



**Minutes**  
**Town of Atherton**  
**Joint Meeting of the City Council**  
**and the Audit/Finance Committee**  
**April 4, 2018**  
**4:00 P.M.**  
**Council Chambers**  
94 Ashfield Road  
Atherton, California  
**Special Meeting**

**ROLL CALL**

Council Members: Lewis, DeGolia, Lempres, Vice Mayor Widmer, Mayor Wiest  
Audit/Finance Members: Amle, Walker, Patil, Lee, Polito

Lee and Patil were excused.

**PUBLIC COMMENT** – *For items on the agenda.*

**STUDY SESSION AGENDA**

**1. FY 2018/19 GENERAL FUND/OPERATIONS BUDGET**

**Report:** City Manager George Rodericks

**Recommendation:** Review and Discuss

Finance Director Robert Barron III noted that the initial budget meeting is a review of the Town's General Fund Operational Budget. Barron reviewed the revenue assumptions and major expenditures. Council Member Lewis asked whether this assumptions were conservative. Barron said yes.

The Council discussed General Fund major revenues including the use of excess ERAF funds, business license fees, and park fees and expenditures from departments. A discussion arose about library events in the park during library construction and the cost of rentals.

For FY 2018/19 the Town's General Fund Revenues are projected at \$15,760,043 against \$13,929,984 in expenditures. This will result in a single year-end positive balance of \$1,830,059 and a total positive ending Fund Balance of \$17,646,992. This is before any transfers in from ERAF.

Barron began reviewing the expenditures by Department. Vice Mayor Widmer asked what the anomaly was that the Town saw a \$77,000 increase from 15/16 to 16/17. Barron noted that there was \$104,000 in C&D forfeiture in that year.

Barron noted that overall, the Town's total combined operational expenditures increased by \$876,622 compared to the FY 2018/19 budget – an increase of 6.7%. Majority of department increases are due to one-time expenses and purchases for continued level of service within the community.

There were questions as to why the IT support is increasing to two days a week. Staff explained the various projects IT is currently working on and the amount of support that is required to keep things running efficiently. Rodericks explained that the need for support could lessen with the new building.

There was an overview of the major fiscal changes and a discussion about the reserve policy and civic center funding. Council Member Lewis questioned whether the reserve policy was enough given that our expenses have grown. Barron felt that the reserve is comparable with other cities and noted that it gives the Town approximately nine months in the event of an emergency.

Staff recommends a contribution of \$198,151 toward the Town OPEB Trust to fund the estimated annual OPEB cost of the Town. This amount is allocated within the respective individual department budgets. Staff maintains the recommendation for the allocation of \$235,397 towards Workers' Compensation equity reserve.

Council Member DeGolia noted his distress over the long term liabilities associated with pensions and how frustrating it is that it can't be managed. Vice Mayor Widmer suggested working with State Officials in figuring out how to manage it.

Council Member Lewis noted that the Town took action several years ago to reduce pension liabilities for new hires.

Rodericks noted that this will come back to Council at the June Study Session. He noted that if anyone had more detailed comment to please contact him or Robert.

**2. REVIEW AND DISCUSS COMMISSION/COMMITTEE RESOLUTION AND FEEDBACK MECHANISM AND PROVIDE STAFF WITH DIRECTION REGARDING ANY PROPOSED CHANGES OR PROCESS**

**Report:** City Manager George Rodericks

**Recommendation:** Review and discuss the Commission/Committee Resolution and Feedback Mechanism and provide staff with direction regarding any proposed changes or process

City Manager Rodericks noted that at the February 21 City Council Meeting, the Council requested an opportunity to have a discussion of the Commission/Committee Resolution and discuss ways to more proactively engage committees in the Town's public engagement and feedback processes. In addition there was discussion around the resolution that governs committees, specifically the charters of committees and appointments of members.

Rodericks noted that the Town is currently seeking applications for vacancies on its Committees. The Park & Recreation Committee has two vacancies beginning on July 1. One of the vacancies is the Friends of Holbrook-Palmer Park representative and the other is for the Foundation representative. Staff wanted feedback on how Council would like to fill those seats going forward.

Council agreed that it was appropriate to ask each organization to do outreach for nominations. If more than one member is interested they can submit application(s) and Council can make the selection.

Council Member DeGolia suggested cleaning up language within the resolution including terms lengths and charters, agenda preparation and future agenda items.

City Manager Rodericks noted that staff will update the resolution based on the feedback received and bring it back to Council at a future meeting.

**ADJOURN**

Mayor Wiest adjourned the meeting at 5:36 p.m.

**Respectfully Submitted,**

**Theresa N. DellaSanta  
City Clerk**