



MINUTES
Town of Atherton
CITY COUNCIL
February 7, 2005

6:00 p.m.
TOWN COUNCIL CHAMBERS
94 Ashfield Road
Atherton, California

Special Meeting

The meeting was called to order at 6:03 p.m.

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL

PRESENT: James R. Janz
Alan B. Carlson
Kathy McKeithen
William R. Conwell

ABSENT: Charles E. Marsala (Excused)

3. PUBLIC COMMENTS – None.

REGULAR AGENDA

4. **CONSIDER AND DISCUSS POSSIBLE REVENUE ENHANCEMENT OPTIONS, INCLUDING BUT NOT LIMITED TO A BALLOT MEASURE RENEWING THE PARCEL TAX AT A SPECIAL ELECTION TO BE HELD ON JUNE 7, 2005, AND PROPOSED AMENDMENTS TO THE ROAD IMPACT FEE ORDINANCE RELATED TO EXCAVATION PROJECTS**

City Manager Robinson introduced the item and deferred to the City Council's Finance Committee (Council Members Carlson and McKeithen) for a report on the matter.

Council Member Carlson explained that the Finance Committee met on two occasions over the past month and reviewed various proposals with staff. The recommendation is to place a renewal of the current parcel tax, at the current assessment amounts, on the June 7, 2005

ballot, for a five or seven year period. The renewal of a five or seven year tax could take place in 2009 or 2011, respectively, which would be off-year elections where the voters could focus exclusively on the local measure. Since the current assessment level is insufficient in itself to ensure the Town's fiscal sustainability, the Committee is also recommending that the road impact fee be revised to reflect the cost of damage caused to the Town's streets by construction projects which involve extensive excavation. A professional study was conducted which concluded that the current road impact fee should be raised to cover the excavation damage. Through this change, which is proposed to be considered by City Council at the March 16, 2005 meeting, the Town would be able to replace the parcel tax funds which would normally flow to the Capital Improvement Fund. He added that he would be comfortable with a seven-year tax.

Council Member McKeithen added that the Committee considered a senior exemption, which would cover approximately 25% of residents, and the Committee decided that allowing an exemption could result in an unstable revenue stream. The Committee also considered changes in the amount of parcel tax charged, but concluded that it was best to maintain the same assessment, and make sure that it was worded as a "renewal" of the existing tax to clarify for the residents that it was not a new tax. She also stated that she is open to a five- or seven-year tax.

Council Member Janz stated that there was a lot of sentiment in favor of the parcel tax and he agreed that the amount should be kept the same but the length of five or seven years needed to be decided.

Mayor Conwell stated that Vice Mayor Marsala was unable to attend the meeting but he indicated that he would support a 12-year tax.

Council Members discussed the difficulty in adhering to the assessment over a 12-year time period, noted that 2016 is a Presidential election year, and that voters generally feel comfortable with the familiar.

Sam Goodman, Atherton, stated that the road impact fee should cover more than excavation damage. Council Member Carlson noted that the current road impact fee covered construction road damage.

Pat Briscoe, Atherton, stated the parcel tax campaign needed to be straightforward about the proposal and what the funds were to be used for.

John Sisson, Atherton, stated that the increased cost of employee retirement plans and benefits needed to be addressed.

Council Members responded that the cost of benefits needed to be weighed with the cost of employee turnover and the need for employee retention, and that the Council is staying abreast of increased costs and that certain items are subject to labor negotiation.

Susan Tilling, stated she was not an Atherton resident, and said she heard that some residents did not vote for the parcel tax since they did not realize it was a renewal of the existing tax.

Phil Lively, Atherton, stated he supports the idea of selling the tax as a renewal and supports a seven-year tax.

Mayor Conwell stated that tonight's meeting was a study session and that the Council would not be taking action. A public hearing on the parcel tax election issue is scheduled for the regular City Council meeting of February 16, 2005, at which time the Council could take action on the matter. He further stated that in order to sell the parcel tax, the renewal of the parcel tax needs to be emphasized, he is in favor of a seven-year tax, and we should not have too many items for the voters to consider and keep things straightforward.

5. ADJOURN

Mayor Conwell adjourned the meeting at 6:57 p.m.

Respectfully submitted,

Linda Kelly, Acting City Clerk