



Minutes
Town of Atherton
November 2, 2016
3:00 P.M.
Council Chambers
94 Ashfield Road
Atherton, California
Special Meeting

Mayor Lewis called the meeting to order at 3:00 p.m.

ROLL CALL Lewis, Lempres, Widmer, Wiest, DeGolia

PUBLIC COMMENTS – (Limited to items on the agenda)

STUDY SESSION ITEMS

- 1. REVIEW OF TOWN ALTERNATIVE REVENUE STRATEGY AND PROVIDE FEEDBACK**
Report: Finance Director Robert Barron III
Recommendation: Review of Town alternative revenue strategy and provide feedback to staff regarding revenue alternatives for future discussion and review

Finance Director Robert Barron III provided the Council with a summary of his report.

Council Member Widmer mentioned that raising the transaction and use tax from half cent to one cent could cover sale of such things to include food sales in the circus club and sales in the potential cafe for the new civic center. He felt that the Town needs to do more research on the limitations of a development impact fee. Widmer also suggested conducting a fee study for weddings in the park, a cell tower in the park, and looking at adjusting rates and carving out additional franchise fees for sanitation. Widmer also suggested a transaction and use tax increase to capture the sale/leasing of vehicles.

Council Member Wiest concurred with Widmer on the sanitation analysis. Should consider doing special assessment district for long-term issues related to drainage, lighting, etc.

Council Member DeGolia felt that the basis for revenue increases should be tied to town goals. He didn't want to nickel and dime residents. DeGolia was in favor of asking residents what they think about revenue options. He was not in favor of car leases/sales.

Vice Mayor Lempres suggested a more detailed discussion the parcel tax. He didn't want to operate off the assumption that the parcel tax is automatic. Lempres noted that it is important that whatever the Town does it stays very transparent. Lempres felt that a business license tax or a utility user tax was appropriate. He also suggested looking into a real property transfer tax. He agreed that the Town should not nickel and dime residents.

Council Member DeGolia felt that a combination of a Utility User Tax (UUT) and a business license tax is fair because it involves individuals paying according to their use. The parcel tax is a tax on what is owned and is therefore predictable.

The Council discussed the difference between a special tax and general tax and whether the parcel tax could be a general tax.

Mayor Lewis felt that the parcel tax been supported for so many years because it is specifically designated for public safety and capital improvement projects.

The Council discussed real property transfer taxes.

Mayor Lewis felt noted that the Town would have to become a charter city in order to impose a real property transfer tax. That required a vote of the residents.

Council Member DeGolia suggested that the Town survey residents for their opinions on options that could include a UUT tax, parcel tax, special assessment taxes and and/or a business license tax.

Council Member Wiest felt that special assessment districts should be analyzed to include drainage. The Town should take a look at how to drill down on special assessment districts

Staff will put together a brief scope of work to flesh out the business license tax, the real property transfer tax, and the utility user's tax fir amounts to be received, structures, estimates and recommendations. Council to consider a community advisory survey to with a target ballot date of November 2017.

Staff will continue work on recommendations for special assessment districts where project appropriate, look at the franchise fee for refuse services with the subcommittee, and the council can provide feedback on fees at Holbrook-Palmer Park in November 2016.

Staff will research the following revenue options and bring back a schedule for council.

- Special Assessment tax where project appropriate
- Real Property Transfer tax (with the caveat that the town must discuss charter city)
- Road Impact Fee (No)
- Utility User tax
- Franchise Fee for Sanitation (and at that same time look at fees for debris boxes)
 - To be reviewed by the committee
- Business License tax

2. POTENTIAL LITIGATION—AB1889 HSR FUNDING

Report: City Attorney Bill Connors

Recommendation: Review Report, Direct Staff

City Attorney Bill Connors requested direction.

Council Member Widmer supported continuing on but was concerned with being the only named participant in a lawsuit. He didn't want the Town to pay for it all.

Council Member Wiest expressed his disappointment that no other larger cities had joined.

Council Member DeGolia felt that the Town should wait for the outcome of Proposition 53 before making any decisions.

Vice Mayor Lempres was supportive of the Rail Committee's work and recommendations.

3. BUILDING FUND – CIVIC CENTER PROJECT – REVIEW AND PROVIDE STAFF WITH FEEDBACK

Report: City Manager George Rodericks

Recommendation: Review and Discuss issues related to the Building Fund as related to the Civic Center Project and provide staff with feedback on next steps

City Manager Rodericks provided a summary of the report.

Vice Mayor Lempres asked if there was any concern with the text of Measure L. Connors noted that there is no concern associated with imposing a surcharge in order to recoup costs that the Town did not collect since it stopped contributions into the building fund.

There was discussion on why the Council stopped collecting the surcharge for the building fund.

Council was supportive of reinstating the surcharge in order to make up for the shortfall.

ADJOURN

Mayor Lewis adjourned the meeting.

Respectfully submitted,
Theresa N. DellaSanta