

TOWN OF WOODSIDE

TOWN COUNCIL MEETING AGENDA

September 8, 2009

Independence Hall, 2955 Woodside Road, Woodside

7:30 p.m.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

COMMUNICATIONS

*Persons wishing to address the Council on any matter not on the posted agenda are invited to do so. Please note, however, that the Council is not able to undertake extended discussion or to act on non-agendized items. Such items can be referred to staff for appropriate action, which may include placement on a future agenda. This communication period is limited to five persons, three minutes each. Any additional persons wishing to be heard will be scheduled at the end of Regular Business.*

CONSENT CALENDAR

*All items on the Consent Calendar are considered to be routine and will be approved by one roll call motion unless a request is made at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.*

1. Approval of Minutes: Special Meeting of August 19, 2009.
2. Resolution Approving Sixteenth Amendment to Town Manager's Employment Agreement. Resolution No. 2009 - \_\_\_\_\_
3. Town Manager's Report to Town Council.
4. Monthly Financial Report for July and August of 2009.

PUBLIC HEARING

*The Mayor will declare the public hearing open. Town staff will present a staff report on the aspects of the application or issue, which will be followed by staff recommendations. The applicant or his/her representative may make a presentation. Thereafter, those in support of or in opposition to the proposal may speak. When all interested parties have had an opportunity to be heard, the hearing will be closed. After that time, no further discussion from the floor will be held. The Town Council will consider the evidence and either approve, disapprove, or continue the item to a subsequent meeting date.*

5. Pursuant to Woodside Municipal Code, Section 10.44, Appeal of a Notice of Intent to Record a Code Violation for Unpermitted Removal of Significant Trees and Pursuant to Woodside Municipal Code, Section 153.178, Appeal of the Scope of the Significant Tree Removal Violation and Request for Reduction of Penalty (**Weiss - 3910 Sand Hill Road**).

**(This matter was continued from July 28, 2009, at the request of the appellants.)**

NEW BUSINESS

6. Review, Discussion, and Approval of the 2009-10 Work Plan.

APPOINTMENTS

7. Report and Recommendation from the Town Council Committees Appointments Subcommittee: Conservation and Environmental Health Committee.

REPORTS

8. Mayor and Councilmember Communications.

COMMUNICATIONS

ADJOURNMENT

This evening's meeting will be adjourned in the memory of William Arthur Patrick, longtime Woodside resident, architect who studied with Frank Lloyd Wright, and member of the Woodside Town Council from 1970 to 1974.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITY ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE TOWN CLERK AT (650) 851-6790. NOTIFICATION IN ADVANCE OF THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

PLEASE NOTE THAT PURSUANT TO THE STATE OF CALIFORNIA'S OPEN MEETING RULES, THIS MEETING IS BEING AUDIO TAPED.

ANY WRITINGS OR DOCUMENTS PROVIDED TO A MAJORITY OF THE TOWN COUNCIL REGARDING ANY ITEM ON THIS AGENDA WILL BE MADE AVAILABLE FOR PUBLIC INSPECTION AT THE ADMINISTRATION COUNTER AT TOWN HALL LOCATED AT 2955 WOODSIDE ROAD DURING NORMAL BUSINESS HOURS.

**TOWN OF WOODSIDE**

Report to Town Council

Agenda Item 1

From: Janet Koelsch, Town Clerk

September 8, 2009

**SUBJECT: MINUTES FOR APPROVAL**

The minutes of the Special Town Council Meeting of August 19, 2009, are attached for review and approval.

Attachment

TOWN OF WOODSIDE

TOWN COUNCIL SPECIAL MEETING MINUTES  
Independence Hall, 2955 Woodside Road, Woodside

August 19, 2009

CALL TO ORDER

Mayor Mason called the Meeting to order at 6:00 P.M.

ROLL CALL

Present: Councilmember Boynton, Burow, Gordon, Hodges, Romines, Mayor Mason  
Absent: Councilmember Tanner

Staff Present:  
Susan George, Town Manager  
Kathleen Kane, Deputy Town Attorney  
Janet Koelsch, Town Clerk

PLEDGE OF ALLEGIANCE

A representative of Citizens of Woodside led the Pledge of Allegiance.

COMMUNICATIONS

Ms. George introduced Deputy Town Attorney, Kathleen Kane.

NEW BUSINESS

- 1. Discussion and Determination of Appropriate Action for Setting the 2009 Municipal Election Process.

Councilmember Gordon recused herself noting that she is a nominee for the District 2 Council seat.

Ms. George explained that, since there was only one person nominated from each district, the Council could appoint the nominees to the offices and cancel the election. She continued that cancelling the election would result in an approximate \$11,000 savings. Ms. George pointed out that cancelling the election would preclude the opportunity for any write in candidate to be nominated, noting that a write-in candidate had previously been elected to the Council.

There was no public comment.

The Council discussed the importance of nominees having exposure to the election process and to having the opportunity to make positions known. It discussed the difference to a candidate in being elected rather than appointed and noted that funds for the election were already budgeted.

Councilmember Hodges moved to hold the November 3, 2009, election.

Motion seconded by Councilmember Romines and carried by roll call vote:

AYES: Councilmember Boynton, Burow, Hodges, Romines, Mayor Mason  
NOES: None  
ABSENT: Councilmember Tanner  
RECUSED: Councilmember Gordon

ADJOURNMENT

The Meeting was adjourned at 6:13 P.M.

**TOWN OF WOODSIDE**

Report to Town Council  
From: Susan George, Town Manager

Agenda Item 2  
September 8, 2009

**SUBJECT: RESOLUTION APPROVING SIXTEENTH AMENDMENT TO TOWN MANAGER'S  
EMPLOYMENT AGREEMENT**

**RECOMMENDATION**

It is recommended that the Town Council adopt the attached resolution, approving the sixteenth amendment to the Town Manager's employment agreement.

**DISCUSSION**

On July 28, 2009, the Town Council completed its annual review of the Town Manager's performance for the preceding fiscal year. Based upon that review, amendments to the Town Manager's Employment Agreement have been mutually accepted by the Town Council and the Town Manager in Closed Session. Specifically, the Town Manager's base salary will be raised to \$196,000, retroactive to July 1, 2009. The agreement also indicates that the Town Council has awarded a \$12,500 bonus to the Town Manager for the 2008-09 fiscal year and it provides for a potential bonus of up to \$12,500 for fiscal year 2009-10, the amount of which is to be determined at the Town Council's sole discretion in July of 2010.

**CONCLUSION**

In order to implement the agreement reached by the Town Council and the Town Manager, the Town Council must adopt the attached resolution and both the Mayor and the Town Manager must execute the actual amendment, included as an attachment to the resolution.

Attachment

**RESOLUTION No. 2009 - \_\_\_\_\_**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WOODSIDE  
APPROVING THE SIXTEENTH AMENDMENT TO THE TOWN  
MANAGER'S EMPLOYMENT AGREEMENT**

WHEREAS, the Town of Woodside and Susan Elizabeth George entered into an Employment Agreement on February 17, 1993, which appointed Ms. George as Town Manager for the Town of Woodside; and

WHEREAS, the Town Council has evaluated the performance of the Town Manager, as provided for in the Employment Agreement each succeeding year and has amended the Employment Agreement by mutual consent from time-to-time; and

WHEREAS, the Town Council completed its most recent performance review on July 28, 2009; and

WHEREAS, the Town Council and the Town Manager have agreed to certain amendments to the Employment Agreement and those amendments have been prepared pursuant to the direction of the Town Council and are incorporated into the "Sixteenth Amendment to Employment Agreement", attached as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Woodside, California, that the Town Manager's Employment Agreement, last amended as of September 9, 2008, is hereby amended, as outlined in "Exhibit A".

\* \* \* \* \*

Passed and adopted by the Town Council of the Town of Woodside, California, at a meeting thereof held on this 8th day of September, 2009, by the following vote of the members thereof:

AYES, and in favor thereof, COUNCIL MEMBERS:

NOES, COUNCIL MEMBERS:

ABSENT, COUNCIL MEMBERS:

ABSTAIN, COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR OF THE TOWN OF WOODSIDE

ATTEST:

\_\_\_\_\_  
CLERK OF THE TOWN OF WOODSIDE

**SIXTEENTH AMENDMENT  
TO EMPLOYMENT AGREEMENT**

This Sixteenth Amendment is to the Town Manager Employment Agreement dated February 17, 1993, as previously amended.

The following modification is made:

1. This Sixteenth Amendment is effective July 1, 2009.
2. Section 3.1 is modified to provide a base salary of \$196,000 per Town fiscal year. The Town Manager shall also be paid \$12,500 as a bonus for the fiscal year 2008-2009.
3. Section 3(b) is modified to read as follows:

The Town Manager shall be eligible to receive a bonus of up to \$12,500 for the Town fiscal year of July 1, 2009- June 30, 2010. The amount of bonus shall be determined by the Town Council in its sole discretion at its annual review in July 2010 of the Town Manager's performance. In the event the Town Manager's employment with the Town shall cease for any reason prior to the end of the fiscal year, the Town Council shall conduct a performance review and determine any bonus payable with the maximum bonus being a pro rata amount based on length of employment during that fiscal year. The Town Manager may elect to have any part of the bonus awarded paid into her deferred compensation plan.

4. In all other respects the Agreement is confirmed.

DATED: \_\_\_\_\_

TOWN OF WOODSIDE,  
a municipal corporation

By \_\_\_\_\_  
Mayor

DATED: \_\_\_\_\_

TOWN MANAGER

\_\_\_\_\_  
SUSAN ELIZABETH GEORGE

TOWN OF WOODSIDE

Report to Town Council  
From: Susan George, Town Manager

Agenda Item 3  
September 8, 2009

**SUBJECT: TOWN MANAGER'S REPORT TO THE TOWN COUNCIL**

We had a productive August Recess.

**Records Management**

As you witnessed during our Special Town Council Meeting on August 19<sup>th</sup>, we turned Independence Hall into Records Management Central during August in order to make some headway on better organizing, culling, and scanning our public records. We hired a second intern to assist with the project. His name is Peter Uchman, a graduate of U.C. Santa Cruz, with a degree in Sociology. He joins our senior intern, Jennifer Gau, and our receptionist, Sandy Fontana, on the project. They are making an excellent in-road into shaping our records up. We need more time, however, and space to replace Independence Hall. Accordingly, we will be taking over Suite 2 in the Woodside Community Museum by September 30<sup>th</sup>. We have leased this office to the Sequoia Audubon Society for the last five years, for \$250 a month. The Society uses the room primarily to store its files and other belongings. It is perfect for our needs. I exercised our 30-day termination notice provision in late August. We had been on a month-to-month basis with the Society for some time. Having the office available for our own operations will also provide some flexibility with other projects after we complete the current Records Management undertaking. Between now and September 30<sup>th</sup>, we will be taking over the conference room in Town Hall, so bear with us.

In any event, welcome to Peter!

**Town Hall Landscaping**

I told you in my last report that we would be working with the Woodside Landscape Committee on a plan to upgrade the landscaping immediately around Town Hall. I noted that the trees that line the brick sidewalk and parking lot were in questionable condition and in danger of toppling. Well, one of these trees did topple on the weekend of August 29<sup>th</sup>. The crew has removed it and is working to relay the bricks, eliminating the inherent unevenness caused by the tree roots. We will move this project up on our list and may need to remove a few of the other trees even before we have a firm plan in mind for the entire area.

**Annual Audit**

We got through the Annual Audit with no problem. The Basic Financial Statements should arrive from Maze & Associates next week, for distribution to the Town Council and the Audit Committee. I have attached a copy of "Management's Discussion and Analysis" for your review. It is a component of the Basic Financial Statements. This year Kevin and I shared the joy of penning it. If you have questions about its contents, just give one of us a call.

**Day of the Horse**

It's that time of year again. We are in full swing preparing for both the activities held on the Day of the Horse (October 10<sup>th</sup> this year) and the reception (October 15<sup>th</sup> this year). We are in the process of getting invitations ready to go out for the reception and are coordinating with WHOA! More to come, but mark your calendars for now.

## Barn Dance Parking

The Barn Dance is back this year, scheduled for September 26<sup>th</sup>. It will once again be held at the Runnymede Sculpture Farm (Rosekrans property). Parking may be an issue this year, as the Rosekrans family has sold a portion of the property to a neighbor. We are working with the Recreation Committee to develop a parking plan. We have arranged to utilize a Cañada College parking lot, if needed, and have reserved shuttle buses for the evening. We will decide on a course of action within the next week or so. All other aspects of the event are coming together smoothly through the efforts of the Recreation Committee.

## Housing Element Update

The Town received comments on the draft Housing Element Update from the Department of Housing and Community Development (HCD) on June 23, 2009. Staff completed all revisions and submitted the Town's response on September 1, 2009. The only substantive comment from HCD is the requirement for the plan to identify zoning for multifamily development. In order to satisfy this requirement, staff considered the feasibility of multifamily development at the Woodside Elementary School and Cañada College sites. The Woodside Elementary School is constrained by the inability to provide sufficient parking and sewer capacity, as well as traffic impacts. Staff therefore met with representatives of the Community/Government Relations contacts with the San Mateo County Community College District and toured the campus. The San Mateo County Community College District Board of Directors subsequently agreed to support the inclusion of the following Program in the Woodside Housing Element Update:

*Program: Provide opportunities for multifamily development (Policy P1.4)*

*Description: Work with Cañada College to draft and adopt guidelines that would allow multifamily housing (either through overlay zoning or with a use permit) on existing land owned and operated by San Mateo County Community College District (Cañada College) in Woodside during the planning period.*

**Action:**

- a. *Amend the Municipal Code to allow for the development of multi-family housing on parcels owned and operated by San Mateo County Community College District (Cañada College) either through overlay zoning or with a use permit. The use permit will be granted if the adopted regulations are met or exceeded. The amendment will keep all existing development standards in place unless some of the standards are waived by the Planning Commission subject to specific findings made on a case-by-case basis.*
- b. *The College District will retain complete control over its own property and multifamily would only be allowed if the College District decides to lease or sell some parcels of land on the Cañada College campus.*

## The Great California Shakeout

The State has declared October 15<sup>th</sup> as the day for the Great California Shakeout. It is designed as to increase awareness for the need to be ready to respond to a major earthquake event, both by practicing "Drop, Cover, and Hold On" and by reviewing/refreshing emergency supplies. While there is no formal emergency exercise scheduled for that day, the Towns of Woodside and Portola Valley, the Woodside Fire Protection District, and CERPP will take time out that morning to test our communications systems and equipment. We will use our radios and other devices to send and receive intelligence reports to the CERPP divisions and to the

fire district. We will be following up with staff training and a table top exercise either later in October or in November.

### Mathisen Outbuildings

We had planned to remove the last remaining sheds from the former Mathisen property during August, but delayed it to provide members of the Woodside History Committee an opportunity to document/salvage portions of the structures. The demolition is now set for the week of September 7<sup>th</sup>.

### 2009 Road Rehabilitation Project

We opened the bids for the 2009 Road Rehabilitation Project on August 18<sup>th</sup>. We received seven bids, ranging from \$393,130 to \$482,747. The Engineer's Estimate was \$500,000, so we did well. O'Grady Paving was the lowest responsive bidder, with the \$393,130 bid. We are in the process of executing the contract and securing bonds and insurance. The work should start my mid-September. We once again included a hard deadline date for completion of the work.

### Senior Games

The Senior Games are now history. We had several letters and phone calls from inconvenienced residents, but thanks to the help of Lt. Jones of the Sheriff's Office, all went relatively smoothly. There were a few minor problems (such as no mail delivery on the Thursday), but it all worked out in the end. We even had local competitors who did very well, such as John Novitsky of Tripp Road. Congratulations at all who competed and to all who helped organize and ensure the success of the event.

### ICMA Conference

Just a reminder: I will be attending the International City Managers' Association Annual Conference from September 13<sup>th</sup> through 16<sup>th</sup>. Kevin will be in charge during my absence.

So, our recess is over and we're looking forward to a busy and productive fall. Please call or e-mail me if you have questions or would like more information on any of these items during the upcoming meeting.

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Susan George, Town Manager

Attachment

# Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2009

This is the sixth fiscal year that the Town of Woodside has issued its financial statements in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34) and successor statements, as outlined in Note 2B to the Basic Financial Statements. GASB 34 was developed to make annual financial reports easier to understand and more useful to the people who use governmental financial information to make their decisions, including members of the Town Council, members of oversight bodies (such as the Town's Audit Committee), investors, creditors, and the public in general. GASB 34 introduced many changes to the look and content of annual financial reports. One important requirement is that financial managers provide *Management's Discussion and Analysis* (MD&A), which is designed to provide readers an objective and easily readable analysis of the governmental unit's financial performance for the reported year. This MD&A should be read in conjunction with the *Basic Financial Statements* and the accompanying notes to the Basic Financial Statements. The Basic Financial Statements include the *Government-wide Statements* and the *Fund Financial Statements*, along with the accompanying Notes.

## *Reporting the Town as a Whole: Government-wide Statements*

The Government-wide Statements present the financial position of the Town with a longer-term view of the Town's activities as a whole, and consist of the *Statement of Net Assets* and the *Statement of Activities*. The Statement of Net Assets presents all information about the Town's assets and liabilities, both current and long-term, on the full accrual basis of accounting, which is similar to the accounting used by most private sector businesses. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred. Highlighting net assets, or the difference between assets and liabilities, is one way to measure the Town's financial health and position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The Town has chosen, within the parameters of GASB 34, not to retrospectively include the historic costs and accumulated depreciation of infrastructure in place, including but not limited to the Town's roadway system.

The Statement of Activities provides information about all of the Town's revenues and expenses, also on the full accrual basis, and emphasizes the measurement of the net revenues or expenses of each of the Town's functional or program areas. It also incorporates changes in Net Assets for the year. In accordance with GASB 34, certain eliminations have been made related to interfund activity, payables, and receivables.

Both the Statement of Net Assets and the Statement of Activities separately present information about the Town's *governmental activities* and its *business-type activities*. Most of the Town's basic services fall into the category of governmental activities, including administration, finance, public works, planning and building, trails, recreation, contractual police services, and library services. Sales, utility and property taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities. Business-type activities are those for which the Town charges a fee to customers to pay for the full cost of certain services provided. The Town's only business-type activities involve the provision of public sewer service.

## *Reporting the Town's Major Funds: Fund Financial Statements*

The Fund Financial Statements include *governmental, proprietary* and *fiduciary* funds and report the Town's operations in more detail and with a shorter-term focus than the Government-wide Statements. A reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach under GASB 34.

The Fund Financial Statements provide detailed information about the Town's most significant funds, called *Major Funds*. The concept of Major Funds and the determination of which funds are Major Funds were established by GASB 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, and all of the Non-major Funds are combined in a single column. Major Funds present the major activities of the Town for the year. The General Fund is always a Major Fund, but other funds designated as Major Funds may change from year-to-year, based upon their specific pattern of activities. The Major Funds reported for 2008-09 are the General Fund, the Library Fund, the Measure A Fund, and the Barkley Fields and Park Construction Fund, which are all governmental funds, and the Sewer Service Enterprise Funds, which are proprietary funds.

### *Governmental Funds*

Most of the Town's basic services are reported in governmental funds. These funds focus on reporting the flow of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period (by June 30<sup>th</sup>) or soon enough thereafter to be used. The governmental fund financial statements provide a detailed short-term view of the Town's general government operations and the basic services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

### *Proprietary Funds*

When the Town charges customers for services, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The Town's proprietary funds (e.g. the Sewer Service Enterprise Funds) are the same as the business-type activities reported in the Government-Wide Financial Statements, but the fund financial statements for the proprietary funds provide more detail and additional information, such as cash flows for each of the enterprise funds.

### *Fiduciary Funds*

The Town is the trustee, or fiduciary, for certain funds established to account for assets held by the Town in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The Town's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities are excluded from the Town's Government-Wide Financial Statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their specified purposes.

# Financial Analysis: Government-wide Statements

As has been previously explained, the government-wide statements report Governmental and Business-type Activities separately in the Statement of Net Assets and the Statement of Activities. The analysis of these government-wide statements will accordingly look at the two types of activities separately.

Governmental Activities consist of most of the programs and functions of the Town. As of June 30, 2009, the net assets of the Town’s Governmental Activities totaled \$21.6 million, as is highlighted in the following chart.

**Statement of Assets: Governmental Activities  
Net Assets at June 30, 2009**

	2008-09	2007-08	Inc./ (Dec.)
Cash & Investments	\$ 6,334,450	\$ 7,549,854	\$ (1,215,404)
Other Assets	965,994	470,989	495,005
Capital Assets	16,267,307	16,000,282	267,025
<b>Total Assets</b>	<b>\$ 23,567,751</b>	<b>\$ 24,021,125</b>	<b>\$ (453,374)</b>
Accounts Payable	212,368	161,034	51,334
Compensated Absences	285,475	318,350	(32,875)
Deposits Payable	1,425,896	1,820,949	(395,053)
<b>Total Liabilities</b>	<b>\$ 1,923,739</b>	<b>\$ 2,300,333</b>	<b>\$ (376,594)</b>
<b>Net Assets:</b>			
Invested in capital assets	16,267,307	16,000,282	267,025
Restricted	2,609,356	3,028,483	(419,127)
Unrestricted	2,767,349	2,692,027	75,322
<b>Net Total Assets</b>	<b>\$ 21,644,012</b>	<b>\$ 21,720,792</b>	<b>\$ (76,780)</b>

The total net assets for the Town’s Governmental Activities decreased by just under \$100,000 in 2008-09. This decrease is attributable to several things:

- ✓ “Net Assets Invested in Capital Assets” increased by \$267,000. This reflects the net of activity involving the addition, retirement, and depreciation of capital assets. Note 5 to the Basic Financial Statements includes a summary of the activity that impacted capital assets during 2007-08, which includes:

Capital Assets - Barkley Fields and Park	\$ 62,547
Additions to Equipment/Computer Software	368,412
Subtotal	\$ 430,959
Less: Additions to Accumulated Depreciation	(163,934)
<b>Net Additions to Capital Assets</b>	<b>\$ 267,025</b>

- ✓ Offsetting the increase in capital assets is a net decrease of about \$344,000. This net decrease is comprised of the following components:

- ☑ A decrease of \$1,215,404 in cash and investments
- ☑ An increase of \$495,005 in Other Assets
- ☑ An increase of \$51,334 in Accounts Payable
- ☑ A decrease of \$32,875 in Compensated Absences

- A decrease of \$395,053 in Deposits Payable

The decrease in **Cash and Investments** is the net result of the changes that occurred in the various funds that make up the Governmental Activities, as depicted in the following chart.

<b>Fund</b>	<b>6/30/2009</b>	<b>6/30/2008</b>	<b>Change</b>
General Fund	\$ 4,055,285	\$ 4,545,973	\$ (490,688)
Library Fund	1,273,507	1,333,114	(59,607)
Measure A Fund	485,257	787,114	(301,857)
Barkley Fields Construction Fund	-	389,230	(389,230)
Other Governmental Funds	520,401	494,423	25,978
<b>Total</b>	<b>\$ 6,334,450</b>	<b>\$ 7,549,854</b>	<b>\$ (1,215,404)</b>

Each fund deserves separate comment.

The **General Fund's** Cash and Investments decreased by about 10.8%, or about \$491,000. This was a planned decrease and reflects the Town Council's decision to utilize available fund balances to support a series of one-time activities and special projects. During 2008-09, the General Fund supported: (1) acquisition and installation of a new permit tracking system and a Geographic Information System (GIS) at a cost of \$324,600; (2) purchase of two alternative fuel vehicles for the planning and building programs at a cost of about \$60,000; (3) the design phase for a Water Reclamation Demonstration Project, at a cost of \$22,000; and (4) the services of a contract planner to bolster staff resources in light of the combined demand for professional planning services for current planning and special projects, at a cost of \$76,000.

The Town's **Library Fund** experienced a 4.5%, or roughly \$60,000, decrease in Cash and Investments from June 30, 2008 to June 30, 2009. The Library Fund supports the Town's share of the operation and maintenance of the library facility. The Town is a party to a Joint Powers Agreement (JPA) between many of the cities within San Mateo County and the County itself. The County provides the actual direct library services and pays for them from property taxes raised specifically for library purposes within each jurisdiction that hosts a County branch library. The "hosting" jurisdiction owns the building and grounds that support the library function and pays for day-to-day and long-term upkeep and improvement. Pursuant to the terms of the JPA, if more property taxes are raised within a jurisdiction than are needed to provide the direct library services, then the County is to remit the balance of the property taxes to the host jurisdiction, which can use the funds only for library purposes. Unless a major improvement project is undertaken, the Town generally pays about \$75,000 for routine maintenance and receives about \$350,000 in property tax revenues from the County during the fiscal year. As of June 30, 2009, the Town had not received its 2008-09 allocation of library-related property taxes from the County. Although \$350,000 was received in mid-August and was accrued at June 30<sup>th</sup>, the delay in receipt caused the decrease in the Library Fund's cash position.

The **Measure A Fund** accounts for the Town's share of a county-wide half-cent of sales tax that is dedicated to transportation-related projects. The Town utilizes this revenue for road rehabilitation and maintenance projects. The level of expenditures from this fund varies from year-to-year, depending upon the prioritization of road projects and the results of the public bidding process on these projects. During 2008-09, the Town scheduled an aggressive \$1 million Town-wide road rehabilitation project, combining

grant funds, new Road Program revenues, and available fund balances and consciously spending down the cash balance.

The **Barkley Fields and Park Construction Fund's** Cash and Investments decreased by \$389,230, or 100%. This reflects the fact that the park was completed and accepted by the Town Council in July of 2008, all final project expenditures were made, and the fund was closed as of June 30, 2009.

The Town's remaining Special Revenue funds account for \$25,978 of the change in Cash and Investments at June 30, 2009, as is depicted in the next chart.

<b>Fund</b>	<b>6/30/2009</b>	<b>6/30/2008</b>	<b>Net Change</b>
Traffic Safety	\$ 24,862	\$ 28,101	\$ (3,239)
Gas Tax	77,356	42,235	\$ 35,121
Law Enforcement Equipment (CLEEP)	10,212	10,712	\$ (500)
Road Impact Fee	407,972	413,375	\$ (5,403)
<b>Total</b>	<b>\$ 520,402</b>	<b>\$ 494,423</b>	<b>\$ 25,979</b>

None of these changes are material, with the exception of the Gas Tax Fund, which reflects an increase of \$35,121, or 83.2%. This increase resulted from the receipt during the year of about \$47,000 in State Traffic Congestion Relief funds. The Town did not receive funds from this source in the prior year and did not increase its program expenditures during 2008-09 to a level sufficient enough to expend the full grant amount.

**Other Assets** includes revenues accrued as of June 30<sup>th</sup>. For 2008-09, there were two funds with accrued revenues that normally would have been received in cash prior to the end of the fiscal year. The following chart highlights these funds.

<b>Fund</b>	<b>6/30/2009</b>	<b>6/30/2008</b>	<b>Change</b>
General Fund	\$ 487,843	\$ 429,048	\$ 58,795
Library Fund	354,588	8,127	346,461
Measure A Fund	16,273	25,924	(9,651)
Other Governmental Funds	107,290	7,890	99,400
<b>Total</b>	<b>\$ 965,994</b>	<b>\$ 470,989</b>	<b>\$ 495,005</b>

As was previously discussed, the Library Fund usually receives all of its annual revenues before the end of the fiscal year. Because of timing issues with the billing process between the County Library system and the Town, a \$350,000 remittance was not received as of June 30, 2009, and this amount was accrued at June 30<sup>th</sup>, becoming a receivable to the Library Fund. The "Other Governmental Funds" category includes the Supplemental Law Enforcement Service Fund (SLESF), which is used to account for the receipt and expenditure of Citizens Option for Public Safety (COPS) Program, a State-funded program. Because of the State's budget issues throughout 2008-09, no funds were released by the State for the program until after the year had ended. In a normal fiscal year, these funds would have been received in the first half of the year, precluding the need to accrue any revenue. In 2008-09, an accrual of about \$94,000 was booked for this fund.

As the following chart illustrates, the increase in **Accounts Payable** of \$51,334 is primarily attributable to the Measure A Fund.

<b>Fund</b>	<b>6/30/2009</b>	<b>6/30/2008</b>	<b>Change</b>
General Fund	\$ 164,434	\$ 143,722	\$ 20,712
Library Fund	925	970	(45)
Measure A Fund	46,459	5,832	40,627
Other Governmental Funds	550	10,510	(9,960)
<b>Total</b>	<b>\$ 212,368</b>	<b>\$ 161,034</b>	<b>\$ 51,334</b>

A Road Program contractor payment of about \$45,000 was accrued in 2008-09, whereas in 2007-08, no contractor payments were due at June 30<sup>th</sup>.

**Deposits Payable**, which decreased by \$395,053 during 2008-09 are comprised of two components. The first component involves deposits of funds that the Town collects from individuals and businesses that undertake development projects in the Town. These deposits are generally charged when the Town requires consultants to be involved in the development review process. Until the charges are made, the unexpended funds on deposit are treated as a Retention Payable. This liability decreased by \$44,011 as of June 30, 2009, reflecting the final expenditure of funds on two major environmental studies and the recognition of the related deposit revenues to cover the costs associated with these studies. The second component of the Deposits Payable involves the recordation of a retention payable in the Barkley Fields and Park Construction Fund at June 30, 2008, in the amount of \$351,041. This retention payable represents payments due to the two contractors who built the park and restroom facility. The retention payments were made to the contractors in September of 2008, removing this liability from the Town's financial statements.

Finally, **Compensated Absences** decreased by \$32,875 during 2008-09. The Town books a liability for the value of personal leave and other accumulated paid time off balances that has been accrued by Town employees. Each year the balance is adjusted to reflect current pay rates and changes in individual employees' balances. The decrease reflected at June 30, 2009, is the result of the resignation of two senior employees and the payout of their leave balances during the year.

During 2008-09, the Town's Governmental Activities were supported by about \$7.5 million in program and general revenues, derived from many sources, as is summarized in the next chart.

**Statement of Activities: Governmental Activities  
2008-09 Revenues by Source**

Source	\$	% of Total
<b>Program Revenues:</b>		
Charges for services	\$ 1,576,406	21.0%
Operating grants & contributions	1,526,941	20.4%
<b>Total Program Revenues</b>	<b>\$ 3,103,347</b>	<b>41.4%</b>
<b>General Revenues:</b>		
Property tax	2,561,811	34.1%
Sales tax	404,393	5.4%
Property transfer tax	92,912	1.2%
Franchises	368,317	4.9%
Business licenses	115,874	1.5%
Interest	151,213	2.0%
Other agencies	637,240	8.5%
Other income	23,576	0.3%
<b>Transfers</b>	<b>44,611</b>	<b>0.6%</b>
<b>Total General Revenues &amp; Transfers</b>	<b>\$ 4,399,947</b>	<b>58.6%</b>
<b>Total Revenues</b>	<b>\$ 7,503,294</b>	<b>100.0%</b>

The "Transfers" category reflects the transfer of \$44,611 in cash from the Proprietary Funds (business-type activities) to the Governmental Funds (governmental activities) to cover administrative overhead charges to the Proprietary Funds, in keeping with the Town Council's Financial Management Policies.

The total revenues for 2008-09 were about \$323,000, or 4.1%, lower than they were in 2007-08, as the following chart depicts.

**Statement of Activities: Governmental Activities  
Two-year Comparison of Revenues by Source**

Source	2008-09	2007-08	Inc./Dec. (\$)	Inc./Dec. (%)
<b>Program Revenues:</b>				
Charges for services	\$ 1,576,406	\$ 1,155,736	\$ 420,670	36.4%
Operating grants & contributions	1,526,941	1,239,306	287,635	23.2%
<b>Total Program Revenues</b>	<b>\$ 3,103,347</b>	<b>\$ 2,395,042</b>	<b>\$ 708,305</b>	<b>29.6%</b>
<b>General Revenues:</b>				
Property tax	2,561,811	2,423,454	138,357	5.7%
Sales tax	404,393	390,070	14,323	3.7%
Property transfer tax	92,912	153,762	(60,850)	-39.6%
Franchises	368,317	312,431	55,886	17.9%
Business licenses	115,874	123,652	(7,778)	-6.3%
Interest	151,213	298,495	(147,282)	-49.3%
Other agencies	637,240	667,813	(30,573)	-4.6%
Other income	23,576	843,473	(819,897)	-97.2%
<b>Transfers</b>	<b>44,611</b>	<b>218,312</b>	<b>(173,701)</b>	<b>-79.6%</b>
<b>Total General Revenues &amp; Transfers</b>	<b>\$ 4,399,947</b>	<b>\$ 5,431,462</b>	<b>\$ (1,031,515)</b>	<b>-19.0%</b>
<b>Total Revenues</b>	<b>\$ 7,503,294</b>	<b>\$ 7,826,504</b>	<b>\$ (323,210)</b>	<b>-4.1%</b>

There are several sources of revenue that contribute to this decrease. Program Revenues were \$708,000, or 29.6%, higher in 2008-09 than in the prior year. Two factors caused this increase: (1) the Town received \$400,000 in State Proposition 1B funds for road projects in 2008-09, a one-time occurrence, and (2) the Town received about \$257,000 in prior years' attorney fees through a court-supervised code enforcement settlement. General Revenues and Transfers decreased by just over \$1 million, or 19%. The largest factors contributing to this decrease involve Other Income and Transfers. As the chart depicts, Other Income decreased by almost \$820,000, or 97.2%. Most of this decrease is attributable to the Barkley Fields and Park Construction Fund and reflects the fact that about \$662,000 in contributions from private donors was received in 2007-08 in support of the project. The park was completed at the end of last fiscal year, all final construction expenses were paid early in the current fiscal year, and no additional private contributions were made. The decrease in Transfers of about \$174,000, or 79.6%, is also related to the Barkley Fields and Park project. In 2007-08, a one-time transfer of \$175,000 was made from the Sewer Enterprise Funds to the Barkley Fields and Park Construction Fund to support the construction of public sewer facilities on the park site and in the adjoining road right-of-way.

Changes in other revenues sources are discussed in detail in the discussion that accompanies the Fund Financial Statements, later in this MD&A.

The programs reported as Governmental Activities include all the basic areas of Town government, such as administration, planning, public works, safety services, library services, buildings and grounds, trails maintenance, recreation, and town-wide overhead. Because changes in net assets are incorporated into the Statement of Activities, the expenses reported in this statement include such things as annual depreciation of capital assets and increases in the balance of compensated absences, and exclude funds expended on capital outlays. For example, in the Fund Financial Statements for the Governmental Funds, the Administration and Finance Program reflects an expenditure of \$1,134,283 for 2008-09. This same program reflects total expenses of \$1,133,373 in the next chart, which is taken from the Statement of Activities. The \$910 difference is annual depreciation expense of \$4,509 and an increase in compensated absence balances of \$5,419. These items, treated in the Fund Financial Statements as adjustments to balance sheet accounts, are incorporated into the total activity for this program area in the Statement of Activities. A full reconciliation of these statements is included in the Basic Financial Statements.

**Statement of Activities: Governmental Activities  
2008-09 Expenses by Program**

Program	Total Expense	% of Total
Town Council	\$ 29,701	0.4%
Administration & Finance	1,133,373	15.0%
Planning & Building Regulation	1,945,639	25.7%
Buildings & Grounds	275,896	3.6%
Town-wide Overhead	364,871	4.8%
Safety Services	1,202,667	15.9%
Trails & Stables	38,449	0.5%
Library Services	82,067	1.1%
Public Works	2,223,291	29.3%
Recreation & Open Space	284,120	3.7%
<b>Total</b>	<b>\$ 7,580,074</b>	<b>100.0%</b>

Program expenditures for the Governmental Activities were \$1,092,452, or 16.8%, higher in 2008-09 than they were in 2007-08, as the next chart demonstrates. A discussion of

program expenditures for the year and their comparison to 2007-08 is included later in this MD&A.

**Statement of Activities: Governmental Activities  
Two-year Comparison of Expenses by Program**

Program	2008-09	2007-08	Inc./Dec. (\$)	Inc./Dec. (%)
Town Council	\$ 29,701	\$ 45,730	\$ (16,029)	-35.1%
Administration & Finance	1,133,373	1,041,295	92,078	8.8%
Planning & Building Regulation	1,945,639	1,746,487	199,152	11.4%
Buildings & Grounds	275,896	160,605	115,291	71.8%
Town-wide Overhead	364,871	425,371	(60,500)	-14.2%
Safety Services	1,202,667	1,145,950	56,717	4.9%
Trails & Stables	38,449	43,667	(5,218)	-11.9%
Library Services	82,067	64,207	17,860	27.8%
Public Works	2,223,291	1,499,846	723,445	48.2%
Recreation & Open Space	284,120	314,464	(30,344)	-9.6%
<b>Total</b>	<b>\$ 7,580,074</b>	<b>\$ 6,487,622</b>	<b>\$ 1,092,452</b>	<b>16.8%</b>

The negative change in net assets from 2007-08 to 2008-09 of \$76,780 reported and discussed earlier, is equal to the difference between the total revenues of \$7,503,294 and total expenses of \$7,580,074 that are reflected in the Statement of Activities for Governmental Activities.

**Business-type Activities** for the Town are limited to its Sewer Service Enterprise Funds.

**Statement of Assets: Business-type Activities  
Two-year Comparison of Net Assets at June 30**

	2008-09	2007-08	Inc./Dec.
Cash & Investments	\$ 837,844	\$ 821,026	\$ 16,818
Other Assets	51,007	71,526	(20,519)
Capital Assets	1,078,005	1,170,831	(92,826)
<b>Total Assets</b>	<b>\$ 1,966,856</b>	<b>\$ 2,063,383</b>	<b>\$ (96,527)</b>
Accounts Payable	2,396	1,954	442
Deferred Revenue	43,785	61,292	(17,507)
<b>Total Liabilities</b>	<b>\$ 46,181</b>	<b>\$ 63,246</b>	<b>\$ (17,065)</b>
<b>Net Assets:</b>			
Invested in capital assets	1,078,005	1,170,831	(92,826)
Unrestricted	842,670	829,306	13,364
<b>Net Total Assets</b>	<b>\$ 1,920,675</b>	<b>\$ 2,000,137</b>	<b>\$ (79,462)</b>

As is reported in the Statement of Activities, the change in net assets for the Town's Business-type Activities as of June 30, 2009, was a decrease of \$79,462. The following table outlines the components of this decrease.

**Business-type Activities**  
**Two-year Comparison of Change in Net Assets**

	2008-09	2007-08	Inc./Dec.
<b>Expenses</b>	\$ 291,803	\$ 255,693	\$ 36,110
<b>Program Revenues:</b>			
Charges for services	238,250	197,465	40,785
<b>Net Revenue (Expense)</b>	\$ (53,553)	\$ (58,228)	\$ 4,675
<b>General Revenues:</b>			
Interest	\$ 18,702	\$ 41,341	(22,639)
Transfers	(44,611)	(218,312)	173,701
<b>Total General Revenue and Transfers</b>	\$ (25,909)	\$ (176,971)	\$ 151,062
<b>Change in Net Assets</b>	(79,462)	(235,199)	155,737

The "Transfers" of \$44,611 is the aforementioned overhead cost reimbursement to the Town's General Fund.

## FUND FINANCIAL STATEMENTS

### Performance of Governmental Funds

The Net Assets of the Town's Governmental Funds at June 30, 2009, were about \$21.6 million, which is the total of ending fund balances, plus capital assets, and less long-term commitments. The following chart provides an overview of these Net Assets.

Governmental Funds	Total Assets	Total Liabilities	Fund Balance/ Net Assets
General Fund	\$ 4,643,154	\$ 1,590,330	\$ 3,052,824
Library Operations Fund	1,628,095	925	1,627,170
Measure A Fund	501,530	46,459	455,071
Barkley Fields & Park Construction Fund	-	-	-
Other Governmental Funds	627,692	100,577	527,115
<b>Subtotal</b>	<b>\$ 7,400,471</b>	<b>\$ 1,738,291</b>	<b>\$ 5,662,180</b>
Capital Assets			16,267,307
Non-current Portion of Compensated Absences			(285,475)
<b>Total Net Assets</b>			<b>\$ 21,644,012</b>

Total Net Assets decreased by just under \$100,000, or .35%, as is highlighted in the following chart.

Governmental Funds	2008-09	2007-08	Inc./Dec. (\$)	Inc./Dec. (%)
Total Assets	\$ 7,400,471	\$ 8,020,870	\$ (620,399)	-7.73%
Total Liabilities	1,738,291	1,630,969	107,322	6.58%
<b>Fund Balance/Net Assets</b>	<b>\$ 5,662,180</b>	<b>\$ 6,389,901</b>	<b>\$ (727,721)</b>	<b>-11.39%</b>
Capital Assets	16,267,307	16,000,282	267,025	1.67%
Non-current Portion of Compensated Absences	(285,475)	(318,350)	32,875	-10.33%
Retention Payables Adjustment	-	(351,041)	351,041	---
<b>Total Net Assets</b>	<b>\$ 21,644,012</b>	<b>\$ 21,720,792</b>	<b>\$ (76,780)</b>	<b>-0.35%</b>

The combined fund balances of \$5,662,180 from the various Governmental Funds comprise about 26.1% of Total Net Assets at June 30, 2009. These fund balances decreased by \$727,721, or 11.4%, during 2008-09. The following summary of the Statement of Revenues, Expenditures, and Changes in Fund Balance for the Governmental Funds illustrates the details of this net decrease.

**Governmental Funds**  
**Net Change in Fund Balances at June 30, 2009**

Governmental Funds	Total Revenues	Total Expenditures	Excess/(Def.) of Revenues	Other Financing Sources/(Uses)	Net Change in Fund Balance
General	\$ 5,809,832	\$ 5,791,675	\$ 18,157	\$ (326,751)	\$ (308,594)
Library Operations Fund	377,986	82,292	295,694	(8,795)	286,899
Measure A Fund	641,559	1,421,594	(780,035)	427,900	(352,135)
Barkley Fields & Park Construction Fund	-	413,587	(413,587)	24,357	(389,230)
Other Governmental Funds	629,306	521,867	107,439	(72,100)	35,339
<b>Subtotal</b>	<b>\$ 7,458,683</b>	<b>\$ 8,231,015</b>	<b>\$ (772,332)</b>	<b>\$ 44,611</b>	<b>\$ (727,721)</b>
<b>Beginning Fund Balances</b>					<b>6,389,901</b>
<b>Ending Fund Balances</b>					<b>\$ 5,662,180</b>

The following chart provides a comparison of the components that made up the net change in fund balances for the Governmental Funds for 2008-09 and 2007-08.

**Two-year Comparison of Net Change in Fund Balances - Governmental Funds**

Governmental Funds	2008-09	2007-08	Inc./Dec. (\$)	Inc./Dec. (%)
Total Revenues	\$ 7,458,683	\$ 7,608,192	\$ (149,509)	-1.97%
Total Expenditures	8,231,015	7,959,233	271,782	3.41%
Excess/(Deficiency) of Revenues	\$ (772,332)	\$ (351,041)	\$ (421,291)	120.01%
Other Financing Sources/(Uses)	44,611	218,312	(173,701)	-79.57%
<b>Net Change in Fund Balance</b>	<b>\$ (727,721)</b>	<b>\$ (132,729)</b>	<b>\$ (594,992)</b>	<b>448.28%</b>
Beginning Fund Balance	6,389,901	6,522,630	(132,729)	-2.03%
<b>Ending Fund Balance</b>	<b>\$ 5,662,180</b>	<b>\$ 6,389,901</b>	<b>\$ (727,721)</b>	<b>-11.39%</b>

The following discussion provides a focused analysis of the performance of the Town's Governmental Funds by examining the four Major Funds.

**General Fund**

The General Fund accounts for financial resources traditionally associated with government activities that are not legally required to be accounted for in another fund.

**2008-09 General Fund Performance**

Revenues	\$ 5,809,832
Expenditures	5,791,675
<b>Excess of Revenues</b>	<b>\$ 18,157</b>
Other Financing Sources (Uses)	
Transfers In	197,606
Transfers Out	(524,357)
<b>Net Other Sources</b>	<b>\$ (326,751)</b>
Increase (Decrease) to Fund Balance	(308,594)
Beginning Fund Balance	3,361,418
<b>Ending Fund Balance</b>	<b>\$ 3,052,824</b>

The General Fund ended the 2008-09 fiscal year with a fund balance of \$3,052,824, about \$309,000 less than the \$3.4 million on hand at June 30, 2008. This decrease resulted from the net impact of the fund's financial performance for the fiscal year, as summarized in the foregoing chart.

The Town continued to experience solid revenue receipt patterns during 2008-09. The following charts illustrate 2008-09 revenue performance contrasted with 2007-08 results of operation and 2008-09 revenue performance compared with budgetary expectations for the fiscal year.

#### Two-year Comparison of General Fund Revenues

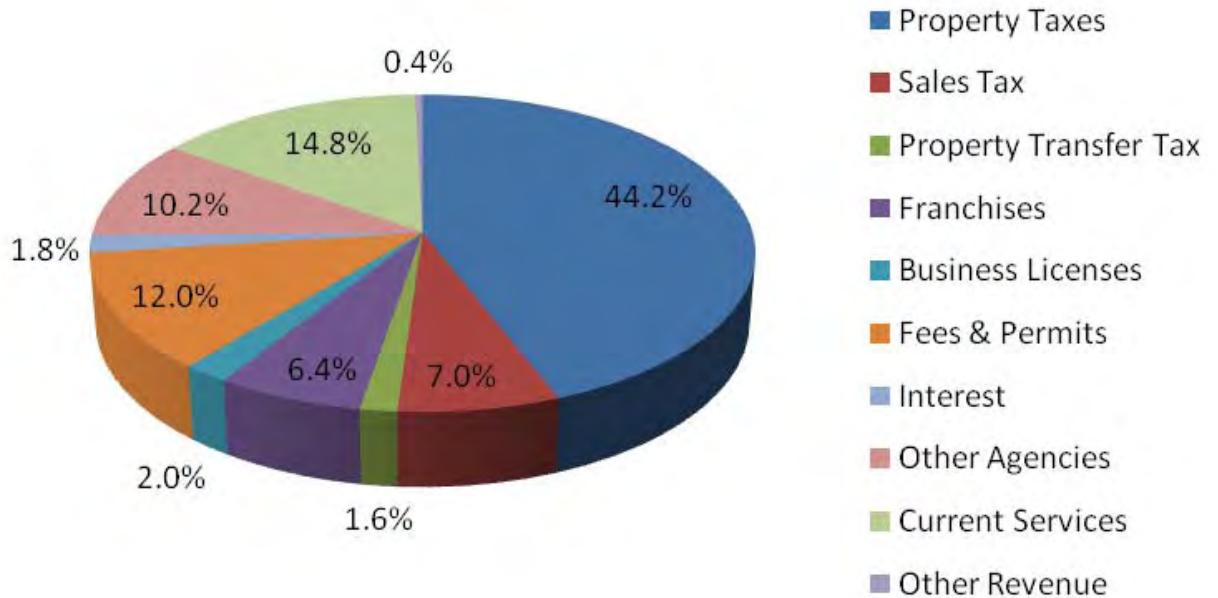
Category	2008-09	2007-08	Inc. (Dec.) \$	Inc. (Dec.) %
Property Taxes	\$ 2,561,811	\$ 2,423,454	\$ 138,357	5.7%
Sales Tax	404,393	407,021	(2,628)	-0.6%
Property Transfer Tax	92,912	153,762	(60,850)	-39.6%
Franchises	368,317	312,431	55,886	17.9%
Business Licenses	115,874	123,652	(7,778)	-6.3%
Fees & Permits	696,914	863,318	(166,404)	-19.3%
Interest	102,088	216,556	(114,468)	-52.9%
Other Agencies	589,563	585,740	3,823	0.7%
Current Services	852,642	500,839	351,803	70.2%
Other Revenue	25,318	20,143	5,175	25.7%
<b>Total Revenues</b>	<b>\$ 5,809,832</b>	<b>\$ 5,606,916</b>	<b>\$ 202,916</b>	<b>3.6%</b>

The General Fund recognized total revenues of \$5,809,832 in 2008-09, as compared with \$5,606,916 in 2007-08. This reflects a 3.6%, or about \$203,000, increase.

#### 2008-09 General Fund Revenues: Budget vs. Actual

Category	2008-09		2008-09	
	Budget	Actual	Over/(Under) \$	Over/(Under) %
Property Taxes	\$ 2,395,050	\$ 2,561,811	\$ 166,761	7.0%
Sales Tax	407,200	404,393	(2,807)	-0.7%
Property Transfer Tax	130,000	92,912	(37,088)	-28.5%
Franchises	305,100	368,317	63,217	20.7%
Business Licenses	136,000	115,874	(20,126)	-14.8%
Fees & Permits	750,000	696,914	(53,086)	-7.1%
Interest	176,000	102,088	(73,912)	-42.0%
Other Agencies	580,000	589,563	9,563	1.6%
Current Services	390,900	852,642	461,742	118.1%
Other Revenue	18,000	25,318	7,318	40.7%
<b>Total Revenues</b>	<b>\$ 5,288,250</b>	<b>\$ 5,809,832</b>	<b>\$ 521,582</b>	<b>9.9%</b>

Total General Fund revenues for 2008-09 were 9.9%, or about \$521,500, above the budgeted level. The following chart provides a depiction of the proportional contribution each category of revenue made to the General Fund in 2008-09.

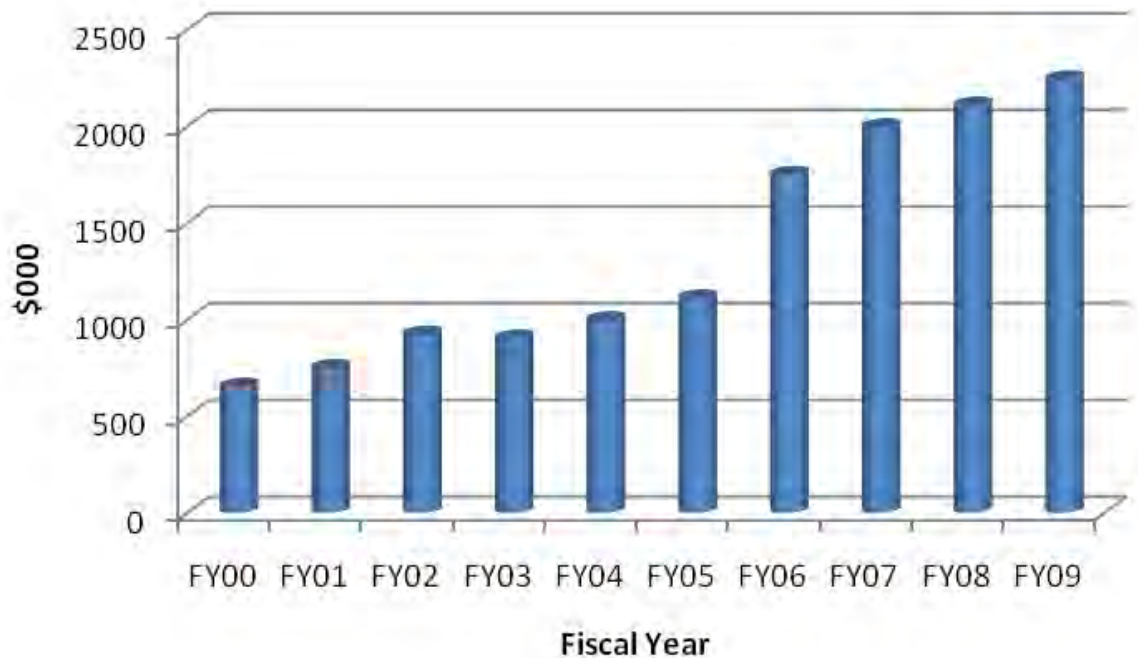


The foregoing charts invite focused discussion of several of the General Fund's revenue sources:

- ☑ **Property Taxes** are usually the General Fund's largest revenue source and in 2008-09, they comprised about forty-four percent of revenues received for the fiscal year. As the second chart demonstrates, property taxes exceeded budgetary expectations by 7%, or \$166,761. Property tax performance continued to be strong.

The most useful analysis of property taxes is derived by analyzing the change in the pattern of receipt of only current secured property taxes, which do not reflect one-time or prior year adjustments. The following chart shows how revenues from secured property taxes have grown over the last ten years, from about \$653,000 in 1999-2000 to \$2.24 million in 2008-09. The chart reflects the Town's receipt beginning in 2005-06 of ongoing Tax Equity Allocation revenues, which increased the current secured property tax base by about \$500,000 a year.

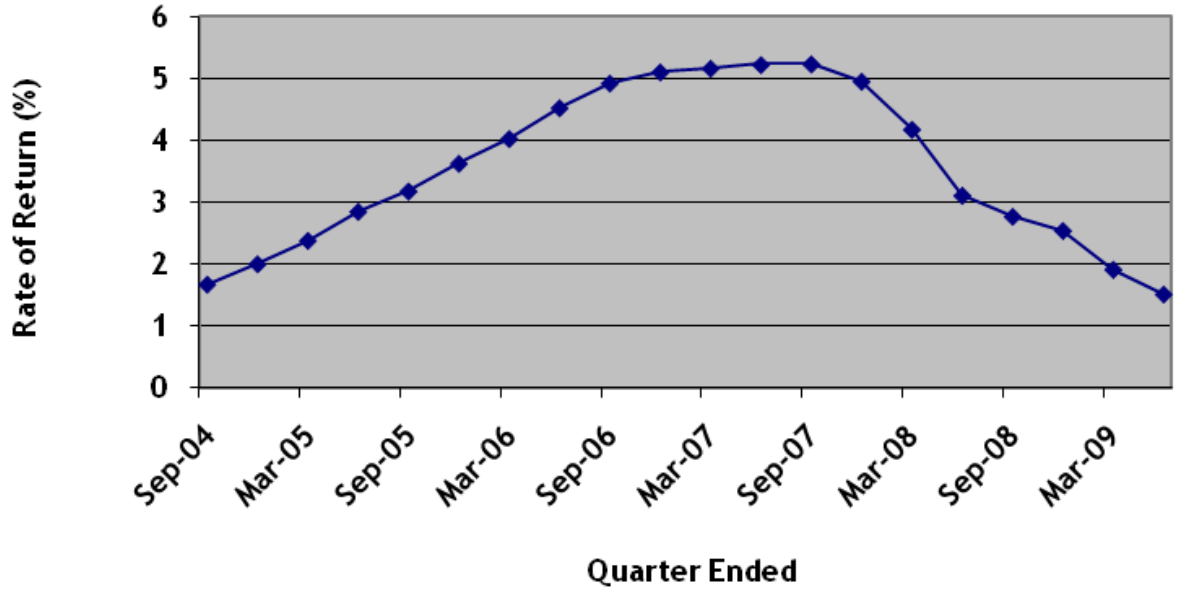
### Ten-year History of Secured Property Tax Receipts



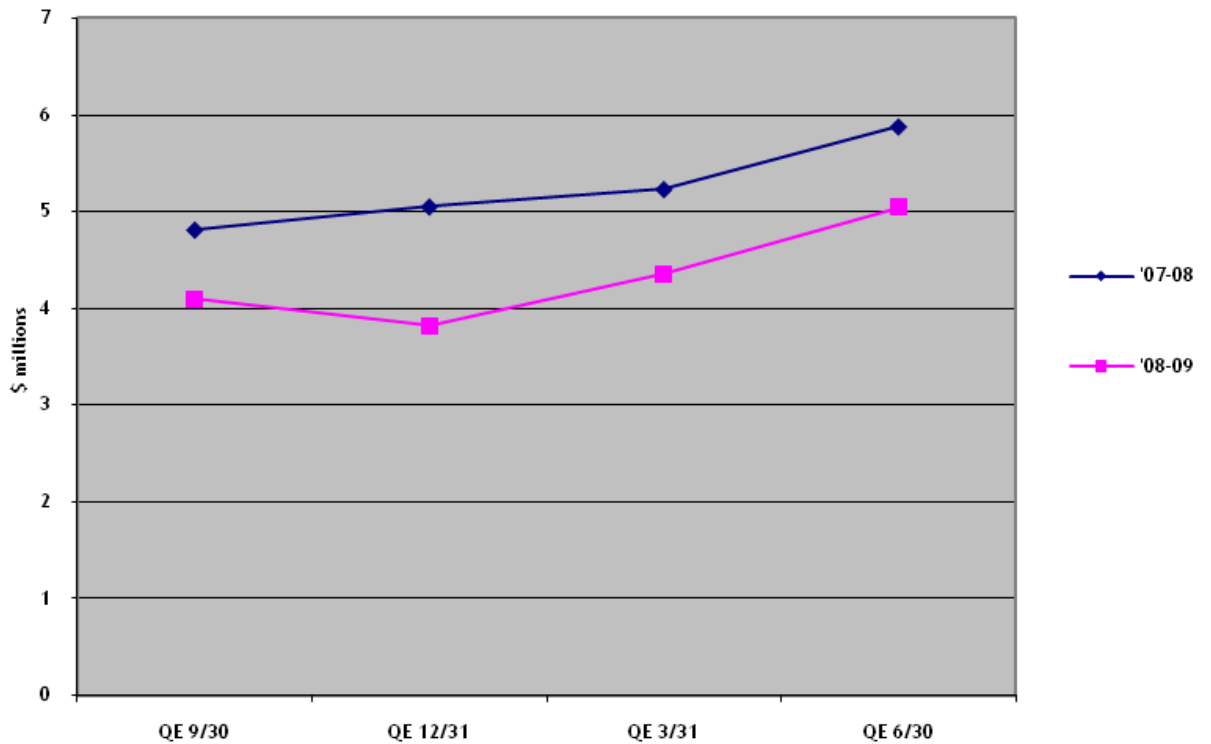
- ☑ **Interest Income** came in at 42%, or about \$74,000, below the budgeted level. Compared to 2007-08, interest earnings were down 52.9%, or about \$115,000. One key aspect of the decrease was the continuing deterioration of the rate of return on invested idle cash. The average rate of return in 2007-08 was 4.37%, as compared with 2.18% in 2008-09. The first of the two charts that follow provides a snapshot of the rate of return for each quarter during the last five fiscal years. The 1.51% rate of return at June, 30, 2009, is the lowest it has been in the last five years. The Town invests solely in the Local Agency Investment Fund (LAIF). The rate of return that the Town earns is driven by the performance of the LAIF portfolio.

A second factor that impacts the Town's interest income is the amount of idle cash it has on hand to invest. The second of the two charts that follow compares idle General Fund cash for each quarter in 2008-09 as compared with 2007-08. Throughout the course of the year, the General Fund had less cash on hand than in the previous year. These two factors together led to the decrease in investment earnings for 2008-09.

### Five-year History of Rate of Return on Invested Cash

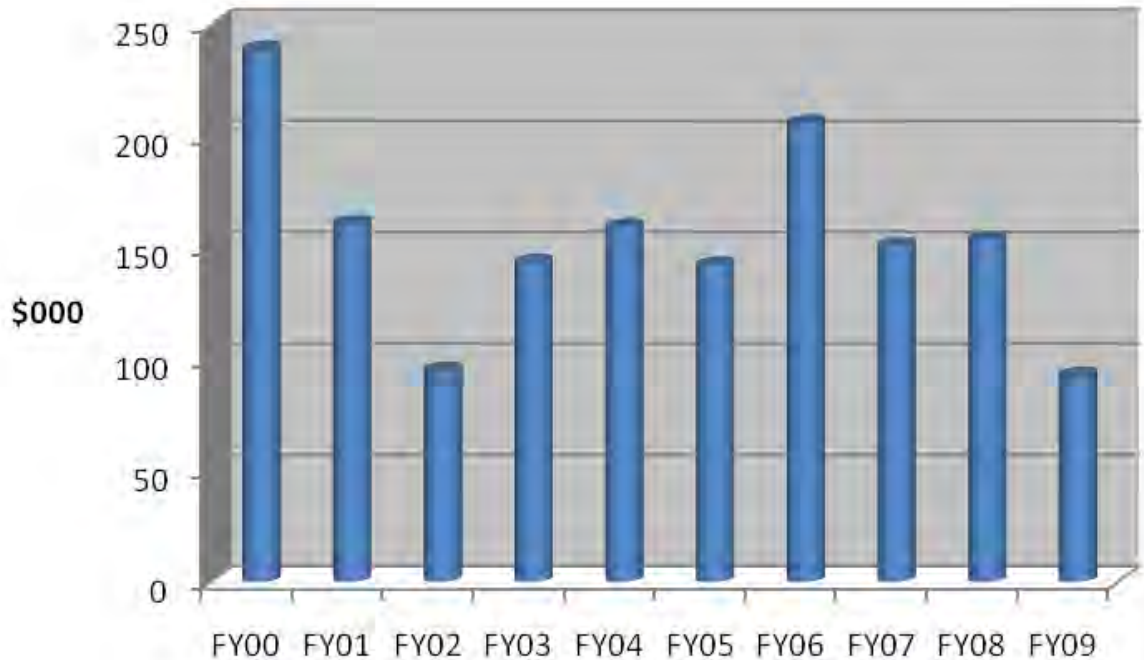


General Fund Idle Cash: 2007-08 and 2008-09



Property Transfer Taxes also decreased substantially in 2008-09, with \$92,912 received in 2008-09 versus \$153,762 received in 2007-08, a 39.6% decrease. These taxes underperformed the budgeted level in 2008-09 by about \$37,000, or 28.5%.

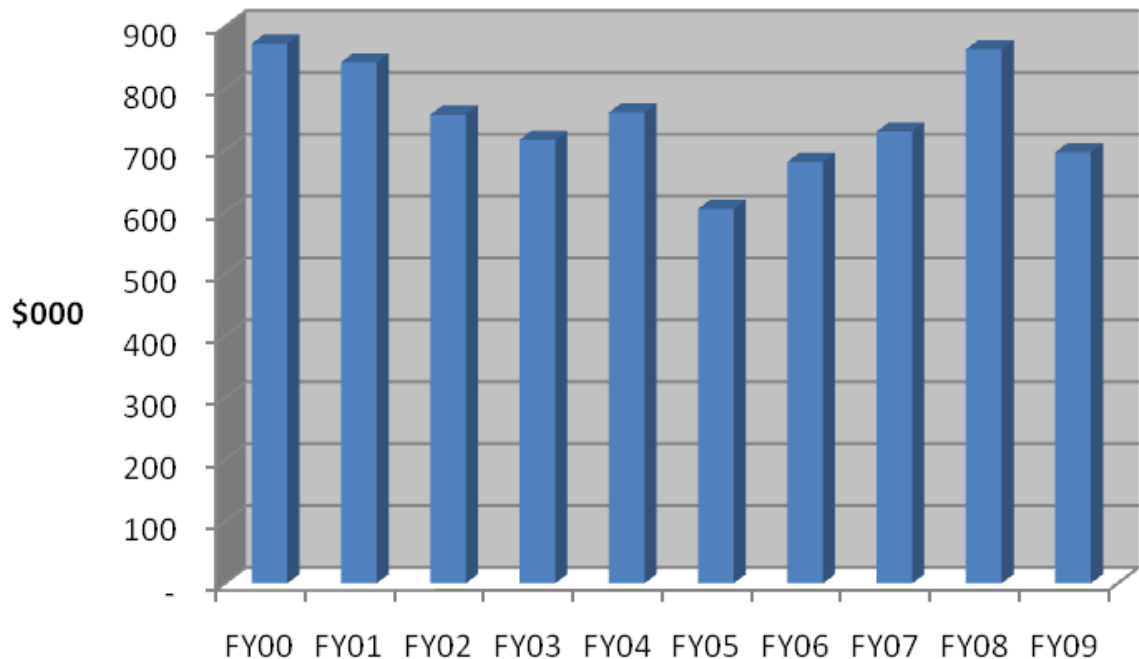
This tax is assessed at the time that property is sold and is based upon the sales price of the real property. Receipt patterns are subject to the forces and whims of the real estate market. The following chart demonstrates the ups and downs of this revenue source for the last ten years.



Property transfer taxes are a source that is sensitive to the condition of the economy and which can fluctuate widely depending upon which properties in Town are bought and sold. Revenues in 2008-09 were the lowest in the ten year period, falling just below the 2001-02 revenues of about \$95,200. The high over the period was in 1999-2000 when the Town received just over \$239,000. The Town receives 65¢ for every \$1,000 of sales price valuation, or \$650 per \$1,000,000. This means that about \$143 million of property traded hands in 2008-09, while \$237 million did so in 2007-08. Given Woodside’s real estate market, it can take only the sale of a few additional properties to dramatically impact the performance of this revenue source.

- ☑ **Fees and Permits** decreased by \$166,405 in 2008-09, a decline of 19.3%. Revenues from this source fell short of the budgeted level by over \$53,000, or 7.1%. As with Property Transfer Taxes, this source of funds is very sensitive to economic conditions and fluctuates from year-to-year in a fairly unpredictable manner. The following chart provides receipt history for the last ten years and demonstrates the ever-shifting pattern for this source, which is primarily comprised of fees for development-related activities.

#### Revenue from Fees and Permits



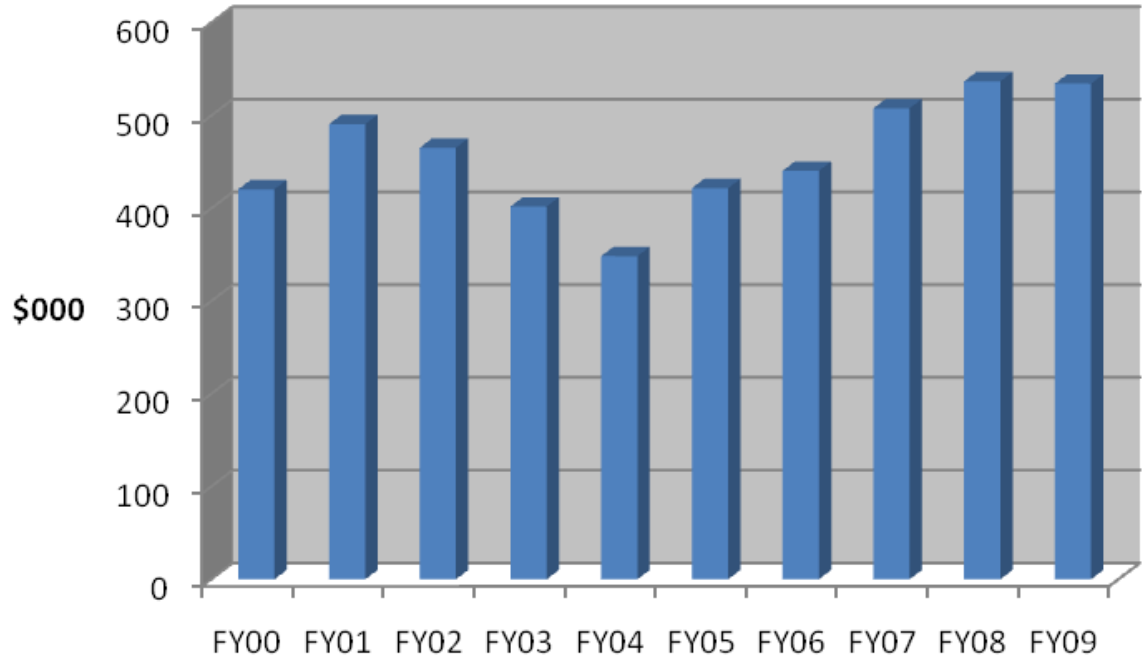
Fees and permit revenues are impacted by two factors: (1) the level of development activity and (2) the type of development activity. These factors must be considered together. For example, the level of activity may be very high, with several hundred permit applications submitted. If all of these applications are for new roofs or water heater replacements, revenues will not be very robust, as the value of such work is not very high. On the other hand, a couple dozen applications for new residences or for major additions to existing residences could cause revenues to skyrocket, as such projects are usually of very high value and permit fees are based upon valuation, as a rule. Thus, the level and nature of development activity tend to be cyclical and notable variations between years are common.

- Sales Tax** revenues experienced a 0.6%, or \$2,628, decrease from the prior year's level and came in under 2008-09 budget levels by 0.7%, or about \$2,800. Since 2004-05, it has been necessary when analyzing the performance of this revenue source to take into account the impact of the State's "Triple Flip" formula. In 2004, the State received voter approval to issue \$15 billion in deficit reduction bonds. Included in the bond measure was a mechanism for securing a dedicated revenue stream to pay off the bonds over time. A dedicated revenue stream is preferable to those who buy such bonds and can reduce the cost of the issuance. The State's dedicated revenue stream was derived from the "Triple Flip" that was instituted during 2004-05. The Triple Flip has three prongs. First, the State diverts ¼¢ of local sales tax (which equals twenty-five percent of local sales taxes) to pay for the debt service on the bonds. Next, the State diverts an equal amount from school district property taxes to local governments to make them whole. Finally, an equal amount of State general fund monies is redirected to the schools to likewise make them whole.

The impact of the Triple Flip in 2008-09 was the shift of \$130,076 in Town sales tax receipts to the State. This means, in effect, that the Town's actual sales tax receipts for the year were \$534,469. In 2007-08, the State diverted \$129,994 from

the Town, which means that actual sales taxes that year were \$537,015. Sales tax revenues were essentially flat over the last two years.

The following chart illustrates the Town’s sales tax receipts for the last ten years, “normalized” to include the portion of sales taxes shifted to the State.



**Current Services**

Revenues for Current Services increased in 2008-09 from the 2007-08 level by about \$352,000, or 70.2%. This is primarily the result of two factors: (1) because the Town undertook environmental and legal review for one development application during 2008-09, about \$131,000 more in deposit fees was recognized during 2008-09 than had been recognized in the previous year; and (2) the Town received extraordinary miscellaneous revenue of about \$257,000 for a code enforcement settlement. These two items account for the two-year difference.

The 2008-09 revenues of \$852,642 exceeded budgetary expectations by about \$462,000, or 118.1%. This primarily reflects the two previously discussed items: (1) the increase in development deposit fees attributable to a major development application and (2) the payment received in conjunction with a code enforcement settlement. Current services revenues can vary widely from year-to-year, depending largely upon unusual or unpredictable influences and activities that impact the Town.

**Other Agencies**

The Town receives revenues from other governmental agencies, primarily the State of California. In 2008-09, the Town received \$589,563 from this source. This was nearly \$4,000 more than it received in 2007-08 and nearly \$10,000 more than was included in the 2008-09 budget. These variances are attributable almost entirely to one State revenue: the Triple Flip reimbursement. As was discussed in the section

on Sales Taxes, the State of California has been shifting 25% of local sales tax revenues to its own coffers since 2004-05 to provide a revenue stream for retiring deficit reduction bonds approved by the voters in 2004. The State is supposed to make local agencies whole by shifting an equal amount from its General Fund back to the local agencies. The State bases its Triple Flip payments on its own annual estimates of local sales taxes. Unfortunately, these estimates vary from the actual receipts and the State is constantly attempting to address the difference between what it takes and what it gives back. The following chart summarizes the net position for the Town of Woodside after five fiscal years of dealing with the Triple Flip.

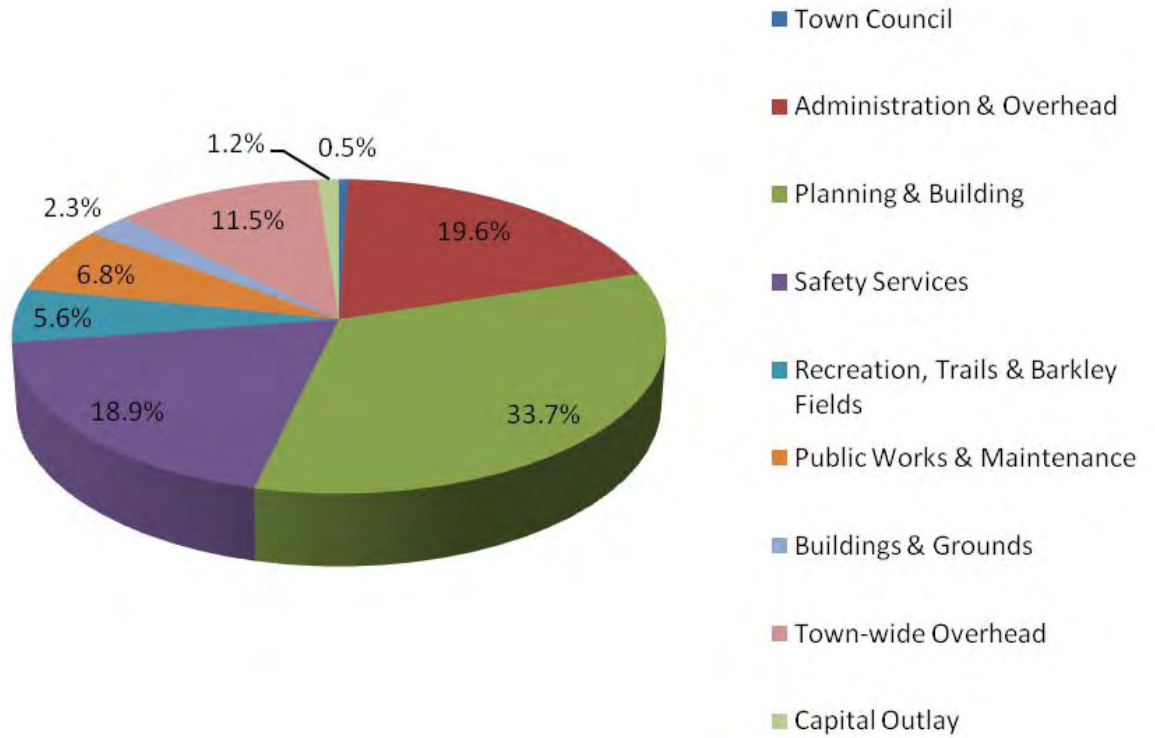
Fiscal Year	To State	From State	Difference
2004-05	\$ 82,775	\$ 74,609	\$ (8,166)
2005-06	104,388	112,630	\$ 8,242
2006-07	123,550	105,370	\$ (18,180)
2007-08	129,994	145,736	\$ 15,742
2008-09	130,076	140,587	\$ 10,511
<b>Total</b>	<b>\$ 570,783</b>	<b>\$ 578,932</b>	<b>\$ 8,149</b>

As the table illustrates, the State attempts to make the Town whole in the fiscal year following an underpayment. After five years, the Town is in a positive position of \$8,149. This process makes estimating revenue from the Triple Flip in any given year very difficult and leads to the variances discussed above.

In summary, General Fund revenues performed adequately during 2008-09, with revenues exceeding 2007-08 actual receipts and 2008-09 budgeted levels.

General Fund expenditures totaled \$5,791,675 in 2008-09, an increase of 16.1%, or \$804,488, from 2007-08, and \$834, or 0.01%, above the 2008-09 budgeted level.

The following chart provides an illustration of how the total expenditures for 2008-09 were categorized by department or program.



The following charts depict the differences between 2008-09 and 2007-08 and the budget versus actual for 2008-09.

	2008-09	2007-08	Inc. (Dec.) \$	Inc. (Dec.) %
Town Council	\$ 29,701	\$ 45,730	\$ (16,029)	-35.1%
Administration & Finance	1,134,283	1,047,868	86,415	8.2%
Planning & Building Regulation	1,948,974	1,768,035	180,939	10.2%
Buildings & Grounds	134,742	104,600	30,142	28.8%
Town-wide Overhead	664,907	406,628	258,279	63.5%
Safety Services	1,093,294	1,036,578	56,716	5.5%
Trails & Stables	38,449	43,667	(5,218)	-11.9%
Public Works	395,803	318,231	77,572	24.4%
Recreation & Open Space	284,120	188,236	95,884	50.9%
Capital Outlay	67,402	27,614	39,788	144.1%
<b>Total Expenditures</b>	<b>\$ 5,791,675</b>	<b>\$ 4,987,187</b>	<b>\$ 804,488</b>	<b>16.1%</b>

### 2008-09 General Fund Expenditures: Budget vs. Actual

	2008-09 Budget	2008-09 Actual	Over/(Under) \$	Over/(Under) %
Town Council	\$ 24,000	\$ 29,701	\$ 5,701	23.8%
Administration & Finance	1,171,090	1,134,283	(36,807)	-3.1%
Planning & Building Regulation	1,720,575	1,948,974	228,399	13.3%
Buildings & Grounds	141,355	134,742	(6,613)	-4.7%
Town-wide Overhead	566,810	664,907	98,097	17.3%
Safety Services	1,106,626	1,093,294	(13,332)	-1.2%
Trails & Stables	39,440	38,449	(991)	-2.5%
Public Works	457,526	395,803	(61,723)	-13.5%
Recreation & Open Space	287,550	284,120	(3,430)	-1.2%
Capital Outlay	275,869	67,402	(208,467)	-75.6%
<b>Total Expenditures</b>	<b>\$ 5,790,841</b>	<b>\$ 5,791,675</b>	<b>\$ 834</b>	<b>0.0%</b>

The Town Council Department expended about \$16,000 less in 2008-09 than it did during 2007-08. This is the result of several factors: (1) Municipal Elections are held in the odd numbered years and one was held in November of 2007, at a cost of \$13,000; (2) the Town's Environment Fest is held every other fiscal year and occurred in April of 2008, at a cost of about \$6,000. Neither of these costs was incurred during 2008-09. These reductions were offset by the increased cost of annual membership dues and regular events, including the Volunteer Reception. These higher costs accounts for the department's budget being exceeded by \$5,700 for the 2008-09 fiscal year.

Expenditures for the Administration and Finance program area increased by \$86,415 from 2007-08. This 8.2% increase is primarily attributable to the full year cost of the Assistant Town Manager, which cost an additional \$85,000 for the full year versus the five months that the position was filled during 2007-08. The department underexpended its 2008-09 budget by about \$37,000, or 3.1%. Spending for the Town Attorney and professional services were \$17,000 and \$18,000 below budgeted levels, respectively, which accounts for the budget savings.

Planning and Building Regulation program costs increased by \$180,939 or 10.2%. The main reason for this increase was the increase of about \$179,000 in expenditures for professional services for the preparation of California Environmental Quality Act (CEQA) documents, the largest share of which went to preparing an addendum to an Environmental Impact Report for the Jackling Estate Demolition Permit Application. The department overspent its 2008-09 budget by \$228,399, or 13.3%. The cost for outside plan check services exceeded budgeted amounts by about \$97,500, the result of a change in the timing of payment to the plan check firm, which resulted in a one-time "catch-up payment" for services provided in prior years but not billed until projects were completed. These services are now billed as they are rendered. The expenditures for development review supported by applicant deposits, including the Jackling Estate project mentioned above, exceed budgeted levels by about \$131,000. These factors account for the over-expenditure for this department.

Expenditures for the Buildings and Grounds Department increased by \$30,142, or 28.8%, during 2008-09. Expenses for professional services increased about \$22,000 as the Town conducted engineering studies for a Town Hall Water Reclamation Demonstration Project during the year. Additionally, the floors inside Town Hall were refinished during 2008-09 at a cost of about \$5,000 and the Town engaged the services of a space planner for

Town Hall at a cost of about \$5,000. Neither of these activities occurred during 2007-08. The department underexpended its 2008-09 budget by \$6,613, or 4.7%. The main reason for the budget savings is that the Town spent about \$5,000 less on maintenance services during the year than in 2007-08.

Town-wide Overhead increased by \$258,279 or 63.5%, from the 2007-08 level. This cost increase is primarily attributable to the purchase and implementation of a new permit tracking system, Trakit, at a cost of \$248,500 plus the services of the Town's contract Information Technology coordinator. This departmental budget was overexpended by about \$98,000, or 17.3%, during 2008-09, which was largely the result of the implementation of Trakit.

Safety Services increased by \$56,716, or 5.5%. This difference is totally attributable to the increased cost of the Town's Agreement for Police Services with the County of San Mateo, as specified in that agreement. The 2008-09 expenditures were 1.2% less than the budgeted level.

Expenditures for Trails and Stables decreased by \$5,218 or 11.9%, during 2008-09. This reduction is attributable to the purchase of fewer materials and supplies for trail maintenance during 2008-09. As a result of these fewer purchases, the 2008-09 budget was underexpended by \$991, or 2.5%.

The Public Works program area experienced an increase in expenditures of \$77,572, or 24.4% in 2008-09 over 2007-08 levels. There are two primary reasons for the increase: (1) about \$52,000 represents the full year cost of a contract Development Services Engineer that the Town began using three days a week in February 2008; (2) about \$37,000 is attributable to the Deputy Town Engineer, who had been included in the Planning and Building department in 2007-08. The full cost of the Deputy Town Engineer position is approximately \$180,000. However, only 40%, or about \$72,000 is charged to the General Fund, with the balance of the position charged to the Road Impact and Measure A Funds due to his support of these programs. The cost of the Deputy Town Engineer is offset by the reduction of about \$35,000 that resulted in the brief overlap of the retiring and the new Town Engineer in 2007-08. The department expenditures came in at \$61,723, or 13.5%, below budgeted levels for 2008-09. This under-expenditure is primarily attributable to the difference between the budgeted, but vacant, Development Services Engineer position at a cost of about \$145,000, and the \$90,000 cost of the contract Development Services Engineer.

Finally, the Recreation and Open Space program area required about \$96,000 more in 2008-09 than it did in 2007-08. This was the first year that Barkley Fields and Park was open for a full year, and the \$96,000 increase is explained by the true annual cost of operating the Park. Expenditures for the Recreation and Open Space program area were \$3,430, or 1.2%, below budgeted levels for the year.

As the results of operation for 2008-09 demonstrate, the Town's General Fund continues to be well positioned to cushion future operations from the effects of unforeseen circumstances and activities.

## Measure A Fund

The Measure A Fund is a special revenue fund that accounts for the Town's share of the proceeds of a county-wide half cent sales tax for transportation-related projects, such as road repair and maintenance. During 2008-09, the fund experienced a decrease in fund balance of just over \$352,000.

<b>2008-09 Measure A Fund Performance</b>	
Revenues	\$ 641,559
Expenditures	1,421,594
<b>Excess of Expenditures</b>	<b>\$ (780,035)</b>
Other Financing Sources (Uses)	
Transfers In	500,000
Transfers Out	(72,100)
<b>Net Other sources</b>	<b>\$ 427,900</b>
Decrease to Fund Balance	(352,135)
Beginning Fund Balance	807,206
<b>Ending Fund Balance</b>	<b>\$ 455,071</b>

The Measure A Fund supports the Town's annual Road Program. A \$500,000 contribution is made every year from the General Fund to the Measure A Fund to supplement the funds available for road rehabilitation work. During 2008-09, the Town also received a one-time allocation of \$400,000 in Proposition 1B funds. These bond funds were approved by State voters for road projects, and this funding was used along with the Town's Measure A receipts to enhance the 2008-09 road program. The level of expenditures from this fund varies from year-to-year, depending upon the prioritization of road projects and the results of the public bidding process on these projects.

### Library Operations Fund

The Library Operations Fund is a special revenue fund that is used to account for the Town's maintenance and operation of the Woodside Branch Library. During 2008-09, the Library Operations Fund experienced an increase in fund balances of \$286,899, which is highlighted in the following chart.

<b>2008-09 Library Fund Performance</b>	
Revenues	\$ 377,986
Expenditures	82,292
<b>Excess of Expenditures</b>	<b>\$ 295,694</b>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	(8,795)
<b>Net Other sources</b>	<b>\$ (8,795)</b>
Increase to Fund Balance	286,899
Beginning Fund Balance	1,340,271
<b>Ending Fund Balance</b>	<b>\$ 1,627,170</b>

The Library Fund supports the Town's share of the operation and maintenance of the library facility. The Town is a party to a Joint Powers Agreement (JPA) between many of the cities within San Mateo County and the County itself. The County provides the actual direct library services and pays for them from property taxes raised specifically for library purposes

within each jurisdiction that hosts a County branch library. The “hosting” jurisdiction owns the building and grounds that support the library function and pays for day-to-day and long-term upkeep and improvement. Pursuant to the terms of the JPA, if more property taxes are raised within a jurisdiction than are needed to provide the direct library services, then the County is to remit the balance of the property taxes to the host jurisdiction, which can use the funds only for library purposes. Unless a major improvement project is undertaken, the Town generally pays about \$75,000 for routine maintenance. During 2008-09, no major projects were undertaken and the Town received about \$378,000 in property taxes and interest income for the Library Fund. The Town is planning several improvement projects for the library within the next year and the fund’s healthy cash balances will be utilized to support these undertakings.

**Barkley Fields and Park Construction Fund**

Revenues	\$	-
Expenditures		413,587
<b>Excess of Expenditures</b>	<b>\$</b>	<b>(413,587)</b>
Other Financing Sources (Uses)		
Transfers In		24,357
Transfers Out		-
<b>Net Other Uses</b>	<b>\$</b>	<b>24,357</b>
Increase to Fund Balance		(389,230)
Beginning Fund Balance		389,230
<b>Ending Fund Balance</b>	<b>\$</b>	<b>-</b>

As was discussed earlier in this MD&A, the decrease in the fund reflects the completion and acceptance of Barkley Fields and Park and the payout of the final project retention to the contractor.

**Other Governmental Funds**

Included in this category are the Road Impact Fee, Gas Tax, Traffic Safety, Supplemental Law Enforcement Services, and the California Law Enforcement Equipment Program Funds. Taken as a whole, the following chart reflects the performance of these funds during 2008-09.

Revenues	\$	629,306
Expenditures		521,867
<b>Excess of Expenditures</b>	<b>\$</b>	<b>107,439</b>
Other Financing Sources (Uses)		
Transfers In		-
Transfers Out		(72,100)
<b>Net Other Uses</b>	<b>\$</b>	<b>(72,100)</b>
Increase to Fund Balance		35,339
Beginning Fund Balance		491,776
<b>Ending Fund Balance</b>	<b>\$</b>	<b>527,115</b>

These funds were previously detailed in the foregoing discussion of governmental activities. The net increase of \$35,339 in fund balances is attributable as follows:

<b>Fund</b>	<b>Net Change</b>
Traffic Safety	\$ (698)
Road Impact Fee	(4,015)
Gas Tax	46,368
Supplemental Law Enforcement	(5,816)
Law Enforcement Equipment	(500)
<b>Total</b>	<b>\$ 35,339</b>

## Performance of Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and service to the general public are financed or recovered primarily through user charges. The Town's enterprise operations consist entirely of public sewer service operations. The four funds that are included are the Cañada Corridor Sewer, Sewer Revolving, Sewer Utility, and Town Center Pump Sewer Funds. The performance of the Enterprise Funds has been previously discussed in this MD&A, with the overview of "Business-type Activities."

## Budgeting

The Town's annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all other Major Funds. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgets are prepared on the modified accrual basis of accounting, consistent with generally accepted accounting practices (GAAP). Operating appropriations lapse at year-end. The Town Council generally reauthorizes appropriations for continuing projects and activities. Project-length financial plans are adopted for capital projects. The Town Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is at the fund level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated between departments within the same fund without Town Council approval.

The General Fund final budget differs from the original budget by \$870,000 and the Barkley Fields and Park Construction Fund final budget differs from the final budget by \$413,600. The components of these changes include:

<b>Fund</b>	<b>Description</b>	<b>Amount</b>
General	Support purchase of two alternative vehicles	\$10,000
General	Support the Planning Director recruitment, the update of the Residential Design Guidelines, the acquisition of permit tracking and management software, and Barkley Fields construction and operation	\$321,000
General	Support the operations and maintenance of Barkley Fields and Park	\$72,000

Barkley Construction	Support final project costs	\$413,600
General	Provide for the solar installation and roof replacement project at Town Hall	\$120,000
General	Support for Planning Director transition, the General Plan Update and Review project, the permit tracking and management system, and the fee schedule update	\$212,000
General	Support recreation programs and activities	\$35,000
General	Support the cost of utilities and maintenance at Barkley Fields	\$25,000
General	Support the cost of the preparation of environmental documents for private development applications.	\$75,000
	<b>Total</b>	<b>\$1,283,600</b>

All of these adjustments were approved through a resolution of the Town Council.

## Capital Assets

As of June 30, 2009, the Town had \$17 million, net of depreciation, invested in capital assets, as outlined in the following chart.

**Two-year Comparison of Capital Assets, Net of Depreciation, at June 30<sup>th</sup>**

	Governmental		Business-type		Total 2008-09	Total 2007-08
	Activities 2008-09	Activities 2007-08	Activities 2008-09	Activities 2007-08		
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -	\$ 9,468,373	\$ 9,468,373
Buildings & improvements	6,173,638	6,252,245	-	-	6,173,638	6,252,245
Machinery & Equipment	300,666	279,664	3,892	5,837	304,558	285,501
Computer Software	324,630	-	-	-	324,630	-
Pumps & Collection System	-	-	1,074,113	1,164,994	1,074,113	1,164,994
<b>Total</b>	<b>\$ 16,267,307</b>	<b>\$ 16,000,282</b>	<b>\$ 1,078,005</b>	<b>\$ 1,170,831</b>	<b>\$17,345,312</b>	<b>\$17,171,113</b>

The Town's Capital Assets are discussed in Note 5 to the Basic Financial Statements.

## Conclusion

*Management's Discussion and Analysis* is designed to provide the Town's residents, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions about this document or requests for additional information may be directed to the Town Manager, as follows:

Susan George, Town Manager  
P.O. Box 620005, Woodside, CA 94062  
(650) 851-6790  
[sgeorge@woodsidetown.org](mailto:sgeorge@woodsidetown.org)

TOWN OF WOODSIDE

Report to Town Council

Agenda Item 4

By: Kevin Bryant, Assistant Town Manager

September 8, 2009

Reviewed by: Susan George, Town Manager

SUBJECT: MONTHLY FINANCIAL REPORT FOR JULY AND AUGUST OF 2009

RECOMMENDATION

It is recommended that the Town Council review and accept the Monthly Financial Report for July and August of 2009.

BACKGROUND

The Monthly Financial Report for July and August, 2009, has been prepared pursuant to the Town Council’s Financial Management Policies. It has been prepared by utilizing the fund balance reports and the detailed fund reports, as of July 31 and August 31, 2009.

DISCUSSION

The Town’s financial performance is within expected ranges at the end of two months of the fiscal year. The key highlights include:

- The Town's cash position for all funds as of August 31, 2009, was \$7,613,336. The cash balances for the year have been:

AS OF	CASH BALANCE
07/31/09	\$7,528,349
08/31/09	\$7,613,336

Cash balances at August 31, 2008, were \$8,514,877.

- Total expenditure activity for all of the Town's funds, including interfund transfers, was \$1,225,767 or 14.4% of the total annual budget. For comparison purposes, expenditure totals at August 31, 2008, were \$1,375,868 or 16.1% of budget. By month, and compared to fiscal year 2008-09 expenditures, the following expenditures have occurred:

MONTH	2009-10	2008-09
July	\$ 335,695	\$ 430,490
August	890,072	945,378
Total	\$ 1,225,767	\$ 1,375,868
Budget	\$ 8,490,498	\$ 8,570,024
% of Budget	14.4%	16.1%

- Total revenues, including interfund transfers, for the same two-month period was \$512,843 or 6.5% of annual anticipated revenues. Total revenues at August 31, 2008, were \$994,359 or 13.2% of budget. By month, and compared to fiscal year 2008-09 patterns, the following revenues have been received:

MONTH	2009-10	2008-09
July	\$ 233,083	\$ 746,450
August	279,760	247,909
Total	\$ 512,843	\$ 994,359
Total Budget	\$ 7,948,468	\$ 7,538,409
% of Budget	6.5%	13.2%

Revenues are lower this August compared to the same time last year in large part because the Town received \$400,000 in Proposition 1B project funds early in 2008-09. Proposition

Category	2009-10	8/31/2009	
	Adopted Budget (\$000)	Actual (\$000)	% of Total
<b>Revenues</b>			
Property Taxes	2,574.5	-	
Sales Taxes	425.2	48.8	
Transfer Taxes	100.0	8.5	
Franchise Fees	348.4	9.7	
Business Licenses	136.0	19.5	
Fees & Permits	750.0	154.8	
Interest Income	90.0	-	
Other Agencies	624.4	1.0	
Charges for Service	144.9	30.0	
Interfund Transfers	251.5	62.9	
Other Revenue	28.0	1.5	
<b>Total</b>	<b>5,472.9</b>	<b>336.7</b>	<b>6.2%</b>
<b>Expenses</b>			
Salaries & Benefits	2,484.0	335.9	
Services & Supplies	2,424.2	589.4	
Equipment/Capital	20.0	-	
Road Fund Contribution	500.0	-	
Other Contributions	197.5	9.4	
<b>Total</b>	<b>5,625.7</b>	<b>934.7</b>	<b>16.6%</b>
<b>Net Position</b>	<b>(152.8)</b>	<b>(598.0)</b>	

1B was passed by voters in 2006 and provided funds for local transportation projects, including road maintenance.

Attachment A to this report presents summaries by fund of revenues and expenditures through August 31, 2009, compared to budget.

### The General Fund as of August 31, 2009

By category of revenue and expenditure, the General Fund has experienced the following financial activity through the first two months of the fiscal year:

The General Fund's cash balances/reserves remain healthy, with over \$2.1 million on hand as of August 31, 2009. This position ensures that no cash flow borrowing will be needed. A

portion of this amount is earmarked as a General Fund reserve, pursuant to Town Council Financial Policy #2. That policy requires that adequate reserves must be developed and maintained, including a minimum reserve level of fifteen percent of estimated operating revenues for the Town's General Fund. Fifteen percent of estimated operating revenues equates to about \$785,000.

- The 2009-10 General Fund expenditure and revenue pattern thus far has been:

<b>MONTH</b>	<b>REVENUES</b>	<b>EXPENDITURES</b>	<b>NET POSITION</b>
July	\$ 132,651	\$ 255,526	\$ (122,875)
August	204,036	679,138	(475,102)
Total to Date	\$ 336,687	\$ 934,664	\$ (597,977)
Total Budget	\$ 5,472,918	\$ 5,625,664	\$ (152,746)
% of Budget	6.2%	16.6%	

For comparison purposes, as of August 31, 2008, the General Fund had experienced revenues of \$344,268 and expenditures of \$917,935, which was 6.6% and 17.6% of budget, respectively. The current year's performance is within anticipated levels.

**Attachment B** to this report includes summaries of General Fund expenditure performance by department as of August 31, 2009. It highlights significant trends or variances, for the Town Council's review.

#### All Other Funds at August 31, 2009

No unanticipated trends have developed during the first two months of the fiscal year for any of the Town's remaining funds.

#### Appropriation Adjustments

No appropriation adjustments are necessary at this time.

#### CONCLUSION

The Town's financial position at the end of the first two months of operation is in line with budgetary expectations.

Attachments

TOWN OF WOODSIDE  
 2009-10 AS OF 8/31/2009  
 ALL FUNDS

ATTACHMENT A

FUND	REVENUES BUDGET	REVENUES ACTUAL	% OF TOTAL	EXPENSES BUDGET	EXPENSES ACTUAL	% OF TOTAL
101 - GENERAL	5,472,918	336,687	6.2%	5,625,664	934,664	16.6%
105 - TRAILS	66,800	34,775	52.1%	66,438	13,402	20.2%
135 - RECREATION	130,900	7,712	5.9%	126,800	13,685	10.8%
150 - BARKLEY O&M	125,000	0	0.0%	125,000	27,401	21.9%
151 - BARKLEY CONSTRUCTION RESERVE	35,000	0	0.0%	0	0	--
204 - TRAFFIC SAFETY	32,200	5,627	17.5%	27,700	4,565	16.5%
206 - GAS TAX CONSTRUCTION	29,100	0	0.0%	28,050	3,846	13.7%
207 - GAS TAX MAINTENANCE	82,600	0	0.0%	101,886	13,918	13.7%
210 - MEASURE A	922,300	16,682	1.8%	1,018,204	66,847	6.6%
242 - ROAD IMPACT FEE	332,500	75,645	22.8%	429,582	60,415	14.1%
243 - PUBLIC SAFETY GRANT	100,000	0	0.0%	100,000	0	0.0%
250 - LIBRARY OPERATIONS	125,000	0	0.0%	155,055	16,780	10.8%
428 - TC PUMP RESERVE	0	0	--	19,600	0	--
429 - TC PUMP DEBT	0	0	--	10,300	0	0.0%
441 - WR/WHR PAD DEBT RSRV.99	2,000	0	0.0%	0	0	--
450 - WR/WHR PAD DEBT	134,712	0	0.0%	134,712	0	0.0%
525 - CANADA SEWER	9,618	0	0.0%	28,160	725	2.6%
528 - SEWER UTILITY	166,500	0	0.0%	290,211	16,200	5.6%
529 - TC PUMP SEWER	7,500	0	0.0%	93,364	4,623	5.0%
537 - SEWER CAPITAL	19,820	7,986	40.3%	5,772	1,443	25.0%
TOTAL OPERATING	7,794,468	485,114	6.2%	8,386,498	1,178,514	14.1%
900 - DEPOSITS	154,000	27,729	18.0%	104,000	47,253	45.4%
TOTAL	7,948,468	512,843	6.5%	8,490,498	1,225,767	14.4%

## GENERAL FUND BY DEPARTMENT AS OF 8/31/2009

## ATTACHMENT B-1

	BUDGET	ACTUAL	% OF TOTAL
TOWN COUNCIL			
SERVICES/SUPPLIES	40,000.00	9,546.00	23.9%
TOTAL	40,000.00	9,546.00	23.9%
ADMINISTRATION			
SALARIES/BENEFITS	872,317.00	121,702.15	14.0%
SERVICES/SUPPLIES	296,800.00	66,289.17	22.3%
TOTAL	1,169,117.00	187,991.32	16.1%
PLANNING AND BUILDING			
SALARIES/BENEFITS	935,816.00	140,103.13	15.0%
SERVICES/SUPPLIES	402,525.00	36,307.16	9.0%
TOTAL	1,338,341.00	176,410.29	13.2%
BUILDINGS & GROUNDS			
SALARIES/BENEFITS	18,567.00	2,563.77	13.8%
SERVICES/SUPPLIES	98,000.00	15,369.03	15.7%
TOTAL	116,567.00	17,932.80	15.4%
TOWN-WIDE OVERHEAD			
SALARIES/BENEFITS	54,000.00	4,259.04	7.9%
SERVICES/SUPPLIES	272,000.00	117,364.60	43.1%
EQUIPMENT	20,000.00	0.00	0.0%
TOTAL	346,000.00	121,623.64	35.2%
SAFETY SERVICES			
SERVICES/SUPPLIES	1,187,467.00	318,577.00	26.8%
TOTAL	1,187,467.00	318,577.00	26.8%
TRAILS			
TRANSFERS OUT	37,500.00	9,375.00	25.0%
TOTAL	37,500.00	9,375.00	25.0%
PUBLIC WORKS			
SALARIES/BENEFITS	603,272.00	67,296.27	11.2%
SERVICES/SUPPLIES	127,400.00	25,911.39	20.3%
TRANSFERS OUT	500,000.00	0.00	0.0%
TOTAL	1,230,672.00	93,207.66	7.6%
BARKLEY O&M			
TRANSFERS OUT	160,000.00	0.00	0.0%
TOTAL	160,000.00	0.00	0.0%
TOTAL FUND			
SALARIES/BENEFITS	2,483,972.00	335,924.36	13.5%
SERVICES/SUPPLIES	2,424,192.00	589,364.35	24.3%
EQUIP/CAPITAL	20,000.00	0.00	0.0%
TRANSFERS OUT	697,500.00	9,375.00	1.3%
TOTAL	5,625,664.00	934,663.71	16.6%

**GENERAL FUND BY DEPARTMENT  
AS OF 08/31/09**

**GENERAL COMMENTS:**

1. As of August 31, 2009, 16.7% of the fiscal year had elapsed.
2. For Salaries and Benefits, expenditures should be at about 13.8% of budget. As of August 31, 2009, 3.6 of 26 pay periods had been completed.
3. Equipment purchases are not made on any set schedule, so the expenditure performance varies.
4. Transfers between funds are generally done on a quarterly basis or as cash flow needs arise and are completed by the end of June of each year.

**DEPARTMENTAL COMMENTS:**

Town Council: This departmental budget is within expected expenditure levels.

Administration: This departmental budget is within expected expenditure levels.

Planning and Building: This departmental budget is within expected expenditure levels.

Buildings and Grounds: This departmental budget is within expected expenditure levels.

Town-Wide Overhead: This budget includes expenditures such as the annual insurance premium with ABAG PLAN, which was paid in July. This budget is within expected levels.

Safety Services: Most of this budget goes to support the contract for police services with the Sheriff's Office. As of August 31, 2009, the Town had been billed for the first quarter of the fiscal year.

Trails: See Note 4.

Public Works: This departmental budget is generally within expected expenditure levels.

Barkley Fields and Park: See Note 4.

**Town of Woodside  
Report to Town Council**

Meeting Date: September 8, 2009  
Prepared by: Gratien Etchebehere, Community Preservation Officer  
Reviewed by: Jackie Young, Director of Planning & Building  
Approved by: Susan George, Town Manager

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Agenda Item 5

**SUBJECT: APPEAL OF A NOTICE OF INTENT TO RECORD A CODE VIOLATION FOR UNPERMITTED REMOVAL OF SIGNIFICANT TREES AND APPEAL OF THE SCOPE OF THE SIGNIFICANT TREE REMOVAL VIOLATION AND REQUEST FOR REDUCTION OF PENALTY.**

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Location: 3910 Sand Hill Road  
APN: 075291010  
Property Owner(s): Eric & Jacqueline Weiss

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**RECOMMENDATION**

Staff recommends that the Town Council conduct a public hearing and after considering the testimony, reduce the scope of violation from 15 trees to 12 trees per the Arborist's Report and determine whether a reduction in the penalty is justifiable.

**OVERVIEW**

The property owners are appealing the Notice of Intent to Record a code violation for unpermitted removal of 15 significant trees (Coast Live Oaks).

Specifically, the owners are appealing the scope of the violation, and are requesting violation fee reduction and/or forgiveness.

In an effort to verify the scope of violation, Town staff hired a certified arborist, at the owner's expense, to inspect, quantify, and comment on the number of significant trees cut and the overall health of the surrounding environment. Any Coast Live Oak 9.5", or greater, in diameter measured at 48" above grade is considered a significant tree.

**APPLICABLE CODE REFERENCES**

Sections 10.40 - 10.53 of the Woodside Municipal Code contain the Town's procedures for addressing cases of non-compliance with the Municipal Code. Judicial and administrative remedies are included.

Section 10.40 of the Woodside Municipal Code states: "The Town Council finds that compliance with this Code and applicable state codes throughout the Town is an important public service and enables the Town to better implement its general plan."

Section 10.42 of the Woodside Municipal Code states: "whenever the Planning Director has knowledge of an alleged violation of the Code that relates in any way to the use or occupation of real property within the Town, he/she may provide a notice of code violation to the owner of the property upon which the alleged violation is located." The notice of code violation states that the owner may request a meeting within 20 days of the notice to present evidence that a violation does not exist.

Section 10.44 of the Woodside Municipal Code allows for the appeal of the Planning Director's determination to the Town Council as follows: "The Town Council shall conduct a public hearing and either affirm, modify, or reverse the decision of the Planning Director."

Section 153.173 of the Woodside Municipal Code states: "No person shall engage in tree destruction without first obtaining a permit."

Section 153.175 (A) of the Woodside Municipal Code states: "The Planning Director shall review the application according to the following criteria and grant the permit if any of these following criteria apply to the significant trees."

(4) "Thinning (removal of select significant trees) is recommended by a certified arborist for the health of the remaining trees or by the Woodside Fire Protection District for fire protection."

Section 153.178 Violations and Penalties of the Woodside Municipal Code states:

(A)"(1) Replace all affected significant trees in accordance with the provisions of §153.177.

(2) Pay the following fines:

- (a) \$5,000 for the first significant tree;
- (b) \$7,500 for the second significant tree; and
- (c) \$10,000 for each additional significant tree.

(B) The amounts and conditions for these fines may be changed from time to time by the Town Council by resolution.

(C) The penalties identified in this subsection are in addition to those identified in Chapter 10 of the Woodside Municipal Code."

## BACKGROUND

On May 29, 2009, The Town's Community Preservation Officer (CPO) received a complaint that trees were being cut at 3910 Sand Hill Road. The CPO responded immediately and found one worker piling brush from recently cut trees. The CPO identified himself and the worker allowed the CPO access to the property. The CPO explained that it was necessary to obtain a permit prior to removal of significant trees. The worker claimed his understanding of the

threshold for significant trees to be greater and he explained that they were clearing for creation of a horse corral. The CPO proceeded to take photographs of the felled trees. The CPO gave the worker his business card and instructed him to have the owners call as soon as possible to set up a meeting with Town staff.

On June 1, 2009, the CPO had not heard back from the owners and drove back to the site. The CPO again found the same worker on site. The CPO asked if he could measure the stumps of the cut trees in order to document how many of the cut trees are significant. The CPO measured fifteen (15) trees over the significant tree threshold. The CPO instructed the worker to have the owners call as soon as possible to set up a meeting and not to remove any of the piled brush.

On June 10, 2009, the CPO sent a Notice of Code Violation, with a deadline date of June 30, 2009.

On June 24, 2009, the Director of Planning and Building and the CPO met with both the owners and discussed their options. The owners expressed their interest in filing an appeal. Everyone decided that further analysis was the direction to take, and not the fact the violation exists. Staff also suggested the Town hire a certified arborist at the owner's expense in order to obtain an expert opinion on the scope of violation.

On June 30, 2009, the owners submitted payment for an appeal to the Town Council. The CPO gave authorization to the owners to chip some of the smaller brush which could be a fire hazard.

On July 1, 2009, the CPO sent out a request for proposal to three certified arborists.

On July 5, 2009, the CPO received all the arborist's proposals.

On July 7, 2009, the CPO completed the contract between the Town and Kielty Arborist Services and the owners paid the Town a deposit for the arborist's services.

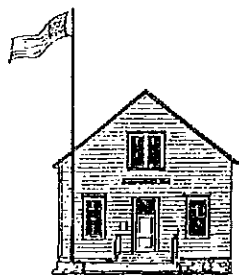
On July 12, 2009, the CPO received the arborist report.

### **Staff Analysis**

The appeal before the Town Council focuses on the scope of violation, and the request for violation fee reduction and/or forgiveness. Based on the Arborist's Report, the number of significant trees removed should be reduced from 15 to 12. The total fine for removing 12 significant trees per the Woodside Municipal Code is \$112,500. Should the Council wish to consider a violation fee reduction and/or forgiveness, Woodside Municipal Code Section 153.178 (B) requires action by resolution.

### **ATTACHMENTS**

1. Notice of Code Violation, dated June 10, 2009.
2. Appeal Letter, dated June 30, 2009.
3. Site Photos, dated May 29, 2009 and June 1, 2009.
4. Request for Proposal, dated July 1, 2009.
5. Arborist's Report, dated July 12, 2009.



The Town of  
Woodside

June 10, 2009

Eric & Jacqueline Weiss  
3910 Sand Hill Road  
Woodside, CA 94062

**Re: Notice of Code Violation for 3910 Sand Hill Road**

Dear Mr. and Mrs. Weiss,

This document is furnished to you pursuant to the terms of Section 153.005 of the Town of Woodside Municipal Code. The Planning Director has knowledge that Significant Trees were cut down on your property located at 372 Eleanor Dr. without a tree destruction permit. During a site inspection on May 29, 2009, fifteen "destroyed" trees were measured to be over the specified size and are considered significant trees. Section 153.005 of the Town's Municipal Code states that a permit is required as follows:

**153.173 Permit-Required:** "No person shall engage in Tree Destruction without first obtaining a permit."

**153.177. Violations-Penalty:** "Any person or property owner violating provisions of this ordinance with respect to the protection of Significant Trees that is not fully cured within twenty days shall be required to:

P.O. Box 620005  
2955 Woodside Road  
Woodside, CA-94062

- A) Replace all affected Significant Trees in accordance with the provisions of Section 153.177.
- B) Pay the following fines:
  - 1) \$5,000 for the first Significant Tree
  - 2) \$7,500 for the second Significant Tree
  - 3) \$10,000 for each additional Significant Tree"

Per Section 10.42C of the Woodside Municipal Code, no later than twenty (20) days after the date of the mailing of this notice, or by **June 30, 2009** you may request a meeting with the Planning Director to present evidence that a violation does not exist. If a meeting is requested, the Planning Director shall arrange to meet with the owner and/or responsible person as soon as possible, but not later than (5) working days after the receipt of the request for a meeting.

If a meeting is not requested within 20 days and the violation is not corrected, the Town will proceed to record a Notice of Code Violation against your property with the County Recorder of San Mateo County. Once such Notice is recorded,

650-851-6790  
Fax: 650-851-2195  
townhall@woodsidetown.org

administrative code compliance fees will be due, and the processing of any permits or inspections associated with your property, excluding those related to resolving the violation, will not occur until the Notice of Code Violation is released. If you have any questions, please contact me at Town Hall at (650) 851-6790.

Sincerely,

A handwritten signature in black ink, appearing to read "Gratien Etchebehere". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gratien Etchebehere  
Community Preservation Officer

Cc: Susan George, Town Manager  
Jackie Young, Director of Planning and Building

**Gratien Etchebehere**

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**From:** Eric L. Weiss, MD [drweiss@villagedoctor.com]  
**Sent:** Tuesday, June 30, 2009 4:23 PM  
**To:** Janet Koelsch  
**Cc:** Jackie Weiss; Jackie Young; Susan George; Gratien Etchebehere; Eric L. Weiss  
**Subject:** Weiss Appeal: Notice of Code Violation

Dear Janet,

Thank you for your time today and receipt of our \$400 check as part of the appeal process regarding our recent Notice of Code Violation received at our property at 3910 Sand Hill Road.

As you know, we are working in conjunction with Code Enforcement to clarify the nature and scope of the violation and the town has agreed to hire a consulting arborist at our expense to help with this.

We are appealing the scope of the violation (i.e., we believe that some or all of the removed trees may have been less than the significant tree diameter size), and are requesting violation fee reduction and/or forgiveness based on a professional arborist's assessment that either the tree removal benefitted the property in terms of forest management or can be mitigated by tree replacement.

We have also asked Jackie Young and Susan George to explore the possibility of a "retroactive permit" as a possible solution to our situation.

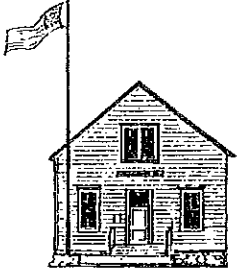
We look forward to working with the Town of Woodside to a mutually beneficial resolution of this situation.

Many thanks,

Eric

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Eric L. Weiss, MD, DTM&H | *Director* | The Village Doctor  
office: 650-851-4747 | fax: 650-851-4343  
2979 Woodside Road, Woodside CA 94062  
[drweiss@villagedoctor.com](mailto:drweiss@villagedoctor.com)  
[www.villagedoctor.com](http://www.villagedoctor.com)



The Town of  
Woodside

July 1, 2009

**Re: Request for Proposal (Certified Arborist)  
Tree Removal at 3910 Sand Hill Road, Woodside**

To whom it may concern,

The Town of Woodside is seeking proposals from certified arborists for an evaluation of tree removal conducted at 3910 Sand Hill Road. The owners of the subject property removed approximately 15 significant trees in the front of the property without the benefit of a Tree Removal Permit. The cutting of significant trees without a Permit violates Section 153.005 of the Woodside Municipal Code (attached). The property owner and the Town cooperatively seeks to evaluate the scope of the violation by having a certified arborist examine the remaining forensic evidence (laid trunks) on site to estimate the diameter breast height of the cut trees. The certified arborist would work for the Town of Woodside as an independent contractor. The proposed scope of work includes:

- 1) Count and catalogue all trees in the affected area.
- 2) For the cut trees, provide an estimate of the size of the trunks at diameter breast height (48" above grade).
- 3) Provide an overall assessment of the effect of the tree removal on the surrounding area (i.e., did the tree removal benefit, or not benefit, the surrounding, affected treed environment?).
- 4) If the tree removal had a negative impact on the surrounding, affected treed environment, provide recommendations for tree replacement.

P.O. Box 620005  
2955 Woodside Road  
Woodside, CA 94062

The report would need to be completed by July 13, 2009, as an appeal of the violation (an assessment of violation scope and mitigation) has been tentatively scheduled for the Town Council meeting of July 28, 2009. If you have any questions, please contact me at (650) 851-6790.

Sincerely,

Gratien Etchebehere  
Community Preservation Officer

Cc: Susan George, Town Manager  
Jackie Young, Director of Planning and Building

Attachment

## Kielty Arborist Services

P.O. Box 6187  
San Mateo, CA 94403  
650-515-9783

July 12, 2009

Town of Woodside  
Attn: Mr. Gratien Etchebehere  
2955 Woodside Road  
Woodside, CA 94062

Site 3910 Sand Hill Road, Woodside, CA

Dear Mr. Etchebehere,

As requested on Friday, July 10, 2009, I visited the above site to inspect and comment on the trees. The homeowner in an attempt to thin the oak woodland adjacent to Sand Hill Road removed several significant trees. The Town of Woodside is concerned as to the value of the trees and what impacts this recent thinning has had on the environment.

### **Method:**

The removed and heavily trimmed trees were located on a "Not-to-Scale" map provided by me. Where possible, the trees were measured at 48 inches above ground level (DBH - diameter at breast height - Woodside). Trees that were removed, reduced to stumps, were measured at ground level. Ten coast live oak trees on the site, but independent of this report, were measured at ground level and again at 48 inches to develop a percentage of trunk taper. Measuring these independent oaks enabled me to estimate the DBH of the trees which had been removed. The trees measured at 48 inches above ground level were 83 percent of the size of the same trees measured at ground level. The trees that were heavily trimmed were assigned a condition rating of 1 – 100 representing form and vitality using the following scale:

1	-	29	Very Poor
30	-	49	Poor
50	-	69	Fair
70	-	89	Good
90	-	100	Excellent

The height and spread of each heavily trimmed tree was estimated. Lastly, a comment section is provided for each tree.

The trunk formula method was used to provide an appraised value for the removed trees. The trunk formula method uses the diameter, a species rating, location and the condition

of the tree. The condition rating is derived from the average condition of trimmed trees. The remaining surveyed trees averaged a 52 percent rating at the low end of fair on the scale. The location rating is an average of 3 factors: the site, placement of the trees and the contribution of the trees. The average of the 3 factors equaled a 52 percent rating. The species rating of 90 percent is a rating given by the species rating and group assignment published by the Western Chapter of the International Society of Arboriculture.

**Summary:**

An apparent attempt to thin the grove of oaks and improve the growing conditions for several larger oaks resulted in a violation of The Town of Woodside's Protected Tree Ordinance. A total of 35 trees close to the size deemed significant were surveyed. Several trees that are obviously smaller than the significant size were omitted. Of the 35 trees surveyed 12 significant trees were removed and 10 heavily trimmed. The heavily trimmed trees were pruned exceeding ANSI standards for tree care. With additional care all of the heavily trimmed trees will survive with minor impacts to the health of the trees.

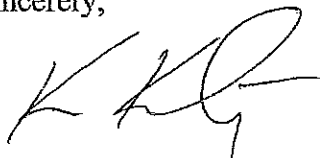
The removal and trimming of the surveyed trees has had minor to moderate impacts on the surrounding environment. The oak trees removed were the smaller oaks on site. The trees were often suppressed by larger trees and have grown in a suppressed manner. Removal of these oaks will allow the larger trees, including 3 large valley oaks, to be seen and grow in a less competitive manner. If the home owners had followed correct procedures, using a certified arborist or a landscape architect, the removal plan or portions of it may have warranted approval.

**Recommendations:**

My recommendation would be to re-cut all stumps to ground level. Grinding the stumps is advised but not required. Do not poison stumps as root grafts may cause a decline in the retained trees. Re-cut all stubs from the previously trimmed trees. This work should be carried out by a certified arborist or certified tree worker. Cutting of the stubs at the proper location is critical for wound wood development. Remove the acacias from the coral area; a permit may be required for the remaining large acacia. Re-planting in this location is not recommended as the site is dense with trees. Any fines to be issued for the violation of the ordinance will be decided by the Town of Woodside.

The information included in this report is believed to be true and based on sound arboricultural principles and practices.

Sincerely,



Kevin R. Kielty  
Certified Arborist WE#0476A



**KIELTY ARBORIST SERVICES**

P.O. Box 6187, San Mateo, CA 94403 • TEL (650) 525-1464 • FAX (650) 525-1439  
[Kkarbor0476@yahoo.com](mailto:Kkarbor0476@yahoo.com)

Driveway

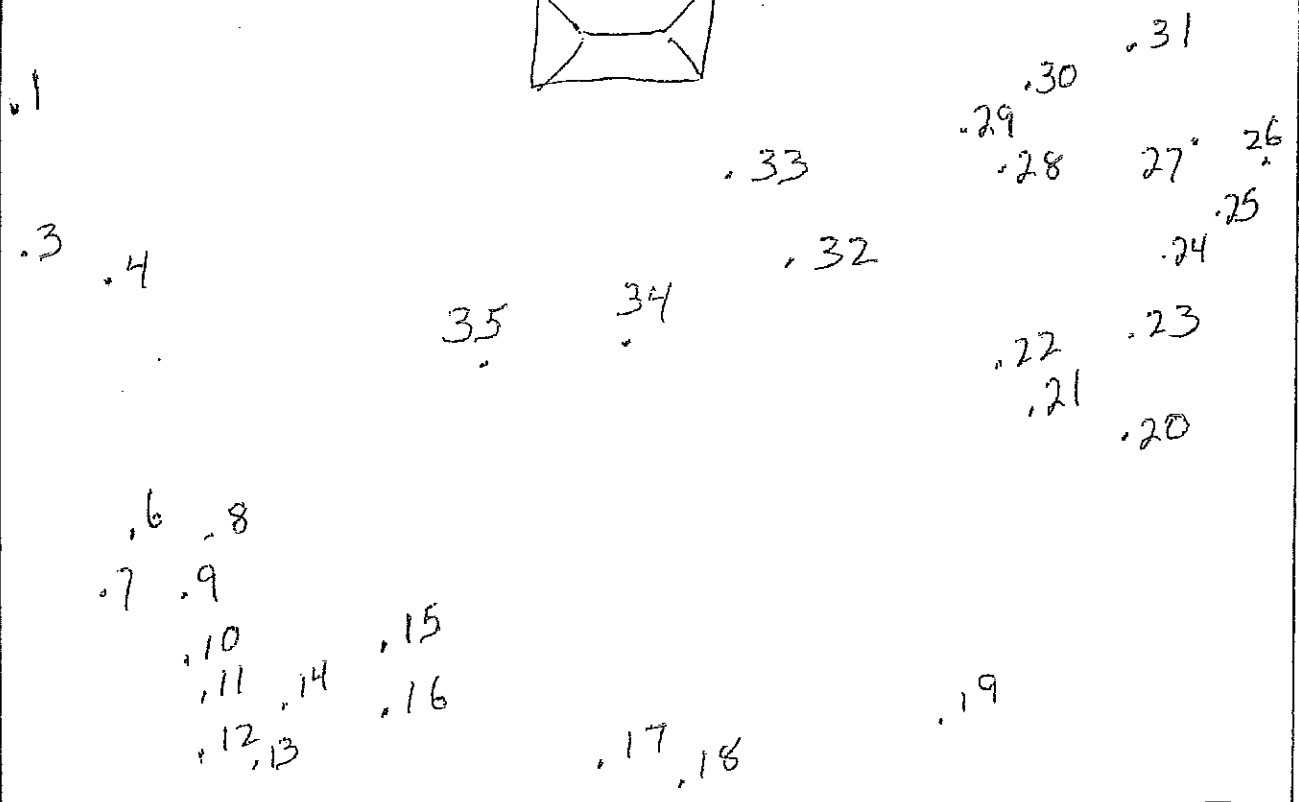
House

Shed

R.V.

2.

3.



3910 Sand Hill Rd

Tree Survey

Kevin R. Kielty  
 Certified Arborist  
 650-515-9783

Site: 3910 Sand Hill Road, Woodside, CA - Removed Trees

Tree #	Species	Nursery Group	Adjusted DBH (Inches)	Replacement Trunk Area (TA <sub>R</sub> )	Total Trunk Area (TA)	Replacement Trunk Area (TA <sub>R</sub> )	TA <sub>mer</sub> (= TA - TA <sub>R</sub> )	Basic Tree Cost (= TA <sub>mer</sub> X Unit Tree Cost)	Installed tree cost (+\$350.00)	Average Condition of remaining surveyed trees	Location	Species	Unit Tree Cost
1*	Coast live oak	3	9.5	79	79	3.8	75.2	\$3,419	\$3,769	52%	73%	90%	\$1,168
3*	Coast live oak	3	12.8	113	113	3.8	109.2	\$4,964	\$5,314	52%	73%	90%	\$1,696
4*	Coast live oak	3	15.7	201	201	3.8	197.2	\$8,965	\$9,315	52%	73%	90%	\$3,063
6*	Coast live oak	3	10.6	95	95	3.8	91.2	\$4,146	\$4,496	52%	73%	90%	\$1,416
7*	Coast live oak	3	9.5	79	79	3.8	75.2	\$3,419	\$3,769	52%	73%	90%	\$1,168
17*	Coast live oak	3	10.8	95	95	3.8	91.2	\$4,146	\$4,496	52%	73%	90%	\$1,416
18*	Coast live oak	3	15.8	201	201	3.8	197.2	\$8,965	\$9,315	52%	73%	90%	\$3,063
22*	Coast live oak	3	15.1	177	177	3.8	173.2	\$7,874	\$8,224	52%	73%	90%	\$2,690
23*	Coast live oak	3	11.6	113	113	3.8	109.2	\$4,964	\$5,314	52%	73%	90%	\$1,696
27*	Coast live oak	3	10.8	95	95	3.8	91.2	\$4,146	\$4,496	52%	73%	90%	\$1,416
29*	Coast live oak	3	12.6	133	133	3.8	129.2	\$5,873	\$6,223	52%	73%	90%	\$2,007
34*	Coast live oak	3	10	79	79	3.8	75.2	\$3,419	\$3,769	52%	73%	90%	\$1,168

\$21,967

\* = Significant tree in the Town of Woodside (protected)

Council of Tree & Landscape Appraisers - Guide for Plant Appraisal - 9th Edition  
 Western Chapter International Society of Arboriculture - Species Classification and Group Assignment "A Regional Supplement to the CTLA Guide for Plant Appraisal, 9th Edition."

## Tree Survey

Kevin R. Kiely  
 Certified Arborist  
 650-515-9783

Site: 3910 Sand Hill Road, Woodside, CA

Tree #	Species	Botanical Name	Diameter in inches at ground level	DBH @ 48 inches	Condition	Ht./ Spread	Comments
1*	Coast live oak	<i>Quercus agrifolia</i>	11.4	9.5			6 inch stump
2	Coast live oak	<i>Quercus agrifolia</i>		7.2			4 foot stump
3*	Coast live oak	<i>Quercus agrifolia</i>	15.4	12.8			Multi leader at 2 feet
4*	Coast live oak	<i>Quercus agrifolia</i>	18.9	15.7			Multi leader at 1 foot.
5*	Coast live oak	<i>Quercus agrifolia</i>		20 est.	60	45/40	10 diameter limb removed
6*	Coast live oak	<i>Quercus agrifolia</i>	12.8	10.6			15 feet of trunk on ground
7*	Coast live oak	<i>Quercus agrifolia</i>	11.5	9.5			5 feet of trunk on ground
8*	Coast live oak	<i>Quercus agrifolia</i>		12.5	60	35/20	8.5 inch and 9.5 inch diameter leaders removed
9	Coast live oak	<i>Quercus agrifolia</i>	7.1	5.9			6 inch stump
10	Coast live oak	<i>Quercus agrifolia</i>	8.8	7.3			6 inch stump
11	Coast live oak	<i>Quercus agrifolia</i>	9.6	8.0			1 foot stump
12	Coast live oak	<i>Quercus agrifolia</i>	9.4	7.8			1 foot stump
13	Coast live oak	<i>Quercus agrifolia</i>	9.4	7.8			3 foot stump
14	Coast live oak	<i>Quercus agrifolia</i>	8	6.6			1 foot stump
15	Coast live oak	<i>Quercus agrifolia</i>		8.2			3 foot stump with remainder on ground
16	Coast live oak	<i>Quercus agrifolia</i>	7.8	6.5			2 foot stump
17*	Coast live oak	<i>Quercus agrifolia</i>	13	10.8			2 foot stump, leans west. In canopy of valley oak
18*	Coast live oak	<i>Quercus agrifolia</i>	19	15.8			3 feet of stump. In canopy of valley oak
19*	Coast live oak	<i>Quercus agrifolia</i>		20 / 18	60	40/35	14 inch diameter limb removed
20*	Coast live oak	<i>Quercus agrifolia</i>		9.5 / 7.6	50	35/25	Severly codominant at 1 foot. 3-4 inch limbs removed
21*	Coast live oak	<i>Quercus agrifolia</i>		11.5	50	40/20	Trunk leans to the west, 6 inch diameter limb removed
22*	Coast live oak	<i>Quercus agrifolia</i>	18.2	15.1			2 foot stump, 15 feet of trunk on ground
23*	Coast live oak	<i>Quercus agrifolia</i>	14	11.6			1 foot stump. Codominant at base
24	Coast live oak	<i>Quercus agrifolia</i>	11.3	9.4			2 foot stump, 15 feet of trunk on ground
25*	Coast live oak	<i>Quercus agrifolia</i>		9.9	55	35/20	Trunk leans to the west, bends upright
26	Bailey acacia	<i>Acacia baileyana</i>	11.1	9.2			1 foot of stump and 25 feet of trunk on ground
27*	Coast live oak	<i>Quercus agrifolia</i>	13	10.8			1 foot stump
28	Coast live oak	<i>Quercus agrifolia</i>	9.2	7.6			1 foot stump
29*	Coast live oak	<i>Quercus agrifolia</i>	15.2	12.6			2 foot stump
30*	Coast live oak	<i>Quercus agrifolia</i>		8.8 / 5.9	50	40/20	Leans to the west, suppressed
31*	Coast live oak	<i>Quercus agrifolia</i>		7.9 / 7.8	55	30/15	Abundance of lower deadwood
32*	Coast live oak	<i>Quercus agrifolia</i>		14.2	55	30/25	11 inch diameter limb removed
33	Coast live oak	<i>Quercus agrifolia</i>	11.1	9.2			6 inch stump
34*	Coast live oak	<i>Quercus agrifolia</i>	12.1	10.0			1 foot stump
35*	Coast live oak	<i>Quercus agrifolia</i>		11.1 / 9.8	45	30/20	9 inch and 4 inch limb removed

\* = Significant tree in the Town of Woodside (protected)

TOWN OF WOODSIDE

Report to Town Council  
From: Susan George, Town Manager

Agenda Item 6  
July 28, 2009

**SUBJECT: REVIEW, DISCUSSION, AND APPROVAL OF THE 2009-10 WORK PLAN**

**RECOMMENDATION**

It is recommended that the Town Council review the attached 2009-10 Work Plan, accept public input, make appropriate changes to the document, and approve it.

**DISCUSSION**

The 2009-10 Work Plan reflects the five major projects, all of which are comprised of several different tasks, to which the staff is currently devoting its energies and which were supported through the Town Council's adoption of the 2009-11 Budget in June of this year. Staff will walk the Town Council through the Work Plan and elaborate on certain of the tasks during the September 8, 2009 Town Council meeting.

Attachment

## 2009-10 Work Plan

Project	Tasks	Begin/End Dates	Comments
General Plan Update	Undertake & Complete Review		
	a. Task Force	Current - 05/10	a. Task Force began work March 25. Update provided to Town Council July 28, including schedule of remaining Task Force meetings.
	b. Draft new General Plan, CEQA review, special studies	8/09 - TBD	b. Staff will begin drafting the General Plan by building G.I.S. maps, engage consulting services for specific required studies (i.e., traffic, noise). Draft General Plan to be prepared based on Task Force work. CEQA review of Draft required.
	c. Planning Commission hearing(s), and Town Council hearings for adoption.	TBD	c. Formal public hearings for General Plan adoption will be held following completion of Draft and EIR.
	Housing Element	Current - 11/09	State-mandated timeline; State has reviewed Draft Housing Element and has submitted comments. Staff working on revising document to address comments. Will return to Planning Commission and Town Council for adoption
Process Improvements	Permit tracking/management system implementation	Current -- 11/09	"Trakit" has been operational since April 30. Staff continues to work to identify and address issues as they arise. Next steps include making the public's on-line module active
	Space planning/expansion	Current - TBD	Town Engineer has led the Staff in developing a plan for remodeling Town Hall. Town Council has earmarked reserve funds for the project. Completion of this project will depend on economic and budgetary conditions
	Design Guidelines & Companion Guidelines	TBD	Project delayed pending progression of General Plan Update project; funding has been included in the 2010-11 budget.
	Geology regulations & geologic map update	Current - 12/09	Staff to schedule Town Council Study Session on various aspects of project for Sept/Oct timeline; Study Session will assist with project scoping; Will be partly calibrated with General Plan Update/Review project.
	Handouts & checklists	Current -- 07/10	Linked to other projects' completion.
	On-site Wastewater Disposal Regulations	Current -- 03/10	Included in the 2009-10 budget.
	Municipal Code Review, Clarification, and Modification	TBD	Proposed changes to be developed following completion of the General Plan Update.
	Fee schedule update & revision	Current -- 11/09	Consultants have been working with staff to identify analyze the cost of fee-based activities and developing recommended fees. Draft expected in Sept/Oct.
Fire Management Plan	Fire District Memorandum of Understanding	Current -- 12/09	Linked to Municipal Code amendment for definition of new building, which is under review by staff following Town Council's discussions in January, May, and June of 2009.

