



Item No. 22 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

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

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: FEBRUARY 15, 2017

SUBJECT: RECEIVE AND FILE THE MID-YEAR BUDGET REPORT FOR FY 2016/17; AND ADOPT THE BUDGET AMENDMENT RESOLUTION FOR NECESSARY ADJUSTMENTS

RECOMMENDATION

Receive and file the Mid-Year Budget Review for the General Fund for FY 2016/17; and adopt the attached Resolution authorizing a Budget Amendment for Necessary Adjustments.

BACKGROUND

The FY 2016/17 Budget projected a healthy outlook on agency finances as the Town continues to implement current Council priorities of long term liabilities, capital project needs, and enhanced operation needs. The Town's General Fund Operating Budget relies on continued fiscal prudence, taking into account the need to adjust resources in order to meet any rising demands for Town services and capital improvements. The budget includes the continued use of ERAF revenue towards one-time operational or capital expenditures, and long term liability needs. The policy for use of ERAF is post-receipt. Once funds are allocated to the Town for a specific fiscal year, staff makes a recommendation to the Council for use of the funds. The Town received \$1,066,958 in FY 2015/16. During budget discussions, the Council recommended that staff allocate ERAF toward the required Workers' Compensation minimum equity and use ERAF to pay the Town's CalPERS UAL payment for FY 2016/17 (an operational cost), and the remaining amount to Capital Improvement Fund 401. The FY 2015/16 ERAF revenue was allocated as follows:

ERAF FY 2015/16 Revenue	\$1,066,958
WC minimum Equity Reserve replenishment	(\$112,998)
CalPERS Town UAL Payment	(\$548,950)
Additional Allocation to CIP Fund 401	(\$405,010)

The FY 2016/17 budget also saw the General Fund make a significant allocation to the unallocated Capital Improvement Program (CIP). The General Fund is the only funding source for a CIP

project that does not have a specific outside funding source, such as the Special Parcel Tax, Gas Tax, or other funding opportunity, such as grants. In FY 2015/16, the General Fund allocated \$2,309,041 to Capital Improvement Fund 401. In FY 2016/17, the Council authorized an allocation of \$4,423,138 from the General Fund to the Fund 401 for future unidentified capital projects. This \$4.4 million amount includes the \$405,010 from ERAF. The Town uses a “save then spend” method to carry out large capital projects since single-year allocations are often insufficient for the entirety of a single-project need. In FY 2015/16 and 2016/17, the Town has transferred \$6.7 million to Fund 401.

FY 2015/16 Transfer to CIP	\$2,309,041
FY 2016/17 Transfer to CIP	\$4,423,138
Total Transfer out from General Fund	\$6,732,179

The Town has recently completed its four (4) major Master Plans – Bicycle and Pedestrian, Park, Drainage, and Civic Center. During the years that these Master Plans were underway, the Town has accumulated capital funds for unidentified projects in line with these Master Plans. With the adoption of the FY 2016/17 Budget and CIP, the Town allocated \$2.8 million over its 5-Year CIP from these saved funds. As the Town’s Civic Center Project completes Design Development this month, a funding decision must be made with respect to allocation of these saved funds based on the priorities identified in the Town’s Master Plans – to include the Civic Center Master Plan.

During our February 1 Study session, the City Council identified \$4,423,138 as a potential funding source for a portion of the Civic Center Project. The FY 2016/17 Budget represents policy and priority direction from the City Council to address the needs of the community.

<i>Transfers Out from General Fund</i>	FY 2016/17 Budget Amount
<i>CalPERS UAL Payment within GF (Use of FY 15/16 ERAF)</i>	\$548,950
<i>Workers’ Compensation Negative Equity (Use of FY 15/16 ERAF)</i>	\$112,998
<i>CIP Future Unidentified Capital Projects</i>	\$4,423,138
<i>Total Transfers Out</i>	\$5,085,086

FINDINGS | ANALYSIS

This Mid-Year Report is a high-level view of revenues and expenditures at the half-way point of the fiscal year. It does not involve a discussion of line-item expenditures and revenues. It updates the City Council on the Town’s financial position for the current fiscal year and makes a recommendation for adjustment as necessary based on changed needs or priorities.

The Mid-Year Report is focused on the Town’s General Fund as the main operating fund for the Town. Staff reviewed and made internal adjustments as necessary to account for changing needs and priorities within each department, taking into account anticipated expenditures for the remainder of the year within each respective line-item. When the budget is adopted each year, the Council adopts the budget controls at the Department level. The City Manager is authorized to make adjustments at the line-item level within a specific department throughout the year to adjust to changing needs and priorities. Such adjustments have already been made prior to presenting

the Mid-Year report to the City Council. *Any adjustments beyond the department level budget or transfers between departments or funds must be approved by the City Council.*

There are five areas that necessitate adjustments and require Council level approval and adjustment. These total \$196,616 across the departments of City Council, Administration, Building, Interdepartmental, and Public Works. These will be discussed in detail later in this Staff Report.

Town revenues are expected to exceed projections for the fiscal year by \$612,360 (inclusive of ERAF). Budget amendments are not necessary to reflect increases in revenues but are prepared for expenditure adjustments only that go above the approved department budget. Presented below is a high-level summary of the budget at mid-year.

REVENUES

Property Tax Revenues

The FY 2016/17 Budget projected property tax revenues of \$9,264,626. This revenue expectation represented a 4.5% increase over the FY 2015/16 Adjusted Budget. It is anticipated that property tax revenues will increase \$394,103 for total property tax revenue of \$9,658,729 or a 4% increase above budget and nearly 9% over the prior year adjusted budget.

Source	FY 2016/2017 Budget	Projected Change	Anticipated Revenue	% Change
Secured Property Tax	\$7,222,365	\$303,355	\$7,525,720	4.2%
Unsecured Property Taxes	\$397,055	\$0	\$397,055	0%
SB813 Redemption	\$200,572	\$55,788	\$256,360	27%
Property Tax in Lieu of VLF	\$985,928	\$34,960	\$1,020,888	3.5%
Property Transfer Tax	\$458,705	0	\$458,705	0%
TOTAL	\$9,264,626	\$394,103	\$9,658,729	4%

From FY 2011/12 to FY 2016/17, Atherton has seen a growth of assessed property value by approximately 49 percent. Property taxes comprise approximately 69% of the total General Fund revenues. The Town has outpaced the growth of San Mateo County the past 4 years. HDL Companies suggests that the Town use a projection of 4 to 4.7 percent increase in property tax revenues next year.

ERAF Revenues

Since FY 2012/13, ERAF has been considered as a funding source “below the line” in the Town Budget – meaning that the Town is no longer reliant upon ERAF revenues for operational expenditures. The Town developed a policy to treat ERAF as “one time” revenue for specific projects or priorities such as capital projects and contributions toward long-term liabilities. The policy for use of ERAF, requests that once we understand the amount of funds we receive in the current FY, we then make a recommendation to Council to consider an allocation of ERAF

revenue in the upcoming fiscal year budget. Illustrated below are the past uses of ERAF funds. Since FY 2013/14, the Town has allocated a total of \$3,211,958 of ERAF funds towards Council priorities.

Fiscal Year	Budget Amount	Actual Amount	Use of Funds
FY 2013/14	\$700,000	\$1,020,000	OPEB Liabilities
FY 2014/15	\$700,000	\$1,125,000	\$680,684 – OPEB Liabilities \$444,316 – Workers’ Comp
FY 2015/16	\$1,200,000	\$1,066,958	\$112,998- WC Equity \$548,950- CalPERS UAL \$405,010- Additional CIP

With the help of these funds, the Town has contributed \$5,000,000 into the OPEB Trust, reducing the long-term liability for retired employees.

The State’s shifting of revenues for schools resulted in a decrease of ERAF revenues to the Town in FY 2015/16. Staff took this into consideration during the budget process and as a result, FY 2016/17 ERAF projection was set at \$1,033,000. The Town recently received its ERAF revenue for FY 2016/17 at \$1,103,185. This is an increase of \$70,185 over projections. ERAF continues to represent “at risk” funds as the State continues to change its funding formulas under SB90.

There is anticipation that Excess ERAF funds from FY 2016/17, FY 2017/18 and FY 2018/19 would be used to fill portions of the funding gap for the Civic Center project. As the Town explores options of Certificates of Participation, these funds could also be used as a source of revenue for debt service payments. During the FY 2017/18 budget process, staff will bring recommendations to allocate the \$1,066,958 received toward one-time capital projects or reduction of long-term liabilities.

Special Parcel Tax

The Special Parcel Tax, as with ERAF, is a funding source “below the line” in the operating budget. The current Special Parcel Tax allocation is 20% toward public safety and 80% toward streets and drainage. This funding allocation began in FY 2014/15 and continued in FY 2016/17. The General Fund received \$372,000 in support of public safety services and the remaining \$1,488,000 was allocated to qualifying projects in the Town’s CIP. The Special Parcel Tax is up for renewal in November 2017. The Special Parcel Tax remains a vital component of the Town’s CIP and, if approved in November 2017, provides nearly \$6 million in funding potential for the Town’s 5-Year CIP program ending in FY 2020/21.

Sales Tax

The local and state “Triple Flip” tax swap expired December 31, 2015. Beginning in January 2016, local agencies received their 1 percent local sales and use tax for sales and purchases within their jurisdictions. A quarter percent (.25%) State sales tax was used to repay California bonds. Jurisdictions were supplemented the 0.25% with property tax revenues.

The Town FY 2016/17 Triple Flip budget was \$55,730. This was to capture any true-up due to the sunset of the Proposition 57 Triple Flip swap. For the current FY there is no Triple Flip true-up due to the Town. Going forward the 0.25% in sales tax is now received through sales tax. There is a projected slight increase in Sales & Use Tax and Prop 172 Sales Tax Police. As a result of these swaps, the total Sales Tax for the Town reflects a decrease of (\$49,666) for a total of \$250,874.

Source	FY 2016/2017 Budget	Projected Change	Anticipated Revenue
Sales & Use Tax	\$169,658	\$2,722	\$172,380
In Lieu Sales Tax/Triple Flip	\$55,730	(\$55,730)	\$0
Prop 172 Sales Tax Police	\$75,152	\$3,342	\$78,494
TOTAL	\$300,540	(\$49,666)	\$250,874

Other General Fund Revenues

Other significant General Fund Revenues include:

- Franchise Fees
- Business Licenses
- Building & Planning Revenues
- Police Revenue
- Park Revenue

The most significant of these sources is the Building Department, Park Program, and DPW revenues. The increase in building revenue shows a slight increase in permit revenue and as a result requires a budget amendment under contract for expenditures. Park Program revenue also reflects an increase and requires a budget amendment under contract for expenditures. Currently the Park revenue for meetings, socials, weddings, and class fees has a combined revenue of \$117,550 at Mid-Year. Staff projects that rental fee revenue at the Park will continue to climb to approximately \$214,000. This projection will trigger a corresponding increase in expenditures to the Contract Event Service Provider – Catering by Dana. The increase in revenue in DPW is due to project increases in the number of encroachment permits and tree inspections.

Source	FY 2016/2017 Budget	Projected Change	Anticipated Revenue	% Change
Property Taxes	\$9,264,626	\$394,103	\$9,658,729	4.5%
Sales Taxes	\$300,541	(\$49,666)	\$250,875	-19%
Franchise Fees	\$838,343	(\$45,099)	\$793,244	-.1%
Intergovernmental	\$41,365	\$0	\$41,365	0%
Business Licenses	\$227,253	\$8,663	\$235,916	3.8%
Planning Revenue	\$232,800	\$32,500	\$265,300	14%
Building Revenue	\$1,639,000	\$81,950	\$1,720,950	5%
Police Revenue	\$109,869	(\$9,820)	\$100,049	9.8%
DPW Revenue	\$333,418	\$51,663	\$385,081	15.5%

Source	FY 2016/2017 Budget	Projected Change	Anticipated Revenue	% Change
Park Program Revenue	\$197,023	\$59,399	\$256,422	30.1%
Miscellaneous Revenue	\$250,724	\$18,482	\$269,206	7.4%
TOTAL	\$13,434,962	\$542,175	\$13,977,137	4%

The basic revenue increase of \$542,175 plus the ERAF increase of \$70,185 results in a total projected General Fund revenue increase for FY 2016/17 of \$612,360.

EXPENDITURES

Expenditures – Departmental Adjustments

Staff reviewed and analyzed operational projections for each department for the remainder of the fiscal year. Internal adjustments were made to account for changing needs and priorities taking into account anticipated expenditures for the remainder of the year within each respective line-item. Additional budget adjustments needed include mostly for one-time expense increases and/or due to contract revenue requirements.

Overall, operating expenditures are within budgeted expectations, while we maintain Council and budget priorities. There are five adjustments needed to the operating budget.

City Council – Budget Amendment of \$13,159

- 1) An increase of \$13,159 is needed for the upcoming calling of an all-mail ballot special municipal election related to the Civic Center Project to be held on June 6, 2017.

Administration – Budget Amendment of \$84,000

- 2) An increase of \$84,000 for the Administration department for assistance with town employment law support. There was an unexpected need for legal assistance during the year related to Administration/Human Resources. Staff anticipates that the budget expenditure for future years will be nominal.

Building Department – Budget Amendment of \$44,614

- 3) Due to the projected growth in building revenue from \$1,639,000 to \$1,720,950, the line item budget for building services contract needs to be adjusted. Building services are provided via contract with the independent contractor receiving 58% of the first million in revenue and 55% for additional building revenues over \$1 million. The increase of revenue requires an additional expenditure adjustment of \$44,614.

Inter-departmental Budget – Budget Amendment of \$16,640

- 4) In July 2016, the Town approved the contract for Interwest to provide IT services. However, at that time, the Budget for FY 2016/17 was already adopted. Rather than amending the just

adopted budget, staff advised that we would amend the contract at Mid-Year to reflect the actual cost of the new contract. The FY 2016/17 budget included \$57,000 for IT services. Total cost for one year of services is \$63,800 plus one time transition costs of \$9,840 for a total cost of \$73,640.

Public Works – Budget Amendment of \$38,203

- 5) Park Program revenues project an additional \$44,135 in event rentals revenue. Catering by Dana is the Park Event Service Contractor and receives 50 percent (%) of rental fees at the Park. Due to the projected increase of rental fee revenues from \$170,722 to \$214,857, the line item for Contract Park Event Services needs to be adjusted. The increase in revenue necessitates an adjustment of \$38,203.

Other Department Expenditures –City Attorney, Finance, Planning, Police

There are no other adjustments required within the FY 2016/17 Budget.

Staff has been diligent in reviewing department operational needs. Staff reviewed the Town department operations and made adjustments to necessary expenditure line items to ensure appropriate funding for department service levels. Any changes within department budgets were netted out among line item expenses where feasible so as to not require budget adjustments.

Expenditure Summary

With the departmental adjustments for City Council, Administration, Building, Interdepartmental and Public Works noted above, the FY 2016/17 Adjusted Budget by Department looks as follows:

Department	FY 2016/2017 Adjusted Budget	NET Mid-Year Adjustments	FY 2016/2017 Adjusted Budget
City Council	\$67,233	\$13,159	\$80,392
Administration	\$735,794	\$84,000	\$819,794
City Attorney	\$204,000		\$204,000
Finance	\$664,210		\$664,210
Planning	\$267,759		\$267,759
Building	\$1,199,745	\$44,614	\$1,244,359
Inter-department	\$502,942	\$16,640	\$519,582
Police	\$6,781,283		\$6,781,283
Public Works	\$1,787,137	\$38,203	\$1,825,340
Total	\$12,210,103	\$196,616	\$12,406,719

Total Budget Summary

The revenues projected above do not include the public safety offset from the Special Parcel Tax. When added along with ERAF estimates, revenues are shown at \$15,452,321. This provides a net

positive change in fund balance of \$3,045,602 at year-end and an anticipated ending fund balance of \$11,709,006 (inclusive of the mandatory reserves).

Revenue	Amount
General Fund	\$13,977,136
ERAF Revenues	\$1,103,185
Special Parcel Tax	\$372,000
Total General Fund Revenue Sources	\$15,452,321
Expenditures	
General Fund Expenditures	\$12,406,719
Total General Fund Expenditures	\$12,406,719
<i>Net Change In Fund Balance</i>	<i>\$3,045,602</i>

At the beginning of FY 2016/17, the total fund balance is \$13,199,539 (inclusive of the mandatory reserves). At the conclusion of this fiscal year, after the transfer outs and the above-reflected departmental adjustments, the end of year fund balance projection is \$11,709,006 (this includes all mandatory reserves).

FY 2016/17 Beginning Fund Balance	\$13,199,539
FY 2016/17 Projected Revenues	\$15,452,321
Total Available Funds	\$28,651,860
Transfer out FY 2016/17 Workers' Comp	(\$112,998)
Transfer out to CIP for Future Projects	(\$4,423,138)
Net Mid-Year Adjustments	(\$196,616)
FY 2016/17 Expenditures (Original Budget)	(\$12,210,103)
FY 2016/17 Projected Year End Balance	\$11,709,005
15% Emergency Reserve Requirement	(\$1,861,008)
20% Contingency Reserve Requirement	(\$2,481,344)
Capital Facilities Replacement Reserve	(\$505,000)
FY 2016-17 Projected Unallocated Fund Balance	\$6,861,653

Financial stability is one of the Town's core values as we look to address priorities such as long-term liabilities, capital project needs, and maintaining healthy reserves. We continue to be fiscally prudent with our resources but are mindful of town operational and infrastructure needs. Over the years, the Town has taken steps to enhance operational needs, reduce OPEB liabilities, and allocate resources to Capital Improvement Program. It is also prudent that in the future, the Town set aside funding to address the Town CalPERS unfunded liability as CalPERS anticipates to change its discount rate to 7.375% beginning FY 2018/19 to 7.00% in FY 2020/21. The Town is also welcoming the possible exciting opportunity to be a part of the funding of the new Town Civic Center. The Town will continue to be reliant on all sources of revenue and special parcel tax in shoring up the ambitious visions and commitment to our community. We will continue to

rely on ERAF revenues as a limited funding source for Town priorities. Our focus will be on ensuring the fiscal health of the Town, which includes maintaining healthy reserves and monitoring our expenditures.

Upcoming CIP Projects

In FY 2016/17 Budget, the CIP anticipates \$6,189,339 in capital projects. This amount includes the final phases of Marsh Road Retaining Wall Project and the ECR Hybrid Pedestrian Beacon, but excludes the Civic Center. Of this amount, \$3,019,339 is allocated from Special Parcel Tax funds. Since most major capital projects have significant costs, the Town continues to follow the “save then spend” approach for capital projects over multiple years. Below is a list of Capital Projects that are coming up for the remainder of the year. Prior to Mid-FY 2016/17, the Town completed milestone projects such as the Marsh Road Retaining Wall and the El Camino Hybrid Beacon. As is the case in previous years, some projects will cross multiple fiscal years and may include funding in multiple years.

There are only two projects that will require additional funding within the Capital Improvement Program.

Park Path Connection Project – Budget Addition of \$36,000

The Park and Recreation Committee recommends this project for safety in the Park. It represents a CIP increase in funding to the Park. The project is the installation of a path connection from the Carriage House to the North Meadow. The rental of the Carriage House at the Park for events includes the North Meadow area. There is currently a safety issue for clients that walk to the North Meadow from the Carriage House as they will typically walk along the roadway or cross the mulch/refuse area of the Corporation Yard. This project will improve pathway safety at the Park. Staff estimates it would cost \$36,000 to complete a path connection from the Carriage House to the North Meadow. The requested funding would come out of the unallocated funding in the Capital Improvement Fund 401.

Middlefield Oak Grove Complete Streets Project – Budget Addition of \$65,400

This project is part of the Regular Agenda for the February 15 Council Meeting. If approved, it is included here for amendment. It is a recommendation to amend the FY 2016/17 Bike and Pedestrian Implementation Program to include the allocation \$65,400 for the addition of Class I/II bicycle facilities on Oak Grove Avenue. This is for additional costs associated with design and construction of these facilities along Oak Grove Avenue. This requested funding would come from within the Special Parcel Tax.

Below are the budgeted cost estimates of anticipated or already undertaken projects in FY 2016/17:

Capital Project	Status	Estimate	Expended
BPMP - ECR	At Staff Level Review	\$139,000	\$2,300
BPMP – SR2S	In Design	\$295,000	\$45,514

Capital Project	Status	Estimate	Expended
BPMP – Park Path Extension	At Staff Level Review	\$50,000	\$651
BPMP – Middlefield Class II	At Staff Level Review	\$1,550,000	\$0
Belbrook Way Culvert Repair	Completed	\$337,000	\$336,055
Road Maintenance	Contract Award	\$1,025,000	\$338,084
Series Street Light	Design To Council	\$753,000	\$2,140
ECR Complete Streets	Pending Follow-up with Caltrans	\$200,000	\$8,657
Drainage Improvements	In Design	\$740,000	\$22,094
Middlefield/Oak Grove Intersection	At Staff Level Review	\$250,000	\$0
Quad Gates-Watkins	HSR/EIR	\$100,000	\$0
ECR HAWK Beacon	Completed	\$127,339	\$106,179
NMTP	Ongoing	\$90,000	\$1,462
Bridge Maintenance & Channel	Pending Contract Issuance	\$135,000	\$0
Park Pedestrian Circulation I	In Design	\$235,000	\$28,283

Capital projects can only be undertaken as funding is available. As discussed earlier, the General Fund has contributed \$6.7 million toward the Capital Improvement fund. With recent discussions of the Town Civic Center construction, not all \$6.7 million will be available for future unidentified projects. The Special Parcel Tax is still the Town’s primary source for funding capital projects. With recent completed Master Plans, staff will continue to identify projects and costs within the 5-year program. Street maintenance is a continued priority as the Town has yearly street maintenance program.

POLICY CONSIDERATIONS

The Mid-Year Budget Report is an opportunity to make adjustments and course corrections based on unanticipated changes and the goals and priorities of the City Council. If there are projects or priorities that the Council wishes to address at mid-year, this is the opportunity to do so. The Mid-Year Budget Report encompasses all changes to the budget thus far in the Fiscal Year.

FISCAL IMPACT

Discussed above, the overall fiscal impact to the General Fund as a result of the mid-year expenditure adjustments is a General Fund increase of \$196,616 (1.6%) against a General Fund (only) revenue increase of \$542,175 (4%).

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town’s electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town’s electronic News Flash publications. Subscribers include residents

as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

ATTACHMENT

Resolution of the City Council of the Town of Atherton Approving Mid-Year FY 2016/17 Budget Adjustment

RESOLUTION NO. 17-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF
ATHERTON APPROVING MID-YEAR BUDGET AMENDMENT
FOR FY 2016/17**

WHEREAS, the City Council supports the proposal of the Mid-Year Budget review; and

WHEREAS, to account for increase in City Council department expense, a corresponding adjustment in expenditures is necessary in Election Expense for \$13,159; and

WHEREAS, to account for increase in Administrative department expense, a corresponding adjustment in expenditures is necessary in Contract Human Resources for \$84,000; and

WHEREAS, to account for growth in building revenue activity, a corresponding adjustment in expenditures is necessary in Contract Building & Life Safety Services for \$44,614; and

WHEREAS, to amend the IT Support Services expense in the Interdepartmental to reflect actual cost of the new IT Services contract for \$16,640; and

WHEREAS, to account for a rise in park rental event activity, a corresponding adjustment in expenditures is necessary in Contract Park and Event Services for \$38,203; and

WHEREAS, there are sufficient funds within the Unallocated General Fund Reserve to address the net increase of \$196,616; and

WHEREAS, to account for a request for additional funding in Park Master Plan expense for a path connection project from the North Meadow to the Carriage House for \$36,000; and such request for funding is from the unallocated Capital Improvement Fund 401; and

WHEREAS, to amend the FY 2016/17 Bike & Pedestrian Implementation program to include an additional allocation of \$65,400 for Class I/II bicycle facilities on Oak Grove Avenue; and such request for funding is from within the Special Parcel Tax Fund; and

WHEREAS, in review of the General Fund at Mid-Year for Fiscal Year 2016-2017, and the Capital Improvement Program, these adjustments are to be made to the Operating Budget as set forth in Exhibit A, attached hereto and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton does hereby approve an amendment to the FY 2016-17 Town Budget to enact the changes identified on Exhibit A attached hereto.

PASSED AND ADOPTED at a meeting of the City Council of the Town of Atherton held on the 15th day of February, 2017 by the following vote:

AYES: Council members:
NOES: Council members:
ABSENT: Council members:

Michael Lempres, MAYOR
Town of Atherton

ATTEST:

Theresa N. DellaSanta, City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

EXHIBIT A

**Town of Atherton
Budget Amendment Request**

Transfer \$196,616 From:

**2016/2017
Un-appropriated General Fund Balance**

To:

2016/2017

101-11-54020-011 Election Expense	\$13,159
101-12-52023-012 Contract Human Resources Srvs	\$84,000
101-25-52033-025 Contract Building & Life Safety Srvs	\$44,614
101-30-52019-030 IT Services Support	\$16,640
101-58-52030-058 Contract Park Event Services	<u>\$38,203</u>
	\$196,616

Total Adjustment \$196,616

Transfer \$36,000 From:

**2016/2017
Unallocated funding from Capital Improvement Fund**

To:

**2016/2017
401-50-56063-000 Park Master Plan projects**

Transfer \$65,400 From:

**2016/2017
From Special Parcel Tax Fund**

To:

**2016/2017
201-50-56059-000 Bike and Pedestrian Improvement program**