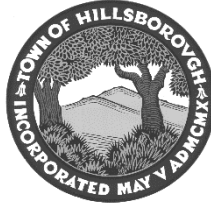


TOWN OF HILLSBOROUGH

San Mateo County

Alvin L. Royse, Mayor
Christine Krolik, Vice Mayor
Marie Chuang, Councilmember
Sophie Cole, Councilmember
Laurence M. May, Councilmember



1600 Floribunda Avenue
Hillsborough, CA 94010
www.hillsborough.net
Phone 650-375-7400

A G E N D A

WEDNESDAY, FEBRUARY 17, 2021

SPECIAL CITY COUNCIL MEETING - CITY COUNCIL GOAL SETTING

8:30 am

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings completely telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, and which was updated and extended on March 31, 2020, April 29, 2020, May 15, 2020, and May 28, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Council Chambers will not be open to the public for this Town of Hillsborough Special City Council meeting.

The Town of Hillsborough will be conducting the City Council meeting via Zoom which is an independent platform not owned or controlled by the Town. Any member of the public joining the City Council meeting by Zoom should familiarize themselves with Zoom's various data and privacy policies which can be found at Zoom.us.

Members of the public may view the meeting by logging onto the Zoom meeting listed below.

<https://zoom.us/j/93543280717?pwd=QTRiWmpvWVdRUjZNSy9QSktnblq0QT09>

Meeting ID: 935 4328 0717

Passcode: 537245

One tap mobile

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Meeting ID: 935 4328 0717

Passcode: 537245

Find your local number: <https://zoom.us/u/adezX2ks5y>

*Members of the public may provide public comments via the Zoom platform by using the "raise hand" feature or, if calling in by phone, by pressing *9 on the telephone keypad. If a member of the public wants to provide public comment on a consent calendar item, agenda item, or non-agenda item during the general public comment portion, they shall request to speak by using the "raise hand" feature on Zoom or, if calling in by phone, by pressing *9 on the telephone keypad prior to the consent calendar being heard, or prior to the close of the public comment period for agenda items or non-agenda items. In response, the Town will unmute the speaker and allow them to speak up to three minutes. All members of the public will be limited to one comment per consent calendar item, one comment per agenda item, and one comment for non-agenda items. The Town encourages all members of the public to limit any comments that might be repetitive of comments provided by other speakers on the same item.*

SPECIAL CITY COUNCIL MEETING (8:30 am)

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC COMMENT I:

*Members of the public may provide comments via the Zoom platform by using the “raise hand” feature or, if calling in by phone, by pressing *9 on the telephone keypad. In response, the Town will unmute the speaker and allow them to speak on any topic for up to three minutes. If there appears to be a large number of speakers, speaking time may be reduced to no less than 2 minutes, at the discretion of the Mayor. Members of the public are limited to one comment at this time. State law prohibits the Council from discussing or acting on non-agenda items, and generally limits the ability of the Council to respond to any public comments made regarding non-agenda items.*

IV. GOAL SETTING

1. 2020/2021 Budget Update and 2021/2022 Budget Preview

a. 2020/2021 Budget Update

- 2020-21 Quarterly Financial Report – Second Quarter Ending December 31, 2020

b. 2021/2022 Budget Preview

c. Preliminary Budget Calendar 2021/2022

2. City Council Updates – Major Projects

a. Risk Assessment

b. Housing Element and General Plan Timeline

c. Highline Water Project, Water, Sewer and Storm Drain

d. Housing and Town-Owned Property

e. Long-Term Financing

3. City Manager’s Project List/Council Priorities

a. Review Mission Statement

b. Review Focus Areas

c. Discuss Work Plan Items and Top Priorities

V. PUBLIC COMMENT II:

*Members of the public may provide comments via the Zoom platform by using the “raise hand” feature or, if calling in by phone, by pressing *9 on the telephone keypad. In response, the Town will unmute the speaker and allow them to speak on any topic for up to three minutes. If there appears to be a large number of speakers, speaking time may be reduced to no less than 2 minutes, at the discretion of the Mayor. Members of the public are limited to one comment at this time. State law prohibits the Council from discussing or acting on non-agenda items, and generally limits the ability of the Council to respond to any public comments made regarding non-agenda items.*

VI. ADJOURNMENT

SPECIAL ACCOMMODATIONS:

If you need a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the City Council meeting or if you need an agenda in an alternate form, please contact the City Clerk's Office at 375-7412 at least 24 hours before the scheduled City Council meeting.

ATTACHMENTS:

Any items listed as "Attachments" to the agenda are available on the Town's website or at the City Clerk's office.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda, except as exempt from public disclosure under applicable law, will be made available for public inspection in the City Clerk's Office located at 1600 Floribunda Avenue, Hillsborough, CA 94010, during normal business hours.

AUDIO / VISUAL ADVISORY:

Those persons who wish to use PowerPoint or other mediums when presenting to the City Council will be required to submit media items to the City Clerk by 12:00 p.m. on the day before the meeting. Media items can be emailed to lnatusch@hillsborough.net.

AUDIO OR VIDEO RECORDINGS:

Please be advised that under the Brown Act, any person has the right to record the City Council meeting, including the audience in attendance, using an audio or video recording device subject to certain exceptions. Please be aware that by attending a City Council meeting, you may be audio or video recorded.



Town of Hillsborough

2020-21 Quarterly Financial Report (Unaudited)

Second Quarter Ending December 31, 2020

1a

EXECUTIVE SUMMARY

This financial report summarizes the activities of the Town's General Fund and its Enterprise Funds for the fiscal quarter ended July 1, 2020 to December 31, 2020. The General Fund is the primary fund of the Town and accounts for most operating activities. The Enterprise Funds account for the sewer and water operations and funding is primarily through user charges.

The Town continues to monitor budget impacts from COVID-19 using a dashboard page in this report. The COVID Dashboard provides quick indication of the status on items being monitored.

GENERAL FUND

General Fund revenues for the first half of FY 2020-21 are 54% of budget and are 8% higher when compared to the same period last fiscal year. The increase is driven by property taxes revenue, permit revenue, business license revenue and investment income.

General Fund expenditures are at 46% of budget at the end of second quarter. Most departmental expenditures are in line with the adopted budget. City Attorney department is at 95% of budget primary driven by litigation costs.

The General Fund shows a net excess revenue (revenue exceeding expenditure) of \$2.15 million for the first half of FY 2020-21. The first allocation of property taxes is received in quarter two of each fiscal year. General Fund ending fund balance on December 31, 2020 is \$31 million of which \$15.0 million is reserved for contingencies by policy and \$5.0 million is restricted in the Section 115 pension trust. The remaining funds (\$11 million) are held for capital projects and future contingencies.

WATER FUND

Water operating revenue in the second quarter is 1% higher when compared to the same period last fiscal year. Water unit sales increased by 5% and water purchases increased by 3% primarily driven by an increase in purchased units. There is no SFPUC wholesale water rate increase for FY 2020-21.

The Water Fund shows a net excess (revenue greater than expense) of \$2 million for the first half of FY 2020-21. The net excess is higher than the budgeted net excess primarily due to timing of capital project spending. The net excess adds to reserves that are restricted for use in the Water Fund.

SEWER FUND

The sewer revenue is charged annually on the property tax bill for residential customers and on the water bill for non-residential customers. The first installment of the tax roll is received in the second quarter of each year. A 7% increase in sewer rates was adopted and effective on July 1, 2020. Total operating expense is 27% as compared to budget and 4% lower when compared to the same period last year.

The Sewer Fund has net excess of revenue of \$3.9 million for the first half of FY 2020-21 due to timing of capital project spending. Reserves are restricted for use in the Sewer Fund only.



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

ECONOMIC AND BUDGET UPDATE

The first half FY 2020-21 results are in line with budget. The Town is tracking potential future budget impacts with the COVID-19 scorecard. Below are detailed explanations on some of the items.

- **Excess ERAF Revenue** - The County is holding the remaining reserve of FY 2019-20 Excess ERAF. The ERAF calculations used by the County are in dispute and under review with the Department of Finance (DOF).
- **Property Tax Revenue for FY 2020-21** - The Town received the County of San Mateo Certified Assessed Valuation for FY 2020-21 and the growth is 5.4%. The Town budget has 4.6%.
- **In-Lieu Motor Vehicle License Fees** - The County has indicated the FY 2020-21 VLF allocation will be adjusted for a final FY 2019-20 shortfall. The County requested that the shortfall be placed in the State budget for funding.
- **Supplemental Property Taxes** - Supplemental property tax collections countywide have been lower due to lower real estate activity and a slowdown in permitting. The County is also seeing fair value assessment reductions in multi-family properties. The Town's results will differ as the Town is solely residential.
- **Genentech property tax appeals** received an appellate decision. This was for assessments from 2000 to 2020 (20 years). These refunds are netted out of property tax distributions countywide based on the AB8 factors. The County has no numbers to share at this point. The Town's AB8 is in the .007 range.
- **Investment Income** - The LAIF rate has declined year over year from 2.043 in December 2019 to .540 in December 2020. In the General Fund, the Section 115 pension trust improved performance results in investment income higher than last year when combined with the LAIF performance. However, the Enterprise Funds are not allocated Section 115 pension trust monies and therefore the LAIF decline shows the decline in investment income in those funds.
- **CalPERS Asset Liability Management Review Cycle** – CalPERS will review the need for discount rate changes as part of the Asset Liability Management Review, which occurs on a four-year cycle. Any change would be effective for 6/30/2021 actuarial valuation, which first affects the Town's budget in FY 2023-24. The write up on the Asset Liability Management Review timing is located on the CalPERS website at <https://www.calpers.ca.gov/docs/forms-publications/calpers-asset-liability-management-cycle.pdf>



Town of Hillsborough

2020-21 Quarterly Financial Report (Unaudited)

Second Quarter Ending December 31, 2020

COVID Fiscal Impact Dashboard - December 2020

● On Track
● Watch
● Impact/Action Underway

Revenues Overall Rating ●

	Metric	Status
Property Taxes	On Track To Budget	●
Excess ERAF and Property Taxes in Lieu of MVLF	On Track To Budget	●
Permitting and Service Fees	On Track To Budget	●
Investment Earnings	On Track To Budget	●
No State or County Takeaways	No Takeaways	●

Reserve Levels Overall Rating ●

	Metric	Status
General Fund	On Track To Budget	●
Water Fund	On Track To Budget	●
Sewer Fund	On Track To Budget	●

Debt & Longterm Liabilities Overall Rating ●



	Metric	Status
Bond Liquidity Facility (SBPA)	Not Used	●
Water Fund Liquidity	> 6 Months	●
Water Fund Receivable Aging	Less than 20%	●
COPs Series 2006A LIBOR Impact	Monthly Monitoring	●
CalPERS Pension Liability	Decrease in Discount Rate	●

Recovery Overall Rating ●



	Metric	Status
FEMA/CARES ACT Filing and Reimbursement	File if Material	●
Shovel Ready Projects	Projects ID'd and Ready	●
Stimulus Money Available to Town	Availability	●
Duration of Downturn	Economic Signs Positive	●
San Mateo County -State's COVID Risk Level Score	Improving Risk Level (Color)	●

Yellow and Red Commentary:

- Excess ERAF and MVLF** - County and State are in disagreement about ERAF calculation and reserves have been withheld from cities. The County communicated a FY 2019-20 \$68k MVLF shortfall for the Town which will be adjusted in the FY 2020-21 distribution. The County has filed a claim with Department of Finance.
- Permitting revenue** is higher than Q2 last year and is at 72% of budget in Q2 2020-21.
- Investment income** is higher than Q2 last year and has already exceeded budget for 2020-21. The increase is primarily due to earnings on the Section 115 pension trust. The LAIF average monthly yield in December 2020 is .540 as compared to 2.043 in December 2019.
- CalPERS' June 30, 2020 investment return** fell short of expectation (4.7% v. 7.0%). The Town's contributions will be impacted by this loss amortization starting in FY 2022-23. CalPERS will hold its standard four-year review cycle of the discount rate in 2021.
- Federal Reimbursements** - Town has received all installments on the total \$141k allocation of Coronavirus Relief Fund (CARES Act) funding. The Town is working with a consultant on FEMA filing.
- County COVID Risk Level Score** - San Mateo County is on a Regional Stay At Home Order has been lifted effective January 25, 2021.

Other Notables:

***FY 2020-21 Property Taxes** - Final Assessed Valuation Roll certified by County is 5.4% growth. The Town's budget projected 4.6%.

***Highway User Tax Allocation (Gas Tax)** is projected to be \$47k below FY 2020-21 Proposed Budget



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

GENERAL FUND - FUND BALANCE

The General Fund accounts for direct services provided to the citizens of Town of Hillsborough. The first allocation of property taxes is received in quarter two of each year.

GENERAL FUND	FISCAL YEAR 2020-2021	
	Budget	YTD Actual to 12/31/20
Revenue	\$29,678,460	\$15,891,127
Expenditures	29,711,056	13,553,938
Internal Service Dept. Charges	378,200	189,100
EXCESS(DEFICIT)	(410,796)	2,148,089
Beginning Fund Balance	28,835,543	28,835,543
Ending Fund Balance	\$28,424,747	\$30,983,632

GENERAL FUND REVENUES

Total General Fund revenue is up 8% from the same period last year, primarily driven by property tax growth, permit revenue, business License revenue and Investment Income.

GENERAL FUND REVENUE	FISCAL YEAR 2020-2021			FISCAL YEAR 2019-2020		\$ Variance YTD vs. PY	YTD Var over PY
	Budget	YTD Actual to 12/31/20	YTD %	YTD Actual to 12/31/19	YTD %		
Property Taxes	\$18,795,925	\$9,637,822	51%	\$9,156,518	51%	\$481,304	5%
Excess ERAF	2,200,000	1,069,962	49%	1,085,766	52%	(15,803)	-1%
Public Safety Special Tax	2,234,611	1,120,027	50%	1,119,020	50%	1,007	0%
Permits	1,299,189	938,561	72%	650,696	50%	287,866	44%
Service Charges	1,070,183	664,120	62%	678,397	62%	(14,277)	-2%
Motor Vehicle License Fees	1,125,592	502,694	45%	555,346	41%	(52,652)	-9%
Business License	675,000	526,844	78%	335,680	52%	191,164	57%
Franchise Tax	761,129	190,236	25%	199,093	26%	(8,856)	-4%
Investment Income	500,000	733,858	147%	445,504	89%	288,354	65%
All Others	1,016,831	507,002	50%	462,126	47%	44,877	10%
TOTAL	\$29,678,460	\$15,891,127	54%	\$14,688,145	51%	\$1,202,982	8%

- Property Tax revenue is in line with budget.
- Permits revenue and business license revenue are higher than prior year. Permitting and construction has continued to grow.
- Investment Income is above budget due to the improved rate of return on the Section 115 pension trust somewhat offset by lower performance in the Local Agency Investment Fund (LAIF). The Section 115 pension trust is allocated to General Fund only.



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

GENERAL FUND EXPENDITURES

Total General Fund budget expenditures are in line with budget.

Expenditures by Department	FISCAL YEAR 2020-2021			FISCAL YEAR 2019-2020		\$ Variance YTD vs. PY	YTD Var over PY
	Budget	YTD Actual to 12/31/20	YTD %	YTD Actual to 12/31/19	YTD %		
City Council	\$51,816	\$19,595	38%	\$13,650	43%	\$5,944	44%
City Manager	988,770	462,924	47%	407,512	51%	55,412	14%
Finance	531,993	254,788	48%	236,852	47%	17,936	8%
General Government	2,251,465	1,096,374	49%	873,674	45%	222,700	25%
City Attorney	149,061	142,037	95%	115,602	78%	26,435	23%
Police	10,441,763	5,400,023	52%	5,106,764	49%	293,260	6%
Fire	8,341,433	4,108,140	49%	3,971,454	50%	136,686	3%
Building	1,698,351	869,790	51%	734,732	47%	135,058	18%
Planning	787,094	397,742	51%	383,491	62%	14,251	4%
Streets	2,647,510	991,626	37%	908,976	35%	82,650	9%
Storm Drain Funding	1,200,000	-	0%	-	0%	-	-
Loan to Sewer Fund	1,000,000	-	0%	-	-	-	-
TOTAL	\$30,089,256	\$13,743,038	46%	\$12,752,706	44%	\$990,332	8%

- The City Manager Department expenditures increase as compared to the prior year are due to CalPERS annual required contribution increase and retirement leave payout.
- The General Government expenditures increase as compared to prior year are due to the timing of payment to Hillsborough Recreation as well as COVID-19 related expenditures.
- The City Attorney Department is at 95% of budget primary driven by ligation costs.
- The Police Department expenditures increase as compared to the prior year are attributable to CalPERS annual required contribution increase, overtime and filling of open position.
- The Fire Department expenditures increase as compared to the prior year are due to an increase in contributions for shared services.
- The Building Department expenditures increase as compared to the prior year are due to CalPERS annual required contribution and other benefits increase as well as an increase in contractual services.



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

ENTERPRISE FUNDS –BUDGETARY BASIS

The Enterprise Funds operate the sewer and water functions, and customer rates and other special revenues fund the operations and capital costs.

WATER FUND

WATER FUND	FISCAL YEAR 2020-2021			FISCAL YEAR 2019-2020		
	Budget	YTD Actual to 12/31/20	YTD %	YTD Actual to 12/31/19	\$ Variance YTD vs. PY	YTD Var over PY
Operating Revenue	\$14,714,021	\$9,176,286	62%	\$8,899,082	\$277,204	3%
Investment Income	275,000	7,543	3%	168,052	(160,509)	-96%
Total Revenue	14,989,021	9,183,830	61%	9,067,134	116,695	1%
Operating Expenses (includes overhead alloc.)	5,479,976	2,397,928	44%	2,521,981	(124,053)	-5%
Water Purchases	5,326,489	3,692,518	69%	3,588,479	104,039	3%
Debt Service	1,191,993	231,579	19%	210,012	21,567	10%
Transfer to Reserves Fund	60,000	30,000	50%	63,158	(33,158)	-52%
Total Operating Expense	12,058,458	6,352,026	53%	6,383,631	(31,605)	0%
Net Revenue before Capital	2,930,563	2,831,804	97%	2,683,504	148,300	6%
Capital Project	3,945,000	835,113	21%	3,253,461	(2,418,348)	-74%
EXCESS (DEFICIT) - Budgetary Basis	(\$1,014,437)	\$1,996,691	-197%	(\$569,957)	\$2,566,648	-450%

- Operating revenue is 3% higher than the same period last year due to 5% increase in water unit sales.
- Investment Income is below same period prior year due to lower LAIF performance as compared to the prior year.
- Water purchases are 3% higher as compared to the prior year due to increased water units purchased. The summer months are peak water usage. There is no SFPUC wholesale water rate increase in FY2020-21.
- Principal debt service is paid in the fourth quarter.
- The actual capital project expenditure is lower compared to budget due to the timing of spending.



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

SEWER FUND

SEWER FUND	FISCAL YEAR 2020-2021			FISCAL YEAR 2019-2020		
	Budget	YTD Actual to 12/31/20	YTD %	YTD Actual to 12/31/19	\$ Variance YTD vs. PY	YTD Var over PY
Operating Revenue	\$14,123,051	\$7,067,316	50%	\$6,587,116	\$480,201	7%
Investment Income	185,000	7,384	4%	137,396	(130,013)	-95%
Loan from General Fund (Sewer)	1,000,000	-		-	-	
Transfers (Storm Drains)	1,200,000	-	0%	-	-	
Total Revenue	16,508,051	7,074,700	43%	6,724,512	350,188	5%
Operating Expenses (includes overhead alloc.)	7,961,010	2,067,252	26%	2,231,553	(164,301)	-7%
Debt Service	1,763,919	552,635	31%	499,040	53,594	11%
Transfer to Reserves Fund	60,000	30,000	50%	25,559	4,442	17%
Total Operating Expense	9,784,929	2,649,887	27%	2,756,152	(106,265)	-4%
Net Revenue before capital and contrib.	6,723,122	4,424,813	66%	3,968,360	456,453	12%
Capital Projects/Contributions	5,185,000	533,682	10%	1,424,892	(891,210)	-63%
EXCESS (DEFICIT) - Budgetary Basis	\$1,538,122	\$3,891,131	253%	\$2,543,468	\$1,347,663	53%

- Sewer revenue is billed on the property tax bill for residential customers and the first installment is received in the second quarter.
- The increase in operating revenue as compared prior year is due to the adopted 7% rate increase in service charges effective July 1, 2020.
- Investment Income is below same period prior year due to lower LAIF performance as compared to the prior year.
- Operating expense is low compared to budget due to the timing of contractual and project spending.
- Principal debt service is paid in the fourth quarter for certificates of participation and in the first quarter for the State Revolving Fund loan.
- The actual capital project expenditure is lower than budget due to timing of project spending.



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

The following table summarizes the General Fund revenue by department.

GENERAL FUND REVENUE	FISCAL YEAR 2020-2021			FISCAL YEAR 2019-2020			YTD Var over PY	
	Budget	YTD Actual 12/31/2020	YTD %	Budget	YTD Actual 12/31/2019	YTD %		
Finance								
BL Fines/Other Penalties	44,451.000	\$1,000	\$0	0%	\$1,000	\$0	0%	
Bus Lic Application	47,509.000	186,000	160,710	86%	186,000	95,520	51%	68%
Bus. Lic. Tax-R/E Current	41,412.001	-	121,626		-	80,281		51%
Business License Tax	41,412.002	675,000	405,219	60%	650,000	255,399	39%	59%
Home Business Permits	43,430.000	8,250	7,375	89%	8,250	5,125	62%	44%
Finance Service Fees	47,518.010	56,000	28,000	50%	57,200	28,600	50%	-2%
Total		\$926,250	\$722,929	78%	\$902,450	\$464,925	52%	55%
Police								
Alarm Fines	44,455.002	-	800		15,700	1,600	10%	-50%
Alarm Monitoring Fees	47,517.001	150,000	84,912	57%	200,000	87,384	44%	-3%
Alarm Permits	43,456.000	140,000	3,300	2%	140,000	3,420	2%	-4%
Domestic Violence Restr Reimb	45,468.000	-	21		-	-		
Other Fines & Forfeitures	44,453.000	3,000	1,657	55%	3,000	2,560	85%	-35%
Peace Officers Training	45,463.000	6,400	-	0%	6,400	5,593	87%	-100%
Police Services	47,517.000	13,200	800	6%	13,200	4,329	33%	-82%
Public Safety Sales Tax - 100%	41,411.000	131,592	61,648	47%	130,290	62,119	48%	-1%
Fire & Police Safety Spec Tax - 50%	49,002.000	1,117,306	560,013	50%	1,117,306	559,510	50%	
Total		1,561,498	713,150	46%	1,625,896	726,515	45%	-2%
Fire								
Fire Fees	47,513.000	10,000	4,112	41%	5,000	9,933		-59%
Fire & Police Safety Spec Tax - 50%	49,002.000	1,117,306	560,013	50%	1,117,306	559,510	50%	
Total		1,127,306	564,126	50%	1,122,306	569,443	51%	
Building								
Building Permit Penalty	44,455.003	-	-		-	-		
Building Permits	43,431.000	590,000	378,214	64%	590,000	293,669	50%	29%
Building Plan Checking	47,503.000	350,000	194,047	55%	350,000	194,079	55%	0%
Electrical Permits	43,433.000	86,515	73,926	85%	86,515	47,862	55%	54%
Community Serv Fees	47,523.000	625	188	30%	625	211	34%	
Mechanical Permits	43,437.000	47,469	35,320	74%	47,300	28,330	60%	25%
Landscape Permits	43,439.000	-	-		169	-	0%	
Penalties	44,455.000	-	(4,804)		-	(3,469)		38%
Plumbing Permits	43,435.000	120,000	98,177	82%	120,000	78,887	66%	24%
Total		1,194,609	775,069	65%	1,194,609	639,568	54%	21%
Planning								
Planning Applications	47,501.000	184,983	128,431	69%	184,983	139,891	76%	-8%
ADU Fee	47,510.000	1,500	9,250		-	1,500		
Planning Service Fees	47,524.000	-	-		-	-		
Total		186,483	137,681	74%	184,983	141,391	76%	-3%



Town of Hillsborough 2020-21 Quarterly Financial Report (Unaudited) Second Quarter Ending December 31, 2020

GENERAL FUND REVENUE	FISCAL YEAR 2020-2021			FISCAL YEAR 2019-2020			YTD Var over PY
	Budget	YTD Actual 12/31/2020	YTD %	Budget	YTD Actual 12/31/2019	YTD %	
Public Works Administration							
Code Enforcement Fees	44,550.010	\$0	\$1,994		\$0	\$670	198%
Encroachment Application Fee	43,507.002	-	15,916		-	9,947	60%
Encroachment Inspection	43,507.006	-	35,317		-	15,037	135%
Encroachment Permits	43,507.000	136,055	122,911	90%	136,055	62,289	46%
Subdiv. Fees&Lot Adj.	47,505.000	-	-		-	-	
Engineering Misc.	43,441.007	-	956		-	(437)	
Erosion Control Fees	43,441.005	-	87,028		-	59,232	47%
Grading Application Fee	43,441.002	-	1,700		-	1,700	0%
Grading Permits	43,441.000	167,000	76,315	46%	167,000	40,295	24%
Grading Plan Check	43,441.001	-	2,007		-	5,140	-61%
Inspections	43,441.003	-	100		-	100	0%
PW - Outside Charges	47,519.000	2,275	-	0%	2,275	-	0%
Recycling penalty	44,455.005	-	-		-	250	
Stop work penalty	44,455.004	-	38,432		-	9,397	309%
Total	305,330	382,675	125%		305,330	203,621	70%
Street							
Measure "A"	49,001.000	250,000	125,000	50%	250,000	125,000	50%
Total	250,000	125,000	50%		250,000	125,000	50%
General Revenues (supports all City operations)							
Excess ERAF	40,409.000	2,200,000	1,069,962	49%	2,100,000	1,085,766	52%
Property Taxes		18,795,925	9,637,822	51%	17,863,038	9,156,518	51%
Franchise Tax		761,129	190,236	25%	755,839	199,093	26%
Motor Vehicle License Fee	45,465.000	1,125,592	502,673	45%	1,357,665	555,346	41%
Miscellaneous Service Charges		115,600	53,670	46%	101,600	117,295	115%
Interest	46,475.000	500,000	733,858	147%	500,000	445,504	89%
All Others		628,739	282,276	45%	587,731	258,162	44%
Total	24,126,985	12,470,498	52%		23,265,873	11,817,683	51%
Total General Fund Revenue	\$29,678,460	\$15,891,127	54%		\$28,851,446	\$ 14,688,145	51%



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

2a

GOAL SETTING
CITY COUNCIL MEETING
FEBRUARY 17, 2021

AGENDA STAFF REPORT

ITEM SUBJECT: TOWN-WIDE RISK ASSESSMENT - ANNUAL UPDATE

SUMMARY: This is an annual update on the Town-Wide Risk Assessment.

A Town-Wide Risk Assessment was undertaken in 2017-18 to identify key areas of risk and the mitigation measures in place or to be developed for the Town. Town management staff developed the program using best practices. The approach and report were reviewed with the City Council at a Study Session on July 9, 2018.

Organizations use risk assessments to help management anticipate and lessen the negative impact of issues that may arise. Having a framework and process to follow makes it easier to identify and manage risk on a continual basis. The risk assessment process also provides a foundation for communication at all levels of the organization for anticipating, managing, and controlling risk.

The objective of the program is to develop a risk assessment document that:

- Identifies the risks to achieving the organization's objectives of providing services to its residents
- Documents mitigation measures that are in place or to be developed
- Can be used to communicate and track progress throughout the organization

The scope is \$100k or more financial impact or significant impairment of management's ability to provide services to residents. The Risk Assessment program will be used in annual goal setting and budget development and will be communicated annually to track progress and update plans.

The Status Report below is a snapshot of some **key highlights**. For a complete listing, refer to Attachment 1. The colored scoring is intended to provide a quick flag on areas that require management attention. As of January 2021, the projects are deemed to be on track as indicated by GREEN. The 2021 items will be incorporated into the 2021 goals for the Town departments.

ATTACHMENT: 1. 2021 Risk Assessment

PREPARED BY: Jan Cooke, Finance Director

RECOMMENDATION: Provide feedback on any additional 2021 focus areas, as necessary.

**Town of Hillsborough
 Risk Assessment
 Status Report**

Risk Category	2020 Completed	2021 Key Plans	Status
People and Risk Management	<ul style="list-style-type: none"> • Updated the Pandemic Plan and Guidelines • City Attorney reviewed code to determine if Town could take emergency actions with code change if boards (code enforcement) could not act • Implemented new online Plan Review platform • Implemented new electronic platforms and equipment to enable virtual services (Blue Beam, online permitting and credit cards, etc.) • Implemented panic buttons and other features in all buildings. • Completed Comp and Class Study for all positions • Continued exploring HIP Housing ADU program for employees • Implemented employee rental assistance program 	<ul style="list-style-type: none"> • Continue to remain responsive to ongoing pandemic • Implement software as a service ((SaaS) for services provided to the public (e.g., Permitting Software, Finance System) • Provide virtual engagement and transparency to the community to enable dialog for community input, meetings, and information • Conduct City Council and management staff EOC training (target May 2021) • Fill 2020 New Positions: Admin. Assistant - CMO (backup for HR and City Clerk); Bldg./Planning - Assistant/Associate Planner • Continue HIP Housing ADU program for employees • Baywood Property donation – consider for workforce housing • Review the performance evaluation system • Continue to build bench strength and train on skills by participating in Town MEP and San Mateo Leadership programs (potential sponsor change) • PD - Conduct suspicious person training for Town Hall and public works (target May 2021) • PD - Train staff on panic button features and procedures 	
Legislation and Regulation	<ul style="list-style-type: none"> • Updated records retention policy - in process • Implemented new ordinances to comply with regulations: Housing and Building code, Maddy Act, SB 998 Residential Water Discontinuation, AB 2249 Bid Limits on Construction (Purchasing Policy) 	<ul style="list-style-type: none"> • Track ADU/housing/land use legislation and update policy documents • Update Housing Element and General Plan • Implement SB 1383 • LAFCO Bi-Annual Reporting • Continue to participate in the ERMA program for training and reporting 	

Risk Category	2020 Completed	2021 Key Plans	Status
Economic and Financial	<ul style="list-style-type: none"> • Reserves at policy level or above • COVID-19 Dashboard tracking of revenues, risks, and takeaways • Budget deferrals adopted for 20/21 budget • Clean audit opinion for June 30, 2020 • Standard and Poor’s 2020 review - maintained excellent bond rating • Water, sewer, solid waste rates reviewed and adjusted, where necessary • Complied with bond covenants and reporting • Completed filings and compliance for Coronavirus Relief Fund (CRF) “CARES Act” Grant 	<ul style="list-style-type: none"> • Prepare COVID-19 Dashboard/quarterly financial updates to FAC and City Council • Analyze additional funding into 115 trust for pension pre-funding • Implement strategies related to LIBOR phase-out on 2006A interest rate swaps and longer-term debt policy • Research FEMA filing to recover COVID-19 costs • Conduct RFP and conduct cost of service studies for new rate series – Sewer and Solid Waste; review need for water rate series (1/1/21 is last year in series but rates are not a maximum adopted) • Finalize funding discussion with San Mateo for Clean Water project 	
Environmental and Sustainability	<ul style="list-style-type: none"> • Joined Sea Level Rise JPA for three year • Implemented new regulations on stormwater, sewer, and water systems 	<ul style="list-style-type: none"> • Review leaf blower policy • Full implementation of WUI ordinance (education, inspections, fines, and penalties) • Evaluate Town fleet for electric vehicles in response to Grand Jury report • Track and plan for SB 1383 to reduce methane and other pollutants (mostly applicable for reduction of organic waste in landfills for the Town) • Review need for food service ware ordinance for Town commercial organizations (County ordinance) • Develop telecommute policy • Update Climate Action Plan • Investigate feasibility of Reach Codes • Comply with FCC regulations for wireless • Implement new regulations on stormwater, sewer, and water systems 	

Risk Category	2020 Completed	2021 Key Plans	Status
Disaster or Infrastructure Failure	<ul style="list-style-type: none"> • Conducted safety training with school staff and student drills • Conducted drills with HNN and Neighborhood Fest 	<ul style="list-style-type: none"> • Develop Continuity of Operations Plan (COOP) to determine long term staffing and facility needs • Look for improvements in public messaging system to Town residents • Conduct a bridge replacement plan • Camera more sewer mains to identify possible sources/conflicts • HNN large scale drills and conduct additional training at Neighborhood Fest • Conduct EOC and mini training exercises • Train new public works staff with understanding of water system, valves, alternate pumping; improve messaging for any water reduction • Participate in TCAT scenario- based training 	
Servers, Data and Security Failure	<ul style="list-style-type: none"> • Conducted third party assessment of firewalls and cyber security • Issued RFP for IT services and vendor interviews conducted. • SSF IT continues to monitor firewalls and update firmware • Upgraded temperature monitors and motion sensing cameras in physical server rooms • Installed fiber connection for improved offsite backup performance and communication between Town server environments • Worked with SSF IT to replace aging components such as network switches and data ports • Installed radio tower upgrades for improved system performance throughout Town 	<ul style="list-style-type: none"> • Continue to explore cloud data storage options • Work with IT provider to continuously monitor server performance and backup storage • Continue to work with IT provider to identify potential hardware and security improvements for server rooms • Continue to assess migrating all data and servers to the cloud • Test site-to-site replication of three environments • Utilize the new fiber connection to improve connectivity between facilities and other jurisdictions • Continue to explore infrastructure improvements that can increase performance 	

Risk Category	2020 Completed	2021 Key Plans	Status
Software and Communication Failure	<ul style="list-style-type: none"> • Implemented Microsoft 365 for continuity of operations and functionality • The Financial Software contract was awarded to Tyler Technologies through a comprehensive RFP process • Coordinated with San Mateo County and local cities on outreach for the 2020 Census and COVID-19 • Released more frequent e-Blasts to relay pandemic updates • Set up the Gate House as a PD worksite • Continued to participate as a SAMCAT member • Continued support of SMC Alert, CERT and HNN trainings 	<ul style="list-style-type: none"> • Issue RFP for document and agenda management • Replace permitting software • Work with Tyler to implement new software and train Town staff • Evaluate communication strategies with the CCAC • Evaluate 2021 training programs that follow existing Health Orders 	

RISK CATEGORIES: GOVERNANCE/PERSONNEL/RISK MGMT, LEGISLATIVE/REGULATORY, ECONOMIC AND FINANCIAL, ENVIRONMENTAL

Team One: Leader Jan, Ann

Members: Sarah, Kristin, Liz, Nelson, Mandy

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	Materiality & Likelihood	PRIMARY ACCOUNTABILITY	2020 ACCOMPLISHMENTS/IN PROGRESS	2021 GOALS	STATUS
Governance & Personnel & Risk Management	Elected body or designated positions (City Attorney, Treasurer, City Clerk, Police Chief) cannot act	<ol style="list-style-type: none"> Muni Code - City Manager is designated as Director of Emergency services and designates Asst Director and order of succession if Director or staff unavailable Consider Muni Code update to appoint stand-by officer to fill each cc seat in emergency if unavailable 	H/L	CMO	<ul style="list-style-type: none"> Completed 	<ul style="list-style-type: none"> Conduct City Council and management staff EOC training (target May 2021) 	
	Unexpected and/or extended leaves of absence (jury duty, medical, etc.)	<ol style="list-style-type: none"> Pre-contract for staffing services with a master contract for all administrative departments (Pre-contracts for staffing implemented) Bench plan with cross training for designated alternates (via Management Enrichment Program) Utilize the Management Enrichment Program (MEP) to train future leaders 	M/M	CMO/Dept. Heads	<ul style="list-style-type: none"> Finance is fully cross trained on key operations 	<ul style="list-style-type: none"> HR to explore service agreement with other cities Fill 2020 New Positions: <ol style="list-style-type: none"> Admin. Assistant - CMO (backup for HR and City Clerk) Bldg./Plng. - Assistant/Associate Planner Carryover MEP Cohort 2 and San Mateo County Leadership Program due to COVID and potential change in sponsorship of the County program) 	
	Cost of housing and affordability for employees	<ol style="list-style-type: none"> Consider researching new forms of work models (such as core hours, flex schedule, etc.) (Flex hours in process) Research best practices for housing assistance programs. Explore partnering with other jurisdictions and/or use Town property to provide employee housing (in process via 21 Elements) 	M/H	CMO	<ul style="list-style-type: none"> PD Gatehouse as sleep quarters (on hold; reconsider after COVID) Continue HIP Housing ADU program for employees Implemented employee rental assistance program 	<ul style="list-style-type: none"> Develop long-term telecommute policy Continue HIP Housing ADU program for employees Baywood Property donation – consider for workforce housing 	
	Retirements	<ol style="list-style-type: none"> Train future leaders in the Management Enrichment Program (Same steps as for unexpected leaves) Identify new ways to attract employees to the Town. Steps currently being taken include career development through the Management Enrichment Program and conducting a Compensation and Classification study to ensure clear job descriptions and competitive compensation 	M/H	CMO	<ul style="list-style-type: none"> CMO -Completed Comp and Class Study for all positions CMO - Continue to build bench strength and train on skills by participating in Town MEP and San Mateo Leadership programs – Both on hold due to COVID and potential sponsor change on the County program) 	<ul style="list-style-type: none"> Review the performance evaluation system CMO – Continue to build bench strength and train on skills by participating in Town MEP and San Mateo Leadership programs (potential sponsor change) 	

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	Materiality & Likelihood	PRIMARY ACCOUNTABILITY	2020 ACCOMPLISHMENTS/IN PROGRESS	2021 GOALS	STATUS
	Violence in the Workplace	<ol style="list-style-type: none"> 1. Training 2. Ensure buildings are secure and install panic buttons 3. Continue Employee Assistance Benefit 	H/L	PD	<ul style="list-style-type: none"> ➤ CMO/PD- 2020 implemented panic buttons and other features in all buildings. 	<ul style="list-style-type: none"> ➤ PD- Conduct suspicious person training for Town Hall and public works (target May 2021) ➤ PD - Train staff on panic button features and procedures 	
	Cyber Security	<ol style="list-style-type: none"> 1. Maintain cyber insurance 2. Develop Cyber Security plan 	H/M	CMO/Risk Mgr.	<ul style="list-style-type: none"> ➤ CMO/Risk Mgr. – Part of the RFP for IT Services includes development and maintenance of a cyber security plan ➤ Implemented Office 365 which is more secure ➤ Town pays for Cyber insurance through PLAN JPA 	<ul style="list-style-type: none"> ➤ Move to SaaS for new systems: Financial System, Building/Planning Permitting Software, Records Management System, Agenda Management System 	
	Illness or death that impact a large number of personnel	<ol style="list-style-type: none"> 1. Mutual Aid Agreements 2. Joint EOC 3. Pre-contract for staffing services (Implemented) 	H/L	Dept. Heads	<ul style="list-style-type: none"> ➤ Updated the Pandemic Plan and Guidelines 	<ul style="list-style-type: none"> ➤ Continue to remain responsive to ongoing pandemic 	
	Town does not deliver on planning requirements due to ADRB or staff not being able to act; Same for Code Enforcement requirements	<ol style="list-style-type: none"> 1. If due to pandemic or building safety, conduct virtual meeting. 2. If no Board members can act, delegate to Director and Council Commissioner (may require code change) 	L/L	CA	<ul style="list-style-type: none"> ➤ City Attorney reviewed code. Town could take emergency actions with code change. ➤ Implemented new online platform for Plan Review ➤ Implemented new electronic platforms and equipment to enable virtual services (Blue Beam, online permitting and credit cards, etc.) 	<ul style="list-style-type: none"> ➤ Implementation of SaaS for services provided to the public (e.g. Permitting Software, Finance System) ➤ Provide virtual engagement and transparency to the community to enable dialog for community input, meetings, and information 	
Legislation & Regulation	Fines/litigation resulting from regulatory non-compliance, failure to comply with new legislation, laws, or Town policies	<ol style="list-style-type: none"> 1. Each department tracks legislation (ongoing) 2. Conduct training for new regulations that impact Town wide processes 3. Each department follows best practices (ongoing) 4. Train on mandatory policies annually; review policies regularly 5. Annual review of insurance coverage 	M/M	CMO/Dept. Heads/CA	<ul style="list-style-type: none"> ➤ All Departments and City Attorney– Ongoing tracking, training, and implementing of new legislation and regulations ➤ Bldg./Plng. - track ADU and housing legislation ➤ Implemented new ordinances to comply with regulations: <ol style="list-style-type: none"> 1. Housing and Building code 2. Maddy Act 	<ul style="list-style-type: none"> ➤ Bldg./Plng: Track ADU and housing and land use legislation and update policy documents as needed; update Housing Element and General Plan ➤ Implement SB 1383 ➤ LAFCO Bi-Annual Reporting ➤ Continue to participate in the ERMA program for training and reporting 	

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	Materiality & Likelihood	PRIMARY ACCOUNTABILITY	2020 ACCOMPLISHMENTS/IN PROGRESS	2021 GOALS	STATUS
					<ul style="list-style-type: none"> 3. SB 998 Residential Water Discontinuation 4. AB 2249 Bid Limits on construction (Purchasing Policy) 		
Economic & Financial Risk	Loss of revenue caused by any impact such as recession, sudden market failure, state takeaway	<ul style="list-style-type: none"> 1. Develop flexible staffing/consulting opportunities (Implemented) 2. Maintain contingency reserves at policy levels, at a minimum 3. Annual review of budget by City Council and Financial Advisory Committee 4. Periodic review of investment portfolio with FAC investment committee to review diversification 5. Long term planning for facilities, IT, CIP, equipment, and vehicle replacements 6. Consider the need to develop an alternate source of revenue for unfunded needs (e.g. storm drains or other long-term needs) 7. Track legislative impacts to determine impact on revenues and expenditures 	M/M	Finance	<ul style="list-style-type: none"> ➤ General Fund reserves are in place ➤ COVID-19 Dashboard and tracking of revenues, risks, and takeaways ➤ Budget deferrals adopted for 20/21 budget ➤ Clean audit opinion for June 30, 2020; results reviewed by FAC and City Council 	<ul style="list-style-type: none"> ➤ Prepare COVID-19 Dashboard/quarterly financial updates to FAC and City Council ➤ General Fund reserve policy for facilities and disasters (in connection with the COOP- most likely 21/22) ➤ Review additional funding in 115 trust for pension pre-funding 	
	Refunding of monies caused by debt or grant non compliance	<ul style="list-style-type: none"> 1. Annual compliance filings and financial audit 2. Maintain enterprise water and sewer rates that cover expenses (required by debt covenants) 3. Management oversight of grant requirement compliance 4. Maintain Bond Standby Purchase Agreement (liquidity facility) 	H/L	Finance	<ul style="list-style-type: none"> ➤ Standard and Poor’s Bi-Annual Surveillance review completed – maintained bond rating ➤ Water, sewer, solid waste rates reviewed and adjusted, where necessary ➤ Tracked LIBOR phase out – 2006A Town interest rate swap <p>Complied with bond covenants and reporting</p> <ul style="list-style-type: none"> ➤ Completed filings and compliance for Coronavirus Relief Fund (CRF) “CARES Act” Grant ➤ No draws on Bond SBPA in 19/20 	<ul style="list-style-type: none"> ➤ Finalize and implement strategies related to LIBOR phase-out on 2006A interest rate swaps ➤ Research FEMA filing to recover COVID-19 costs ➤ Track grants in all Departments; comply with Single Federal Audit for 20/21 if applicable (if total Federal grants > \$750k) ➤ Conduct RFP and conduct cost of service studies for new rate series – Sewer and Solid Waste; review need for water rate series (1/1/21 is last year in series but rates are not a maximum adopted) 	
	Sole dependence on major service partners-financial or service interruption (wastewater treatment plants, SFPUC water, fire JPA, solid waste franchise, PG&E, Peninsula Clean Energy)	<ul style="list-style-type: none"> 1. Maintain reserves at policy level 2. Where deemed necessary, financial review of partner solvency at contract award for material contracts. Establish backup provider if applicable. 	H/L	Finance	<ul style="list-style-type: none"> ➤ Continued funding discussion with San Mateo for Clean Water project 	<ul style="list-style-type: none"> ➤ Finalize funding discussion with San Mateo for Clean Water project 	

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	Materiality & Likelihood	PRIMARY ACCOUNTABILITY	2020 ACCOMPLISHMENTS/IN PROGRESS	2021 GOALS	STATUS
Environmental & Sustainability	Climate change and sea level rise impact quality of life in the region	<ol style="list-style-type: none"> Understand long term needs and responsibilities for climate change and sea level rise Develop long term plan for addressing needs and responsibilities 	M/L	CMO	<ul style="list-style-type: none"> Made contribution to County Sea Level Rise JPA 	<ul style="list-style-type: none"> Develop telecommute policy CMO-Evaluate Town vehicle fleet for electric vehicles in response to Grand Jury report Review leaf blower policy 	
	Town stays current with sustainability best practices and programs and is compliant with state AND Town regulations	<ol style="list-style-type: none"> Track County-wide and state programs and regulations Develop ordinances and policies responsive to sustainability 	M/L	CMO	<ul style="list-style-type: none"> PW- Implemented new regulations on stormwater, sewer, and water systems 	<ul style="list-style-type: none"> CMO - Update Climate Action Plan Investigate feasibility of Reach Codes Consider food service ware ordinance (San Mateo County and cities) Comply with FCC regulations for wireless PW- Implement new regulations on stormwater, sewer, and water systems Full implementation of WUI ordinance (education, inspections, fines and penalties) 	

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	Materiality & Likelihood	PRIMARY ACCOUNTABILITY	2020 and 2021 GOALS	STATUS
Disaster or Infrastructure Failure	Emergency Requiring Mutual Aid	<ol style="list-style-type: none"> Utilize existing formalized Mutual Aid agreements (Existing) To be used for routine calls for service and emergencies Department policies cover responding agency personnel 	Low Routine and Emergency	PD	Working with US Secret Service in preparation for campaign event	
	School Incident	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Routine and Emergency	PD	Work more closely with our private schools for drills and training	
	Large scale earthquake restricting access to service areas	<ol style="list-style-type: none"> CERT training for citizens to provide aid in their neighborhood areas Utilize mutual aid agreements 	Low Emergency Anticipated	PD	HNN large scale drills and conduct additional training at neighborhood fest	
	Pandemic - System overwhelm and staffing shortages	<ol style="list-style-type: none"> Develop alternate ways of doing business such as remotely Utilize consultants and consult SMCO OES Develop health protocols 	Low Emergency Anticipated	TH and PD	Additional PPE for staff and prophylactic treatment protocols. Impacts will be seen for several years.	
	Fire with Significant Life Loss	<ol style="list-style-type: none"> Initial Emergency Response Utilize Mutual Aid agreements After Action Management Mutual Aid 	Low Emergency Anticipated	CCFD and PD	The local Auto aid program in conjunction with the state master mutual aid program provides for resources in this event.	
	EOC effectiveness	<ol style="list-style-type: none"> Recurrent and relevant EOC training Develop mini training scenarios Ensure new staff has been trained 	Low Emergency Anticipated	CMO	CMO - Conduct EOC training/mini exercises	
	Water system failure - Inability for CCFD to use water supply	A complete failure is extremely unlikely due to our many pressure zones.	Low Emergency Anticipated	PW and CCFD	There is a robust auto and mutual aid with hose tenders and water tenders that can be requested locally and statewide. Public Message system	
	Power failure	<ol style="list-style-type: none"> Redundancies (e.g. generators) Insure appropriate extra supplies on hand Work with PG&E and PCE 	Low	PW, PG&E, CCFD	Apply for grants, purchase additional generators, and sign boards	
	Landslides in public right of way cutting off access as well as underground utilities	<ol style="list-style-type: none"> Interrupted Power, Water, Sewer, All Utilities Life Saving Efforts and Evacuation Detours Evacuation centers 	Low Emergency Anticipated	PW, CCFD, PD, B&P	Same as water system failure for CCFD, also CCFD has heavy rescue capabilities	

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	Materiality & Likelihood	PRIMARY ACCOUNTABILITY	2020 COMPLETED/IN PROGRESS	STATUS
	Bridge collapse – we have several bridges that are 90 to 100 years old	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low	PW, CCFD, PD, B&P	CCFD has heavy rescue capabilities PW can hire a consultant to devise a bridge replacement plan.	
Disaster or Infrastructure Failure	Lift Station collapse – huge sewage mess and environmental damage as well as loss of sewer service until repaired.	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low	PW	Purchase additional pumps and generators	
	Water Tank collapse – loss of regular public convenience and potential fire danger	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Emergency Anticipated	PW, CCFD, Police	<p>There is a robust auto and mutual aid with hose tenders and water tenders that can be requested locally and state-wide.</p> <p>Train new staff with understanding system, valves, alternate pumping, improve messaging</p>	
	Water Tank attacked by terrorist trying to poison the public	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Emergency Anticipated	Police and PW	TCAT training scenario-based training	
	Water System compromised from the regional level – unsafe to drink and may cause health issues.	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Emergency Anticipated	Police, PW, SMCO, BAWSCA, SFPUC	COOP for long term staffing	
	PG&E Gas transmission line explosion	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Emergency Anticipated	All	PGE staff education COOP long term facility operation	
	Gas leak into local sewer system which ignites and explodes	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Emergency Anticipated	All	Camera more sewer main lines to identify possible sources/conflicts	
	Doran Bridge Hwy 280 collapse	<ol style="list-style-type: none"> Deny Access, Render Safe, Establish Detours, Evacuation, Public Messaging Investigate Failure, Determine Causal Factors, Prosecution 	Low Emergency Anticipated	MA for CHP SMCO	COOP long term operational periods	

Team Three Leader: William
Team members: Rich, Gigi, Rob, Sara, Liz

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	PRIMARY ACCOUNTABILITY	MATERIALITY & LIKELIHOOD	2020 COMPLETED/IN PROGRESS	2021 GOALS	STATUS
Servers, Data and Security	<p>Cyberattacks</p> <p>Although protections are in place, the Town is still vulnerable. Hackers are always trying to circumvent firewalls and other protections so users must always be cautious when browsing, opening emails, and using thumb drives or other types of data transfer devices.</p>	<ol style="list-style-type: none"> The Town utilizes the latest firewall technology with frequent firmware updates. The antivirus, malware protection and vulnerability detection subscriptions are installed and updated on all workstations. All traffic is logged into the syslog server. Windows updates are being applied to both workstations and servers. Email is passed through Microsoft 365 security checks. The Town continues to have mandatory cybersecurity training. The network environment and systems are monitored 24/7 	CMO	VERY HIGH AND CONSTANT	<ul style="list-style-type: none"> Third party assessment completed. Included technology/security projects as part of the IT Services RFP RFP issued in Sept. 20 interested with 7 proposals. SSF IT continues to monitor firewalls and update firmware 	<ul style="list-style-type: none"> Work with selected IT provider to implement security projects Continue to conduct mandatory cybersecurity training via KnowBe4 (Scheduled for December) 	PENDING IT PROVIDER SELECTION
	<p>Server and Digital Data Failure</p> <p>Server hosts and digital data environments can also be a target of frequent cyberattacks that could lead to data loss or corruption.</p>	<ol style="list-style-type: none"> All environments include VMWare virtual software containing two redundant hosts and a storage area network. The storage is setup in a RAID 5 configuration, which allows for high-end disk redundancy. Each server has a shadow copy of data enabled allowing for fast recovery of data. The backup software is currently automatically setup to backup to disks. The Town recently installed three high-speed tape recovery systems. 	CMO	MEDIUM Backups and redundancy reduce risk	<ul style="list-style-type: none"> Migrated MS Office environment to M365 Installed fiber connection for improved offsite backup performance and communication between Town server environments 	<ul style="list-style-type: none"> Continue to explore cloud data storage options Work with IT provider to continuously monitor server performance and backup storage 	PENDING IT PROVIDER SELECTION
	<p>Server Hardware Failure</p> <p>The Town has three physical server environments: PD, TH and PW. The separation is necessary due to connectivity issues and DOJ requirements.</p>	<ol style="list-style-type: none"> The Town replaced all three-server equipment environments (TH, PD & PW) in 2018. This project improved the network system security, performance, reliability, scalability, and increase storage. The Town installed new server environments with VMWare vSAN Hyper-converged software-defined storage platform containing 3 hosts. Backup to disk using Veeam software is configured for each environment. The system environments have matching technology, software and hardware components which will eliminate past issues with system compatibility and software support. The server system allows for onsite and offsite 24/7 monitoring and notification of issues or failures. TH and CY critical systems are being backed up to Amazon cloud services for DR purposes. 	CMO	MEDIUM Backups and redundancy reduce risk	<ul style="list-style-type: none"> Upgraded temperature monitors and motion sensing cameras in physical server rooms Installed fiber connection for improved offsite backup performance and communication between Town server environments Worked with SSF IT to replace aging components like network switches and data ports 	<ul style="list-style-type: none"> Continue to work with IT provider to identify potential hardware and security improvements for server rooms Continue to assess migrating all data and servers to the cloud Test site-to-site replication of three environments 	PENDING IT PROVIDER SELECTION

CATEGORY	RISK STATEMENT	RISK MITIGATION OR ACTION	PRIMARY ACCOUNTABILITY	MATERIALITY & LIKELIHOOD	2020 COMPLETED/IN PROGRESS	2021 GOALS	STATUS
Software and Communications	Failure to keep up with technology Outdated hardware and software expose the Town to poor performance and potential security risks if the technology is no longer supported.	1. The Town is currently in the process of implementing many technology upgrades, including: <ul style="list-style-type: none"> - Outlook and Office to Microsoft365 - Financial Management and Payroll - Document and Agenda Management - Permitting software 	CMO	MEDIUM	<ul style="list-style-type: none"> ➤ Migration of active emails to M365 ➤ Financial system software contract awarded 	<ul style="list-style-type: none"> ➤ Issue RFP for document and agenda management and permitting software ➤ Coordinate implementation and training for new Finance software 	DOC MANAGEMENT RFP PENDING IMPLEMENT FINANCE SOFTWARE
	Town Communications with the Public	1. The Town utilizes various ways to communicate with the public: <ul style="list-style-type: none"> - Town newsletters, e-Announcements and website - Social media (PD and CCFD) - Banners and electronic signage 	CMO	LOW	<ul style="list-style-type: none"> ➤ Coordinated with San Mateo County and local cities on outreach for the 2020 Census and COVID-19 ➤ Released more frequent e-Blasts to relay pandemic updates 	<ul style="list-style-type: none"> ➤ Evaluate communication strategies with the CCAC 	ONGOING
	Disruption of 911 service	1. The Police facility has been assessed for structural integrity, ADA compliance and functionality 2. Utilize alternate means of communication HAM, Cell, direct radio, etc. 3. Partner with Burlingame 4. County SAMCAT Dark Fiber program	PD/CMO	LOW	<ul style="list-style-type: none"> ➤ Installed new fiber connection ➤ Set up the Gate House as a PD worksite ➤ Continued to participate as a SAMCAT member 	<ul style="list-style-type: none"> ➤ Utilize the new fiber connection to improve connectivity between facilities and other jurisdictions 	ONGOING WITH AT&T AND COUNTY
	Radio System Failure	1. Utilize common County radio back up frequencies	PD/PW	LOW	<ul style="list-style-type: none"> ➤ Installed radio tower upgrades for improved system performance throughout Town 	<ul style="list-style-type: none"> ➤ Continue to explore infrastructure improvements that can increase performance 	ONGOING MONITORING & MAINTENANCE
	Emergency Residential Notification System	1. SMC Alert 2. HNN and CERT trainings	PD/CM	MEDIUM	<ul style="list-style-type: none"> ➤ Continued support of SMC Alert, CERT and HNN trainings 	<ul style="list-style-type: none"> ➤ Evaluate 2021 training programs that follow existing Health Orders 	CONTINUE COLLAB WITH COUNTY
	Tech Continuation of Town Payables/Payroll	1. Town staff (after tech upgrades) would be able to (1) access cloud-based payroll software and continue to pay personnel outside of the office. Even if timesheets were unable to be submitted, staff could go off MOU, previous payroll and existing statistics in EE set up. (2) for payables, access financial software from backups and do online check payments through existing banking relations	FIN/CMO	MEDIUM	<ul style="list-style-type: none"> ➤ The Financial Software contract was awarded to Tyler Technologies through a comprehensive RFP process 	<ul style="list-style-type: none"> ➤ Work with Tyler to implement new software and train Town staff 	SAAS (NEW SOFTWARE) PAYROLL ALREADY WEB BASED