



**Meeting:**  
*City Council Meeting*

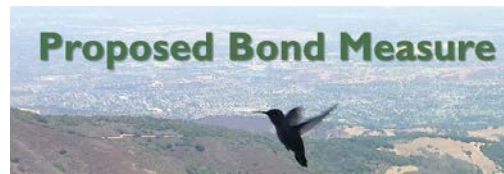
**Date:**

*February 19, 2014*



On February 19 the Council met for their regularly scheduled City Council Meeting. The first item on the Agenda was a presentation by Midpeninsula Regional Open Space District. 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.



Next up was Public Comment, here the Council heard from Philip Lively on how important it is to get ahead of the game and start discussing revenue enhancements and alternatives to the parcel tax before the next parcel election.

Next up was the City Manager's Written Report (**Item 6**). If you haven't had a chance to check out this monthly Report visit the Town's website at [www.ci.atherton.ca.us](http://www.ci.atherton.ca.us) and navigate to Agendas and Minutes. The Report is prepared monthly as part of the City Council's Regular Agenda. It includes departmental updates on the various happenings around Town such as reports from Administration, Community Services, Planning, Police, and Public Works.

In most cases the City Manager's Report is a "receive and file" item but sometimes there is Q&A or comments on some of the items in the Report. During the meeting, 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.

Next up was the Consent Agenda. Items on the Consent Agenda are considered noncontroversial and can be approved in one motion as a group without discussion. Detail on any of the items can be found on the Town's website as noted above. Item 10, 11, 12, and 16 were removed from the consent agenda and placed on regular agenda for discussion. Items 8 (excluding the January 19

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minutes which were continued to the next meeting for Council comment clarification), items 9 and 13 through 15 were approved by one motion. Included in this list were minutes of prior meetings, warrants and demands, resolution establishing the Town's contribution for employees and annuitants towards health care, resolution authorizing destruction of police records pertaining to background checks on applicants who were not hired, approval of plans and specs for the 2014 micro-surface seal project.

Following the consent agenda, Council moved onto the regular agenda.

Item 17 was **Appointments to the Civic Center Advisory Committee (CCAC) and 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." *Council decided 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.

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 conflict because of one applicant who previously served the Commission and has a wealth of knowledge regarding Town matters. *Following a ballot vote the Council appointed William Grindley to fill the remaining term of the vacancy created by the passing of member Herman Christensen.*

Item 18 covered the **Mid-Year Budget Report for 2013-2014 and 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.



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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.

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.

The table below illustrates the projected year-end balance for FY-2013-2014.



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|--|---------------------|
| <b>FY 2013-2014 Beginning Fund Balance</b>     | <b>\$8,362,456</b>  |
| FY 2013-2014 Projected Revenues                | \$13,268,730        |
| <b>Total Available Funds</b>                   | <b>\$21,631,186</b> |
| OPEB Contributions                             | (\$2,000,000)       |
| Priority Projects                              | (\$293,264)         |
| Mid-Year Adjustments                           | (\$236,687)         |
| FY 2013-2014 Expenditures (Original Budget)    | (\$10,451,025)      |
| <b>FY 2013-2014 Projected Year End Balance</b> | <b>\$8,650,210</b>  |

In the end, the Council *received the Mid-Year Budget Review for the General Fund for FY 2013-2014 and adopted the Resolution authorizing a Budget Amendment for Adjustments to the Building and Police Departments.*

Park Improvements encompassed the discussion for Item 19 as the Council discussed **oversight of park maintenance and improvements related to gardening at Holbrook-Palmer Park.** 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.

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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.

Next up, Item 20 was **Authorization to execute an agreement with Biggs Cardosa Associates, Inc. for design of Marsh Wall Channel**. 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.

Ultimately, Council *approved authorization to execute the agreement with Biggs Cardosa in an amount not to exceed \$137,089, and an additional 5% contingency.*

Item 21 involved whether 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**. 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. *The Council continued the item to the March meeting when a full Council was present.* (Council Member Dobbie was excused).

Following Item 21, the Council returned to Items that were pulled from the Consent Calendar for further discussion.

Item 10 covered the **Basic Financial Statements/ Audit Report** which staff presented to Council.

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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. Council *accepted the 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.*

Item 11 involved approval of an **MOU for Funding Construction of an Animal Care Shelter as part of the Animal Control Services Agreement.** 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. Recognizing that the fees may increase depending on how many cities opt out, Council *approved the 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 requested that staff look into where the peninsula Humane Society will house the animals while they are reconstructing the building.

Item 12 covered **extension of the lease with Knox Playschool at 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. Ultimately, Council opted to *continue the 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.*

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Item 16 was **approval of plans for the 2014 spring patching project**. 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. Council approved the plans and specifications with the extension noted above. Item 16 concluded the meeting.

And that, as they say – was a wrap!

Sincerely,

Theresa DellaSanta  
City Clerk  
Town of Atherton  
[tdellasanta@ci.atherton.ca.us](mailto:tdellasanta@ci.atherton.ca.us)