



**MINUTES
Town of Atherton
CITY COUNCIL/ATHERTON CHANNEL
DRAINAGE DISTRICT**

JULY 27, 2004

6:00 p.m.

TOWN COUNCIL CHAMBERS

94 Ashfield Road
Atherton, California

SPECIAL MEETING

Mayor McKeithen called the meeting to order at 6:11 p.m.

1. PLEDGE OF ALLEGIANCE

2. ROLL CALL

PRESENT: James R. Janz
Charles E. Marsala (left the meeting at 7:05 p.m.)
Kathy McKeithen
William R. Conwell

ABSENT: Alan B. Carlson (excused absence)

City Manager Jim Robinson and City Attorney Marc Hynes were also present.

3. PUBLIC COMMENTS

Stanford S. Lee, Atherton, spoke regarding an encounter with the Town of Atherton Police Department.

Mayor McKeithen said the matter was under investigation and that Mr. Lee would be contacted in the near future.

**4. CITY COUNCIL DISCUSSION – AUTHORIZING BALLOT ARGUMENTS
RELATIVE TO THE BALLOT MEASURE FOR A SPECIAL MUNICIPAL TAX
FOR SUPPORT OF OPERATING AND CAPITAL EXPENDITURES**

City Manager Jim Robinson explained the language for the ballot argument was to be prepared by Council, emphasizing that staff's role was to assist with factual data. The 300-word ballot argument was due to the City Clerk by 5:00 p.m. on August 13, 2004.

He distributed materials to assist the Council with the process. Council Members Carlson, Marsala, and Mayor McKeithen had prepared draft arguments.

Council Member Janz asked for clarification from the City Attorney on what Council could or could not do in terms of lobbying for the ballot measure.

City Attorney Marc Hynes explained that the Council could lobby for the tax. The reason for minimal involvement of staff was to be clear that public monies were not being used to support the passage of the parcel tax. Council, as the legislative body, could lobby from the dais as well as in the community.

City Manager Robinson noted e-mail had been received from former Council Member Bob Huber (on file in the City Clerk's Office) outlining his experience in gaining support to pass the parcel tax.

Council reviewed drafts prepared by individual members and discussed various statements for inclusion in the ballot argument.

Mayor McKeithen reviewed the scope of the parcel tax and the needs of the Town for the benefit of a member of the public.

Discussion centered on how much money would be needed to make up the shortfall created by funds being deferred to the State. A \$2,940,000 deficit was the total decrease in the fund balance over the next four years of the parcel tax at the \$750 level. Council continued to discuss different content and wording for the argument.

Council Member Marsala needed to leave the meeting and indicated his agreement with Mayor McKeithen's draft ballot argument. He wanted to add language stating the parcel tax was "tax deductible," which would be a good selling point. Further discussion on appropriate language continued.

Stanford Lee, Atherton, spoke from the audience.

Council agreed to adopt the language from Mayor McKeithen's draft ballot argument with revisions. Vice Mayor Conwell suggested the words, "Vote Yes," appear at the end of the argument.

MOTION – to adopt Mayor McKeithen's draft ballot argument, with revisions as noted, and to include the words, "Vote Yes."

M/S McKeithen/Janz Ayes: 3 Noes: 0 Absent: 2 (Carlson, Marsala) Abstain: 0

Council Member Janz said he was unable to attend the regular City Council Meeting of August 18, 2004. Council decided to cancel its August 18, 2004, meeting and to schedule a Special Meeting for the last week in August for the sole purpose of discussing alternative solutions to the parcel tax.

Mayor McKeithen requested information for the meeting that clearly outlined what was needed to amend the real estate tax, i.e., what language would have to be changed in the current ordinance, what percentage of the vote was needed to pass an amendment, what amount would be reasonable (5% vs. 2% vs. 1/2%), and how much revenue would be generated. She queried how other jurisdictions generated greater revenues from their building fees, how they justified the fees, and whether they used the revenue solely for their building departments or had found a way to legally use the funds for other services. Other alternatives for staff to investigate were the possibility of a Utility Users Tax and Special District formation. The Atherton Civic Interest League (ACIL) formed a committee to look at police options and discussed sending a proposal to the Sheriff's Office. Possibilities included the Town being able to choose its own officers for service and having Town decals on police cars.

City Manager Robinson said the 4-year Capital Improvement Program (CIP) was nearing completion. In order to develop a new 4-year CIP, an analysis/evaluation of what amount of monies would be required from the parcel tax to provide operations and what amount would be required for capital improvements was needed. The Town received Road Impact Fees, Measure A funds, and Gas Tax money, all of which could be used for street and road projects. A determination of how much was needed for operations or capital projects was needed. Discussion continued on the merits of a Special District and increasing Road Impact Fees, including landscape fees.

Finance Director Johns said staff was investigating franchise fees on solid waste.

The meeting adjourned at 7:25 p.m.

Respectfully submitted,

**Kathi Hamilton
Interim City Clerk**