



Minutes
Town of Atherton
CITY COUNCIL
June 20, 2018
REGULAR MEETING
7:00 P.M.
City Council

Mayor Wiest called the meeting to order at 7:00 p.m.

7:00 REGULAR SESSION

1. PLEDGE OF ALLEGIANCE

Council Member Lempres is teleconferencing from the following location:

The Landmark Hotel
222 Marylebone Rd.
Marylebone, London

Lempres joined the conversation for item 15 only.

2. ROLL CALL Wiest, Widmer, Lewis, DeGolia, Lempres

3. PRESENTATIONS

4. PUBLIC COMMENTS

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

CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code Section 54957(b)

City Manager

City Attorney Bill Connors reported that the Council met in closed session (Councilmember Lempres was absent) to discuss the City Manager performance and no action was taken.

6. CITY MANAGER'S REPORT

Council Member Lewis thanked staff for expanding the report making it easier to read.

7. COMMUNITY ORGANIZATION ROUNDTABLE REPORT

CONSENT CALENDAR (Items 8-14)

No items were pulled or discussed.

MOTION by Widmer, Second by DeGolia to approve the consent calendar. The motion passed unanimously.

- 8. APPROVAL OF MAY 2 AND MAY 16 CITY COUNCIL MEETING MINUTES**
Report: City Clerk Theresa DellaSanta
Recommendation: Approve meeting minutes
- 9. APPROVAL OF BILLS AND CLAIMS FOR MAY, 2018 IN THE AMOUNT OF \$1,892,293**
Report: Finance Director Robert Barron III
Recommendation: Approve Bills and Claims in the amount of \$1,892,293
- 10. RESOLUTION TO REJECT CLAIM OF FARMERS INSURANCE REGARDING THEIR INSURED LUIS FRIAS**
Report: City Clerk Theresa DellaSanta
Recommendation: Adopt Resolution 18-xx denying the claim filed by Farmers Insurance Company regarding their insured Luis Frias
- 11. SECOND READING AND ADOPTION OF ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON TO INCREASE TO GREEN WASTE RATES IN THE TOWN OF ATHERTON**
Report: Finance Director Robert Barron III
Recommendation: Waive further reading and adopt ordinance increasing green waste cart rates in the Town of Atherton
- 12. ADOPTION OF RESOLUTION 18-XX APPROVING UPDATE OF THE TOWN'S CONFLICT OF INTEREST CODE AND APPENDIX "A" DESIGNATING POSITIONS IN THE CONFLICT OF INTEREST CODE**
Report: City Clerk Theresa DellaSanta
Recommendation: Adopt a Resolution Amending Conflict of Interest Code of Non-Elected Officials and Designated employees of the Town of Atherton
- 13. AUTHORIZE THE PURCHASE OF 3 MARKED POLICE VEHICLES; AND DECLARE AS SURPLUS 3 MARKED POLICE VEHICLES AND AUTHORIZE THEIR AUCTION**
Report: Police Chief Steve McCulley
Recommendation: 1) Authorize the purchase of three (3) marked 2018 Ford Police Utility Explorers for a total cost of \$216,242.86 which includes sales tax, tire tax, license, emergency equipment, and installation costs; and 2) Declare the 2010 Ford Crown Victoria Decoy Vehicle, and two (2) 2011 Ford Crown Victoria as surplus and authorize their sale via auction
- 14. CONSIDER APPOINTMENTS TO TOWN COMMITTEES**
Report: City Clerk Theresa DellaSanta
Recommendation: Staff recommends the Council make a motion to appoint as follows:

- Appoint William Grove to the Environmental Programs Committee;
- Appoint Frank Merrill (HP Foundation rep) and Alicia Bakowski (Friends of HP Park rep) to the Park & Recreation Committee; and
- Appoint Carol Collins to the Transportation Committee for the remainder of the unexpired term.

PUBLIC HEARING – None.

REGULAR AGENDA – (Items 15-18)

15. RECEIVE THE BIDS SUBMITTED FOR THE CIVIC CENTER PROJECT AND TAKE ACTION ON NEXT STEPS WITH RESPECT TO THE BIDS

Report: Robert Ovadia, Marty Hanneman

Recommendation: Receive the bids submitted from the two pre-qualified general contractors: Overaa Construction and Hensel Phelps Construction on June 5, 2018 and take action on next steps for the Civic Center project. While Option 1 would be an award of bid to the lowest responsive bidder, Overaa Construction at \$56,381,000, staff does not recommend this option. Recommended options for next steps include:

- 2) Reject bids and rebid the project “as is” to the open market;
- 3) Reject bids, redesign to include more VE options and either –
 - a. Repackage current project into an “optional” phases award option, and rebid to open market; or
 - b. Reduce project scope and rebid to open market;
- 4) Reject bids and repackage as a “design-build” option

Council Member Lerpres joined the teleconference through FaceTime on the City Manager’s iPad.

Marty Hanneman summarized the staff report and background on the bids received. He discussed the options for consideration.

Paul Beamer, Mack5, discussed the errors in their estimations.

Council Member DeGolia indicated his support for building the library. Focused on construction environment and bid difference. It is unbelievable. We are assuming only funds we have General Funds and the small amount raised through Atherton Now. Reducing square footage and altering net zero won’t help the problem.

Council Member Lewis said the Council has to make a decision. Reject all bids because they are unacceptable. A lot of value engineering can be done. Supported option 3B -Reduce project scope and rebid to open market.

Vice Mayor Widmer supported Option 3a or 3b. Price per square foot difference between library and Admin/PD – ½ of what library costs are. Net zero should be reassessed for cost savings. Suggested new liaisons on CCAC.

Mayor Wiest supported Option 3b. We have a better outline to work with. Do significant value engineering. Establish benchmarks. Target numbers for library and admin buildings for project management team to value engineer aggressively.

Lewis suggested reducing library cost to affordability.

Council Member Lempres said the Council should learn from the experience and be quite aggressive in setting a specific target in terms of budget. We don't want to be in the same situation again six months from now.

City Manager Rodericks noted that the \$6M library/\$8M administration figures are based on Overaa's revised estimates per square foot per building taking down to original budget of \$25M. Cutting those costs out would bring us back in line with original target.

Mayor Wiest asked if the specific targets have contingency.

Vice Mayor Widmer encouraged setting higher targets because construction costs will rise in 6-8 months. Add a couple million to the numbers. Reconsider the add-ons and "nice to haves" and it will reduce the overall square footage.

Council Member Lewis the info we have now will help us continue to value engineer as needed.

Rodericks, original targets: \$25M Admin/PD, \$16M for library.

Mayor Wiest said the CCAC Project Management Team should meet over the next 30 days to reduce project scope to \$25M/\$16M.

Council Member Lempres said we need to make difficult but clear decisions very quickly.

Mayor Wiest said he would like to give the project team a "target" so they know where to begin.

Council Member Widmer felt it would be foolish to hit original target because the construction market continues to rise.

Council Member Lewis felt that if we hit the original target then we are better off.

Mayor Wiest said there are unknown variables including a larger pool of bidders that could work in our favor.

Motion by Lewis, second by Widmer to reject all bids. Passed 5-0.

Motion by Lewis, second by Lempres – Reduce project scope to \$25M as the target for Admin/PD and \$16M as the target for the Library and rebid to open market with 10% contingency. Approved 3-2 (Widmer against because more thought needs to go into the target numbers. DeGolia abstained because he felt we need to consider phasing (option 3a) to build at least the library).

Vice Mayor Widmer would like to see the numbers on 3a. Target for library \$15M-\$18M understanding we are 6-8 months out.

Rodericks said staff can ask WRNS to put forth a scope of work that includes the basic reduction in scope of work as well as a reduction in scope to include the "phasing" option.

Council directed staff that going forward for the reduction in scope that the PMC meets with staff bi-weekly and as often as need and on a timely basis.

Eileen Ong, WRNS, - There was discussion about phasing and additional infrastructure and money needed to make it work. Design effort to figure out how to do it. Cost for producing documents to split up two different bid packages and administrative costs of two construction projects.

Staff will get more information from WRNS.

Council Member Lempres left the meeting through his teleconference.

16. ADOPT THE ATTACHED RESOLUTIONS ADOPTING THE FY 2018/19 OPERATIONS AND CAPITAL BUDGET, SALARY & BENEFIT RESOLUTION FOR UNREPRESENTED STAFF, THE 2018/19 SALARY AND CLASSIFICATION SCHEDULE, AND THE GANN LIMIT APPROPRIATIONS

Recommendation: Finance Director Robert Barron III

Report: Adopt the accompanying Resolutions:

1. The FY 2018/19 Operating and Capital Improvement Budget;
2. The FY 2018/19 Salary and Benefit Resolution Unrepresented Staff;
3. The FY 2018/19 Salary Schedules and Classifications;
4. The FY 2018/19 Gann Limit Appropriations.

Finance Director Robert Barron III presented the report to Council. He discussed the previous meetings regarding the budget and indicated that this report and budget is a final culmination of those meetings. Barron summarized the projections for FY 18/19.

Council Member Lewis asked Barron to confirm that nothing has changed substantially since the last budget meeting. Barron confirmed that was correct.

Council thanked Barron and the rest of staff for the detailed job they do on presenting the budget.

MOTION by Lewis, second by Widmer to approve all four resolutions. The motion passed unanimously. Council Member DeGolia read the required statement regarding the City Manager salary for the record:

With the adoption of the Salary and Benefit Resolution, after 6 years of service to the Town, the City Manager will receive \$217,589 per year, a \$400 per month auto allowance, a \$3,000 per year technology benefit allowance (forfeited if not used), a \$481 per month contribution to an approved 457 deferred compensation plan, and the potential for a \$15,000 annual performance bonus. The City Manager receives retirement, health, and leave benefits consistent with all other management staff. The City Manager pays the employee share of retirement – 7% of pay and 1% of the employer share of retirement costs. Total annual pay, excluding benefits, to the City Manager is \$222,389. Total annual cost, with benefits, including assumed full receipt of the technology allowance and the current CalPERS employer pension rate (9.635%) is \$266,055. This amount does not include the potential non-pensionable annual performance bonus or the accrual of 2-weeks of vacation per year.

17. 3-YEAR CONTRACT EXTENSION PLUS WITH A 2-YEAR OPTION WITH MCE CORPORATION TO PROVIDE PUBLIC WORKS MAINTENANCE AND MAINTENANCE MANAGEMENT SERVICES

Report: Public Works Director Robert Ovadia

Recommendation: Authorize a 3-year contract extension with a 2-year option with MCE Corporation for the continuation of Public Works Maintenance and Maintenance Management Services with not-to-exceed amount of \$574,565.85 for Fiscal Year 2018-19; direct the City Attorney to prepare the extension; and authorize the City Manager to execute the extension on behalf of the Town

Public Works Director Robert Ovadia presented the report. Ovadia indicated that MCE has worked for the Town since 2011. They provide excellent service and staff supports extending the contract.

Some of the changes to the contract include expanding staff for two full time employees at the park and three employees on streets. MCE will also adjust wages including a CPI adjustment, going forward on an annual basis, with a CAP of 2.5%. MCE will increase their annual gift from ½ percent of their annual contract to one (1) percent.

Mayor Wiest asked Ovadia to explain the gift. Ovadia noted that MCE performs tasks that are beyond regular maintenance that benefits the Town such as hanging Christmas lights and donating time to community events.

Vice Mayor Widmer noted that, with the addition of the events garden, that the additional body in the park is someone who is knowledgeable about tree and flower maintenance. He wanted to be sure the Town gets the “value add” it needs for the park. MCE representative Dean MacDonald confirmed that they are pleased to have found someone who fits that description.

Council Member Lewis asked for clarification of maintenance in the right-of-ways.

Mayor Wiest asked David Huynh about the transition of him managing the contract. Huynh said he is comfortable.

MOTION by Widmer, second by DeGolia to authorize a 3-year contract extension with a 2-year option with MCE Corporation for the continuation of Public Works Maintenance and Maintenance Management Services with not-to-exceed amount of \$574,565.85 for Fiscal Year 2018-19; direct the City Attorney to prepare the extension; and authorize the City Manager to execute the extension on behalf of the Town. The Motion passed unanimously.

18. CONSIDERATION OF FORMING AN UNDERGROUND UTILITY DISTRICT WITHIN THE CIVIC CENTER AREA USING RULE 20A FUNDS AND PROVIDE STAFF WITH DIRECTION

Report: Public Works Director Robert Ovadia

Recommendation: (1) Confirm the desire to formulate an underground utility district(s) in the Civic Center Area; (2) confirm preliminary boundaries of the proposed district(s); (3) Direct staff to conduct outreach to the property owners in the areas affected regarding their interest in the formulation of the underground utility district(s) in the Civic Center Area

Public Works Director Ovadia summarized his report.

Following questions and the opportunity for public comment, the Council opted not to form a District at this time. The Council asked that staff connect with residents in the community that might be interested in the formation of undergrounding districts and work with them on the process, if desired.

19. **COUNCIL REPORTS/COMMENTS** – None.

20. **FUTURE AGENDA ITEMS** – None.

21. **PUBLIC COMMENTS** – None.

22. **ADJOURN**

Mayor Wiest adjourned the meeting at 9:18 p.m.

Respectfully submitted,
Theresa N. DellaSanta
City Clerk