taking any form of disciplinary action because of Protected Activity

5. Altering work schedules or work assignments because of Protected Activity
6. Condoning hostility and criticism of co-workers and third parties because of Protected Activity.

Employees and officers in violation of this policy will be subject to discipline, up to and including termination. Any elected official or contractor in violation of this policy will be subject to appropriate sanctions.

## 6.4 COMPLAINT PROCEDURE

### 6.4.1 FILING

An Employee or applicant who believes s/he has been denied an equal employment opportunity or reasonable accommodation, or has been harassed, discriminated, or retaliated against is strongly encouraged to make a complaint to his/her immediate Supervisor, any other Supervisor, or the Town Manager, as soon as possible. Any Supervisor who receives a harassment, discrimination, or retaliation complaint must immediately notify the Town Manager.

If the complaint concerns the Town Manager, the Employee may make a complaint to the Town Attorney or designee, who shall perform the functions of the Town Manager with respect to these complaint procedures.

Nothing in this policy is intended to impair an Employee's or applicant's right to pursue other remedies, including filing a complaint with the U.S. Equal Employment Opportunity Commission (EEOC) ([www.eeoc.gov](http://www.eeoc.gov)) or California Department of Fair Employment and Housing ([www.dfeh.ca.gov](http://www.dfeh.ca.gov)).

### 6.4.2 INVESTIGATION

The Town takes a proactive approach with potential policy violations and will investigate potential harassment, discrimination, or retaliation, whether alleged in a complaint or if the Town's officers or Supervisory Employees become aware of such potential violations.

Upon awareness or notification of the complaint, the Town Manager or his/her designee will assign an investigator to gather facts and make

factual findings concerning the allegations in the complaint. All Employees are required to cooperate with the investigator.

The Town Manager may take interim action to maintain the integrity of the investigation, maintain normal business operations, and to protect the complainant or witnesses.

The investigator will review the complaint allegations. The investigation will normally include interviews with the reporting individual, the accused, and any other person who is believed to have relevant knowledge concerning the allegations.

The investigator will provide a written report to the Town Manager. Giving consideration to all factual information and the totality of the circumstances, the Town Manager will determine whether the Town's policies have been violated, or whether discrimination, harassment or retaliation occurred, and, will promptly notify the complainant and the accused, in writing, when the investigation has concluded.

#### 6.4.3 REMEDIAL ACTION

After the investigation has concluded, the Town Manager will make the final determination as to whether harassment, discrimination, and/or retaliation has occurred and will take prompt and effective remedial action pursuant to Section 10.1, Disciplinary Actions, of this Manual. The remedial action will be commensurate with the severity of the offense and will not be communicated to the complainant.

#### 6.4.4 PRIVACY

While complete confidentiality is not possible, the investigation will be conducted in a manner that ensures, to the extent feasible, the privacy of the parties involved. The Town Manager, the Town Attorney, and Employees are required to maintain confidentiality of the investigation.

Individuals interviewed during the investigation are prohibited from discussing the substance of the investigatory interview with others, except as otherwise directed by the Town Manager. Any individual who discusses the substance of an investigatory interview may be subject to discipline.

An investigation report will not be disclosed except as the Town Manager deems necessary to support a disciplinary action, to take

remedial action, to defend the Town in adversarial proceedings, or to comply with the law or a court order.

## SECTION 7 ATTENDANCE AND LEAVES OF ABSENCE

### 7.1 WORKWEEK

The normal workweek for Employees in a Full-Time Position is forty (40) hours, worked in units of eight (8) hours per workday.

### 7.2 ATTENDANCE REQUIREMENTS

Employees must be in attendance at their work locations during the hours assigned by the Town Manager. Any unauthorized absence may be cause for disciplinary action, up to and including termination.

The Town provides several types of leave accruals as a benefit for Regular Employees. Employees are responsible for the management and appropriate use of their leave balances.

Except in extraordinary circumstances, an Employee who is unable to report for work at the beginning of his or her established workday or shift must notify his/her immediate Supervisor or the Town Manager with as much notice as possible before commencement of the shift.

### 7.3 DEFINITIONS

#### 7.3.1 “Immediate Family” includes the following persons and no others:

1. A biological, adopted, or foster child, stepchild, grandchild, or legal ward of the Employee or the Employee’s registered domestic partner, or a child to whom the Employee or registered domestic partner stands in loco parentis.
2. A biological, adoptive, or foster parent, stepparent, or legal guardian of the Employee or the Employee’s spouse or registered domestic partner, or the person who stood in loco parentis when the Employee was a minor child.
3. A spouse or registered domestic partner of the Employee.



4. A sibling of the Employee or of the Employee's spouse or registered domestic partner.
5. Grandparents, grandparents-in-law or step-grandparents of the Employee.

#### 7.4 SICK LEAVE

Sick leave is an absence because of illness, injury, exposure to contagious disease, care of a sick member of the Employee's Immediate Family, or doctor and dental appointments when it is not feasible to schedule them on the Employee's own time.

The following provisions govern sick leave:

1. Employees accrue sick leave at the rate of eight (8) hours for each full month of service.
2. Sick leave may only be used for actual sickness or disability of the Employee or a member of the Employee's Immediate Family, and/or to the extent permitted by law. If the Town suspects an Employee of abusing sick leave, the Town reserves the right – in addition to taking disciplinary measures – to request that the Employee provide the Town with a doctor's verification of illness and estimated time for recovery. **An Employee may also be required to provide a doctor's verification of illness when the Employee has been absent for more than three consecutive days.**
3. Before using sick leave, an Employee must notify his/her Supervisor prior to commencement of his/her shift, unless s/he is unable to do so because of circumstances beyond his or her control. In addition, if the Employee is absent on sick leave for more than one (1) day, the Employee must keep the Supervisor informed as to the date s/he expects to return to work, unless the Employee is unable to do so because of circumstances beyond his or her control.
4. The Town Manager or designee has the discretion to place Employees on sick leave when in his/her judgment the presence of the Employee at work would endanger the health and welfare of other Employees or the Employee's illness or injury interferes with the performance of the Employee's duties.

## 7.5 HOLIDAYS

Each Employee of the Town is entitled to the following holidays with pay:

- |  |                             |
|--|-----------------------------|
| 1. New Year's Day  | January 1                   |
| 2. Martin Luther King Jr. Day                                  | Third Monday in January     |
| 3. Presidents' Day   | Third Monday in February    |
| 4. Memorial Day  | Last Monday in May          |
| 5. Independence Day  | July 4                      |
| 6. Labor Day   | First Monday in September   |
| 7. Thanksgiving Day  | Fourth Thursday in November |
| 8. Day after Thanksgiving                                      | Fourth Friday in November   |
| 9. Christmas Day   | December 25                 |
| 10. The business days between Christmas Day and New Year's Day |                             |

If any holiday falls on Sunday, the Monday following is treated as the holiday. If the holiday falls on Saturday, the Friday preceding is treated as the holiday. If a non-Management Employee is required to work on a holiday, the Employee will be compensated for hours worked on the holiday, in addition to the holiday pay. When Christmas falls on Tuesday, the Monday preceding will be an additional holiday. No Employee is entitled to compensation for any holiday unless s/he is employed by the Town or is on paid leave, on the workday preceding and the workday following the holiday.

## 7.6 VACATION

The purpose of annual vacation leave is to enable each eligible Employee to return to his/her work mentally and physically refreshed. All Regular Employees are entitled to annual vacation leave with pay. Vacation time is credited on the first payroll date of employment and every pay period thereafter for each Regular Employee.

Vacation leave is earned at a monthly pro-rated amount depending upon years of service and full or part time status as described in section 8.5.2. Employees are eligible to take vacation as soon as they have accrued it, unless otherwise authorized by the Town Manager. Vacation leave is credited as follows:

<u>Years of Service</u>	<u>Days of Vacation Accrued</u>
	<u>Annually</u>
1 through 5	10
6 through 10	15
11 +	20

All vacation leave must be pre-approved by the Town Manager or designee. Vacation is approved on a first-come, first served basis. Vacation leave may be denied if the Town Manager or designee determines that it would negatively impact normal operation of Town functions. Approval of vacation leave does not indicate that the Employee has available leave hours. The Employee is responsible for ensuring that the leave hours are available prior to requesting approval from the immediate Supervisor. **The Town Manager may grant an Employee one exception per year to vacation leave that will result in a leave balance deficit. If a deficit exists, those hours are reduced from the Employee's payout upon separation.**

Use of vacation leave earned in a given year may be deferred to the following year. However, at no time may an Employee accrue more vacation days than double the Employee's current annual accrual rate. When the Employee reaches the allowed maximum accrual, s/he will cease earning vacation until the vacation leave balance falls below the maximum accrual amount.

The Town Manager has the authority to provide credit for past public service to new hires for the sole purpose of determining vacation accrual rates.

#### 7.6.1 SALE OF ACCRUED VACATION HOURS

Employees may elect, once per calendar year, to sell back to the Town accrued, but unused vacation. **The election must be made on or before April 30<sup>th</sup> of each calendar year and payout will occur no later than May 31<sup>st</sup> of the same calendar year.**

The Employee will be compensated for such vacation hours at the compensation rate in effect for that Employee at the time the hours are sold to the Town.

The minimum number of hours that can be sold to the Town annually for the cash equivalent is ten (10) hours, and the maximum number of hours that can be sold is the total number of hours the Employee is eligible to accrue in a one-year period.

#### 7.7 JURY DUTY AND WITNESS LEAVE

Every Employee who is called or required to serve as a juror is entitled to be absent during the period of jury service. **Under these circumstances, the Employee will be paid their full salary for up to fifteen (15) workdays of jury service.**

An Employee who is subpoenaed to appear in court in an official capacity as a Town Employee is allowed to do so without loss of compensation. An Employee subpoenaed to appear in court in a matter unrelated to his or her official capacity as a Town Employee is permitted to use accrued vacation or compensatory time off for this purpose. The time spent for court appearances unrelated to the Employee's employment, or related to any matter the Employee has brought against the Town, is not compensable work time.

#### 7.8 BEREAVEMENT LEAVE

Employees are allowed paid time off in the event of a death in the Immediate Family. Up to five (5) consecutive days of bereavement leave is allowed for the death of each member of the Immediate Family. The Employee may request, and the Town Manager may approve at his or her absolute discretion, that vacation leave be taken as bereavement leave in the event of the death of other individuals or for an extended period of time.

#### 7.9 MILITARY LEAVE

In accordance with State and Federal law, the Town Manager will grant military leave for active and reserve members of the United States Armed Forces and National Guard to fulfill obligations, including active duty and training. An Employee requesting military leave shall provide the Town Manager with as much advanced notice as possible. An Employee taking military leave must give the Town Manager an opportunity, within the limits of State and Federal law, to determine when military leave will be taken, and the Town Manager may modify the Employee's work schedule to accommodate the request for leave.

To the extent required by State and Federal law, an Employee will receive compensation for service during the period that s/he is on approved military leave, including up to 30 calendar days of pay per fiscal year for active duty training for Employees who have been employed with the Town for at least one year prior to the first day of military leave. An Employee may elect to use accrued vacation leave, administrative leave, or compensatory time off during his/her otherwise unpaid military leave. An Employee may also elect to continue Town-provided health coverage for up to 24 months, subject to the provisions of Federal law.

#### 7.10 WORKERS' COMPENSATION BENEFITS AND INDUSTRIAL ACCIDENT LEAVE

The Town will provide workers' compensation benefits in accordance with State law for any work-related injury or illness. These benefits include medical care, temporary disability, permanent disability, vocational rehabilitation and survivor benefits. In the event that any Regular Employee is absent from work as a result of any injury or illness that comes under the State of California Workers Compensation Law, the absence shall be considered to be Industrial Accident Leave. Employees on Industrial Accident Leave may use accrued sick leave time to supplement any monetary difference between their normal rate of pay and workers' compensation temporary disability benefits. Upon exhaustion of accrued sick leave time, Employees may elect to supplement with accrued vacation leave. However, such supplementation will not entitle Employees to continue employment if otherwise qualified for separation from Town service due to disability retirement or inability to reasonably accommodate.

#### 7.11 ADMINISTRATIVE LEAVE

Management Employees accrue fifty-six (56) hours of administrative leave, awarded annually in the first pay period in January. Administrative leave has no cash value and cannot be carried over to the succeeding calendar year in which it was accrued. Use of administrative leave is allowed at the discretion of the Town Manager.

#### 7.12 PREGNANCY DISABILITY LEAVE AND ACCOMMODATION

If the Employee's attending physician certifies that the Employee is physically unable to work due to pregnancy, childbirth, or a related medical condition, the Employee is entitled to: a) a leave of absence without pay for up to four (4) months per pregnancy; or b) a temporary transfer to another position if such transfer can be reasonably accommodated. The Employee must give at least thirty (30) days' notice of the need for pregnancy disability leave, transfer, or other reasonable accommodation, as well as an estimated duration for the leave. If such notice is not feasible, notice shall be given as soon as possible.

An Employee will be required to submit a medical certification from her attending physician to support any request for pregnancy disability leave, transfer or reasonable accommodation. If the Employee fails to return the certification in a timely manner, the Town may delay granting the request for

pregnancy disability leave, transfer or accommodation so long as doing so would not endanger the Employee's health or her pregnancy.

Requests for an extension of leave must be submitted in writing to the Town Manager prior to the agreed date of return and must be supported by a written certification of the attending physician that the Employee continues to be disabled by pregnancy, childbirth, or a related medical condition.

The Town will also provide a reasonable accommodation to an Employee for a pregnancy-related disability, if the Employee requests an accommodation upon the advice of her attending physician.

Pregnancy disability leave is unpaid. However, the Employee has the option of using accrued sick leave, compensatory time off with the approval of the Town Manager, and/or vacation leave. The Town will pay insurance premiums, not to exceed four (4) months per pregnancy, to the same extent that the Town paid the premiums when the Employee was at work. The Employee will be responsible to pay for the Employee's portion of her insurance premiums while on unpaid leave. Information regarding such payments will be provided to the Employee.

Generally an Employee has the right to be reinstated to the same position she held prior to taking pregnancy disability leave or being temporarily transferred to an alternate position due to pregnancy disability. However, an Employee has no greater rights than she would have had if continuously employed during the pregnancy disability leave or transfer period. This means that there is no right to reinstatement to the same position if an Employee would not otherwise have been employed in her same position at the time reinstatement is requested for legitimate business reasons unrelated to the pregnancy disability or transfer (e.g., layoff.)

If for the reason described above an Employee returning from pregnancy disability cannot be reinstated to the same position, an Employee generally has the right to be reinstated to an available comparable position (i.e., a position that is virtually identical to the Employee's prior position in terms of pay, benefits, working conditions, and with substantially similar duties, in the same or geographically proximate worksite, and with the same or equivalent work schedule.) An exception to this general right exists if either of the following exist: (a) the Town would not have offered a comparable position to the Employee if she had been continuously at work during the pregnancy disability or transfer period, or (b) there is no comparable position available.

Prior to the Employee being reinstated, the immediate Supervisor shall require a statement from the attending physician that the Employee is physically capable of resuming the regular duties of the Employee's position with or without accommodation.

#### 7.13 LEAVE OF ABSENCE WITHOUT PAY

Upon the request of the Employee, the Town Manager may grant a leave of absence without pay to an Employee. Requests for leave of absence without pay must specifically state the reason for the request, the beginning date of the leave, and the date of return. **A leave of absence without pay may be granted for a period not to exceed two months.** The Town Manager has absolute discretion to deny the request or grant leave for a shorter period of time when any additional leave would pose a hardship to the Town's operations.

Leave of absence without pay is not construed as a break in service or employment, and rights accrued at the time the leave is granted are retained by the Employee. However, vacation leave, sick leave, all other paid leaves, holidays and fringe benefits and other similar benefits are not accrued to an Employee granted leave during the period of unpaid absence, except as provided otherwise by law or this policy. Nor is the Town required to maintain contributions toward group insurance or retirement coverage, except as provided otherwise by law or this policy. During the period of leave without pay, all service and leave credits are retained at the levels existing as of the effective date of the leave. However, time counted toward an Employee's anniversary date is deferred for the time of the leave without pay.

The Employee is reinstated to his or her former position or to an available comparable one if the former position is eliminated during the period of leave and the Employee would otherwise not have been laid off.

#### 7.14 CATASTROPHIC LEAVE

An Employee may be eligible to receive donations from fellow Employees of paid leave, to be included in his/her sick leave balance, if s/he has a catastrophic illness or injury which prevents him/her from being able to work. Catastrophic illness or injury is defined as a critical medical condition considered to be terminal or a long-term major physical impairment or disability. The Employee may be eligible for catastrophic leave donations only after all his/her paid leave has been utilized. The amount that may be donated to an Employee for catastrophic leave is limited to the combined

vacation and administrative leave accrued by the Employee at the time of the donation.

#### 7.15 VOTING LEAVE

If a non-exempt Employee does not have sufficient time outside of working hours to vote in a statewide election, the Employee may take up to two (2) hours off without loss of pay at the beginning or end of the Employee's regular working shift. An Employee must provide his/her Supervisor with at least two working days' notice of the need for time off to vote.

#### 7.16 TIME OFF TO APPEAR IN SCHOOL

An Employee who is the parent or guardian of a child who has been suspended from school may take unpaid time off from work to appear at the school in response to a request by the school administrator, if the Employee provides the Town Manager reasonable notice of the school's request.

#### 7.17 LEAVE FOR CRIME VICTIMS

An Employee who has been a victim of a violent or serious felony, or felony provision regarding theft or embezzlement, or the **Employee's spouse, registered domestic partner, child or stepchild, sibling or stepsibling, or parent or stepparent** who has been a victim of any of those crimes, may take time off to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding related to that crime.

An affected Employee must give the Town reasonable notice that s/he is required to be absent for a purpose stated above. In cases of unscheduled or emergency court appearances or other emergency circumstances, the affected Employee must, within a reasonable time after the appearance, provide the Town with written proof that the absence was required for any of the above reasons. Leave under this section is unpaid unless the Employee uses vacation or accrued time off.

#### 7.18 TIME OFF FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING

An Employee who has been a victim of domestic violence, sexual assault, or stalking may take time off to engage in the following activities related to the domestic violence, sexual assault, or stalking:

1. Appear in court proceedings;



2. Seek medical attention for or recover from injuries caused by domestic violence, sexual assault or stalking;
3. Obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault or stalking;
4. Obtain psychological counseling related to an experience of domestic violence, sexual assault or stalking; and/or
5. Participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault or stalking, including temporary or permanent relocation.

An affected Employee must give the Town reasonable notice that s/he is required to be absent for a purpose stated above. The affected Employee must also, within a reasonable time, provide the Town with written proof that the absence was required for any of the above reasons. Leave under this section is unpaid unless the Employee uses vacation or other accrued time off.

## **SECTION 8**

### **COMPENSATION AND PAYROLL PRACTICES**

#### **8.1 COMPENSATION PLAN**

During the budget preparation period each year, or whenever directed by the Town Council, the Town Manager or designee will prepare a Compensation Plan covering all classes of positions except the Town Manager position, including a range of pay for each position.

The Town Council may amend the Compensation Plan from time to time by resolution. At the discretion of the Town Manager, the amendments and revisions may be submitted to the Town Council. The Town Manager may approve an hourly rate of compensation for temporary positions, with adjustments for special circumstances, based on the Compensation Plan.

The Town Council's consideration of the proposed Compensation Plan, amendments, or revisions will be included in a Council meeting agenda, and the meeting will be posted in the manner prescribed by State Law. No position will be assigned a salary not in conformance with the salary schedule unless the salary schedule for the class is amended in the same manner as stated above.

## 8.2 PAYROLL

### 8.2.1 PREPARATION OF PAYROLL

The payroll is prepared under the direction of the Town Manager in accordance with the Compensation Plan. No changes in the names or salaries on the payroll will be made without written approval by the Town Manager.

FLSA Safe Harbor Policy – The Town invokes the safe harbor provisions of the Department of Labor regulation codified at 29 CFR Section 541.603(d) by disseminating and maintaining this policy regarding pay reductions. Should any pay reduction occur in violation of this policy, the Town will reimburse its FLSA-exempt Employees for any improper pay deductions and make a good faith commitment to comply with the FLSA in the future. A FLSA-exempt Employee who believes that his or her compensation has been reduced in violation of this policy, may submit a written complaint explaining the alleged violation to the Town Manager, who will review the complaint and provide a written response to the Employee.

### 8.2.2 PAYDAY

Payday is twice monthly, on the 15th and last day of the month. In the event that this day falls on a weekend or holiday, payday will be the immediately preceding workday.

## 8.3 OVERTIME AND OTHER COMPENSABLE TIME

### 8.3.1 ELIGIBILITY

All non-Management Employees whose compensation is based on an hourly rate are eligible for overtime compensation pursuant to the Fair Labor Standards Act (“FLSA”). The Town has determined that all Management Employees are exempt from the FLSA overtime compensation requirements.

### 8.3.2 AUTHORIZATION OF OVERTIME

An Employee’s Supervisor may authorize or require overtime at his/her discretion. Overtime may be authorized for situations such as:

1. Operating emergencies;

2. Handling peak workloads or incomplete work when it is not possible or practical to employ additional personnel;
3. Attending meetings connected to Town business outside of regular work hours;
4. Meeting temporary conditions when the Town is unable to secure qualified personnel to fill positions authorized by the Town Council and filled by the Town Manager; and/or
5. On other occasions as deemed necessary in the judgment of the responsible Supervisor.

An Employee is not allowed to work overtime unless his/her Supervisor has pre-authorized the work.

### 8.3.3 OVERTIME PAY AND COMPENSATORY TIME

- 8.3.3.1 Eligible Employees will be compensated for Overtime earned because of actual work of over forty (40) hours in a Workweek at the rate of one and one-half times (“time and one-half”) the Employee’s regular hourly rate.
- 8.3.3.2 Non-Management Employees may choose to accrue compensatory time off in lieu of being paid time and one-half for working Overtime. Compensatory time off is accrued at the rate of time and one-half and may be used in lieu of other types of leave, or cashed out, when approved by the Town Manager. Compensatory time off may be taken only at the discretion of the Town Manager. Accrued and unused compensatory time off will be paid to Non-Management Employees each year on June 30. In no event may an Employee accrue more than one hundred thirty (130) hours of compensatory time off.
- 8.3.3.3 The following scenario illustrates how Overtime may be compensated for a non-exempt, non-Management Employee with a regular hourly rate of Twenty Dollars (\$20.00):

“Time and one-half” Scenario: An Employee works forty-three (43) hours in a Workweek. The Employee may choose to receive either Thirty Dollars (\$30.00) for each overtime hour, or one and one-half (1.5) hours in compensatory time off for

each overtime hour. In other words, the Employee may choose to receive Ninety Dollars (\$90.00) or four and one-half (4.5) hours of compensatory time off to be used at a later date.

- 8.3.3.4 Call-back pay. In an emergency or unusual situation, an Employee may be called back to work after completing his/her workday. **Employee shall provide documentation of call-back hours worked, signed by their Supervisor approving the hours.** If the Employee is non-exempt and is called back, he or she will be compensated for a minimum of two (2) hours per call back.

#### 8.4 MEAL PERIOD/BREAKS

A minimum thirty (30) minute and a maximum of one hour non-compensated meal period is provided to all Employees who work over five (5) hours in a day. Employees are also entitled to one ten (10) minute paid rest break for each four (4) hours worked.

#### 8.5 ELIGIBILITY FOR BENEFITS

Benefits are set forth and occasionally revised by the Town Council in keeping with prevailing rates and benefits, current costs of living, the Town's financial condition and policies and other relevant factors.

##### 8.5.1 FULL-TIME EMPLOYEES

Regular Employees holding a Full-Time Position are eligible for all benefits currently authorized by the Town Council, except for those benefits specifically limited to management Employees.

##### 8.5.2 PART-TIME EMPLOYEES

Regular Employees holding a Part-Time Position accrue vacation, sick leave, other leaves and holiday credits in the proportion that their average Workweek bears to that of full-time Employees. To the extent possible, other benefits afforded full-time positions are also pro-rated. Employees scheduled to work in positions of less than twenty (20) hours per week are not provided medical, CalPERS retirement, or any other benefits not required by state or federal law.

### 8.5.3 TEMPORARY EMPLOYEES

Temporary Employees are not provided any benefits other than those required by State or Federal law.

### 8.5.4 MANAGEMENT EMPLOYEES

Benefits and rights afforded to Management Employees may differ from non-Management Employees pursuant to this Manual. The Town Manager also has discretion to award different benefits to Management Employees for the purpose of recruitment and retention to the maximum benefit authorized by the Compensation Plan.

## **SECTION 9 PERFORMANCE EVALUATIONS**

All Employees receive an annual performance evaluation near the end of the fiscal year. The Town Manager provides a method of evaluating individual Employee performance that relates to quantity and quality of work, ability, reliability, discipline, attendance, and other factors.

The Town Manager is responsible for assuring that the evaluations are adequate to provide information to both the Employee and the Town for the purposes set forth in this section. An Employee must have an evaluation with an overall satisfactory performance rating in order to be eligible for a salary increase or promotion. Deficiencies in performance by an Employee may result in a decrease in salary, suspension, demotion, or termination of employment.

In addition, when changes in work performance occur, and/or as necessary, immediate Supervisors may periodically evaluate the performance of each Employee. Each Employee is informed of his or her strengths and weaknesses as to work performance. Each performance evaluation is discussed with the Employee. The Employee must sign the evaluation, acknowledging that his/her performance evaluation has been reviewed with him/her. The Employee's signature does not necessarily mean s/he endorses the contents of the evaluation.

## **SECTION 10**

### **DISCIPLINE**

In order to conduct business efficiently and effectively, the Town must address performance and misconduct issues. Such issues are addressed by disciplinary actions and based on disciplinary grounds, including but not limited to those discussed below. Disciplinary actions cannot be appealed and are not subject to the complaint procedure set forth in Section 11, Resolution of Work-Related Complaints. Nothing in this section gives Employees any right to progressive discipline, nor alters the fact that all Employees serve at will, and can be terminated at any time without cause.

#### **10.1 DISCIPLINARY ACTIONS**

The following types of disciplinary actions are available to the Town Manager to address performance and misconduct issues. The Town Manager will attempt to match the disciplinary action to the severity of the Employee misconduct. However, the Town Manager reserves the right to impose any disciplinary action up to and including termination of employment at any time, without notice, cause, or progressive discipline.

##### **10.1.1 ORAL COUNSELING**

Oral counseling is an oral discussion between an Employee and his/her Supervisor where the Supervisor communicates his/her concerns regarding the Employee's performance or misconduct. Oral Counseling may involve warning the Employee of consequences for not addressing the Supervisor's concerns.

##### **10.1.2 WRITTEN REPRIMAND**

Written reprimand is a letter communicating a Supervisor's concerns regarding the Employee's performance or misconduct. A Written Reprimand would likely include a warning of consequences for not addressing the Supervisor's concerns.

##### **10.1.3 SUSPENSION**

Suspension is the temporary separation from Town service without pay for disciplinary purposes. Suspension of non-FLSA-exempt Employees may be in any increment in the discretion of the Town Manager. Suspension of FLSA-exempt Employees may only be in one-day increments in the discretion of the Town Manager.

#### 10.1.4 REDUCTION IN PAY

Reduction in pay is a decrease in compensation for non-FLSA-exempt Employees for a fixed period of time for disciplinary purposes.

#### 10.1.5 DEMOTION

Demotion is the movement of an Employee from one position to another that has a lower maximum rate of pay. The Town Manager may demote an Employee whose performance of his/her required duties is below standard, or for other disciplinary purposes. Non-disciplinary demotion may also be made to a vacant position in lieu of layoff. No Employee will be demoted to a position for which s/he does not possess the minimum qualifications.

#### 10.1.6 TERMINATION

In relation to disciplinary action, an Employee may be separated from Town service when his/her performance of required duties is below standard, or for other disciplinary reasons. All Employees are employed on an "at-will" basis and the Town Manager may terminate their employment for any reason.

### 10.2 GROUND FOR DISCIPLINE

The Town's standards of conduct are established for the guidance of all Employees. These standards are only a partial list of unacceptable behaviors and conduct, and do not constitute the entire range of grounds for discipline.

1. Fraud in securing employment or making a false statement on an application for employment; or making a false statement or notation on any Town record.
2. Incompetence, i.e., inability to comply with the minimum standards of an Employee's position for a significant period of time.
3. Inefficiency or inexcusable neglect of duty, i.e., failure to perform duties required of an Employee within his/her position.
4. Disobedience and insubordination, i.e., a failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a Supervisory position.

5. Dishonesty.
6. Being under the influence of alcohol or drugs while on duty.
7. Excessive absenteeism or inexcusable absence.
8. Abuse of sick leave, i.e., taking sick leave without a doctor's certificate when one is required, or misuse of sick leave.
9. The conviction of either a misdemeanor or any felony. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The Town Manager or his/her designee may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline. A plea or verdict of guilty, or a conviction showing a plea of nolo contendere (no contest) made to discharge a felony is deemed to be a conviction within the meaning of this section.
10. Discourteous treatment of the public or other Employees.
11. Improper or unauthorized use of Town property.
12. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of Town property.
13. Violation of the ordinances, resolutions, rules and regulations established by the Town.
14. Solicitation or acceptance by an Employee of an individual reward, gift, or other form of remuneration from a private source for the performance of his/her official duties, excluding edible/drinkable gifts offered to the entire Town staff.
15. The refusal to testify under oath or affirmation before any Grand Jury having jurisdiction over any then pending investigation of government bribery or misconduct.
16. Improper political activity, which includes:
  - a. Participation in political activities while in uniform, during working hours, on Town business premises, while conducting official Town business, or using Town resources.



- b. Solicitation of political funds from other officers or Employees of the Town or from persons on the employment lists of the Town.

Improper political activity does not include the solicitation or receipt of political funds or contributions to promote the passage or defeat of a ballot measure affecting the working conditions of Employees so long as such activity does not occur while the Employee is working for the Town or using Town resources.

## **SECTION 11**

### **RESOLUTION OF WORK-RELATED COMPLAINTS**

The Town desires to implement an internal procedure that provides an opportunity for non-disciplinary, work-related complaints to be addressed fairly, objectively and promptly. Pursuant to Section 10, Discipline, all disciplinary actions and performance evaluations are final and not subject to the following procedure.

#### **11.1 PROCEDURE**

- 11.1.1 When an Employee has a complaint s/he should discuss the complaint with, or submit it in writing to his/her immediate Supervisor.

If the complaint pertains to the immediate Supervisor, the Employee may discuss the complaint with, or submit it in writing to the Town Manager.

If the complaint concerns the Town Manager, the Employee may discuss the complaint, or submit it in writing to the Town Attorney or designee.

- 11.1.2 The Town Manager, or Town Attorney (when applicable), shall make the final determination of a resolution to the complaint. All determinations will be explained to the Employee and are final.

## **SECTION 12**

### **TRANSFER, RESIGNATION, ABANDONMENT, LAYOFF AND REINSTATEMENT**

#### **12.1 TRANSFER**

No person will be transferred to a position for which s/he does not possess the minimum qualifications; but the Town Manager may, on a temporary basis,

assign Employees to duties other than those prescribed in their classification or job description, when a need arises from injury or illness, vacation, or other leaves of absence, or when workloads temporarily create a need, and the best interest of the Town would be served. The Town Manager may transfer an Employee from one position to another position in a comparable classification. For transfer purposes, a comparable classification is one with the same maximum rate of pay, and requires substantially the same basic qualifications.

Whenever possible, an Employee being transferred will receive five (5) working days' notice.

## 12.2 RESIGNATION

Resignation occurs when an Employee tenders to the Town Manager a written notice of his/her intention to resign. The Town Manager tenders his/her resignation to the Town Council. A resignation becomes final when accepted by the Town Manager, or in the case of the Town Manager's resignation, acceptance by the Town Council. Once a resignation has been accepted, it cannot be withdrawn without the approval of the Town Manager, or in the case of the Town Manager's resignation, approval by the Town Council. The Town requests that Employees give a minimum of two (2) weeks' notice of their intention to resign.

## 12.3 JOB ABANDONMENT

An Employee may be deemed to have resigned if the Employee is absent for three (3) consecutive workdays without prior authorization and without notification during that period of the reason for absence, unless s/he is unable to do so because of circumstances beyond his or her control.

## 12.4 LAYOFF POLICY AND PROCEDURE

### 12.4.1 STATEMENT OF INTENT

Whenever, in the judgment of the Town Council, it becomes necessary to abolish funding for any position, the Employee holding the position may be laid off or demoted without disciplinary action. An Employee who has any questions regarding the layoff decision or process should make an appointment with the Town Manager for a pre-layoff review and without the right of appeal. If two or more Employees hold the position to be laid off, the Town will lay off the Employee with the least Town seniority. Seniority is determined

based upon date of hire in the classification and higher classifications in the Town.

#### 12.4.2 NOTIFICATION

Regular Employees to be laid off or demoted under non-disciplinary circumstance will be given a minimum of thirty (30) calendar days' prior notice. Prior notice is not required for the layoff of Temporary Employees.

#### 12.5 REINSTATEMENT

Upon recommendation of the immediate Supervisor and approval of the Town Manager, a Regular Employee who has resigned or has otherwise been separated while in good standing (i.e., not separated for disciplinary reasons) may be considered for reinstatement to his/her former position, if vacant, or to a vacant position in the same or a comparable classification for a period of one (1) year after resignation or separation. At the discretion of the Town Manager, an Employee returning to work may be required to undergo testing as part of a conditional job offer to determine whether s/he is fit to return to work.

### **SECTION 13**

#### **MISCELLANEOUS POLICIES**

#### 13.1 OUTSIDE EMPLOYMENT

##### 13.1.1 POLICY

An Employee will not engage in any employment, enterprise, or outside activity that is in conflict with his/her duties, functions, responsibilities, or the department by which s/he is employed, nor shall s/he engage in any outside activity for compensation that will directly or indirectly contribute to the lessening of his/her effectiveness as an Employee. All Employees must notify the Town Manager before engaging in any outside employment or as soon as possible thereafter.

##### 13.1.2 DETERMINATION OF INCONSISTENT ACTIVITIES

In making a determination about the consistency or inconsistency of outside employment, the Town Manager will consider, among other

pertinent factors, whether the employment is prohibited and inconsistent because of any of the following:

1. Involves the use for private gain or advantage of Town time, facilities, equipment, and supplies, or the badge, uniform, prestige, or influence of one's Town office or employment;
2. Involves receipt or acceptance by Employee of any money or other consideration from anyone other than the Town for the performance of an act which the Employee, if not performing such act, would be required or expected to render in the regular course of his/her Town employment or as a part of his/her duties as an Employee;
3. Involves the performance of an act in other than his/her capacity as an Employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by any Employee; and/or
4. Involves conditions or factors that would directly or indirectly lessen the efficiency of the Employee in his/her regular Town employment or conditions in which there is a substantial danger of injury or illness to the Employee.

### 13.1.3 APPROVAL REVOCATION

Outside employment is subject to written approval by the Town Manager or his/her designee before the Employee undertakes the outside employment and is subject to revocation at any time by the Town Manager or his/her designee.

## 13.2 CONFLICTS OF INTEREST

Certain Employees are bound by the state laws regarding conflicts of interest, including, but not limited to, Government Code section 87100 *et seq.* and Municipal Code Chapter 2.36 regarding conflicts of interest. All Employees should avoid any conflict or perceived conflict between personal or financial interests and public duties.

### 13.3 RECORDS AND REPORTS

#### 13.3.1 PERSONNEL FILES

A personnel file will be maintained for each Employee. Information contained in these files includes class title, salary, changes in employment status, disciplinary actions and other pertinent employment information. Personnel files are the property of the Town, and access to the information they contain is restricted to the Town Manager or his/her designee.

The personnel files will be maintained in a secure place and monitored by the Town Manager or his/her designee, who will determine access to the files. An Employee, or the Employee's representative with written consent of the Employee, is entitled to review his/her personnel file with adequate advance notice to the Town Manager or his/her designee.

#### 13.3.2 MEDICAL INFORMATION

All medical information about an Employee or applicant is kept in a separate file from the personnel file, and is treated as confidential, in accordance with applicable state and federal law.

Access to Employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for Town business, or if access is required by law, subpoena or court order. In the case of an Employee with a disability, managers and Supervisors may be informed only of necessary restrictions on the work or duties of the Employee and necessary accommodations.

#### 13.3.3 RECORDS RETENTION

Records relating to persons who were never in the employ of the Town including correspondence, applications, examinations and reports may be destroyed after three (3) years. Records of Employees may be destroyed after five (5) years from the date of termination.

## 13.4 USE OF TOWN ELECTRONIC EQUIPMENT AND COMMUNICATIONS SYSTEMS

### 13.4.1 Definitions

1. “Electronic Communications Service” means any service which provides to users thereof the ability to transmit or receive wire or electronic communications.
2. “Employee Equipment” shall mean those electronic devices owned by an Employee, or a third-party, but reimbursed in whole, or in part, by the Town, including but not limited to, the Internet, email, voice-mail, text messages, images, cellular telephones, pagers, personal digital assistants, Smart Phone devices, computer/laptops, tablets, telecommunications devices, video and audio equipment, wireless networks, data systems telecommunications equipment, mobile data terminals, transmission devices, data processing or storage systems, computer systems, servers, networks, input/output and connecting devices, software, and documentation that supports electronic communications services.
3. “Offensive Material” includes, but is not limited to, statements or images that could reasonably offend a person on the basis of his/her age, physical or mental disability, medical condition, genetic characteristics, sex (including childbirth, pregnancy and related medical conditions), gender, gender identity, gender expression, race, color, religious creed, national origin, ancestry, sexual orientation, marital status, military and veteran status, or any other classification protected by federal, state, or local law.
4. “Town Business” means work or services provided by an Employee using Employee Equipment on behalf of the Town as part of the Employee’s official work duties. An Employee’s personal use of Employee Equipment that is unrelated to the Town is specifically excluded from this definition.
5. “Town Equipment” means electronic devices owned or provided by the Town, including but not limited to, the Internet, email, voice-mail, text messages, images, cellular telephones, pagers, personal digital assistants, Smart Phone devices, computer/laptops, tablets, telecommunications devices, video and

audio equipment, wireless networks, data systems telecommunications equipment, mobile data terminals, transmission devices, data processing or storage systems, computer systems, servers, networks, input/output and connecting devices, software, and documentation that supports electronic communications services.

#### 13.4.2 Introduction

The Town encourages the use of Town Equipment and Employee Equipment to increase Employee productivity and improve the Town's ability to provide first-class services for the least possible cost to the taxpayer. This policy governs all Town Equipment and Employee Equipment used for Town Business. Employees and other users may be provided Town Equipment or reimbursed/provided a stipend for Employee Equipment only as authorized by the Town Manager or designee. The purpose of this policy is to regulate Employee's use of Town Equipment and Employee Equipment used for Town Business to maximize its use for Town purposes and minimize or eliminate liability.

An Employee who violates this policy is subject to disciplinary action, up to and including termination.

#### 13.4.3 Restrictions

The following include some of the restrictions that apply to Employees while using any Town Equipment or Employee Equipment used for Town Business:

1. Employees shall not violate the Town's discrimination, harassment, retaliation, and conflict of interest policies. Employees shall not transmit or receive Offensive Material. For example, Employees are prohibited from displaying sexually suggestive images, downloading or disseminating sexually explicit material, or transmitting images, messages or cartoons that constitute slurs based upon an individual's race, color, national origin, ancestry, religious creed, mental or physical disability, sex (including childbirth, pregnancy and related medical conditions), gender, gender identity, gender expression, age, mental or physical disability, medical condition, genetic characteristics, marital status, sexual orientation or military and

veteran status, unless an Employee is required to review such material in the course and scope of their specific job duties with prior written Supervisory approval.

2. Employees shall not seek personal financial gain or create an actual, potential or apparent conflict of interest.
3. Employees shall not infringe upon the patents, copyrights, licenses of others, or proprietary, confidential or trade secret information.
4. Employees shall not solicit or proselytize others for commercial ventures or transactions, religious or political causes, or participation in any endeavor unrelated to the Employee's normal duties, unless it is for a Town sponsored/authorized event.
5. Employees shall not intentionally deprive authorized personnel access to any Town Equipment.
6. Employees shall not transmit messages or information which is in conflict with applicable law or Town policies, rules or procedures.
7. Employees shall not attempt unauthorized access of or attempt to access unauthorized data on any Town or non-Town system.
8. Employees shall not engage in theft or the unauthorized copying and distribution of electronic files or data.
9. Employees shall not intentionally misrepresent one's identity for improper or illegal acts, nor engage in unlawful activities.
10. Employees shall not engage in recreational use of Town Equipment and Employee Equipment that interferes with the ability of the Employee or other users to conduct Town work. This includes but is not limited to downloading or uploading software, games, music, or shareware to their Town Equipment and time spent on social media websites. Employees are also prohibited from downloading and using instant messenger (IM) on Town Equipment, without prior written Supervisory approval and in accordance with assigned duties.
11. Employees shall not perform acts on Town Equipment that are wasteful of computing resources or that unfairly monopolize



resources to the exclusion of others. These acts include, but are not limited to sending mass email messages or chain letters and creating unnecessary network traffic with messages unrelated to Town Business or discussions of Town working conditions.

#### 13.4.4 No Expectation of Privacy

Employees shall have no right or expectation of privacy in email, text, data, or image messages created, transmitted, received, deleted or stored using Town Equipment or Town Business conducted on Employee Equipment, including electronic communications routed by a third party communications service provider.

All communications transmitted via Town Equipment, whether or not related to personal or confidential matters, are subject to monitoring, at the Town's discretion. The Town may monitor communications transmitted via Town Equipment in the ordinary course of business for purposes that include ensuring their reliability and security. The existence of passwords and "message delete" functions do not restrict or eliminate the Town's ability or right to access electronic communications on Town Equipment.

The Town may randomly or routinely monitor or intercept electronic communications sent or received on Town Equipment and retains the right to do so at any time and without notice to Employees. The Town also retains the right, without notice to Employees, to conduct searches of Town Equipment and related systems to ensure that they are being used in conformance with this policy.

#### 13.4.5 Software and Use of Copyrighted Materials

The integrity of Town Equipment is vital to the Town's operations. Employees may not download or install software onto Town Equipment without the express consent of their Supervisor and/or the Town Manager or designee. When in doubt, Employees must seek permission prior to taking any action that could jeopardize the integrity of Town Equipment.

Software and related documentation licensed to the Town may be protected by copyright, patent, trade secret or other forms of legal protection. Employees shall not duplicate software programs and any Employee who unlawfully duplicates software may be subject to

criminal prosecution or civil damages. No Employee shall install, use, copy, alter or distribute these programs except as permitted by law and only to the extent permitted by the contract or license agreement between the Town and the owner.

Employees learning of any misuse of software must immediately notify their Supervisors. Town Equipment shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization.

#### 13.4.6 Backup Copies

Employees may not keep any backup copies of work done for the Town when they separate from the Town. Employees must obtain written permission from their Supervisors to download and retain samples of their work. Downloading may occur only in the presence of the Employee's Supervisor. Employees are prohibited from keeping a copy of proprietary information, data or programs upon separation.

### 13.5 USE AND OPERATION OF TOWN-OWNED VEHICLES AND MOTORIZED EQUIPMENT

#### 13.5.1 Purpose

This Section establishes policies related to the use and operation of Town-owned vehicles and equipment, and privately owned vehicles used for Town-related business where the Employee receives either an auto allowance or reimbursement for mileage.

#### 13.5.2 Definitions

13.5.2.1 "Authorized Drivers/Equipment Operators": Those Employees who have been identified, by verification of their driving record through the Department of Motor Vehicles ("DMV"), as having:

13.5.2.2 An acceptable driving record in accordance with guidelines set forth in this policy;

1. Received approval from their Supervisor/manager to operate/drive Town-owned equipment/vehicles or their

own personal vehicle for Town-related business; and

2. Met any other requirements set forth by the Town.

13.5.2.3 “Driving Misconduct” includes, but is not limited to, the following:

1. Driving while impaired or under the influence of alcohol or drugs, including prescription drugs that bear the warning that operating machinery or a motor vehicle while using this drug is unsafe;
2. Reckless driving, racing, or participating in a speed contest;
3. Failure to report an accident;
4. Vehicular homicide or manslaughter;
5. Attempting to evade a police officer; and/or
6. Driving with a suspended or revoked license.

13.5.2.4 “Town-owned Vehicles”: includes all vehicles and other motorized equipment owned by the Town used in the conduct of Town-related business.

### 13.5.3 POLICY

To ensure the Town hires qualified candidates into positions that may necessitate driving vehicles and/or operating equipment, the Town requires applicants to provide the following with their employment application:

1. Driver’s license number and expiration date; and
2. Proof of insurance.

Any Employee driving/operating a Town-owned vehicle, or privately owned vehicle for Town-related business, is required to possess a valid California Driver’s license.

1. Any Employee performing work that requires driving/operating Town-owned vehicles, or a privately owned vehicle for Town-

related business, must notify his/her immediate Supervisor within one business day of receiving notice that his/her license is expired, suspended, restricted or revoked. An Employee who fails to report such license status and continues to drive/operate a Town-owned vehicle shall be subject to appropriate disciplinary action up to and including termination.

2. An Employee engaging in Driving Misconduct will be denied authorization to operate a Town-owned vehicle or a privately owned vehicle for official Town business.

Employees shall comply with all local and State driving laws and shall operate all vehicles and equipment used for official Town business in a safe and economical manner. Employees must always use Town-owned vehicles in a safe manner that will produce positive perceptions by the public.

1. Employees must drive at reasonable and safe speeds and must be appropriately parked in conformance with all laws and traffic regulations. Employees are responsible for any violations incurred while driving/operating a Town-owned vehicle or privately owned vehicles used for official Town business.
2. A record of three (3) or more accidents resulting in damage to a Town-owned vehicle; or three (3) or more accidents in a Town-owned vehicle, or in a personal vehicle used for Town-related business, in a twelve (12)-month period; or Driving Misconduct; and/or misuse of Town-owned vehicles shall be cause for suspending driving/operating privileges.
3. If an Employee must operate a Town-owned vehicle or privately owned vehicle as part of his/her job requirements, suspension of driving/operating privileges may lead to appropriate disciplinary action, up to and including termination of employment, for failure to perform the job or meet the essential job functions.
4. Records of vehicle accidents, moving violations, Driving Misconduct, poor driving habits and/or misuse of Town-owned vehicles will be kept in the Employee's personnel file.

Town-owned vehicles shall be driven/operated for official use only.

No unauthorized drivers/operators will be allowed to drive/operate a Town-owned vehicle. Passengers are only allowed to be in Town-owned vehicles if they are also on official Town business. Family members are not allowed in Town-owned vehicles.

Employees and passengers are required to wear seatbelts at all times when in a Town-owned vehicle.

Smoking is prohibited in Town-owned vehicles.

Employees may be eligible to receive mileage reimbursement when using their personal vehicle for Town-related business. In order to receive reimbursement, the Employee must keep a log of miles traveled on a form supplied by the Administrative Services Manager, and submit the form to the Administrative Services Manager for processing.

#### 13.5.4 Insurance

An Employee driving his/her personal vehicle for Town-related business shall carry liability insurance, with at least the minimum limits required by the State of California, at the Employee's expense, and proof of insurance must be retained in the personal vehicle. Employees are required to provide proof of insurance each January, and may also be required to submit proof of insurance anytime upon request.

The Town will look first to an Employee's personal automobile liability insurance policy and the Employee's insurance shall be considered primary for the payment of any claims resulting from the Employee's operation of his/her personal vehicle when on Town-related business.

Unless otherwise required by law, the Town does not cover damage to an Employee's personally owned vehicle, even if the Employee is operating it for Town-related business.

An Employee injured in an automobile accident while in the course of employment, whether operating a Town-owned vehicle or a privately owned vehicle, may be covered by the Town's Workers' Compensation Program. Therefore, the Employee should report an

automobile accident as soon as practical to the Town Manager or his/her designee.

#### 13.5.5 Cellular Phone, Computer, Navigational Devices and Two-Way Radio Use

All Employees must adhere to federal, state, and local rules and regulations regarding the use of cell phones and wireless devices while driving.

Employees must also adhere to the Town's Wireless Device Use Policies and Guidelines which Employees shall sign and acknowledge at the onset of employment.

#### 13.5.6 Collision Investigation Involving Town Employees, Vehicles and/or Equipment

If involved in a collision or incident causing vehicle/equipment damage, property or bodily injury, an Employee driving/operating any Town-owned vehicle or privately owned vehicle which is being used for Town-related business, shall follow these procedures:

1. If possible, request that all parties concerned remain at the scene of the accident until a law enforcement representative has released them.
2. Contact the appropriate law enforcement agency for the investigation:
  - If occurring within San Mateo County, contact the San Mateo County Sheriff's Office.
  - If occurring outside San Mateo County, contact the law enforcement agency having jurisdiction by dialing 9-1-1.
3. Refrain from making statements regarding the accident with anyone other than the investigating law enforcement representative, Town officials, and/or representatives of your insurance company, including when your privately owned vehicle is involved. Confine statements to factual observations.
4. If you are able to do so, complete the information requested in the ABAG Vehicle Accident kit found in the glove box of the

Town-owned vehicle. Forward this information to the Town Manager as soon as practical.

5. If possible, take photos of the accident scene to record vehicle and property damage or other pertinent information.
6. If you are injured, report your injury to the Town Manager or his/her designee and complete appropriate paperwork for an on-the-job injury.

### **13.6 FRAGRANCE-FREE WORKPLACE**

A fragrance-free environment helps create a safe and healthy workplace. Fragrances from personal care products, air fresheners, candles, potpourri, and other similar scented items have been associated with adversely affecting a person's health including headaches, upper respiratory symptoms, shortness of breath, and difficulty with concentration.

The Town recognizes the hazards caused by exposure to scented products and has a policy to provide a fragrance-free environment for all employees and visitors. Employees who fail to abide by this policy may be subject to discipline.

### **13.7 EMPLOYEE DRESS CODE**

Employees of the Town are required to dress appropriately and professionally for the jobs they are performing.

Uniforms and safety equipment must be worn where applicable.

Footwear must be appropriate for the work environment and functions being performed.

### **13.8 NEPOTISM POLICY**

13.8.1 No person will be appointed or promoted to a position in any department in which the person's relative already holds a position, when the employment would result in a Supervisor-subordinate relationship.

13.8.2 For purposes of this section, "relative" means spouse, registered domestic partner, child, step-child, parent, parent-in-law, grandparent, grandchild, sibling, half-sibling, sibling-in-law, aunt, uncle, niece, or nephew.

- 13.8.3 If an Employee marries or files a Declaration of Domestic Partnership with another Employee, both Employees will be allowed to retain their respective positions provided that a Supervisory relationship does not exist at the time of marriage/domestic partnership between these two positions. During the period of employment, no Supervisory position will exist between the two Employees. For the purpose of this section, a Supervisory relationship is defined as one in which one person exercises the right to control, direct, reward or discipline another person by virtue of the duties and responsibilities assigned to his/her position.
- 13.8.4 The Town also retains the right to refuse to hire spouses or domestic partners, or to place both spouses or domestic partners in the same department, division, or facility if the hiring or placement would have an adverse impact on supervision, safety, security or morale or involves potential conflicts of interest.
- 13.8.5 When spouses or domestic partners are in a prohibited Supervisory relationship, an attempt will be made to transfer one spouse/domestic partner to a similar classified position in another Town department. Although the wishes of the involved parties as to which spouse/domestic partner is to be transferred will be given consideration, the controlling factor in determining which spouse/domestic partner is to be transferred will be the positive operation and efficiency of the Town. If any transfer results in a reduction in salary or compensation, it will not be considered disciplinary in nature and will not be the subject of any administrative appeal.
- 13.8.6 If continuing employment of spouses or domestic partners cannot be accommodated consistent with the Town's interest in promotion of safety, security, morale and efficiency, then the Town retains sole discretion to terminate the employment of one spouse/domestic partner. This will not be considered disciplinary in nature and will not be subject to any administrative appeal.

## 13.9 POLICY PROHIBITING THE USE OF DRUGS AND ALCOHOL

### 13.9.1 PURPOSE

The intent of this policy is to eliminate substance abuse and its effects in the workplace.



This policy provides guidelines for the detection and deterrence of alcohol and drug abuse. It also outlines the responsibilities of managers, Supervisors and Employees.

The objectives of this policy are to: (a) eliminate any use of alcohol or drugs which could impair an Employee's ability to safely and effectively perform the functions of their job; (b) encourage Employees who think they may have an alcohol or drug usage problem to voluntarily seek confidential assistance; and (c) emphasize training and rehabilitation. However, even with the emphasis on rehabilitation, it must be understood that for those who demonstrate problems in job performance or for those who are involved with or under the influence of drugs or alcohol on the job, disciplinary action will be taken.

The term "drug" or "drugs" when used in this policy means any controlled substance that is not legally obtainable under State or Federal law, a prescription drug obtained or used without benefit of a valid prescription by a medical provider licensed to prescribe medications, and marijuana even if prescribed by a medical provider licensed to prescribe medications.

### 13.9.2 SCOPE

This policy applies to all Employees when working for or officially representing the Town.

This policy applies to alcohol and drugs which could impair an Employee's ability to effectively and safely perform the functions of his/her job.

### 13.9.3 POLICY

It is the Town's policy that Employees will not use or be under the influence of alcohol or drugs, or possess alcohol or drugs at any work site or Town property, while on duty, breaks or meal periods.

In order to promote a safe, productive and efficient workplace, the Town has the right to search and inspect all Town property, including but not limited to lockers, storage areas, furniture, Town vehicles, and other places under the common control of the Town, or joint control of the Town, and Employees. No Employee has any expectation of privacy in any Town building, property, or communications system.

Employees are urged to seek voluntary confidential assistance if they believe they may have an alcohol or drug use problem. Information about the Town's Employee Assistance Program is available at <http://www.calhr.ca.gov/employees/pages/eap.aspx>.

- 13.9.4 The manufacture, distribution, dispensation, possession, or use of alcohol or drugs is prohibited in both Town workplaces and wherever Town business is performed.

13.9.5 EMPLOYEE RESPONSIBILITIES

1. It is the Employee's responsibility to demonstrate satisfactory job performance and follow the Town's drug and alcohol-free workplace policy.
2. Employees will report to work with the ability to perform job duties not impaired due to on or off duty alcohol or drug use.
3. Employees are responsible for the personal implementation of this policy to facilitate safe and effective job performance.
4. Employees will not possess or use alcohol or drugs during working hours or while subject to duty. This includes breaks and meal periods.
5. Prescription and over-the-counter medications are not prohibited when taken in standard dosage and/or according to a valid prescription by a medical provider licensed to prescribe medications. However, an Employee taking prescribed or over-the-counter medications is responsible for consulting the prescribing health care provider and/or pharmacist to ascertain whether the medication may interfere with the ability to safely and effectively perform the Employee's job. If the use of a medication would compromise the safety of the Employee, fellow Employees, or the public, or interfere with the effective performance of duties, it is the Employee's responsibility to notify his/her Supervisor before beginning work.
6. An Employee may be required to submit to a fitness for duty examination where there is a reasonable and objective belief that an Employee may be impaired by prescription or over-the-counter medications. The examination will be limited to determining

whether the Employee can safely and effectively perform the functions of the job with or without accommodation. Such examinations will be conducted in compliance with State and Federal law.

7. An Employee will not directly or indirectly through a third party manufacture, sell, distribute, dispense, or provide drugs to any person, including any Employee, at Town workplaces or where Town business is performed; or manufacture, sell, distribute, dispense or provide alcohol to any Employee while either or both are on duty;
8. An Employee will notify the Town Manager of any criminal conviction for a drug violation that occurred in the workplace within no more than five (5) days after such conviction;
9. An Employee will notify the Supervisor immediately of facts or reasonable suspicions when s/he observes behavior or other evidence that a fellow Employee poses a risk to the health and safety of the Employee or others due to the use of alcohol or drugs.

#### 13.9.6 MANAGEMENT RESPONSIBILITIES AND GUIDELINES

1. Managers and Supervisors should notify the Town Manager or his/her designee when they have reasonable suspicion to believe that an Employee may be under the influence of drugs or alcohol, or have drugs in his/her possession.
2. Employees reasonably believed to be under the influence of alcohol or drugs will be prevented from engaging in further work, and may be sent for drug or alcohol testing if two (2) Supervisory Employees document their observations and the facts that lead them to believe that the Employee is under the influence of alcohol or drugs. The reasonable suspicion factors are listed below, and must be documented in writing prior to sending any Employee for drug or alcohol testing. A Supervisor can require a medical certification of fitness for duty, before allowing the Employee to return to work.

Reasonable suspicion factors include:

1. Presence or possession of alcohol, alcohol containers, drugs or drug paraphernalia;
2. Appearance, including: flushed, disheveled, bloodshot or glassy eyes, tremors, profuse sweating, dilated or constricted pupils, inappropriate wearing of sunglasses, dry mouth symptoms, runny nose, sores, smell of alcohol, puncture marks;
3. Behavior or speech, including: incoherent, slurred, unconscious, confused, slowed, hostile or confrontational, agitated, sleeping on the job;
4. Awareness, including: confused, mood swings, lethargic, paranoid, lack of coordination, euphoric, disoriented;
5. Motor skills/balance, including: unsteady, swaying, falling, staggering, stumbling, reaching for support, arms raised for balance.
6. Notify the state or federal granting agency which has funded the work or program, if any, of any criminal drug statute convictions for a violation that occurred at a site where work is/was being done with a specific grant or contract;
7. Take appropriate disciplinary action for any criminal drug statute conviction that has a nexus to the Employee's employment, or require that the convicted Employee participate satisfactorily in a drug abuse assistance or rehabilitation program as a condition of returning to duty;
8. Take appropriate disciplinary action for any violation of this policy consistent with existing discipline procedures;
9. Enforce this policy; and
10. Report any suspected violation of this policy to the Town Manager.

#### 13.9.7 DISCIPLINARY ACTION

Compliance with this policy is a condition of Town employment. Disciplinary action will be taken against those who violate this policy. Even first-time violations of this policy may be grounds for disciplinary action up to and including termination. In addition, the Town may, but

is not required to, refer Employees to counseling and treatment in lieu of disciplinary action.

### 13.10 NON-SMOKING POLICY

Smoking is prohibited in all Town facilities and vehicles.

### 13.11 GIFTS AND GRATUITIES

Employees should not solicit or accept gifts from a private source. However, nominal gifts of minimal value that are consumable and/or shareable, such as snacks and floral gifts, are acceptable if made available to the entire Town staff.

### 13.12 VIOLENCE PREVENTION POLICY

#### 13.12.1 POLICY

The Town is committed to providing a safe and secure workplace for Employees and the public. The Town will not tolerate acts or threats of violence in the workplace. The workplace includes any location where Town business is conducted, including vehicles and parking lots. Any violation of this policy may lead to criminal prosecution, and/or disciplinary action, up to and including termination.

#### 13.12.2 PROHIBITED BEHAVIOR

Employees are prohibited from engaging in or promoting acts of intimidation, violence, threats, coercion, assault and/or abusive behavior toward any person while in the course of Town employment. The Town has zero tolerance for any conduct that references workplace violence, even if it was intended to be harmless, humorous, a prank, blowing off steam, or venting.

Employees engaged in Town business are prohibited from carrying or using weapons, unless authorized by the Town Manager.

#### 13.12.3 DEFINITIONS

“Workplace Violence”: is any conduct that causes an individual to reasonably fear for his or her personal safety or the safety of his or her family, friends, and/or property. Examples of Workplace Violence include, but are not limited to, the following:

1. Threats or acts of physical harm directed toward an individual or

his/her family, friends, associates, or property.

2. The destruction of or threat of destruction of Town property or another Employee's property.
3. Harassing or threatening phone calls.
4. Surveillance.
5. Stalking, including cyber stalking.
6. Possession of offensive or defensive weapons (e.g., illegal knives, clubs, mace, pepper spray, tear gas) unless specifically required or authorized and approved by the Town Manager. Weapons are defined as chemical sprays, clubs or batons, and knives, and any other device, tool, chemical agent or implement that can cause bodily harm if used as a weapon or displayed in such a manner to cause harm or threaten a person with harm.

#### 13.12.4 INCIDENT REPORTING PROCEDURES

1. Employees must immediately report Workplace Violence to their Supervisor. The Supervisor will report the matter to the Town Manager.
2. The Town Manager or his/her designee will document the incident, including the Employee names(s), date/time, location, incident description, witness names and statements, description of unidentified parties, description of the act(s) and/or behavior arising from the incident, action taken, and provide any other relevant information regarding the incident.
3. The Town Manager will take appropriate steps to provide security, such as:
  - a. Placing the Employee alleged to have engaged in Workplace Violence on administrative leave, pending investigation;
  - b. Asking any threatening or potentially violent person to leave the site; and/or
  - c. Immediately contacting an appropriate law enforcement agency.

#### 13.12.5 INVESTIGATION

The Town Manager will ensure that reported violations of this policy are investigated as necessary.

#### 13.12.6 MANAGEMENT RESPONSIBILITY

Each Manager and Supervisor has authority to enforce this policy by:

1. Assuring that reports of Workplace Violence are documented accurately and timely;
2. Notifying the Town Manager and/or law enforcement authorities of any incidents;
3. Making all reasonable efforts to maintain a safe and secure workplace; and
4. Maintaining records and follow up actions as to Workplace Violence reports.

#### 13.12.7 FOLLOW-UP AND DISCIPLINARY PROCEDURES

An Employee found in violation of this policy will be subject to disciplinary action, up to and including termination of employment. In addition, Employees found in violation of this policy may be subject to criminal prosecution.

#### **13.13 LACTATION ACCOMMODATION**

The Town will provide a reasonable amount of break time to an Employee wishing to express breast milk for her infant child. This break time will, if possible, run concurrently with break time already provided to the Employee. If this break time occurs outside of an Employee's normal break time, it will be unpaid.

The Town will make reasonable efforts to provide the Employee with the use of a room or other location, other than a bathroom, in close proximity to the Employee's work area for the Employee to express breast milk in private. The location may be the place where the Employee normally works, if that area can be made reasonably private. The Town is not required to provide break time on any given occasion if the break would seriously disrupt Town operations.

**RESOLUTION NO. \_\_\_\_\_ 2015**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY ADOPTING THE REVISED TOWN OF PORTOLA VALLEY PERSONNEL POLICIES MANUAL**

**WHEREAS**, the Town Council of the Town of Portola Valley (“Town”) last revised and adopted the Town of Portola Valley Personnel Policies Manual (“Personnel Manual”) on January 25, 2012, by Resolution 2542-2012; and

**WHEREAS**, the Town recently changed to a 40 hour work week which necessitated revisions to the Personnel Manual; and

**WHEREAS**, the Town undertook a thorough review of the Personnel Manual and desires to make revisions to the Personnel Manual for consistency, clarity, to reflect current Town practice and to comply with current law; and

**WHEREAS**, the Town Council of the Town of Portola Valley reviewed and considered the revised Personnel Manual at a regular meeting of the Town Council.

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

The Town Council of the Town of Portola Valley hereby approves and adopts the attached Town of Portola Personnel Policies Manual dated February 2015 as the official personnel policies of the Town.

**PASSED AND ADOPTED** this 25<sup>th</sup> day of February, 2015.

By: \_\_\_\_\_  
Jeff Aalfs, Mayor

ATTEST:

\_\_\_\_\_  
Sharon Hanlon, Town Clerk





# MEMORANDUM

## TOWN OF PORTOLA VALLEY

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**TO:** Mayor and Members of the Town Council

**FROM:** Nick Pegueros, Town Manager

**DATE:** February 25, 2015

**RE:** Pension and Retiree Medical Liabilities

### RECOMMENDATION

Receive report from Town staff on current employee and retiree medical liabilities and direct staff to work with the Finance Committee on the following:

1. Analyze the benefit of pre-funding unfunded accrued pension liabilities and retiree medical liabilities, and
2. Identify and recommend an action with respect to accounting for or pre-funding either or both liabilities.

### BACKGROUND

For the first time in over a decade, the Town has actuarial calculations of its pension and retiree medical assets and liabilities. Pension assets and liabilities are the result of the benefits provided to eligible Town employees. Retiree medical liabilities are the result of the Town's contract for medical for active employees. When assets are insufficient to pay for the calculated actuarial liabilities, an unfunded liability arises. Given the Town's overall fiscal strength and the new information presented by the actuarial reports, staff would like to provide the Council with an overview of known-to-date unfunded liabilities.

### DISCUSSION

In sum, the Town is expected to have unfunded liabilities between pension and retiree medical benefits totaling \$1,263,752. As a measure of prudent financial management, the Town Council recently authorized the establishment of General Fund assignments for the full unfunded liabilities. This ensures that sufficient funds are available without compromising the Town's ongoing finances should the Town desire to fund all or a portion of the liabilities.

At this point, the Town Council is asked to receive and discuss the information presented and direct the Town's Finance Committee to work with staff on an analysis of whether funding the unfunded pension liability is a fiscally prudent action. In order to fund the unfunded pension and retiree medical liabilities, the Town would be required to

transfer funds from the General Fund to an irrevocable trust for the benefit of employees.

**Pension** - The Town's pension contract with CalPERS is a defined benefit plan that provides employees a guaranteed post-retirement income until death. The retiree's benefit is calculated on three basic factors: 1) years of CalPERS service, 2) average annual income, and 3) a percentage (benefit factor) that fluctuates depending on retirement age.

Attachment 1 provides a table detailing the benefit factors for the Town's two contracts (2.0% @ 55 for classic members and 2.0% @ 62 for new members) based on age at retirement. The pension benefit is portable to other CalPERS contracting agencies (which is nearly all cities and towns in California), making it an attractive benefit for employee recruitment and retention. When discussing the Town's pension liabilities, the focus is solely on the Town's 2.0% @ 55 contract for classic members. With the exception of one employee, all Town employees are classified as "classic members."

In late November 2014, CalPERS provided the Town with the most recent CalPERS calculation of its unfunded pension liability based on the most recent market valuation of assets (June 30, 2013) in the amount of \$955,472 (Attachment 2). The two primary components of the unfunded liability are: a) the cost to fully fund the pension as of June 30, 2014, and b) the cost of recouping the assets lost in the great recession.

The first component is equal to \$438,303 and arises from a decision by the CalPERS board to allocate the pool's unfunded pension liability to each individual member agency of the pool. The effect of that policy was that no new monies were flowing into the "classic member" risk pools. The second component of \$517,169 is the allocation of CalPERS losses/(gains) on their portfolio below/(above) the portfolio's actuarially assumed rate of return of 7.5%. While the CalPERS portfolio has recovered considerably, the magnitude of loss during the Great Recession and the decision by the CalPERS Board to "smooth" this loss over several years has amplified its impact.

**Options to fund the pension liability.** Any option exercised by the Town that would designate funds to offset an unfunded pension liability would be set aside into an irrevocable trust. In other words, once the Town transfers funds, there's no possibility of getting the funds back. This loss of control is perhaps the single largest risk exposure if the Town Council decides to fund any or all of the pension liability.

One option to fund its unfunded pension liability in any amount up to the full amount is to send extra payments to CalPERS. Attachment 3 demonstrates the savings if the Town were to fully fund its liability AND if CalPERS were to average a 7.5% return on investment over the next several years. In this scenario, the Town could save 7.5% in interest expense on the unfunded liabilities. Given the Town's current return on investment (0.26%) the alternative to pay down debt with an interest rate of 7.5% is appealing. Another option would be to investigate a multi-employer irrevocable trust that is managed by the Town and which could be invested more aggressively.

**Alternatives to CalPERS.** The Council should know that terminating its contract with CalPERS is possible, provided the Town is able to meet the unfunded “hypothetical termination liability” of approximately \$3.7 million. By exercising this option, the Town could provide its employees with a defined contribution retirement plan and eliminate its exposure to future ups and downs of CalPERS and the ripple effect of those fluctuations on the Town budget. Loss of the CalPERS benefit will impact the Town’s ability to recruit and retain experienced local government professionals.

**Retiree Medical.** The Town contracts with CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA) to provide active employees with access to group medical insurance from a variety of providers (HMOs and PPOs). In accordance with PEMHCA statutes, the Town is required to provide an equal benefit to active employees and those employees who retire directly from the Town, which for 2015 is \$1,464 per year or \$122 per month. Active employees are provided a cafeteria plan benefit that they may use to purchase medical insurance through PEMHCA, or they may opt out due to medical insurance coverage that is provided by another source. It is important to note that prior to the Affordable Care Act, PEMHCA was effectively the only cost-effective option available to the small public agencies for the provision of medical benefits to their employees.

As of June 30, 2014, the Town’s actuarial analysis of the unfunded liability is \$308,280. This amount arises from the commitments made to current and retired employees through the Town’s PEMHCA contract. As required by the Government Accounting Standards Board (GASB), the Town is required to select an amortization period between 10 and 30 years and then fund the liability over that period through annual required contributions (ARC). The Town is required to recognize the ARC as a liability each year but the Town is not required to commit assets to offset the ARC. The net ARC was \$49,648 and was recorded as an OPEB liability on the Town’s balance sheet as of June 30, 2014.

It is recommended that the Town Council study the benefits of committing funds to the retiree medical liability in an annual amount no less than the ARC. Funds have already been assigned within the General Fund to provide for the full retiree medical liability of \$308,280.

**Options to fund the retiree medical liability.** Similar to pension liabilities, any option exercised by the Town that would designate funds to offset an unfunded retiree medical liability would be deposited into an irrevocable trust. In other words, once the Town deposits funds to the trust, there’s no possibility of getting the funds back except for the provision of retiree medical benefits. This loss of control is perhaps the single largest risk exposure if the Town Council decides to fund any or all of the retiree medical liability.

One option to fund the unfunded retiree medical liability in any amount up to the full amount is to join a multi-employer trust fund established strictly for retiree medical liabilities (also known as OPEB). There are at least two known and well-

established multi-employer trust funds available to the Town, and the recommendation is for the Finance Committee and staff to evaluate those options and make a final recommendation to the Town Council.

**Alternatives to PEMHCA.** Prior to the Affordable Care Act (ACA), the Town did not have a cost-effective option to provide employees with access to medical insurance. With the ACA, however, new health insurance products are evolving and one option could be to terminate the PEMHCA contract. By terminating the PEMHCA contract, the Town would substantially reduce and eventually eliminate the unfunded retiree medical liability.

### **Fiscal Impact**

The Town has already made sufficient assignments within the General Fund to fully fund these liabilities. It is recommended that Town staff, along with the Finance Committee, look at the benefits that accrue to the Town by funding all or a portion of the unfunded pension and retiree medical liabilities.

### **Attachments**

1. Percentage of Final Compensation 2% @ 55 and 2% @ 62, from “What you need to know about Your CalPERS Local Miscellaneous Benefits” by CalPERS - <http://www.calpers.ca.gov/eip-docs/about/pubs/member/your-benefits-your-future-local-misc.pdf>
2. Annual Valuation Report as of June 30, 2013 for the Town of Portola Valley – classic members
3. Worksheet detailing annual savings of paydown of liability, prepared by CalPERS

**PERCENTAGE OF FINAL COMPENSATION**

Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.426	1.522	1.628	1.742	1.866	2.000	2.052	2.104	2.156	2.210	2.262	2.314	2.366	2.418
Years of Service	Percentage of Final Compensation													
5	7.13	7.61	8.14	8.71	9.33	10.00	10.26	10.52	10.78	11.05	11.31	11.57	11.83	12.09
6	8.56	9.13	9.77	10.45	11.20	12.00	12.31	12.62	12.94	13.26	13.57	13.88	14.20	14.51
7	9.98	10.65	11.40	12.19	13.06	14.00	14.36	14.73	15.09	15.47	15.83	16.20	16.56	16.93
8	11.41	12.18	13.02	13.94	14.93	16.00	16.42	16.83	17.25	17.68	18.10	18.51	18.93	19.34
9	12.83	13.70	14.65	15.68	16.79	18.00	18.47	18.94	19.40	19.89	20.36	20.83	21.29	21.76
10	14.26	15.22	16.28	17.42	18.66	20.00	20.52	21.04	21.56	22.10	22.62	23.14	23.66	24.18
11	15.69	16.74	17.91	19.16	20.53	22.00	22.57	23.14	23.72	24.31	24.88	25.45	26.03	26.60
12	17.11	18.26	19.54	20.90	22.39	24.00	24.62	25.25	25.87	26.52	27.14	27.77	28.39	29.02
13	18.54	19.79	21.16	22.65	24.26	26.00	26.68	27.35	28.03	28.73	29.41	30.08	30.76	31.43
14	19.96	21.31	22.79	24.39	26.12	28.00	28.73	29.46	30.18	30.94	31.67	32.40	33.12	33.85
15	21.39	22.83	24.42	26.13	27.99	30.00	30.78	31.56	32.34	33.15	33.93	34.71	35.49	36.27
16	22.82	24.35	26.05	27.87	29.86	32.00	32.83	33.66	34.50	35.36	36.19	37.02	37.86	38.69
17	24.24	25.87	27.68	29.61	31.72	34.00	34.88	35.77	36.65	37.57	38.45	39.34	40.22	41.11
18	25.67	27.40	29.30	31.36	33.59	36.00	36.94	37.87	38.81	39.78	40.72	41.65	42.59	43.52
19	27.09	28.92	30.93	33.10	35.45	38.00	38.99	39.98	40.96	41.99	42.98	43.97	44.95	45.94
20	28.52	30.44	32.56	34.84	37.32	40.00	41.04	42.08	43.12	44.20	45.24	46.28	47.32	48.36
21	29.95	31.96	34.19	36.58	39.19	42.00	43.09	44.18	45.28	46.41	47.50	48.59	49.69	50.78
22	31.37	33.48	35.82	38.32	41.05	44.00	45.14	46.29	47.43	48.62	49.76	50.91	52.05	53.20
23	32.80	35.01	37.44	40.07	42.92	46.00	47.20	48.39	49.59	50.83	52.03	53.22	54.42	55.61
24	34.22	36.53	39.07	41.81	44.78	48.00	49.25	50.50	51.74	53.04	54.29	55.54	56.78	58.03
25	35.65	38.05	40.70	43.55	46.65	50.00	51.30	52.60	53.90	55.25	56.55	57.85	59.15	60.45
26	37.08	39.57	42.33	45.29	48.52	52.00	53.35	54.70	56.06	57.46	58.81	60.16	61.52	62.87
27	38.50	41.09	43.96	47.03	50.38	54.00	55.40	56.81	58.21	59.67	61.07	62.48	63.88	65.29
28	39.93	42.62	45.58	48.78	52.25	56.00	57.46	58.91	60.37	61.88	63.34	64.79	66.25	67.70
29	41.35	44.14	47.21	50.52	54.11	58.00	59.51	61.02	62.52	64.09	65.60	67.11	68.61	70.12
30	42.78	45.66	48.84	52.26	55.98	60.00	61.56	63.12	64.68	66.30	67.86	69.42	70.98	72.54
31	44.21	47.18	50.47	54.00	57.85	62.00	63.61	65.22	66.84	68.51	70.12	71.73	73.35	74.96
32	45.63	48.70	52.10	55.74	59.71	64.00	65.66	67.33	68.99	70.72	72.38	74.05	75.71	77.38
33	47.06	50.23	53.72	57.49	61.58	66.00	67.72	69.43	71.15	72.93	74.65	76.36	78.08	79.79
34	—	51.75	55.35	59.23	63.44	68.00	69.77	71.54	73.30	75.14	76.91	78.68	80.44	82.21
35	—	—	56.98	60.97	65.31	70.00	71.82	73.64	75.46	77.35	79.17	80.99	82.81	84.63
36	—	—	—	62.71	67.18	72.00	73.87	75.74	77.62	79.56	81.43	83.30	85.18	87.05
37	—	—	—	—	69.04	74.00	75.92	77.85	79.77	81.77	83.69	85.62	87.54	89.47
38	—	—	—	—	—	76.00	77.98	79.95	81.93	83.98	85.96	87.93	89.91	91.88
39	—	—	—	—	—	—	80.03	82.06	84.08	86.19	88.22	90.25	92.27	94.30
40	—	—	—	—	—	—	—	84.16	86.24	88.40	90.48	92.56	94.64	96.72

**PERCENTAGE OF FINAL COMPENSATION**

Age	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67+
Benefit Factor	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80	1.90	2.00	2.10	2.20	2.30	2.40	2.50
Years of Service	Percentage of Final Compensation															
5	5.00	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.00	10.50	11.00	11.50	12.00	12.50
6	6.00	6.60	7.20	7.80	8.40	9.00	9.60	10.20	10.80	11.40	12.00	12.60	13.20	13.80	14.40	15.00
7	7.00	7.70	8.40	9.10	9.80	10.50	11.20	11.90	12.60	13.30	14.00	14.70	15.40	16.10	16.80	17.50
8	8.00	8.80	9.60	10.40	11.20	12.00	12.80	13.60	14.40	15.20	16.00	16.80	17.60	18.40	19.20	20.00
9	9.00	9.90	10.80	11.70	12.60	13.50	14.40	15.30	16.20	17.10	18.00	18.90	19.80	20.70	21.60	22.50
10	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	24.00	25.00
11	11.00	12.10	13.20	14.30	15.40	16.50	17.60	18.70	19.80	20.90	22.00	23.10	24.20	25.30	26.40	27.50
12	12.00	13.20	14.40	15.60	16.80	18.00	19.20	20.40	21.60	22.80	24.00	25.20	26.40	27.60	28.80	30.00
13	13.00	14.30	15.60	16.90	18.20	19.50	20.80	22.10	23.40	24.70	26.00	27.30	28.60	29.90	31.20	32.50
14	14.00	15.40	16.80	18.20	19.60	21.00	22.40	23.80	25.20	26.60	28.00	29.40	30.80	32.20	33.60	35.00
15	15.00	16.50	18.00	19.50	21.00	22.50	24.00	25.50	27.00	28.50	30.00	31.50	33.00	34.50	36.00	37.50
16	16.00	17.60	19.20	20.80	22.40	24.00	25.60	27.20	28.80	30.40	32.00	33.60	35.20	36.80	38.40	40.00
17	17.00	18.70	20.40	22.10	23.80	25.50	27.20	28.90	30.60	32.30	34.00	35.70	37.40	39.10	40.80	42.50
18	18.00	19.80	21.60	23.40	25.20	27.00	28.80	30.60	32.40	34.20	36.00	37.80	39.60	41.40	43.20	45.00
19	19.00	20.90	22.80	24.70	26.60	28.50	30.40	32.30	34.20	36.10	38.00	39.90	41.80	43.70	45.60	47.50
20	20.00	22.00	24.00	26.00	28.00	30.00	32.00	34.00	36.00	38.00	40.00	42.00	44.00	46.00	48.00	50.00
21	21.00	23.10	25.20	27.30	29.40	31.50	33.60	35.70	37.80	39.90	42.00	44.10	46.20	48.30	50.40	52.50
22	22.00	24.20	26.40	28.60	30.80	33.00	35.20	37.40	39.60	41.80	44.00	46.20	48.40	50.60	52.80	55.00
23	23.00	25.30	27.60	29.90	32.20	34.50	36.80	39.10	41.40	43.70	46.00	48.30	50.60	52.90	55.20	57.50
24	24.00	26.40	28.80	31.20	33.60	36.00	38.40	40.80	43.20	45.60	48.00	50.40	52.80	55.20	57.60	60.00
25	25.00	27.50	30.00	32.50	35.00	37.50	40.00	42.50	45.00	47.50	50.00	52.50	55.00	57.50	60.00	62.50
26	26.00	28.60	31.20	33.80	36.40	39.00	41.60	44.20	46.80	49.40	52.00	54.60	57.20	59.80	62.40	65.00
27	27.00	29.70	32.40	35.10	37.80	40.50	43.20	45.90	48.60	51.30	54.00	56.70	59.40	62.10	64.80	67.50
28	28.00	30.80	33.60	36.40	39.20	42.00	44.80	47.60	50.40	53.20	56.00	58.80	61.60	64.40	67.20	70.00
29	29.00	31.90	34.80	37.70	40.60	43.50	46.40	49.30	52.20	55.10	58.00	60.90	63.80	66.70	69.60	72.50
30	30.00	33.00	36.00	39.00	42.00	45.00	48.00	51.00	54.00	57.00	60.00	63.00	66.00	69.00	72.00	75.00
31	31.00	34.10	37.20	40.30	43.40	46.50	49.60	52.70	55.80	58.90	62.00	65.10	68.20	71.30	74.40	77.50
32	32.00	35.20	38.40	41.60	44.80	48.00	51.20	54.40	57.60	60.80	64.00	67.20	70.40	73.60	76.80	80.00
33	33.00	36.30	39.60	42.90	46.20	49.50	52.80	56.10	59.40	62.70	66.00	69.30	72.60	75.90	79.20	82.50
34	34.00	37.40	40.80	44.20	47.60	51.00	54.40	57.80	61.20	64.60	68.00	71.40	74.80	78.20	81.60	85.00
35	35.00	38.50	42.00	45.50	49.00	52.50	56.00	59.50	63.00	66.50	70.00	73.50	77.00	80.50	84.00	87.50
36	36.00	39.60	43.20	46.80	50.40	54.00	57.60	61.20	64.80	68.40	72.00	75.60	79.20	82.80	86.40	90.00
37	37.00	40.70	44.40	48.10	51.80	55.50	59.20	62.90	66.60	70.30	74.00	77.70	81.40	85.10	88.80	92.50
38	38.00	41.80	45.60	49.40	53.20	57.00	60.80	64.60	68.40	72.20	76.00	79.80	83.60	87.40	91.20	95.00
39	39.00	42.90	46.80	50.70	54.60	58.50	62.40	66.30	70.20	74.10	78.00	81.90	85.80	89.70	93.60	97.50
40	40.00	44.00	48.00	52.00	56.00	60.00	64.00	68.00	72.00	76.00	80.00	84.00	88.00	92.00	96.00	100.00



**ACTUARIAL VALUATION**

as of June 30, 2013

**for the  
MISCELLANEOUS PLAN  
of the  
TOWN OF PORTOLA VALLEY  
(CalPERS ID: 7325167619)**

**REQUIRED CONTRIBUTIONS  
FOR FISCAL YEAR**

**July 1, 2015 - June 30, 2016**

# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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**Plan Specific Information  
for the  
MISCELLANEOUS PLAN  
of the  
TOWN OF PORTOLA VALLEY**

**(CalPERS ID: 7325167619)  
(Rate Plan: 1606)**



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## ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2013 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2013 provided by employers participating in the SAFETY risk pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2013 and employer contribution rate as of July 1, 2015, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



JULIAN ROBINSON, FSA, EA, MAAA  
Senior Pension Actuary, CalPERS  
Plan Actuary

## **HIGHLIGHTS AND EXECUTIVE SUMMARY**

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

## Introduction

This report presents the results of the June 30, 2013 actuarial valuation of the MISCELLANEOUS PLAN of the TOWN OF PORTOLA VALLEY of the California Public Employees' Retirement System (CalPERS). This actuarial valuation was used to set the 2015-16 required employer contribution rates.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the "*Analysis of Future Investment Return Scenarios*" subsection of the "*Risk Analysis*" section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.
2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

The impact of most of the PEPRA changes will first show up in the rates and the benefit provision listings of the June 30, 2013 valuation that sets the contribution rates for the 2015-16 fiscal year. For more detailed information on changes due to PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns (see Appendix). The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

## Purpose of Section 1

This section 1 report for the MISCELLANEOUS PLAN of the TOWN OF PORTOLA VALLEY of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2013;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2015 through June 30, 2016;
- Provide actuarial information as of June 30, 2013 to the CalPERS Board of Administration and other interested parties; and
- Provide pension information as of June 30, 2013 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Cost Sharing Multiple Employer Defined Benefit Pension Plan.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

### California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 12.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

## Required Employer Contribution

	Fiscal Year 2014-15 <sup>1</sup>	Fiscal Year 2015-16
<b>Actuarially Determined Employer Contributions:</b>		
Employer Contributions (in Projected Dollars)		
Plan's Employer Normal Cost	\$ 85,942	\$ 84,349
Plan's Payment on Amortization Bases	35,238	40,151 <sup>2</sup>
Surcharge for Class 1 Benefits <sup>3</sup>		
None	0	0
Phase out of Normal Cost Difference <sup>4</sup>	0	0
Amortization of Side Fund	0	0
Total Employer Contribution	\$ 121,180	\$ 124,500
Projected Payroll for the Contribution Fiscal Year	\$ 1,098,445	\$ 1,053,968
<b>Required Employer Contributions (Percentage of Payroll)</b>		
Plan's Net Employer Normal Cost	7.824%	8.003%
Plan's Payment on Amortization Bases	3.208%	3.809% <sup>2</sup>
Surcharge for Class 1 Benefits <sup>3</sup>		
None	0.000%	0.000%
Phase out of Normal Cost Difference <sup>4</sup>	0.000%	0.000%
Amortization of Side Fund	0.000%	0.000%
Total Employer Contribution Rate	11.032%	11.812%

<b>Required Employer Contribution for FY 2015-16</b>	
<b>Employer Contribution Rate<sup>5</sup></b>	<b>8.003%</b>
<b>Plus Monthly Employer Dollar UAL Payment<sup>6</sup></b>	<b>\$ 3,346</b>
<b>Annual Lump Sum Prepayment Option</b>	<b>\$ 38,725</b>
<p><i>For FY 2015-16 the total minimum required employer contribution is the <b>sum</b> of the Plan's Employer Contribution Rate (expressed as a percentage of payroll) <b>plus</b> the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with FY 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid.</i></p>	

<sup>1</sup> The results shown for FY 2014-15 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.

<sup>2</sup> For FY 2015-16 the Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).

<sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>4</sup> Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.

<sup>5</sup> The minimum employer contribution under PEPR is the greater of the required employer contribution or the total employer normal cost.

<sup>6</sup> The Plan's Payment on Amortization Bases Contribution amount for FY 2015-16 will be billed as a level dollar amount monthly over the course of the year. Late payments will accrue interest at an annual rate of 7.5 percent. Lump sum payments may be made through my|CalPERS. Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of payroll your UAL contribution is 3.809 percent.

## Plan's Funded Status

	<b>June 30, 2012</b>	<b>June 30, 2013</b>
1. Present Value of Projected Benefits (PVB)	\$ 5,635,705	\$ 6,317,601
2. Entry Age Normal Accrued Liability	4,447,340	5,101,185
3. Plan's Market Value of Assets (MVA)	3,432,318	4,145,713
4. Unfunded Liability [(2) - (3)]	1,015,022	955,472
5. Funded Ratio [(3) / (2)]	77.2%	81.3%

## Projected Contributions

The contribution rate and amount shown below is an estimate for the employer contribution for fiscal year 2016-17. The estimated contribution is based on a projection of the most recent information we have available, including an estimate of the investment return for fiscal year 2013-14, namely 18.0 percent. It also reflects implementation of the direct rate smoothing method and the impact of new actuarial assumptions.

Projected Employer Contribution Rate:	8.3%
Projected Plan UAL Contribution	\$ 48,534

The estimate also assumes that there are no liability gains or losses among the plans in your risk pool, that your plan has no new amendments in the next year, and that your plan's and your risk pool's payrolls both increase exactly 3.0 percent in the 2013-14 fiscal year. Therefore, the projected employer contribution for 2016-17 is strictly an estimate. Your actual rate for 2016-17 will be provided in next year's valuation report. A more detailed analysis of your projected employer contributions over the next five years can be found in the "Risk Analysis" section of this report.

## **ASSETS AND LIABILITIES**

- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S UAL**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES**
- **ALTERNATIVE AMORTIZATION SCHEDULES**
- **FUNDING HISTORY**
- **PLAN'S TOTAL NORMAL COST RATE**



## Development of the Plan's Share of Pool's Unfunded Accrued Liability

It is the policy of the CalPERS to ensure equity within the risk pools by allocating the pool's unfunded accrued liability in a manner that treats each employer fairly and that maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. Commencing with the June 30, 2013 actuarial valuations and for purposes of allocating the pool's unfunded accrued liability to all the individual plans within the pool, an individual plan's total unfunded accrued liability (Preliminary Plan UAL) on a specific valuation date will be set equal to the sum of the outstanding unamortized balances on the valuation date for the following:

a) Side Fund		
b) Plan's share of Pool UAL due to benefit changes (including golden handshakes) provided to the members of that plan		
c) Plan's share of the Pool UAL created before the valuation date for reasons other than benefit changes		
1. Plan's Accrued Liability	\$	5,101,185
2. Plan's Side Fund		0
3. Increase in Plan's AL for amendments in FY 2012-13		0
4. Pool's Accrued Liability	\$	4,434,848,248
5. Sum of Pool's Individual Plan Side Funds		108,339,918
6. Increase in Pool's AL for amendments in FY 2012-13		409,907
7. Pre-2013 Pool's UAL	\$	371,706,237
8. Plan's Share of Pre-2013 Pool's UAL $[(1)-(2)-(3)]/[(4)-(5)-(6)] * (7)$	\$	<b>438,303</b>
9. Pool's 2013 Investment & Asset (Gain)/Loss		442,846,571
10. Pool's 2013 Other (Gain)/Loss		(4,364,079)
11. Plan's Share of Pool's Asset (Gain)/Loss $[(1)-(2)-(3)]/[(4)-(5)-(6)] * (9)$		522,189
12. Plan's Share of Pool's Other (Gain)/Loss $[(1)]/[(4)] * (10)$		(5,020)
13. Plan's UAL as of 6/30/2013 $[(2)+(8)+(11)+(12)]$	\$	<b>955,472</b>

## Development of the Plan's Share of Pool's Market Value of Assets

1. Plan's Accrued Liability	\$	5,101,185
2. Plan's UAL	\$	955,472
3. Plan's Share of Pool's MVA (1)-(2)	\$	<b>4,145,713</b>

## Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2013.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date; fiscal year 2015-16.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts, with the exception of the Side Fund base, are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

Reason for Base	Date Established	Amortization Period	Amounts for Fiscal 2015-16							
			Balance 6/30/13	Expected Payment 2013-14	Balance 6/30/14	Expected Payment 2014-15	Balance 6/30/15	Scheduled Payment for 2015-16	Payment as Percentage of Payroll	
SIDE FUND	06/30/13	4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.000%
SHARE OF PRE-2013 POOL UAL	06/30/13	22	\$438,303	\$22,392	\$447,959	\$34,361	\$445,930	\$31,745	\$31,745	3.012%
ASSET (GAIN)/LOSS	06/30/13	30	\$522,189	\$0	\$561,353	\$0	\$603,454	\$8,488	\$8,488	0.805%
NON-ASSET (GAIN)/LOSS	06/30/13	30	\$(5,020)	\$0	\$(5,396)	\$0	\$(5,801)	\$(82)	\$(82)	(0.008%)
<b>TOTAL</b>			<b>\$955,472</b>	<b>\$22,392</b>	<b>\$1,003,916</b>	<b>\$34,361</b>	<b>\$1,043,583</b>	<b>\$40,151</b>	<b>\$40,151</b>	<b>3.809%</b>

Commencing with the June 30, 2013 actuarial valuations, the side fund will be treated as a liability as opposed to an asset. Prior to June 30, 2013, a positive side fund conveyed that a public agency had a surplus when risk pooling began June 30, 2003. Conversely, a negative side fund signified that a public agency had an unfunded liability that required elimination through an amortization payment schedule. After June 30, 2013 a positive side fund will signify that an agency has an unfunded liability while a negative side fund will indicate a surplus asset. The amortization schedule will remain unchanged, with the exception that a plan with a negative side fund may have its amortization period extended at the discretion of the plan actuary.

Your plan's allocated share of the risk's pool's unfunded accrued liability is based on your plan's accrued liability and is amortized over the average amortization period of the combined existing amortization bases prior to June 30, 2013. The payments on this base for Fiscal Year 2013-14 and 2014-15 are allocated by your plan's payroll.

The (gain)/loss base is your plan's allocated share of the risk pool's asset gain/loss for the Fiscal Year 2012-13, the change in unfunded accrued liability due to direct rate smoothing and your plan's allocated share of the risk pool's other liability gains and losses for fiscal year 2012-13. This base will be amortized according to Board policy over 30 years with a 5-year ramp-up.

## Alternate Amortization Schedules

The amortization schedule shown on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze your current amortization schedule and illustrate the advantages of accelerating unfunded liability payments towards your plan's unfunded liability of \$1,043,583 as of June 30, 2015, which will require total payments of \$2,689,974.

Shown below are the level rate payments required to amortize your plan's unfunded liability assuming a fresh start over the various periods noted. Note that the payments under each scenario would increase by 3 percent for each year into the future.

Period	Level Rate			
	2015-16 Payment	Total Payments	Total Interest	Savings
25	\$ 68,975	\$ 2,514,778	\$ 1,471,195	\$ 175,196
20	\$ 78,796	\$ 2,117,278	\$ 1,073,695	\$ 572,696

Current CalPERS Board policy calls for lump sum contributions in excess of the required employer contribution shall first be used to eliminate the side fund, if applicable, and then the plan's share of the pool's unfunded accrued liability.

Please contact your plan actuary before making such a payment to ensure that the payment is applied correctly.

## Funding History

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	\$ 4,249,889	\$ 3,194,447	\$ 1,055,442	75.2%	\$ 1,154,924
06/30/2012	4,447,340	3,432,318	1,015,022	77.2%	1,005,233
06/30/2013	5,101,185	4,145,713	955,472	81.3%	964,530

## Plan's Total Normal Cost Rate

The Public Employees' Pension Reform Act of 2013 requires that new employees pay at least 50 percent of the total annual normal cost and that current employees approach the same goal through collective bargaining. Please refer to the CalPERS website for more details.

Shown below are the total annual normal cost rates for your plan.

	Fiscal Year 2014-15	Fiscal Year 2015-16
Plan's Net Total Normal Cost Rate for 2% @ 55	14.711%	14.894%
Surcharge for Class 1 Benefits		
None	0.000%	0.000%
Plan's Total Normal Cost Rate	14.711%	14.894%

## **RISK ANALYSIS**

- **VOLATILITY RATIOS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **HYPOTHETICAL TERMINATION LIABILITY**

## Volatility Ratios

The actuarial calculations supplied in this communication are based on a number of assumptions about very long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from one year to the next. Therefore, the rates will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio (AVR)

Plans that have higher asset to payroll ratios produce more volatile employer rates due to investment return. For example, a plan with an asset to payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset to payroll ratio of 4. Below we have shown your asset volatility ratio, a measure of the plan's current rate volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

### Liability Volatility Ratio (LVR)

Plans that have higher liability to payroll ratios produce more volatile employer rates due to investment return and changes in liability. For example, a plan with a liability to payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability to payroll ratio of 4. The liability volatility ratio is also included in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility and the asset volatility ratio, described above, will tend to move closer to this ratio as the plan matures.

Rate Volatility	As of June 30, 2013	
1. Market Value of Assets	\$	4,145,713
2. Payroll		964,530
3. Asset Volatility Ratio (AVR = 1. / 2.)		4.3
4. Accrued Liability	\$	5,101,185
5. Liability Volatility Ratio (LVR = 4. / 2.)		5.3

## Projected Employer Contributions

The estimated rate for 2016-17 is based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new smoothing methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014. These new demographic assumptions include a 20-year projected improvement in mortality. A complete listing of the new demographic assumptions to be implemented with the June 30, 2014 annual actuarial valuation and incorporated in the projected rates for FY 2016-17 and beyond can be found on the CalPERS website at: <http://www.calpers.ca.gov/eip-docs/about/pubs/employer/actuarial-assumptions.xls>

The table below shows projected employer contribution rates (before cost sharing) for the next five Fiscal Years, **assuming CalPERS earns 18.0% for fiscal year 2013-14 and 7.50 percent every fiscal year thereafter**, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17.

	New Rate	Projected Future Employer Contribution Rates				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Normal Cost %:</b>	8.003%	8.3%	8.3%	8.3%	8.3%	8.3%
<b>UAL \$</b>	\$ 40,151	\$ 48,534	\$ 57,384	\$ 66,720	\$ 76,565	\$ 77,196

## Analysis of Future Investment Return Scenarios

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long- term blended return that continues to support a discount rate assumption of 7.5 percent. The newly adopted asset allocation has a lower expected investment volatility that will result in better risk characteristics than an equivalent margin for adverse deviation. The current asset allocation has an expected standard deviation of 12.45 percent while the newly adopted asset allocation has a lower expected standard deviation of 11.76 percent.

The investment return for fiscal year 2013-14 was announced July 14, 2014. The investment return in fiscal year 2013-14 is 18.42 percent before administrative expenses. This year, there will be no adjustment for real estate and private equities. For purposes of projecting future employer rates, we are assuming a 18.0 percent investment return for fiscal year 2013-14.

The investment return realized during a fiscal year first affects the contribution rate for the fiscal year 2 years later. Specifically, the investment return for 2013-14 will first be reflected in the June 30, 2014 actuarial valuation that will be used to set the 2016-17 employer contribution rates, the 2014-15 investment return will first be reflected in the June 30, 2015 actuarial valuation that will be used to set the 2017-18 employer contribution rates and so forth.

Based on a 18.0 percent investment return for fiscal year 2013-14, the April 17, 2013 CalPERS Board-approved amortization and rate smoothing method change, the February 18, 2014 new demographic assumptions including 20-year mortality improvement using Scale BB and assuming that all other actuarial assumptions will be realized, and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17, the effect on the 2016-17 Employer Rate is as follows:

	Estimated 2016-17 Employer Contribution	Estimated Increase in Employer Contribution between 2015-16 and 2016-17
<b>Normal Cost %:</b>	8.3%	0.3%
<b>UAL \$</b>	\$ 48,534	\$ 8,383

As part of this report, a sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2014-15, 2015-16 and 2016-17 on the 2017-18, 2018-19 and 2019-20 employer rates. Once again, the projected rate increases assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is what one would expect if the markets were to give us a 5<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 5<sup>th</sup> percentile return corresponds to a -3.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The second scenario is what one would expect if the markets were to give us a 25<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 25<sup>th</sup> percentile return corresponds to a 2.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The third scenario assumed the return for 2014-15, 2015-16, 2016-17 would be our assumed 7.5 percent investment return which represents about a 49<sup>th</sup> percentile event.
- The fourth scenario is what one would expect if the markets were to give us a 75<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 75<sup>th</sup> percentile return corresponds to a 12.0 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- Finally, the last scenario is what one would expect if the markets were to give us a 95<sup>th</sup> percentile return from July 1, 2014 through June 30, 2017. The 95<sup>th</sup> percentile return corresponds to a 18.9 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.

The table below shows the estimated projected contribution rates and the estimated increases for your plan under the five different scenarios.

2014-17 Investment Return Scenario	Estimated Employer UAL Contribution			Estimated Total Change in Employer UAL Contribution between 2016-17 and 2019-20
	2017-18	2018-19	2019-20	
-3.8% (5th percentile)	\$ 66,164	\$ 93,156	\$ 129,656	\$ 81,122
2.8% (25th percentile)	\$ 61,036	\$ 77,957	\$ 99,622	\$ 51,088
7.5%	\$ 57,384	\$ 66,720	\$ 76,565	\$ 28,031
12.0%(75th percentile)	\$ 53,886	\$ 55,637	\$ 53,136	\$ 4,602
18.9%(95th percentile)	\$ 48,523	\$ 0	\$ 0	\$ (48,534)

In addition to the UAL Contribution amounts shown above the estimated employer normal cost of 8.3% of payroll will also be payable in each of the fiscal years shown above. The projected plan normal cost is expected to remain relatively stable over this time period.

## Analysis of Discount Rate Sensitivity

The following analysis looks at the 2015-16 employer contributions under two different discount rate scenarios. Shown below are the employer contributions assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis gives an indication of the potential required employer contribution rates if the PERF were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to the employer contributions.

2015-16 Employer Contribution			
As of June 30, 2013	6.50% Discount Rate (-1%)	7.50% Discount Rate (assumed rate)	8.50% Discount Rate (+1%)
Plan's Employer Normal Cost	11.4%	8.0%	5.4%
Accrued Liability	\$ 5,782,170	\$ 5,101,185	\$ 4,536,121
Unfunded Accrued Liability	\$ 1,636,457	\$ 955,472	\$ 390,408



## Hypothetical Termination Liability

Below is an estimate of the financial position of your plan if you had terminated your contract with CalPERS as of June 30, 2013 using the discount rates shown below. Your plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For this hypothetical termination liability both compensation and service is frozen as of the valuation date and no future pay increases or service accruals are included. In December 2012, the CalPERS Board adopted a more conservative investment policy and asset allocation strategy for the Terminated Agency Pool. Since the Terminated Agency Pool has limited funding sources, expected benefit payments are secured by risk-free assets. With this change, CalPERS increased benefit security for members while limiting its funding risk. This asset allocation has a lower expected rate of return than the PERF. Consequently, the lower discount rate for the Terminated Agency pool results in higher liabilities for terminated plans.

In order to terminate your plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow your plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of your plan liabilities. CalPERS advises you to consult with your plan actuary before beginning this process.

Valuation Date	Hypothetical Termination Liability <sup>1</sup>	Market Value of Assets (MVA)	Unfunded Termination Liability	Termination Funded Ratio	Termination Liability Discount Rate <sup>2</sup>
06/30/2011	\$ 5,728,669	\$ 3,194,447	\$ 2,534,222	55.8%	\$ 4.82%
06/30/2012	7,682,664	3,432,318	4,250,346	44.7%	2.98%
06/30/2013	7,832,635	4,145,713	3,686,922	52.9%	3.72%

<sup>1</sup> The hypothetical liabilities calculated above include a 7 percent mortality load contingency in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in appendix A.

<sup>2</sup> The discount rate assumption used for termination valuations is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities. For purposes of this hypothetical termination liability estimate, the discount rate used, is the yield on the 30-year US Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS). Note that as of June 30, 2014 the 30-year STRIPS rate is 3.55 percent.

## Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	<b>June 30, 2012</b>	<b>June 30, 2013</b>
Projected Payroll for Contribution Purposes	\$ 1,098,445	\$ 1,053,968
Number of Members		
Active	13	11
Transferred	4	5
Separated	4	2
Retired	10	13

## List of Class 1 Benefit Provisions

- None

## Information for Compliance with GASB Statement No. 27 for Cost-Sharing Multiple-Employer Defined Benefit Plan

**Disclosure under GASB 27 follows. However, note that effective for financial statements for fiscal years beginning after June 15, 2014, GASB 68 replaces GASB 27. Disclosure required under GASB 68 will require additional reporting. CalPERS is intending to provide GASB 68 disclosure information upon request for an additional fee. We urge you to start discussions with your auditors on how to implement GASB 68.**

Your plan is part of the Miscellaneous Risk Pool, a cost-sharing multiple-employer defined benefit plan. Under GASB 27, an employer should recognize annual pension expenditures/expense equal to its contractually required contributions to the plan. Pension liabilities and assets result from the difference between contributions required and contributions made. The contractually required contribution for the period July 1, 2015 to June 30, 2016 has been determined by an actuarial valuation of the plan as of June 30, 2013. Your unadjusted contribution for the indicated period is a normal cost contribution of 8.003 percent of payroll and an unfunded accrued liability dollar amount of \$40,151. In order to calculate the dollar value of the contractually required contributions for inclusion in financial statements prepared as of June 30, 2016, this normal cost contribution rate, less any employee cost sharing, and as modified by any subsequent financing changes or contract amendments for the year, would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2015 to June 30, 2016 combined with the UAL amount of \$40,151. However, if this contribution is fully prepaid in a lump sum, then the dollar value of contractually required contributions is equal to the lump sum prepayment. The employer and the employer's auditor are responsible for determining the contractually required contributions. Further, the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years is to be disclosed under GASB 27.

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below for the cost-sharing multiple-employer defined benefit plan.

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Complete information on assumptions and methods is provided in Appendix A of the Section 2 report. Appendix B of the Section 2 report contains a description of benefits included in the Risk Pool Actuarial Valuation.

A Schedule of Funding for the Risk Pool's actuarial value of assets, accrued liability, their relationship, and the relationship of the unfunded liability (UL) to payroll for the risk pool(s) to which your plan belongs can be found in Section 2 of the report.

### Miscellaneous Plan of the Town of Portola Valley

		Paydown Share of Pre-2013 Pool UAL	Paydown Asset (Gain)/Loss
		\$ 445,930 additional contribution	\$ 603,454 additional contribution
Year	Fiscal Year	Annual Savings	Annual Savings
1	2015 - 2016	31,745	8,488
2	2016 - 2017	32,698	17,484
3	2017 - 2018	33,679	27,013
4	2018 - 2019	34,689	37,099
5	2019 - 2020	35,730	47,764
6	2020 - 2021	36,802	49,197
7	2021 - 2022	37,906	50,673
8	2022 - 2023	39,043	52,193
9	2023 - 2024	40,214	53,759
10	2024 - 2025	41,421	55,372
11	2025 - 2026	42,663	57,033
12	2026 - 2027	43,943	58,744
13	2027 - 2028	45,261	60,506
14	2028 - 2029	46,619	62,322
15	2029 - 2030	48,018	64,191
16	2030 - 2031	49,458	66,117
17	2031 - 2032	50,942	68,101
18	2032 - 2033	52,470	70,144
19	2033 - 2034	54,044	72,248
20	2034 - 2035	55,666	74,415
21	2035 - 2036	57,336	76,648
22	2036 - 2037	59,056	78,947
23	2037 - 2038		81,316
24	2038 - 2039		83,755
25	2039 - 2040		86,268
26	2040 - 2041		88,856
27	2041 - 2042		73,217
28	2042 - 2043		56,560
29	2043 - 2044		38,838
30	2044 - 2045		20,002
			-
Total Annual Savings		969,402	1,737,271
<b>Total Interest Savings</b>		<b>523,472</b>	<b>1,133,817</b>
Efficiency		<b>217.4%</b>	<b>287.9%</b>



# MEMORANDUM

## TOWN OF PORTOLA VALLEY

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**TO:** Mayor and Members of the Town Council

**FROM:** Nick Pegueros, Town Manager

**DATE:** February 25, 2015

**RE:** **Update on Budget Goals and Priorities**

### **RECOMMENDATION**

Receive update report from Town staff on budget goals and priorities.

### **BACKGROUND**

As part of the 2014-15 adopted budget, the Town Council adopted a set of priorities and goals for Town staff to work towards during the fiscal year. The priorities and goals are considered by staff to be a good sense of the Town Council's consensus on where Town resources should be allocated. This is the first year where priorities and goals have been incorporated into the budget document.

### **DISCUSSION**

Overall staff is making good progress on the goals and priorities but a number of items remain open, as demonstrated in Attachment 1. One challenge in juggling the limited time available to work on these projects is the constant pressure of new urgent items. Nonetheless, staff is working to balance the unforeseen demands, the ongoing demands of providing baseline services, and planned programs and initiatives as adopted in the budget document.

### **FISCAL IMPACT**

None.

### **ATTACHMENTS**

1. Budget Goals & Priorities Worksheet and Status Report

**Community Service & Engagement**

**Objective 1: Staff Excellence**

Ensure that the Town is equipped with the resources necessary to deliver services to the public in a high quality manner.	Assigned to	Status
<b>1</b> Recruit and retain high quality Town staff in an environment of increased competition for experienced workers. The focus during the 2014-15 year is to recruit two full-time positions and two contract positions. The two full-time positions include a new Planning Director and a Building Official to replace retiring town employee Gary Fitzer. To provide contract help with several time sensitive issues, staff will contract a firm to provide engineering and project management support to assist with Public Works projects. Staff seeks to hire a contract Public Information & Communications Manager	Nick	
<u>Key deliverables:</u>		
a. Town Planner/Planning Director		Complete
b. Building Official		On hold - backfill with contract staff
c. Contract Public Information & Communications Manager		On hold - reevaluating staffing needs
d. Contract engineering & project management support to Public Works		In progress
<b>2</b> Plan staff retreat to promote team building and to provide staff opportunity to engage in planning and goal setting.	Nick	In progress
<b>3</b> Encourage employee development through participation in professional organizations, continuing education, and networking with peers in neighboring jurisdictions and regional associations/groups.	All	On-going
<b>4</b> Renovate Town Hall offices to accommodate evolving service levels in the Planning Department and allow for greater ease when reviewing plans with community members.	Howard	
<u>Key deliverables:</u>		
a. Town Planner's Office		Near complete
b. Relocate Town Engineer to former Assistant Town Manager's Office		In progress
c. Purchase requisite office furniture		In progress
d. Ergonomic assessment of work stations		Complete

5	Evaluate Town's technology infrastructure and identify upgrades and investments that will enhance productivity and system reliability.	Stacie	
	<u>Key deliverables:</u>		
	a. Server upgrades/cloud storage options		In progress - Staff report ~3/25
	b. Evaluation of Microsoft 365		In progress - Staff report ~3/25

**Community Service & Engagement**

**Objective 2: Town Communication**

	Enhance public communication and ensure that town residents are well informed of Town activities and matters of local concern.	Assigned to	Status
6	Contract with a part-time Public Information & Communications Manager dedicated to electronic records management and communications with the community.	Nick	Partially implemented, currently on hold - reevaluating staffing needs
7	Maintain and update the Town's website as appropriate in conjunction with the implementation of a new Content Management System (CMS).	Stacie	Complete - minor bugs being worked out
8	Continue to work closely with representatives from the town's homeowners' association boards to ensure that information is disseminated to all town residents.	Sharon	
	a. Update contact list of HOA, neighborhood, and private street contacts		Complete
	b. Use contact list to assist in public outreach		Ongoing trial
9	Encourage shared communications between the Town and key community stakeholders including the schools, the library, the fire district, and homeowners' associations/organizations.	Nick	
	a. Ongoing and open dialogue with PVSD		Complete

**Community Service & Engagement**

**Objective 3: Community Events**

	Celebrate the town's history and values with an emphasis of volunteerism and preserving the town's quality of life through town	Assigned to	Status
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10	Celebrate the town's 50 <sup>th</sup> Anniversary Celebration on September 21 <sup>st</sup> with a party that will include food and dancing.	Brandi	Complete
11	Continue the successful Thursday Night Farmers' Market at the Town Center and identify opportunities to increase community outreach during the event. Public outreach for local groups	Brandi	Ongoing
12	Continue to promote recreation programs and classes that are of interest to town residents. Ford Field improvements Skate ramp phase 2 Field rehabilitation Alpine Road trail reconstruction	Howard	Near complete Working with PRC Complete Waiting for response from MROSD
13	Continue facilitating self-sufficiency of committee-sponsored events while providing limited staff support for scheduling, insurance and marketing.	Nick	Ongoing - More regular conversations with committee chairs

**Community Service & Engagement**

**Objective 4: Community Engagement**

	Identify increased opportunities for town residents to be involved in Town operations and activities.	Assigned to	Status
14	Work with the Town Council and Committee members to identify new areas that enable town residents to make a contribution that keeps Town staff small and contains costs.	All	Ongoing
15	Improve accessibility of Town records and information for members of the public. a. Kiosk in Town Hall to provide public access archived records b. Upgrade document management software to make archives accessible via internet c. Digitize all parcel files	Sharon	Complete Staff report in March Staff report in March
16	Work with the schools and homeowners' associations to identify partnership opportunities and increase outreach.	Nick	Ongoing



**Emergency Preparedness**

**Objective 1: Emergency Operations Center**

Ensure that the Town's Emergency Operations Center (EOC) is equipped to respond in the event of a catastrophic situation.		Assigned to	Status
17	Finalize the Town's Emergency Operations Plan and Emergency Ordinance	Nick	Complete
18	Participate in EOC drills that will prepare staff and the community for emergency situations. Continue to provide appropriate emergency training for Town staff and residents.	All	Complete
19	Grow partnership with Woodside Fire Protection District, San Mateo County Office of Emergency Services, and regional emergency response organizations.	Nick	Ongoing
20	Purchase and install an emergency generator to guarantee continual power to critical Town Center facilities, including essential areas in Town Hall that are outside the EOC, areas of the Community Hall that will be used for care and shelter operations in an EOC activation, and the Historic Schoolhouse.	Howard	
	a. Town Hall generator		Complete
	b. Community Hall backup power		Complete by March 2015
	c. Historic Schoolhouse backup power		On hold
21	Upgrade and augment EOC technological equipment and continue to develop and refine emergency response materials.	Nick	
	a. Finalize implementation of cloud based emergency operations plan		Near complete
	b. Acquire computer equipment for use in the EOC		In progress

**Emergency Preparedness**

**Objective 2: Community Preparedness**

Enhance communication channels with town residents to ensure the community is informed and prepared in the event of an emergency.		Assigned to	Status
22	Ensure that current resident contact information is entered and stored in the Town's Rapid Notify system.	Nick	Complete - e-911 data update req.
23	Participate in emergency preparedness exercises, including the Great Shakeout and El Nino drills in Fall 2014 and a joint weekend exercise with the Town of Woodside and Woodside Fire District in Spring 2015.	All	Complete
	a. Great Shakeout		Complete

	b. El Nino drill		Complete
	c. Weekend exercise		Scheduled for May 16th
<b>24</b>	Continue aggressive fuel load management programs and other preventative infrastructure maintenance to reduce risk of wildland fire or infrastructure failure in a natural disaster.	Howard	
	a. Hazardous tree removals		Significant progress made; ongoing
	b. Prepare for continuing impacts of drought		Ongoing
<b>25</b>	Provide emergency preparedness training opportunities for core town volunteers.	Consultant	
	a. Joint exercise		Complete
	b. EOC functional area training		To begin in March 2015
<b>26</b>	Work closely with Citizen's Emergency Response Preparedness Program (CERPP) divisions to address specific needs and concerns related to the disaster potential in their area.	WPF	
	a. Identify division leaders		Complete
	b. Test CERPP radios		Complete
	c. Host CERPP reception		To be scheduled

**Emergency Preparedness**

**Objective 3: Infrastructure Readiness**

	Assess and construct capital improvements to the Town's infrastructure that will enable it to withstand potential disaster situations.	Assigned to	Status
<b>27</b>	Complete repairs to Upper Alpine Road.	Howard	Complete
<b>28</b>	Continue to update the Town's Storm Drain Master Plan and develop a multi-year capital improvement program as necessary.	Howard	On-hold
<b>29</b>	Identify emergency water supplies for the town in the event of a catastrophic situation.	Howard	On-hold

**Sustainability**

**Objective 1: Landscape, Operations, and Open Space Maintenance**

	Serve as an example in the community for water conservation, low-water use landscaping and vegetation management.	Assigned to	Status
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30	Review Town Center operations to ensure that all fixtures are as water efficient as possible and operating properly.	Brandi/ Tony	Complete
31	Manage sport field irrigation and maintenance to optimize water resources.	Tony	Cancelled
32	Review status of drought-tolerant landscaping around Town Hall, which can serve as a demonstration garden to the community.	Howard	On-hold
33	Expand volunteer efforts to remove invasive plant species and clear high-fire danger brush in public right-of-way.	Howard	In progress

**Sustainability**

**Objective 2: Greenhouse Gas Emission Reduction and Resource Conservation**

	Support environmentally friendly policies that will conserve natural resources and reduce greenhouse gas emissions.	Assigned to	Status
34	Explore a grant fund to support a pilot school bus program.	Brandi/ Nick	In progress
35	Encourage the use of fuel-efficient vehicles, including bicycles, by Town staff through incentives.	Brandi/ Nick	In progress
36	Continue to identify opportunities to reduce energy consumption in Town operations and to move towards paperless technology where feasible.	Brandi	Ongoing
37	Assess the Town's green building ordinance in light of CalGreen 2013 and anticipated changes to the state Building Code, and develop ordinance amendments as appropriate.	Brandi/ Debbie	In progress
38	Develop a Zero Waste Event Ordinance to assist users of the Town Center in hosting environmentally friendly events (that are also consistent with the Town's Environmentally Preferable Purchasing Policy).	Brandi	In progress

**Sustainability**

**Objective 3: Community Engagement in Sustainability Initiatives**

	Engage residents, businesses and schools in environmentally preferable choices and energy- and water-efficiency programs.	Assigned to	Status
39	Work with Ad-Hoc Water Conservation Task Force on implementing any recommended water-conservation programs.	Brandi	Complete
40	Launch Green Speaker/Film Series in Spring 2015.	Brandi	Underway

<b>41</b>	Develop an energy efficiency recognition program per the Climate Action Plan.	Brandi	In progress
<b>42</b>	Work with the County to re-launch the Green Business program to Portola Valley businesses.	Brandi	Complete

## **TOWN COUNCIL WEEKLY DIGEST**

**Friday – February 13, 2015**

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1. Agenda (Action) – ASCC – Monday, February 9, 2015
2. Agenda (Cancellation) – Planning Commission – Wednesday, February 18, 2015
3. Report from Debbie Pedro – ASCC Report for 2014
4. Town Hall Closure in observance of Presidents’ Day – Monday, February 16, 2015
5. Report from San Mateo County Sheriff’s Office – Incident Log for 02/04/15 – 02/10/15
6. Email from resident Danna Breen re: Alpine Road Retaining Wall Project
7. Invitation from Redwood City Mayor Jeffrey Gee to Lunar New Year Celebration
8. Letter from Silicon Valley Bicycle Coalition re: Accept Challenge from the United States Department of Transportation Secretary, Anthony Foxx, to Improve Safety for Bicycle Riders and Pedestrians
9. Invitation from Senator Jerry Hill re: Online Discussion about the New Legislative Year
10. Information received from “In God We Trust ~ America, Inc.”
11. Western City Magazine – February 2015

### **Attached Separates (Council Only)**

*(placed in your town hall mailbox)*

1. None



**TOWN OF PORTOLA VALLEY  
ARCHITECTURAL AND SITE CONTROL COMMISSION (ASCC)  
Monday, February 9, 2015  
7:30 PM – Regular ASCC Meeting  
Historic Schoolhouse  
765 Portola Road, Portola Valley, CA 94028**

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**ACTION**

**7:30 PM – REGULAR AGENDA\***

1. Call to Order: 7:30 p.m.
2. Roll Call: Breen, Clark, Harrell, Koch, Ross (**Koch Absent. Also present: Town Planner Debbie Pedro; Assistant Planner Carol Borck; Planning Commission Liaison Nate McKitterick**)
3. Oral Communications: **None.**

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

4. Old Business:
  - a. Architectural Review and Site Development Permit X9H-686 for a New Residence and Detached Workshop, 40 Minoca Road, Hanrahan/Maxwell Residence, File #: 51-2014 **Project approved subject to conditions to be met to the satisfaction of a designated ASCC member and Planning staff prior to building permit issuance.**
5. Commission and Staff Reports:
  - a. Alpine Road Retaining Wall Project **Pedro advised the Commission of a proposed shoulder widening/retaining wall project along Alpine Road. The Commission provided comments and directed staff to return the project for review and recommendations once the plans are developed.**
  - b. Annual ASCC Report **Pedro provided a report highlighting the ASCC projects reviewed in 2014 as well as a summary on development activities in the last five years.**

**Ross** suggested that the ASCC have a discussion on the Town's lighting ordinance and potential update to the requirements to address light spillage from inside buildings.

**Clark** advised that he, along with staff, had met with the owner of 80 Golden Oak and provided direction in correcting the installed exterior lights.

**Breen** stated she had reviewed the garden fencing and proposed oleander phase-out plan for 110 Shawnee Pass.

**Ross** suggested that the ASCC have a discussion on their scope of project review including architectural style, siting and massing.

6. Approval of Minutes: January 26, 2015 **Approved as submitted.**
7. Adjournment: **8:57 p.m.**

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\*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.

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**PROPERTY OWNER ATTENDANCE.** The ASCC strongly encourages a property owner whose application is being heard by the ASCC to attend the ASCC meeting. Often issues arise that only property owners can responsibly address. In such cases, if the property owner is not present it may be necessary to delay action until the property owner can meet with the ASCC.

**WRITTEN MATERIALS.** 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.

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#### **ASSISTANCE FOR PERSONS WITH DISABILITIES**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700, extension 211. 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 a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

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This Notice is Posted in Compliance with the Government Code of the State of California.

Date: February 6, 2015

CheyAnne Brown  
Planning Technician



# MEMORANDUM

## TOWN OF PORTOLA VALLEY

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**TO:** Planning Commission

**FROM:** CheyAnne Brown, Planning Technician

**DATE:** February 13, 2015

**RE:** Cancellation of Planning Commission Meeting

The regular meeting of the Planning Commission scheduled for Wednesday, February 18, 2015 has been cancelled. The next regular meeting of the Planning Commission is scheduled for Wednesday, March 4, 2015 at 7:30 p.m.

cc: Town Manager  
Town Council  
Town Planner  
The Almanac  
Barbara Templeton

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This Notice is posted in compliance with Section 54955 of the Government Code of the State of California.

Date: February 13, 2015

CheyAnne Brown  
Planning Technician

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# MEMORANDUM

## TOWN OF PORTOLA VALLEY

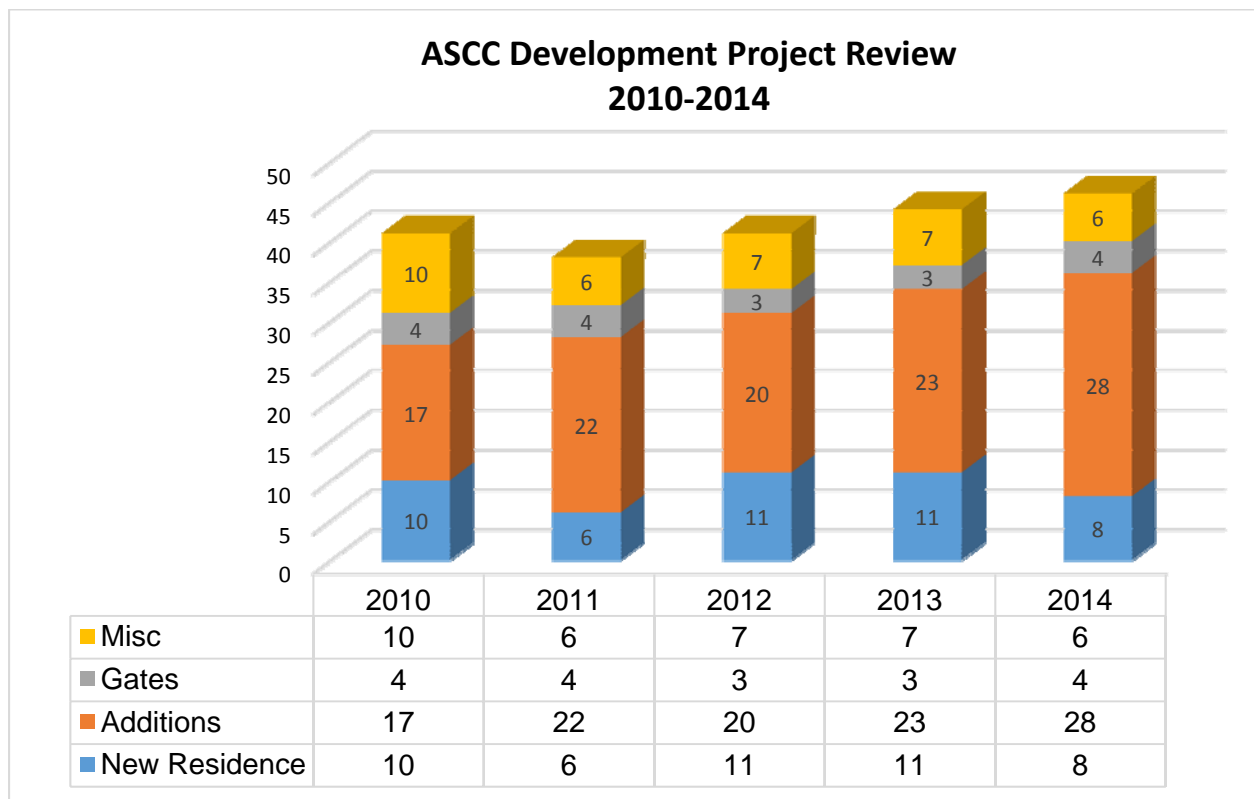
**TO:** Mayor and Members of the Town Council

**FROM:** Debbie Pedro, Town Planner

**DATE:** February 12, 2015

**RE:** 2014 ASCC Report

In 2014, the ASCC held 32 meetings including 12 special field meetings and 20 regular evening meetings. In addition to architectural review, the ASCC conducted a number of study sessions and made recommendations on 8 Use Permit applications. The following is a summary of development projects reviewed by the ASCC in the past 5 years.



# PORTOLA VALLEY TOWN HALL



**WILL BE CLOSED**  
**Monday,**  
**February 16, 2015**

**In observance of Presidents'  
Day**

In Case of Emergency: Sheriff's Office: 911



# SHERIFF'S OFFICE

A TRADITION OF SERVICE SINCE 1856

## San Mateo County Sheriff's Office (Headquarters Patrol) Press

Information on selected incidents and arrests are taken from initial Sheriff's Office case reports. Not all incidents are listed due to investigative restrictions and victim privacy rights.

**Wednesday 02/04/15 to Tuesday 02/10/15**

Greg Munks  
Sheriff

CASE NUMBER	DATE & TIME Reported	LOCATION	DESCRIPTION	FACTUAL CIRCUMSTANCES
15-1188	02/04/15 11:08PM	4100 Blk. Alpine Rd. Portola Valley	Driver w/ Suspended License	A deputy conducted a traffic enforcement stop for vehicle code violations. Upon contact, the driver stated that he did not have a license because it was suspended. The deputy conducted a records check of the driver. County Communications advised that his license was suspended. The deputy issued the driver a citation. The vehicle was towed.
15-1205	02/05/15 1:48PM	200 Blk. Eleanor Drive Woodside	Assault with a Deadly Weapon	The victim was traveling on Hwy 280 near Sand Hill Road when he accidentally drifted and cut off a white pick-up truck, being driven by the suspect. The suspect became enraged and began chasing and aggressively driving towards the victim. In an attempt to flee from the suspect, the victim exited Highway 280 onto Woodside Road. The suspect pursued the victim, blocking him in a driveway on Eleanor Drive. The suspect used his vehicle and rammed into the victim's driver side, while the victim was still seated in the

				driver's seat. The victim eventually fled the scene and later contacted the Sheriff's Office.
15-1236	02/06/15 3:03PM	400 Blk. Mountain Home Road Woodside	Burglary	Unknown suspect(s) broke the kitchen window frame and entered the residence. \$180.00 in US currency was taken from the kitchen sink area and an Apple desktop computer, valued at approximately \$2000 was taken from a room upstairs. There are no suspects or witnesses at this time.
15-1256	02/07/15 1:09PM	4200 FarmHill Blvd. Woodside	Driver w/ Suspended License w/ DUI Possession of Marijuana	Josue Hernandez from Redwood City was contacted as the driver of a vehicle incident to a traffic stop. A records check indicated that he had a suspended CA Driver's License. Hernandez was under the influence of alcohol and was in possession of marijuana. Hernandez was cited and released at First Chance.
15-1275	02/08/15 5:58AM	Woodside Rd. at Hwy 280 Woodside	Driver w/ Suspended License	The suspect was stopped for a Vehicle Code violation and later, admitted to having a suspended license due to a prior DUI. A DMV/Records check was conducted through County Communications which confirmed that the suspect's license was suspended. The suspect was cited and released at the scene. The vehicle was towed.
15-1278	02/08/15 7:15AM	200 Blk. Stanford Ave. West Menlo Park	False Crime	The suspect reported his vehicle was stolen sometime between 2/7/15 and 2/8/15. The suspect signed a CHP 180 Form confirming the vehicle was stolen. A short time later, the vehicle was located in Palo Alto and was connected with a hit and run collision. The suspect had injuries that were consistent with being in a vehicle accident. The suspect stated that he did not know who would have taken the vehicle. The suspect was persistent that his vehicle was stolen despite being told it is a crime to file a false police report. The suspect did not provide any further information.
15-1282	02/08/15 12:31PM	1800 Blk. Camino A Los Cerro West Menlo Park	Suspicious Circumstances	A deputy was dispatched to a report of a suspicious vehicle backed into a residence's driveway, and that it sped off when the occupants saw the residents looking at them. Upon

				arrival the deputy conducted a neighborhood check, but could not locate the vehicle.
15-1333	02/10/15 5:36AM	Woodside Road at Moore Rd. Woodside	Driver w/o License	The suspect was stopped for a Vehicle Code violation. The suspect was unable to provide a California driver's license or even a license from another state. The deputy previously cited the suspect for unsafe speed earlier in the week and told the suspect not to drive until he obtained a California driver's license. The suspect was cited and released at the scene. The vehicle was towed.
15-1336	02/10/15 7:36AM	100 Blk. Roberta Rd. Woodside	Burglary	Unknown suspect(s) entered the residence through an unlocked front door. The residence was searched and items were strewn about. The only items taken were some miscellaneous tools from a metal tool box valued at approximately \$60.00 and a Wells Fargo Bank checkbook. The account has been closed. There are no witnesses to this crime or suspect information.
15-1337	02/10/15 8:57AM	Manzanita Way / Sand Hill Rd. Woodside	Sheriff's Office Infraction Warrant Possession of Marijuana	The suspect was contacted during a suspicious vehicle call for service. During the contact, the suspect was found to have a \$1000.00 infraction warrant for his arrest out of San Mateo County for Possession of Marijuana. Jonathan Rodenbaugh from Felton Ca. was issued a citation and was released from the scene.

**Sharon Hanlon**

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-----Original Message-----

From: Danna Breen [<mailto:pvlily@aol.com>]

Sent: Tuesday, February 10, 2015 7:36 AM

To: Howard Young; Jeff Aalfs; Maryann Derwin; Nick Pegueros; Craig Hughes; Ann Wengert Home; John Richards Home

Subject: I object strenuously to the proposed retaining wall along the north

Side of alpine rd.

Like the proposed landscape plan along the stanford trail there, I am dismayed that this did not come before the ASCC, because this will alter the feel and look of the Alpine scenic corridor.

We only learned about it last night in a staff report.

I would like ASCC brought into the process.

I think it is a terrible idea for many reasons to install an unsightly wall where there is a section of lovely sandstone outcrop. As you enter town from Arastredero you enter into a wall?! Where you used to enter into the beginning of alpine hills chaparral. I just dont get it. cause we got a grant! Id like to see the demonstrated need to use precious resources to do something which I feel will mar the scenic corridor. Thanks. I don't rant often. But I'm ranting.danna

Sent from my iPad

Danna Breen

Mayor Jeffrey Gee  
Vice Mayor Rosanne S. Foust

Council Members  
Alicia C. Aguirre  
Ian Bain  
Diane Howard  
Barbara Pierce  
John D. Seybert



1017 MIDDLEFIELD ROAD  
Redwood City, California 94063  
Telephone (650) 780-7220  
FAX (650) 261-9102  
www.redwoodcity.org

February 11, 2015

Subject: Lunar New Year Celebration – Invitation

Dear Honorable Mayors and Council Members,

On behalf of the City of Redwood City, Redwood City International, and the San Mateo County History Museum, I want to extend to you a personal invitation to join me and our Council on Saturday, February 28, 2015 to welcome the Year of the Ram. This year marks the fifth year in which our community is celebrating the Lunar New Year, a very important holiday and celebration for the Asian community.

Our emcee for the opening festivities will be Kristen Sze, ABC7 News Co-anchor and local resident. The 2015 celebration will also feature several additional guests, including a scheduled appearance by Ms. Diana Noriega-Wang, the 2014 Miss Redwood City/San Mateo County, and hopefully, the newly crowned, 2015 Miss Redwood City/San Mateo County. Opening festivities begin at 11:00 AM and continue throughout the day until 4:00 PM – rain or shine!

The Ram is the 8<sup>th</sup> animal that was in line to see Buddha. The **Year of the Ram** (sometimes also referred to as *the Year of the Sheep or the Year of the Goat*) represents solidarity, harmony and calmness. People born in the year of the Ram are polite, mild mannered, shy, imaginative, determined and have good taste!

Though they love to be in groups, those born in the Year of the Ram do not want to be the center of attention. They are reserved and quiet, most likely because they like spending much time in their thoughts. Rams like to spend money on fashionable things that give them a first class appearance. Although Rams (sheep, goats) enjoy spending money on the finer things in life, they are not snobbish.

I hope that you are able to stop by on the 28<sup>th</sup> and join me in celebrating and welcoming the Year of the Ram.

Regards,

A handwritten signature in black ink, appearing to read 'Jeffrey Gee', written in a cursive style.

Jeffrey Gee, Mayor  
City of Redwood City

Enclosure

# LUNAR NEW YEAR



PRESENTED BY



REDWOOD GENERAL  
TIRE PROS  
*Installing peace of mind™*



~ SAN MATEO ~  
CREDIT UNION

SATURDAY, FEBRUARY 28, 2015

11:00 - 4:00PM "FREE-RAIN OR SHINE"

COURTHOUSE SQUARE,  
2200 BROADWAY ST. REDWOOD CITY

VA'V ENSEMBLE

RED PANDA ACROBATS

SHAOLIN CULTURE CENTER

CALIFORNIA KUNG FU & TAI CHI

FOSTER CITY CHINESE CLUB

OK-IN TAIKO DRUMMERS

LION DANCERS

FREE ADMISSION TO THE SAN MATEO  
COUNTY HISTORY MUSEUM



乙未年 2015  
Year of the Ram



Artificial intelligence. Real results.



FOR MORE INFORMATION VISIT  
[REDWOODCITYEVENTS.COM](http://REDWOODCITYEVENTS.COM)





February 11, 2015

The Honorable Jeff Aalfs, Mayor of Portola Valley  
and Members of the Portola Valley City Council  
Via email

Dear Mayor Aalfs and Members of the Portola Valley City Council:

I am writing as the Executive Director of Silicon Valley Bicycle Coalition, a membership-based non-profit of over 2,000 members with the mission to create a healthy community, environment and economy through bicycling for people who live, work, or play in San Mateo and Santa Clara Counties. We are writing to encourage you to accept the United State Department of Transportation Secretary, Anthony Foxx's challenge to mayors and local elected officials to improve safety for bicycle riders and pedestrians of all ages and abilities.

Silicon Valley Bicycle Coalition has been working on our Vision Zero Initiative since 2011. Along with Stanford Healthcare and numerous law enforcement, public agencies, and other stakeholders in our area, we created the Roadway Safety Solutions Team to address this issue. With 244 bicyclists injured or killed in San Mateo County and 746 bicyclists injured or killed in Santa Clara County in 2012, there is a real need for safer roadways for all users. To encourage other modes of transportation along with healthy trips and a reduction in greenhouse gas emissions and vehicle miles traveled, the region must make an active commitment to safety for all trip types.

Because of the interconnected nature of the cities and counties in our area, each city plays a role in roadway safety. By accepting Secretary Foxx's challenge, your city can help contribute to the shared goals of health, sustainability and safety. Silicon Valley Bicycle Coalition has already been active in a number of these areas and offer ourselves as a resource for your city in completing the following goals.

Please accept Secretary Foxx's challenge by:

1. Issuing a public statement about the importance of bicycle and pedestrian safety,
2. Forming a local action team to advance safety and accessibility goals,
3. Taking local action through the challenge activities, which include:

96 N. Third Street, Suite 375  
Post Office Box 1927  
San Jose, CA 95109

Tel 408.287.7259  
Fax 408.213.7559

**BOARD OF DIRECTORS**

Shiloh Ballard  
Phil Brotherton  
Gary Brustin, Esq.  
Ian Dewar  
Carolyn Helmke  
Jessica Herrera  
Peter Ingram  
Ann Jasper  
Scott Lane  
James Lucas  
Susan Tierman Kroll, MD  
Jim Parker  
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Tom Werner  
*President and CEO  
Sun Power Corp.*

**PRESIDENT AND  
EXECUTIVE DIRECTOR**  
Corinne Winter

SVBC is a 501(c)(3)  
non-profit organization  
EIN 77-0338658

<http://bikesiliconvalley.org>

- a. Take a Complete Streets approach,
- b. Identify and address barriers to make streets safe and convenient for all road users, including people of all ages and abilities and those using assistive mobility devices,
- c. Gather and track biking and walking data,
- d. Use designs that are appropriate to the context of the street and its uses,
- e. Take advantage of opportunities to create and complete ped-bike networks through maintenance,
- f. Improve walking and biking safety laws and regulations,
- g. Educate and enforce proper road use behavior by all.

We are encouraging our members and others who care about these important issues to contact their elected officials so you may receive more letters from your constituents urging you to take action. If you have any questions, please don't hesitate to contact our Policy Manager, Emma Shlaes at 408-287-7259, ext. 228 or [emma@bikesiliconvalley.org](mailto:emma@bikesiliconvalley.org).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Corinne Winter', with a long horizontal flourish extending to the right.

Corinne Winter  
President and Executive Director

# LIVE INTERNET TOWN HALL

*You're Invited To An*  
**Online Discussion About The  
New Legislative Year**



Join State Senator  
**Jerry Hill**

**Wednesday, February 18, 2015  
from 6:30 – 7:30 p.m.**

**<http://sd13.senate.ca.gov/AskJerry2015>**

I'm delighted to have the opportunity to share my thoughts with you on how the legislative year is shaping up and how that will affect our community. I also want to know what issues are important to you and your family, and what questions you may have about state government. You can submit your questions and watch online as I respond in real-time in the "Ask Jerry" question-and-answer session of the online town hall. Visit <http://sd13.senate.ca.gov/AskJerry2015> to submit your questions before or during the online town hall. I hope you will join the discussion now and connect with me online on February 18.

Sharon Hanlon

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Attachments: Yes Vote - Cities and Counties Across America 480.pdf

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From: Jacquie Sullivan [<mailto:jacquie@libertystar.net>]

Sent: Monday, February 09, 2015 2:49 PM

To: [jacquie@libertystar.net](mailto:jacquie@libertystar.net)

Subject: \*Congratulations to Bishop from IN GOD WE TRUST-AMERICA

**\*\* Please distribute this "Congratulations Letter" to your Elected Officials and appropriate staff. Thank You.**



***IN GOD WE TRUST~AMERICA, INC.***

Our Mission

To Promote Patriotism

By Encouraging Elected Officials to "Vote Yes"

To Legally Display Our Congressionally Approved National Motto

***IN GOD WE TRUST***

In Every City, County Chamber and State Capitol

In America

*Congratulations to the City of Bishop*

*Making a new Total of 111 "Yes Vote" Cities & Counties  
in CA.*

February 9, 2015

Dear Honorable Mayor, Mayor Pro Tem and City Councilmembers of the great city of  
**Bishop, CA.**

As Founder/President of **IN GOD WE TRUST-AMERICA**, I want to congratulate you for **"Voting Yes" on January, 26, 2015**, to proudly and prominently display *our National Motto, In God We Trust* in your chambers. We are voting to display our awesome motto where we conduct the people's business. **This makes a new Total of 111 Cities and Counties in California and a new grand Total of 480 across America.**

Your actions represent a clear statement as to the true source and strong foundation of American Patriotism. You have set a commanding example for other municipalities in **California** and across the country and I am sure your constituents appreciate your important stance.

We encourage you - to encourage other elected officials to follow your lead. Please forward this "**Letter of Invitation**," which includes our "**Sample Resolution**" so they can take action, also.

To view the new, updated List of "Yes Vote" Cities and Counties across America, now including the city of **Bishop**, please open the attachment above. **(\*New Total - 480)**

*May God Bless America and may America's trust always be in God!*

*Thank you.*

*Jacquie Sullivan*

City Councilmember: Bakersfield, CA  
**IN GOD WE TRUST~AMERICA, INC.**

Founder / President  
Home/Office/Cell: 661-332-3492  
[Jacquie@LibertyStar.net](mailto:Jacquie@LibertyStar.net)

**IN GOD WE TRUST~AMERICA, INC.**  
**P.O. BOX 11715 \* Bakersfield , CA 93389 \***  
Website: [www.ingodwetrust-america.org](http://www.ingodwetrust-america.org)  
A non-profit 501c3 educational corporation ID# 2624857

55.	Arkansas	Norfolk	Baxter	9/21/2010
56.	Arkansas	Ola	Yell	10/11/2010
57.	Arkansas	Osceola	Mississippi	11/16/2009
58.	Arkansas	Palestine	St. Francis	9/14/2010
59.	Arkansas	Pineville	Izard	8/24/2010
60.	Arkansas	Plumerville	Conway	12/13/2010
61.	Arkansas	Rison	Cleveland	10/12/2010
62.	Arkansas	Rockport	Hot Spring	9/14/2010
63.	Arkansas	Rose Bud	White	11/08/2010
64.	Arkansas	Russellville	Pope	9/16/2013
65.	Arkansas	Salesville	Baxter	10/11/2010
66.	Arkansas	Searcy	White	8/10/2010
67.	Arkansas	Shirley	Van Buren	11/8/2010
68.	Arkansas	Strawberry	Lawrence	4/15/2011
69.	Arkansas	Stuttgart	Arkansas	9/7/2010
70.	Arkansas	Tontitown	Washington	12/2/2014
71.	Arkansas	Trumann	Poinsett	2/08/2011
72.	Arkansas	Tull	Grant	8/2/2010
73.	Arkansas	Tyronza	Poinsett	10/12/2010
74.	Arkansas	Waldenburg	Poinsett	10/19/2010
75.	Arkansas	Waldron	Scott	8/10/2010
76.	Arkansas	Weiner	Poinsett	9/14/2010
77.	Arkansas	Western Grove	Newton	8/2/2010
78.	Arkansas	Wrightsville	Pulaski	10/5/2010

**Arkansas** "Yes Vote" Counties and Cities – 78



## State of California

	<i>State</i>	<i>City or County</i>	<i>County</i>	<i>Date Approved</i>
1.	California	Alameda County Supervisors	Alameda	1980's
2.	California	Imperial County Supervisors	Imperial	10/20/2009
3.	California	Kern County Supervisors	Kern	2/15/2011
4.	California	Kings County Supervisors	Kings	8/28/2012
5.	California	San Bernardino Co. Supervisors	San Bernardino	12/14/2010
6.	California	Adelanto	San Bernardino	10/8/2008
7.	California	Albany	Alameda	1975
8.	California	Anaheim	Orange	5/29/2012
9.	California	Anderson	Shasta	10/1/2005
10.	California	Artesia	Los Angeles	2/13/2006
11.	California	Arvin	Kern	7/12/2005
12.	California	Auburn	Placer	10/24/2011
13.	California	Avenal	Kings	11/8/2012
14.	California	Bakersfield	Kern	2/20/2002

15.	California	Barstow	San Bernardino	1/5/2009
16.	California	Beaumont	Riverside	12/6/2011
17.	California	Biggs	Butte	5/17/2010
18.	California	Bishop	Inyo	1/26/2015
19.	California	Brawley	Imperial	7/21/2009
20.	California	Brea	Orange	10/20/2009
21.	California	Buena Park	Orange	2/24/2009
22.	California	Canyon Lake	Riverside	12/4/2013
23.	California	California City	Kern	7/19/2005
24.	California	Carson	Los Angeles	4/4/2006
25.	California	Chino	San Bernardino	May-2009
26.	California	Chino Hills	San Bernardino	9/14/2010
27.	California	Colfax	Placer	1/12/2011
28.	California	Colton	San Bernardino	1/04/2011
29.	California	Compton	Los Angeles	7/10/2007
30.	California	Corcoran	Kings	9/3/2013
31.	California	Corning	Tehama	1/11/2011
32.	California	Costa Mesa	Orange	11/17/2009
33.	California	Covina	Los Angeles	11/15/2011
34.	California	Crescent City	Del Norte	1/18/2011
35.	California	Cypress	Orange	2/11/2008
36.	California	Delano	Kern	7/15/2002
37.	California	Dinuba	Tulare	6/10/2014
38.	California	Doris	Siskiyou	10/20/2008
39.	California	Dos Palos	Merced	2/22/2009
40.	California	Eastvale	Riverside	2/09/2011
41.	California	El Cajon	San Diego	12/13/2011
42.	California	El Centro	Imperial	9/4/2008
43.	California	Fillmore	Ventura	4/8/2014
44.	California	Fontana	San Bernardino	6/12/2012
45.	California	Fortuna	Humboldt	10/5/2009
46.	California	Fountain Valley	Orange	9/16/2008
47.	California	Fowler	Fresno	8/29/2011
48.	California	Grand Terrace	San Bernardino	1/24/2012
49.	California	Gridley	Butte	12/15/2008
50.	California	Hanford	Kings	7/17/2012
51.	California	Hawthorne	Los Angeles	2/28/2006
52.	California	Highland	San Bernardino	9/9/2008
53.	California	Holtville	Imperial	7/12/2010
54.	California	Hughson	Stanislaus	12/11/2006
55.	California	Huntington Beach	Orange	4/7/2008
56.	California	Huron	Fresno	5/4/2011
57.	California	Imperial	Imperial	9/17/2008
58.	California	Irwindale	Los Angeles	6/9/2010
59.	California	Kerman	Fresno	2/21/2007

60.	California	Lake Forrest	Orange	1/18/2011
61.	California	Lancaster	Los Angeles	5/13/2008
62.	California	Lathrop	San Joaquin	11/3/2009
63.	California	Lawndale	Los Angeles	1/17/2012
64.	California	Lemoore	Kings	9/16/2008
65.	California	Lodi	San Joaquin	4/5/2006
66.	California	Lompoc	Santa Barbara	10/7/2008
67.	California	Los Alamitos	Orange	6/20/2008
68.	California	Lynwood	Los Angeles	3/16/2010
69.	California	Maricopa	Kern	7/27/2005
70.	California	McFarland	Kern	6/9/2005
71.	California	City of Milpitas	Santa Clara	8/19/2014
72.	California	Mission Viejo	Orange	3/17/2008
73.	California	Moreno Valley	Riverside	9/13/2011
74.	California	Newman	Stanislaus	8/14/2012
75.	California	Norco	Riverside	12/15/2010
76.	California	Oakley	Contra Costa	7/9/2007
77.	California	Oceanside	San Diego	10/26/2002
78.	California	Ontario	San Bernardino	5/31/2010
79.	California	Orange Cove	Fresno	4/8/2009
80.	California	Paso Robles	San Luis Obispo	7/5/2006
81.	California	Perris	Riverside	3/8/2011
82.	California	Plymouth	Amador	2/9/2006
83.	California	Port Hueneme	Ventura	11/21/2011
84.	California	Porterville	Tulare	9/3/2002
85.	California	Rancho Santa Margarita	Orange	11/12/2008
86.	California	Reedley	Fresno	2/24/2009
87.	California	Ridgecrest	Kern	4/2/2005
88.	California	Rio Del	Humboldt	11/03/2009
89.	California	San Clemente	Orange	3/18/2008
90.	California	San Juan Capistrano	Orange	3/5/2013
91.	California	Sanger	Fresno	5/7/2011
92.	California	Santa Clarita	Los Angeles	5/12/2009
93.	California	Seal Beach	Orange	2/23/2009
94.	California	Selma	Fresno	11/3/2008
95.	California	Shafter	Kern	7/19/2005
96.	California	Shasta Lake	Shasta	7/21/2009
97.	California	Soledad	Monterey	5/5/2010
98.	California	Sonora	Tuolumne	8/6/2007
99.	California	Taft	Kern	3/4/2003
100.	California	Tehachapi	Kern	4/1/2002
101.	California	Tulare	Tulare	2/17/2009
102.	California	Turlock	Stanislaus	12/8/2009
103.	California	Tustin	Orange	5/20/2008
104.	California	Victorville	San Bernardino	7/18/2006



## **TOWN COUNCIL WEEKLY DIGEST**

**Friday – February 20, 2015**

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1. Agenda (Action) – Town Council – Wednesday, February 11, 2015
2. Agenda – ASCC – Monday, February 23, 2015
3. Agenda – Conservation Committee – Tuesday, February 24, 2015
4. Email from resident Tina Nguyen re: Article from the Palo Alto Weekly - Request for Support of City of Palo Alto Noise Abatement Efforts
5. Email from Adrienne Etherton, Executive Director for Sustainability San Mateo County re: City and County Survey for 2015 Indicator Report
6. Email from Ezra Rapport, ABAG Executive Director re: ABAG Update on Embezzlement and Impact on ABAG
7. Announcement from City/County Association of Government (C/CAG) re: Committee Vacancies for Elected Officials
8. Letter from Institute for Local Government (ILG) re: Portola Valley has been accepted to Participate in the Beacon Program

### **Attached Separates (Council Only)** *(placed in your town hall mailbox)*

1. Invitation from Sequoia Healthcare District to attend CPR, Choking and Defibrillator Training and Luncheon



# TOWN OF PORTOLA VALLEY

7:30 PM – Regular Meeting of the Town Council  
Wednesday, February 11, 2015  
Historic Schoolhouse  
765 Portola Road, Portola Valley, CA 94028

## ACTION AGENDA

**I. CALL TO ORDER AND ROLL CALL – 7:30 PM**

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

**Mayor Aalfs absent**

**II. 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.

**None**

**III. 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 Warrant List – February 11, 2015**

**Approved 4-0**

**IV. REGULAR AGENDA**

**A. PRESENTATIONS – *None***

**B. COMMITTEE REPORTS & REQUESTS**

- 1. **Request by the Cultural Arts Committee – Conduct a Town Survey**

**Council approved request for town survey 4-0**

- 2. **Council Liaison Reports - *There are no written materials for this agenda item***

**Councilmember Wengert – None**

**Councilmember Richards – None**

**Councilmember Hughes –**

Parks & Recreation Committee meeting

Meet with Staff and Simone re: Upcoming Parks & Recreation Projects

Community meeting re: Automated License Plate Readers

**Vice Mayor Derwin –**

ASCC

**C. PUBLIC HEARING – *None***

**D. STAFF REPORTS AND RECOMMENDATIONS**

- 1. **Recommendation by Public Works Director – Receive Tentative Schedule of Projects Funded by San Mateo County Transportation Authority and Street Resurfacing Road Sections for Alpine and Portola Roads**

**Council received report and approved recommendation to couple the shoulder enhancement projects with the annual street resurfacing program 4-0**

2. **Recommendation by Town Manager** – Adopt a Resolution Authorizing Release of PG&E Load Data for the Purpose of Technical Analysis by the San Mateo County Office of Sustainability in their Financial Feasibility Study of a Community Choice Aggregation (CCA) Program for San Mateo County

**Council approved release of PG&E Load Data with Amended Resolution adding release of load data at an aggregate level 4-0**

**E. Council Liaison Reports on Regional Agencies and Organizations - *There are no written materials for this agenda item***

**Councilmember Wengert** –  
Council of Cities dinner January meeting  
Airport Roundtable

**Councilmember Richards** –  
Library JPA

**Councilmember Hughes** – None

**Vice Mayor Derwin** – None

#### **V. WRITTEN COMMUNICATIONS**

1. **Town Council Digest** – January 30, 2015

**#10** – Vice Mayor Derwin asked if anyone planned to attend the County meeting regarding Alpine Road and 280. Councilmember Hughes said he may attend.

**#13** – Vice Mayor Derwin said she recommends Liz Kniss for the position of Peninsula Division 2015 Executive Committee Vice President.

2. **Town Council Digest** – February 6, 2015

**VI. ADJOURNMENT: 9:55 pm** Vice Mayor Derwin adjourned in memory of resident and first Town Treasurer, Ed Wells.

#### **ASSISTANCE FOR PEOPLE WITH DISABILITIES**

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

#### **AVAILABILITY OF INFORMATION**

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

#### **SUBMITTAL OF AGENDA ITEMS**

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

#### **PUBLIC HEARINGS**

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



**TOWN OF PORTOLA VALLEY  
ARCHITECTURAL AND SITE CONTROL COMMISSION (ASCC)  
Monday, February 23, 2015  
7:30 PM – Regular ASCC Meeting  
Historic Schoolhouse  
765 Portola Road, Portola Valley, CA 94028**

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**7:30 PM – REGULAR AGENDA\***

1. Call to Order:
2. Roll Call: Breen, Clark, Harrell, Koch, Ross
3. Oral Communications:

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

4. New Business:
  - a. Discussion of Outdoor Lighting Ordinance and Polices
  - b. Discussion of Architectural Design Review
5. Commission and Staff Reports:
6. Approval of Minutes: February 9, 2015
7. Adjournment:

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\*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.

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**PROPERTY OWNER ATTENDANCE.** The ASCC strongly encourages a property owner whose application is being heard by the ASCC to attend the ASCC meeting. Often issues arise that only property owners can responsibly address. In such cases, if the property owner is not present it may be necessary to delay action until the property owner can meet with the ASCC.

**WRITTEN MATERIALS.** 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.

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**ASSISTANCE FOR PERSONS WITH DISABILITIES**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700, extension 211. 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 a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

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This Notice is Posted in Compliance with the Government Code of the State of California.

Date: February 19, 2015

CheyAnne Brown  
Planning Technician

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**TOWN OF PORTOLA VALLEY**  
***Conservation Committee Special Meeting***  
**Tuesday, February 24, 2015 - 9:00 AM**  
**Historic Schoolhouse**  
**765 Portola Road, Portola Valley, CA 94028**

## **SPECIAL MEETING AGENDA**

### **Note: Special meeting start time of 9:00 AM**

1. Call to Order
2. Oral Communications – communicate with staff through chair
3. Approval of Minutes – January 27, 2014
4. Discussion with Howard Young, Public Works Director
5. Site Permits –
  - New** – None
  - Revised** – None
  - Reports completed before this meeting by Subcommittees** - None
  - Tree Permits** – None
6. Old Business
  - A. Backyard Habitat
    1. Soliciting new applicants
    2. Banner and flyer
  - B. Tip of the Month - Murphy
  - C. Broom Pull – Sunday, March 1<sup>st</sup>**
    1. Review volunteer recruitment
  - D. Committee cooperation: Trails
  - E. Mountain Lion Education – Plunder/Chiariello
  - F. Self guided tour of TC native planting: Chiariello, deStaebler, Heiple. Ready for Earth Fair?
  - G. Weed Seedling information sheet – 20 worst local
  - H. Earth Fair Woodside 3/28 11am – 3pm
    1. CC table – banner, materials, PLANTS!, BYH recruitment
  - I. Springdown report – Bourne/Heiple
7. New Business
  - A. Report to Town Council April 8
  - B. Budget
8. Announcements
9. Adjournment

**Sharon Hanlon**

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**Subject:** Article on airplane noise in PA Weekly

From: Tina Nguyen <[tnps2008@gmail.com](mailto:tnps2008@gmail.com)<<mailto:tnps2008@gmail.com>>>  
Date: February 13, 2015 at 4:34:16 PM EST  
To: Jeff Aalfs <[JAalfs@portolavalley.net](mailto:JAalfs@portolavalley.net)<<mailto:JAalfs@portolavalley.net>>>, Maryann Derwin  
[mderwin@portolavalley.net](mailto:mderwin@portolavalley.net)<<mailto:mderwin@portolavalley.net>>>, Ann Wengert  
[AWengert@portolavalley.net](mailto:AWengert@portolavalley.net)<<mailto:AWengert@portolavalley.net>>>, Craig Hughes  
[craig.pv@rungie.com](mailto:craig.pv@rungie.com)<<mailto:craig.pv@rungie.com>>>, John Richards  
[JRichards@portolavalley.net](mailto:JRichards@portolavalley.net)<<mailto:JRichards@portolavalley.net>>>, Nick Pegueros  
[NPegueros@portolavalley.net](mailto:NPegueros@portolavalley.net)<<mailto:NPegueros@portolavalley.net>>>  
Subject: Article on airplane noise in PA Weekly

Dear PV Town Leaders,

I would like to share with you an article that came out today in the Palo Alto Weekly on the City Councilmember's unanimous vote in support of citizens' noise abatement efforts through the hiring of an aviation consultant by the City to propose flight paths into SFO that are less intrusive. Here's a link to the article: <http://www.paloaltoonline.com/news/2015/02/13/palo-alto-may-study-airplane-noise>

Can Portola Valley join with Palo Alto to support this effort?

Respectfully,  
Tina Nguyen

PV Resident and Member of the Ad Hoc for Noise Abatement in the South Bay

Sharon Hanlon

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**From:** Bryan Chen <[bryan@sustainablesanmateo.org](mailto:bryan@sustainablesanmateo.org)>  
**Date:** February 19, 2015 at 1:38:20 AM EST  
**To:** Nick Pegueros <[NPegueros@portolavalley.net](mailto:NPegueros@portolavalley.net)>  
**Cc:** Jeff Aalfs <[JAalfs@portolavalley.net](mailto:JAalfs@portolavalley.net)>, Maryann Derwin <[mderwin@portolavalley.net](mailto:mderwin@portolavalley.net)>, John Richards <[JRichards@portolavalley.net](mailto:JRichards@portolavalley.net)>, Craig Hughes <[craig.pv@rungie.com](mailto:craig.pv@rungie.com)>, Ann Wengert <[AWengert@portolavalley.net](mailto:AWengert@portolavalley.net)>, Adrienne Etherton <[adrienne@sustainablesanmateo.org](mailto:adrienne@sustainablesanmateo.org)>  
**Subject:** SSMC City and County Survey for 2015 Indicator Report

Dear Mr. Pegueros,

Last year Portola Valley contributed to the "City, Town and County" section of Sustainable San Mateo County's (SSMC) *Indicators Report*, outlining Portola Valley's efforts to become a more sustainable community. We would like to thank you again for your contributions to our previous reports and ask you for your cooperation again this year.

Your support and contributions help make the *Indicators Report*, now entering its 19<sup>th</sup> consecutive year, one of the longest-running reports of its kind in the country. As with anything that has been around for so long, continued innovation and change are key to maintaining its relevance and value. This year, as in 2014, the Report is 100% online and will offer updates three times a year. This change allows us to provide you with more in-depth and timely local information on the 3Es of sustainability – economy, environment and equity. In addition, you will have easier access to additional resources, links, and local initiatives that will enable you rely on the Report for your planning and decision-making.

We are aware of the time and effort your written reports have required in previous years; therefore, we have made any narrative questions few and brief. In addition, we plan on reaching out to you in the next month to schedule a meeting (either in person or over the phone) with you or one of your staff members to discuss the survey once you have had a chance to review the questions.

If you have any questions, please respond to our City and County Survey Coordinator Bryan Chen at [bryan@sustainablesanmateo.org](mailto:bryan@sustainablesanmateo.org). Your information will be edited by our staff to fit the Report's format and returned to you for your review and approval. Final editorial control will be in the hands of SSMC. We anticipate that the survey results will be available on the SSMC website in early August 2015.

The complete survey is attached to this email. In order to save resources, we will not send paper copies of this letter.

Sincerely yours,  
Adrienne Etherton  
Executive Director

and



Bryan Chen  
City and County Survey Coordinator

P.S. If your management team is interested in a presentation, training or discussion of the new indicators report findings, please contact us at [advocate@sustainableanmateo.org](mailto:advocate@sustainableanmateo.org) or 650-638-2323. We would be happy to arrange a meeting.



**Sustainable San Mateo County  
2015 City and County Survey**

Municipality: \_\_\_\_\_

Name and Title of Person(s) filling out survey: \_\_\_\_\_

Our 2015 Key Indicator, Water, was selected because water touches upon all aspects of daily life. The first six survey questions aim to collect information on what challenges your municipality experiences and what steps you have taken to address water-related issues. In addition, we ask for updates on questions asked in previous surveys. Questions 8-12 address the Beacon Awards and are optional to those cities who are interested in applying for this award.

**Water and Wastewater**

Water and wastewater systems are important elements to addressing climate change for several reasons. First, since energy is used to deliver water and wastewater services, using water and wastewater systems more efficiently indirectly also reduces energy use. Second, the impacts of climate change include increased drought and extreme weather events, such as heavy rain and storms, floods and reduced snow pack, all of which affect water availability. Thus, efforts to conserve and use water more efficiently will help cities and counties adapt to the impacts of climate change.

**1. What water conservation measures has your municipality enacted to reduce water use?**

Category	Yes	No	Comment
Ensure water efficiency in municipal buildings and Operations			
Reduce water use in parks and landscaping			
Promote water conservation among residents			
Promote water recycling and greywater use			
Educate the community about water pollution prevention			
Utilize drought management plan			
Other Measures			

## 2. What steps has your municipality taken to address wastewater treatment issues?

Category	Yes	No	Comment
Does your municipality manage a wastewater treatment facility?			
Do you have plans for replacing leaking lateral sewage lines?			
Do you have a budget and plan for meeting the mandated reduction in wastewater contaminants?			
Other Measures			

### Updates on Sustainability Progress

## 3. What recent sustainability measures has your municipality enacted?

Complete Streets	Details

Community Health Policy	Details

Affordable Housing policies	Details (including # new affordable housing units built, under construction, and approved in the past ten years in absolute numbers, and by % of total new housing units built, under construction and approved)

TOD Implementation	Details (including # total units, square footage of commercial space built, and under construction or approved in the past ten years under TOD zoning)

Other Measures	Details

### Community and Individual Action to Educate about Sustainability Issues

Providing reliable and objective information helps inform residents about the causes, impacts and possible responses to climate change. Involving the community in the development of policies and programs builds buy-in and awareness. Providing practical information that helps reduce their GHG emissions empowers them to take action and make a difference.

**4. What has your municipality done to:**

	Yes/No	Details
Provide information on what steps residents and businesses can take to go green		
Use social media channels for sustainable activities		
Host green leadership summit for community leaders, school groups or others to share experiences, expertise, ideas		
Partner with local schools for classes or workshops with environmental focus		
Provide sustainability internship for high school or community college students		
Other Measures		

**5. What are the most pressing sustainability-related issues for your municipality in the short- and long-term? Please describe them.**

**6. What additional resources, programs or events could SSMC provide that would be valuable to your work?**

**7. The Indicators Report covers more than 40 sustainability indicators addressing the three E's – economy, environment and equity. Please describe any other initiatives that showcase progress your municipality is making towards sustainability. If you have supporting photos, please send high-resolution image files (1 Mb or higher or at least 300 dpi) to: [photos@sustainableanmateo.org](mailto:photos@sustainableanmateo.org) together with a description of the image and photo credits. We will include selected photos on the website and in print materials.**

The Beacon Awards Program Questions (optional):

The [Beacon Program](#), sponsored by the Institute for Local Government and the Statewide Energy Efficiency Collaborative, recognizes and supports California cities and counties that are working to reduce greenhouse gas emissions, save energy and adopt policies and programs that promote sustainability. Participating in the voluntary Beacon Award program provides local agencies and their leaders with positive recognition for saving energy, conserving resources, promoting sustainability and reducing greenhouse gas emissions. The questions below address best practices used to determine the Beacon Award recognition. Responses to these questions will be shared with the RICAPS team for award application and allow SSMC to expand on our reporting of local sustainability practices.

Cities can be large consumers of goods and services. As such, their purchasing practices can have a significant impact on the environment. By purchasing products or procuring services that reduce greenhouse gas emissions relative to competing goods and services, cities can remain fiscally responsible while promoting practices that conserve natural resources.

### 8. What purchasing requirements has your municipality enacted?

Purchasing Measures	Yes	No	Details
Office and cleaning supplies and equipment that minimize environmental impacts			
New equipment that meets EnergyStar standards			
Computers that meet EPEAT certification			
Computer and lighting controls that reduce energy			
Rechargeable batteries			
Recyclable or reusable cups, plates, utensils			
Multi-municipality procurement pools that have climate-friendly purchasing component			
Life cycle pricing to ensure maintenance, operating, insurance, disposal and replacement cost of product is considered			
Local vendors /locally produced goods to reduce transportation			
Ensure minimal packaging materials used and recycled, non-toxic and/or reusable materials where feasible			
Other measures			

### 9. Has your municipality enacted green purchasing programs?

Purchasing Education Programs	Yes	No	Details
Adopt procurement policy establishing standards for climate friendly products			

and services			
Employee awareness training on purchasing			
Create annual report on green procurement achievements for policy makers			
Other programs			

### Open Spaces and Agricultural Lands

Forests, parks, agricultural lands and open space serve as “carbon sinks” by storing greenhouse gas emissions that otherwise contribute to climate change. Co-benefits of preserving open space and protecting local agriculture may include: making recreational activities available to community residents, providing habitat for plant and animal species, contributing to a thriving local food environment, and, in some cases, reducing vehicle miles traveled.

#### 10. Has your municipality made any plans and policies to preserve open spaces?

Plans / Policies	Yes	No	Details
Goals designed to reduce carbon emissions in the open space element of the general plan or CAP			
Adopt tree ordinance to protect urban forests, specific trees or species			
Adopt hills ordinance to restrict grading and home building on hillsides as way to enhance public safety and preserve open space			

Other Programs

#### 11. What policies and programs has your municipality enacted regarding Parks, Habitat & Open Space, and Food Purchases

Policies / Programs	Yes	No	Details
Has your municipality increased the number, type and accessibility of parks and other recreational opportunities including promoting associated public health benefits?			
Have you built any environmentally sustainable parks by incorporating reused/recycled materials or water efficient landscaping?			
Protected natural lands through partnerships, land acquisition, conservation			
Removed invasive non-native plants to reduce risks of fires			

Inventoried existing trees on municipal property including street trees, and developed a system to preserve and enhance them			
Planted native trees and drought tolerant vegetation			
Directed new development away from open space			
Implemented a policy to purchase locally grown food for municipal food purchases			
Implemented tree planting programs that offer free shade as well as education about care and benefit from trees			
Assisted efforts to create or showcase community gardens, farmers markets, or community supported agriculture, farm-to-school programs			

### Community and Individual Action

#### 12. What has your municipality done to:

Inform	Yes	No	Details
Share progress on your community CAP?			
Distribute give-away items (reusable bags, compact fluorescent light bulbs) to encourage environmental responsibility or maps to show walking and bicycle paths			

Consult	Yes	No	Details
Take surveys of businesses or residents to understand attitudes and behaviors related to sustainability, energy efficiency, and climate change and from this created action items?			
Provide opportunities for community members to provide feedback on policies and programs (e.g. surveys, forums, stakeholder meetings)?			

Involve	Yes	No	Details
Implement a sustainability commission or equivalent to help develop, implement and track CAP			
Provided incentives to those who adopt practices that reduce carbon footprint			

Collaborate and Empower	Yes	No	Details
Invite community members, other local agencies to participate in ongoing conversations on plans and policies?			
Involve local utilities to create and publicize			

energy efficiency opportunities (e.g. showcase home, model landscape project, etc.)			
Develop a sustainability or community climate change outreach and education program(s) that enlists schools, service groups, business organizations			
Host events to promote programs such as e-waste drop off, plant a tree, bike to work day, buy local campaign?			



Sharon Hanlon

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**From:** Ezra Rapport <[BradP@abag.ca.gov](mailto:BradP@abag.ca.gov)>  
**Date:** February 13, 2015 at 5:28:56 PM EST  
**To:** Nick Pegueros <[NPegueros@portolavalley.net](mailto:NPegueros@portolavalley.net)>  
**Subject:** ABAG Update  
**Reply-To:** Ezra Rapport <[BradP@abag.ca.gov](mailto:BradP@abag.ca.gov)>

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Dear Nick,

I'm writing to update you on recent developments regarding the embezzlement by the Finance Authority for Nonprofit Corporation's (FAN) Financial Services Director, Clarke Howatt, and its impact on ABAG.

To begin with, I ask that you remind anyone who asks that ABAG's funding and programs were not impacted by this embezzlement. All ABAG programs are held in completely separate accounts. Mr.

Howatt had no access to any ABAG funds.

We continue to cooperate with law enforcement and the FBI to get the money back as soon as possible. Since learning of this event two weeks ago, we've worked closely with FAN's Executive Committee to take the necessary steps to understand how this happened and ensure we put in place much stronger fiscal safeguards going forward so that FAN can continue its important work helping local communities finance new schools, fire stations and housing.

The most recent steps taken by FAN and ABAG include:

- The appointment of an interim Finance Director to oversee FAN's current business obligations;
- The hiring of a respected financial consulting firm, KNN Public Finance, to help ensure FAN's business obligations are carried out in an orderly, transparent and secure manner;
- Improving current internal fiscal and administrative controls on all FAN transactions;
- Preparing an RFQ to hire an audit firm and bond counsel to conduct a forensic audit of FAN transactions and recommend stronger internal fiscal controls to ensure this never happens again.

A lot has happened in the past two weeks. We've been contacted by a number of people who, when they heard this news, wanted to let us know how important FAN has been to them in constructing badly needed schools, affordable housing and other key assets in their communities. They all expressed the desire to see FAN continue in a more secure and transparent form.

Mr. Howatt and his attorney are cooperating with the FBI investigation and have promised full restitution. We expect that all funds will be recovered.

On Wednesday, the State Controller's Office announced it "will audit ABAG's internal accounting controls following recent theft allegations." We were in touch with the Controller's staff earlier this week and are working with them to complete their audit in a timely manner. We look forward to incorporating recommendations they suggest for strengthening and improving our internal fiscal controls.

State Treasurer John Chiang has announced a partnership with Senate Pro Tempore Kevin de Leon to conduct oversight hearings to ensure that monies raised through all government bonds are safe from fraud and abuse. The Treasurer also established a special task force to develop best practice guidelines on the management of bond proceeds issued by all state and local issuers of debt.

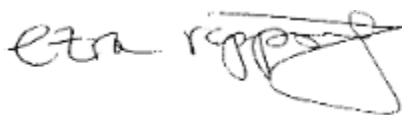
This Task Force on Bond Accountability will include current and former securities regulators, local treasurers, finance industry experts and academicians. It will be charged with developing best practice guidelines on how bond proceeds should be managed to reduce the risk of fraud while increasing transparency and oversight regarding the use of bond funds.

We look forward to working with the State Treasurer and this new Task Force. Their work will help us develop the kinds of best practices that both FAN and ABAG are committed to incorporating as we go forward.

Our goal now is to learn as much as we can and together with our local, regional and state partners, implement the best state of the art fiscal and administrative controls possible to ensure that this never happens again.

The FAN Executive Committee and ABAG staff have reacted quickly and professionally to address this crisis. If you have any further questions, please feel free to contact me directly.

Sincerely,



Ezra Rapport  
ABAG Executive Director

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You are receiving this email because you are a valued ABAG stakeholder.

**Our mailing address is:**

Association of Bay Area Governments (ABAG)  
101 Eighth Street  
Oakland, CA 94607

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# C/CAG

## CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

Date: February 18, 2015

To: All Councilpersons of San Mateo County Cities and Members of the Board of Supervisors  
All City/County Managers

From: Mary Ann Nihart, C/CAG Chair

Subject: **C/CAG Committee Vacancies for Elected Officials**

The City/County Association of Governments of San Mateo County (C/CAG) currently has vacancies on two of its standing Committees for elected officials of City Councils and/or the Board of Supervisors. The vacancies are:

**2 Seats – Congestion Management & Environmental Quality (CMEQ) Committee**  
**1 Seat – Bicycle and Pedestrian Advisory Committee (BPAC)**

Individuals wishing to be considered for appointment to any of these Committees should send a letter of interest to:

Sandy Wong, C/CAG Executive Director  
City/County Association of Governments  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA 94063  
or e-mail to [slwong@smcgov.org](mailto:slwong@smcgov.org)

To be eligible, an individual applicant must be an elected official on one of the twenty City Councils in San Mateo County or an elected official on the San Mateo County Board of Supervisors. Individuals may send a letter of interest for a specific committee or a letter expressing interest in serving on any of the committees where there are vacancies.

About the committees:

1. **The Congestion Management and Environmental Quality Committee (CMEQ)** provides advice and recommendations to the full C/CAG Board on all matters relating to transportation planning, congestion management, travel demand management, coordination of land use and transportation planning, mobile source air quality programs, energy resources and conservation, and other environmental issues facing the local jurisdictions in San Mateo County. The role of the CMEQ Committee also includes making recommendations to the C/CAG Board on the allocation of funding for specific projects and activities addressing these programmatic areas. The Committee meets on the last Monday of each month from 3:00 p.m. to 5:00 p.m. in the San Mateo City Hall. There are two vacancies on this committee for elected officials.

2. **The Bicycle and Pedestrian Advisory Committee (BPAC)** provides advice and recommendations to the full C/CAG Board on all matters relating to bicycle and pedestrian facilities planning, and selection of projects for state and federal funding. This committee is comprised of eight elected officials and seven members of the public and meets approximately six times per year. They generally fall on the fourth Thursday of the month from 7:00 p.m. to 9:00 p.m. in San Mateo City Hall. There is one vacancy on this committee for elected officials.

If you would like to be considered for either of these Committees, please submit your letter of interest by **March 4, 2015**.

If you have any questions about these Committees or this appointment process, please feel free to contact any of the C/CAG Staff as follows:

For CMEQ:  
Wally Abrazaldo  
650-599-1455  
[wabrazaldo@smcgov.org](mailto:wabrazaldo@smcgov.org)

For BPAC:  
Ellen Barton  
650-599-1420  
[ebarton@smcgov.org](mailto:ebarton@smcgov.org)

Sincerely,



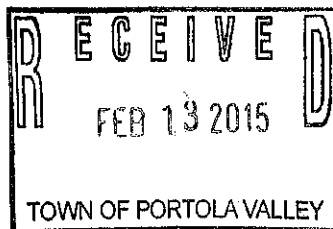
Mary Ann Nihart  
C/CAG Chair



# INSTITUTE FOR LOCAL GOVERNMENT

February 11, 2015

Mayor Jeff Aalfs  
Town of Portola Valley  
765 Portola Road  
Portola Valley, CA 94028



Subject: Beacon Program Participation

Dear Mayor Aalfs:

Congratulations! On behalf of the Institute for Local Government, I am pleased to inform you that the City of Portola Valley has been accepted to participate in the Beacon Program. We applaud your city's voluntary commitment to reducing greenhouse gas emissions, saving energy and adopting policies and programs that promote sustainability.

In addition to the annual awards ceremony, online feature videos and articles in Western City, the Beacon Program provides participating local agencies with support services, webinars and small group discussions at conferences and online. The program offers a unique opportunity to recognize the hard work of elected officials, staff and community members by celebrating local sustainability efforts.

Now that you are part of the program we are here to provide support and help in your efforts. In this first year we hope to develop a list of the work your city has accomplished so far. This information will also help us track your city's progress towards achieving Spotlight and Beacon Awards.

Once again, congratulations. Please do not hesitate to contact us if you have questions or if we may help in any way.

Sincerely,

Martin Gonzalez  
Director  
916.658.8208  
[mgonzalez@ca-ilg.org](mailto:mgonzalez@ca-ilg.org)

cc: Vice Mayor Maryann Derwin; Councilmembers Craig Hughes, John Richards, Ann Wengert  
Nick Pegueros, Town Manager  
Brandi de Garmeaux, Sustainability & Special Projects Manager

