



Minutes
Town of Atherton
CITY COUNCIL
February 19, 2014
7:00 p.m.
94 Ashfield Road
Atherton, California
REGULAR MEETING

Written minutes constitute the official record of the Council's activities. The minutes record action only, including the motions made and the vote thereon. Reasons for making a motion, Council debate and audience reactions are not included. In addition, all meetings are also videotaped and archived and can be accessed on the Town's website under the *meeting videos* tab.

1. **PLEDGE OF ALLEGIANCE**
2. **ROLL CALL** Lewis, Wiest, Dobbie (absent), Widmer, DeGolia
3. **PRESENTATIONS**

Midpeninsula Regional Open Space District Vision Plan Update/Potential Bond Measure Information – Board Member Yoriko Kishimoto

Board Member Yoriko Kishimoto spoke about the District, which was originally formed in Santa Clara County. It now includes 26 preserves totaling 62,000 acres in San Mateo, Santa Clara and Santa Cruz Counties. It is open to the public 365 days per year, free of charge. The District is in the process of creating a focus for the future which after speaking with thousands of residents over the last year has translated into more than 54 major projects across the entire District. To accomplish this, the Board is considering going to the voters in June with a \$300M General Obligation Bond. The tax rate would not exceed \$3.18 per \$100,000 of assessed property value. (For example, increase on a home assessed at \$1 million would be \$31.80 per year). The ballot measure would include specific requirements for citizen oversight and annual reporting of the money collected and spent. While the District will not make a formal decision until next month, the size of the capital program and resources it will take to implement this regional vision were discussed.

4. **PUBLIC COMMENTS**

Philip Lively stressed the importance of revenue enhancement discussions and alternatives to the parcel tax before the next parcel election.

5. **REPORT OUT OF CLOSED SESSION - Report out by City Attorney**

No reportable action.

6. CITY MANAGER'S REPORT
a. Community Center Advisory Committee Report

The City Council commented that the Council should, at a future meeting, discuss the rationale for allocating funds when using contract staff for the building of the civic center; and requested that the City Manager consider a joint meeting with Parks & Recreation to review the draft Park Master Plan.

7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT– None.

CONSENT CALENDAR (Items 8-16)

Items 10, 11, 12, and 16 were removed from consent for further discussion.

8. APPROVAL OF JANUARY 15 REGULAR MEETING AND FEBRUARY 5 SPECIAL MEETING MINUTES

Report: City Clerk Theresa DellaSanta

Recommendation: Approve meeting minutes

9. APPROVAL OF BILLS AND CLAIMS FOR JANUARY, 2014 IN THE AMOUNT OF \$1,019,460

Report: Finance Director Robert Barron III

Recommendation: Approve Bills and Claims in the amount of \$1,019,460

13. RESOLUTION ESTABLISHING THE EMPLOYER'S CONTRIBUTION FOR EMPLOYEES AND ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (PEMCHA) FOR CURRENTLY RETIRED MANAGEMENT EMPLOYEES

Report: City Manager George Rodericks

Recommendation: Approve the attached Resolutions fixing the employer's contribution for employees and annuitants at the minimum required PEMCHA contribution for current retired annuitants in the management category

14. RESOLUTION AUTHORIZING THE DESTRUCTION OF RECORDS PURSUANT TO GOVERNMENT CODE SECTION 34090

Report: Police Chief Ed Flint

Recommendation: Adopt the attached Resolution authorizing the destruction of certain records pursuant to Government Code Section 34090

15. APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZATION TO ADVERTISE FOR THE 2014 MICRO-SURFACE SEAL PROJECT

Report: Community Services Director Mike Kashiwagi

Recommendation: Approve the plans and specifications and authorize advertisement for bids for the 2014 Micro-Surface Seal Project, Project No. 56058

MOTION by Lewis, second by DeGolia to approve Items 8 (excluding the January 19 minutes, continued to the next meeting for Council comment clarification), 9 and 13 through 15. The motion passed unanimously.

PUBLIC HEARING - None.

REGULAR AGENDA - (Items 17-21)

17. APPOINTMENTS: CIVIC CENTER ADVISORY COMMITTEE | PLANNING COMMISSION

Report: City Clerk Theresa DellaSanta

Recommendation: Consider appointments to the Community Center Advisory Committee (CCAC) and the Planning Commission

Staff presented the item and notified Council that subsequent to posting of the agenda it was discovered that the only applicant for the CCAC has a conflict of interest under the Political Reform Act as her property lies within 500 feet of the project. Voters enacted the Political Reform Act in 1974 which defines a conflict of interest with regard to a particular government decision as “sufficiently likely that the outcome of the decision will have an important impact on members’ economic interests.”

MOTION by Lewis, second by DeGolia to appoint applicant Christine David as a non-voting member and direct the City Attorney to work with the applicant to submit an inquiry to the Fair Political Practices Commission (FPPC) as to whether a conflict truly exists. The non-voting status would be converted into a voting/participatory position contingent upon the FPPC written ruling. The motion passed unanimously.

Council discussed the applications for Planning Commission. Comments and discussion by the Council included the need to get new residents involved with Town Committees; however there was sentiment of confliction because of one applicant who previously served the Commission and has a wealth of knowledge regarding Town matters.

Philip Lively expressed the need for experience on the Planning Commission is a necessity.

Each Council Member was provided with a ballot to choose one of two applicants. Council approved with a 4-0 vote appointment of William Grindley to fill the Planning Commission vacancy expiring in June of 2015.

18. MID-YEAR BUDGET REPORT FOR FY 2013-2014 AND BUDGET AMENDMENT FOR ADJUSTMENTS

Report: Finance Director Robert Barron III

Recommendation: Receive and file the Mid-Year Budget Review for the General Fund for FY 2013-2014 and adopt the attached Resolution authorizing a Budget Amendment for Adjustments

Staff presented the report and pointed out that The Mid-Year Report is an elevated look at the Town’s revenues and expenditures at mid-year and does not involve a line-item level discussion. Staff comments focused on operating expenses which are anticipated to be within budgeted expenditures, with the exception of Building and Police Departments.

Building services are provided via contract through Interwest Consulting Services who receives 58% of the first million in revenue and 55% for additional building revenues over \$1 million. Due

to projected growth in building revenue projections, the line-item budget for expenditure requires adjustment from \$1,226,295 to \$1,529,001 to keep pace.

Additionally, the Council previously authorized funding for two additional positions to allow the Police Department to recruit and fill at minimum staffing levels while processing vacancies. However, while the Department has been very diligent and has had active and ongoing recruitments, the Department has not been able to fill the vacancies with permanent personnel at this time. As a result, there is an increased need for overtime, temporary dispatch help through the use of per diem personnel, and ongoing recruitment and processing costs. There is also a minor need for an expense adjustment related to vehicle maintenance and repairs.

Council inquired whether the unused salary from the authorized funding for the two extra positions should be applied rather than approving a budget amendment. Discussions included that if the funds were moved to cover the amendment, there is a chance that it may delay the Town in filling vacancies in the event that the remaining funds were exhausted. If exhausted, it would require the Department to return to Council and request more funding for the ability to recruit and process any potential hires.

Council Member Widmer stated he is in favor of the adjustment for the overrun within the Building Department however he is opposed to the \$70,000 budget increase for the Police Department. Council Member Widmer suggested that a reallocation of funds (or departmental transfer) from the unfilled positions within the Police Department was appropriate especially as the overruns were essentially labor costs related to coverage due to the lack of these two positions being hired.

That said, when the Town's parcel tax which generates \$1,116,000 million in revenue toward public safety services is added to the revenue projections, revenues are shown at \$13,268,730. This provides a net positive change in fund balance of \$287,754 at year-end and an anticipated ending fund balance of \$8,650,210. This includes the amendments of \$2,293,264 from the unallocated general fund reserve for the Building and Police Department noted above.

In summary, the FY 2013-2014 started with a General Fund Balance of \$8.3 million. Revenues and expenditures for the operating year remained at current levels. Even with the appropriation of \$2.5 million dollars to pay down some long-term liabilities and fund other budget priorities, the Town's General Fund Balance grew to \$8.6 million.

MOTION by Lewis, second by Wiest to receive and file the Mid-Year Budget Review for the General Fund for FY 2013-2014 and adopt the attached Resolution authorizing a Budget Amendment for Adjustments. The motion passed 3-1, Widmer opposing the authorization for the Police Departments additional recruitment funding.

19. PARK MAINTENANCE OVERSIGHT AT HOLBROOK-PALMER PARK

Report: Public Works Superintendent Steve Tyler

Recommendation: Provide feedback and if appropriate, concur with the recommendation of staff and the Parks and Recreation Commission to allow for additional park maintenance oversight via the current MCE maintenance contract

The Council heard a report from staff which recapped to Council that following the approval of a budget amendment in December, staff began implementation of a number of park enhancements. At that time, due to the potential cost of the "master gardener" proposal, staff advised the Council that

the issue would return at a future meeting for disposition of the project through a Request for Proposal.

Subsequently, the use of the “master gardener” concept evolved from discussions with the Parks & Recreation Commission and the Commission recommended that staff look into finding someone to assist staff at the Park while determining disposition. Staff is recommending use of an employee from the Town’s current Public Works Contract Firm MCE who has extensive expertise in Parks and Landscape.

Council discussed whether the additional 50 hours is sufficient for the purpose. A discussion followed regarding how the oversight and coordination would be led. Staff explained that the position would be hands on and the individual will effectively arrange and direct professional staff, provide park oversight and develop and manage needed projects at the park by way of a comprehensive punch list.

Council requested that the recommended individual work on a project plan or assessment that necessitates hours, days, and tasks required for implementing and maintaining park enhancements. Council requested that when the time comes that staff consider bidding this position separately from the Public Works contract.

20. APPROVAL OF A DESIGN CONTRACT WITH BIGGS CARDOSA ASSOCIATES FOR THE MARSH ROAD RETAINING WALL REPAIR

Report: Community Services Director Mike Kashiwagi

Recommendation: Authorize the City Manager to execute an agreement with Biggs Cardosa Associates, Inc. (BCA) for design of Option 2A, Cast-In-Place Concrete U Channel allowing for possible cover and including a traffic barrier, at a cost not to exceed \$137,089 and authorize a 5% contingency for unanticipated additional work

Staff recapped that Council, recognizing the need to repair the failing portions of the channel, previously approved a cast-in-place concrete U-channel to repair the portion of Atherton Channel adjacent to Marsh Road. The U-channel will allow for the installation of a cover to facilitate a path at some point in the future.

Council discussion surrounded whether it was appropriate to re-evaluate a portion of the channel to potentially reduce the scope and possibly lessen the cost.

Council Member Widmer noted that upon his non-professional inspection of the channel that a sizable portion of it may not need replacement and as such requested that the engineer revisit that portion as it could significantly result in a substantial reduction in the final budget.

MOTION by Lewis, second by Wiest to authorize the City Manager to execute an agreement with Biggs Cardosa Associates, Inc. (BCA) for design of Option 2A, Cast-In-Place Concrete U Channel allowing for possible cover and including a traffic barrier, at a cost not to exceed \$137,089 and authorize a 5% contingency for unanticipated additional work. Motion passed 3-1; Widmer opposed requesting the reevaluation of a portion of the channel to reduce the cost.

21. CONSIDERATION OF COUNCIL APPROVAL FOR PREPARATION OF AN RFP TO ANALYZE A ROUNDABOUT AT ATHERTON AVENUE AND ALAMEDA DE LAS PULGAS

Report: Community Services Director Mike Kashiwagi

Recommendation: Direct the City Manager to prepare a Request for Proposal (RFP) to analyze feasibility, impacts and costs for installation of a roundabout at Alameda de las Pulgas and Atherton Avenue, at a cost not to exceed \$2,500

Staff reported that this item has come before Council previously and that the Council expressed a number of concerns about impacts, breadth of any study, potential cost of improvements and Town priorities. The Transportation Committee, at its January meeting, recommended that Council reconsider this item.

Current Council sentiment was conflicted. There was support for going forward with the RFP to decide whether a roundabout was warranted for this section of Alameda de las Pulgas. Conversely there was also concern for spending funds on this RFP when it is likely the Council will have other projects and priorities to fund.

MOTION by DeGolia, second by Lewis to direct the City Manager to prepare a Request for Proposal (RFP) to analyze feasibility, impacts and costs for installation of a roundabout at Alameda de las Pulgas and Atherton Avenue, at a cost not to exceed \$2,500. Motion tabled 2-2 and continued the item to the March meeting when a full Council could be present. (Council Member Dobbie was excused).

10. ACCEPTANCE OF FISCAL YEAR 2012-2013 BASIC FINANCIAL STATEMENTS, REPORT ON COMPLIANCE WITH THE AGREEMENT FOR DISTRIBUTION OF SAN MATEO COUNTY MEASURE A FUNDS FOR LOCAL TRANSPORTATION PURPOSE, AGREED UPON PROCEDURES REPORT ON COMPLIANCE WITH THE PROPOSITION 111 APPROPRIATIONS LIMIT, AND MEMORANDUM ON INTERNAL CONTROL AND REQUIRED COMMUNICATIONS

Report: Finance Director Robert Barron III

Recommendation: Accept FY 2012-2013 Basic Financial Statements, Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds, Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit, and the Memorandum on Internal Control and Required Communications

Council comments were in regards to the Auditors' findings and the suggestion to provide a buffer on the Town's investment policy since the Town exceeded the 50% investment threshold. Additionally, there were comments in regards to making sure staff has the proper checks and balances and separation of duties when using the Town's financial software.

MOTION by Widmer, second by Lewis to accept FY 2012-2013 Basic Financial Statements, Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds, Agreed Upon Procedures Report on Compliance with the Proposition 111 Appropriations Limit, and the Memorandum on Internal Control and Required Communications. Motion passed unanimously.

11. APPROVAL OF THE ANIMAL CARE SHELTER FUNDING AGREEMENT

Report: City Manager George Rodericks

Recommendation: Approve the attached Memorandum of Agreement for Funding Construction of an Animal Care Shelter as part of the Animal Control Services Agreement and authorize the Mayor to execute the Agreement on behalf of the Town

Council comments surrounded clarification of whether the additional fee is monthly or annually. Staff clarified that Atherton is not being asked to pay \$50,000 toward the new shelter, plus an additional \$4,297 to \$5,749 annually. The Town presently pays \$52,000 for basic animal control services through the County's contract with the Peninsula Humane Society. The Town is only being asked to pay an additional \$4,297 to \$5,749 annually as part of a zero-interest payment over 30-years toward the cost of building the new shelter. Council requested that staff look into where the peninsula Humane Society will house the animals while they are reconstructing the building.

MOTION by Lewis, second by Wiest to approve the attached Memorandum of Agreement for Funding Construction of an Animal Care Shelter as part of the Animal Control Services Agreement and authorize the Mayor to execute the Agreement on behalf of the Town. Motion passed unanimously.

12. TWO-YEAR LEASE EXTENSION FOR KNOX PLAYSCHOOL

Report: Community Services Director Mike Kashiwagi

Recommendation: Approve a two-year lease extension for Knox Playschool in Holbrook-Palmer Park

Staff reported that it is essential for the Council to review the Master Plan Update before the making financial decisions regarding repair, improvement or replacement of the Playschool facilities. Since it is unlikely any major changes to program locations will take place immediately, staff recommends Knox Playschool be granted a two year lease extension.

Council was concerned that a two-year extension to the lease would prohibit the Town from being able to relocate the playschool premises. Council deliberated on potential language to include in the lease that would allow for flexibility to relocate the playschool before the two-year lease terminates.

Council opted to continue this item to the March meeting when the City Manager returns and is able to report on the negotiations that took place between he and the playschool operator.

16. APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZATION TO ADVERTISE FOR THE 2014 SPRING PATCHING PROJECT

Report: Community Service Director Mike Kashiwagi

Recommendation: Approve the plans and specifications and authorize advertisement for bids for the 2014 Spring Patching Project, Project No.56057

This project consists of grinding and replacing approximately 16,500 square feet of asphalt to a six-inch depth to remediate local pavement failures. This is an annual project where various different streets are done on a scheduled basis.

Council requested that when patching the walking path at Holbrook-Palmer Park the contractor extend patching on the safe routes to school section, particularly behind the tennis courts.

MOTION by Widmer, second by Wiest to approve the plans and specifications and authorize advertisement for bids for the 2014 Spring Patching Project, Project No.56057. Motion passed unanimously.

22. COUNCIL REPORTS/COMMENTS

23. FUTURE AGENDA ITEMS

24. PUBLIC COMMENTS

25. ADJOURN

Mayor Wiest adjourned meeting at 9:53 p.m.

Respectfully submitted,



**Judi Herren
Office Specialist**