

PORTOLA VALLEY TOWN COUNCIL SPECIAL MEETING NO. 989, APRIL 29, 2020

CALL TO ORDER AND ROLL CALL

Mayor Aalfs called the Town Council's Special Teleconference meeting to order at 7:00 p.m. Ms. Hanlon called the roll.

Present: Councilmembers Craig Hughes, John Richards, and Ann Wengert; Vice Mayor Maryann Derwin; Mayor Jeff Aalfs

Absent: None

Others: Jeremy Dennis, Town Manager
Brandi de Garneau, Assistant to the Town Manager
Cara Silver, Town Attorney
Howard Young, Public Works Director
Laura Russell, Planning & Building Director
Cindy Rodas, Interim Finance Director
Sharon Hanlon, Town Clerk

ORAL COMMUNICATIONS

Ray Rothrock, Emergency Preparedness Committee (EPC). Mr. Rothrock said the new antenna system for the AM radio communication has been installed and relocated, which is a great improvement. He said the previous range was 1 to 1.5 miles and the recent testing has shown that the range is now 5 miles. He said he, Chris Raanes, and Dale Pfau have gotten it all squared away. He said they appreciate the Town's support and investment. He said this is a model station for the country.

Town Manager Dennis thanked Mr. Rothrock, Mr. Raanes, and Mr. Pfau, as well as the rest of the EPC team, who have been doing yeoman's work related to the radio station. He said they hope to be able to announce even further improvements in the coming months.

CONSENT AGENDA

- (1) **Approval of Minutes** – Town Council Special Meeting of April 15, 2020.
- (2) **Approval of Minutes** – Town Council Special Meeting of April 22, 2020.
- (3) **Approval of Warrant List** – April 29, 2020, in the amount of \$374,377.57.

Councilmember Richards moved to approve Consent Agenda. Seconded by Councilmember Hughes; the motion carried 5-0 by roll call vote.

REGULAR AGENDA

- (4) **Report by Town Manager** – Updates on COVID-19 and Town Response.

Town Manager Dennis said the County has revised the shelter-in-place order, which will be discussed under Item 5 in the regular agenda. He said residents wishing to view the order in its entirety will find it on the County's website.

Mayor Aalfs invited questions from the Council. There were none.

(5) **Recommendation by Town Manager and Department Heads** – Reactivation of Full Government Service Provision, COVID-19.

Town Manager Dennis explained that the management team has joined in the Zoom call tonight – Assistant to the Town Manager Brandi de Garneau, Public Works Director Howard Young, Interim Finance Director Cindy Rodas, Planning & Building Director Laura Russell, and Town Clerk Sharon Hanlon – and are available to answer any questions.

Town Manager Dennis presented staff's recommendations regarding the reactivation of full government service provision, COVID-19, including the background, discussion items, reactivation goals, phasing of reactivation, relationship to County Health Officer Orders/Guidelines, Town Hall, and outstanding issues, as detailed in the staff report. Staff recommended that the Town Council accept the report and provide direction to staff on the reactivation of full government service provision suspended due to the COVID-19 pandemic and consider the creation of a Council subcommittee to advise on reactivation issues.

Town Manager Dennis pointed out some of the ways the changes to the order affect the town. He said they have been providing building inspection services on an emergency basis and have developed a way to do that in a way that everyone can feel comfortable. He described the order's thoughtful four-page appendix outlining a safely run construction project. He suggested the Council discuss phasing of construction-related permitting so as not to overwhelm the Town's small staff. Town Manager Dennis also pointed out the order contained an expansion of the distance one can travel for recreational purposes from 5 to 10 miles, which has been a challenging aspect of the order for cities that provide outdoor amenities that attract people from outside of their cities/towns; however, it was acknowledged that closing some facilities put pressure on other facilities. He said MROSD is very interested in reopening Windy Hill. He said the Town's concern was not risk of virus transmission on the trails but the impact of more people than this small community can handle from a parking perspective, runs on stores, etc. He said the Town would be supportive of the smart reopening of all of the parks and open space facilities in the way the County is proposing. He said in his conversations with MROSD over the last couple of weeks concerned whether or not trails should be two-way or one-way, proximity to the Sequoias, signage discouraging entering private property, keeping parking restrictions in place, etc.

Mayor Aalfs invited discussion by the Council regarding the goals.

Councilmember Wengert said today there was an easing of the shelter-in-place. She said Town Manager Dennis was referencing the timing of the reopening phasing as it relates to the 30-day period after the end of shelter-in-place. She said things will be reactivating, even if it's remotely. She said of course offices will not be opened until after the shelter-in-place is lifted, but there are also a series of things that will happen during this period and the Town should be clear on how those will operate.

Town Manager Dennis confirmed that opening Town Hall to appointments, etc., will not come until well after the order is lifted. He said the idea behind the 30-day period is that when the order is lifted, staff may still need some time to ensure they can deliver service in a way that makes sense. For example, he said people may want to rent the facilities for gatherings, which may not be possible on day one after the reopening. He said 30 days may be too much time and it is just a starting point for the discussion. He said he would like to get Council's direct guidance about where these kinds of things should fall in the reopening process.

Councilmember Hughes asked if staff has looked at the Governor's view of a staged reopening, wherein shelter-in-place in some form may be in effect for quite a while, with different bits of activity restarting at different times as things get slowly unwound. He said he was thinking about the different activities from the point of view of what is similar, for example, to a retail store, an office, a soccer stadium, etc. He said, for example, people walking up to the counter in Town Hall without an appointment is similar to a retail store activity and those guidelines would be more curbside pickup, so the Town could figure out their version of curbside pickup. He said other Town Hall activities may be more like office activities, where it

might be useful to have a face-to-face appointment that might be able to occur sooner. He suggested staging those types of activities thinking about how the Town's activities parallel with other activities.

Town Manager Dennis agreed that the front desk area feels like small retail and there will be protocols that can be implemented as long as staff feels they have created the safest environment possible. He said they are fortunate that their office space is low density. He said part of this will be staff getting used to being back in the office, making sure there can be social distancing, wearing masks, etc. He said a major area of transition would be the use of the Town Hall facilities for gatherings, league games, etc. He said if it is phased in, allowing larger and larger groups to use the facility, the Council should decide on the size of the groups. He would like to follow the Health Officer's guidance in that regard. He agreed that a lot of the rules for small retail will be applicable to Town Hall.

Councilmember Hughes asked if there had been discussions with the cleaning crews regarding sanitization protocols, increased time, etc. Town Manager Dennis said the question is what level of sanitization can be practically provided. He said they have increased some of the janitorial services to see how that works. He said it is a little complicated because of the janitorial staff turnover with varying levels of service. He said he is involved in a group of city managers and parks officials to look at reopening parks and provide additional guidance to the County on that front. He said cleaning and sanitization has been looked at seriously, trying to determine if there is any level of cleaning that would be considered enough from a people-power standpoint and considering the cost of buying supplies. He said the County suggested at one point that if facilities are cleaned twice a day, they would run out of supplies in a week, so that is not realistic. He said people will need to be mindful that they are using public facilities if they use the public bathrooms, sit on the public benches, etc. He said the risk insurance people have provided guidance such as signage, more hand sanitizers, etc. He said there are longer term things to consider as well, such as investment in hands-free things such as doors, bathroom facilities, etc. He said no one has the money or capability to clean these things several times a day.

Vice-Mayor Derwin asked what others are doing regarding reopening of city halls. Town Manager Dennis said Woodside has said they will start considering limited appointments; however, Portola Valley is not yet comfortable with that. He said there is a City Managers call tomorrow where they will discuss this. Town Manager Dennis was proud to report that at least one city has reached out to Portola Valley, asking them what they are doing about some of these issues, indicating that other communities see Portola Valley as a leader in this.

Councilmember Richards asked Town Manager Dennis when staff might feel comfortable coming back into the office. Town Manager Dennis said they all have various degrees of nervousness about it and individual tolerances for these situations. He said in the last couple of years there has been a lot of focus on wellness and the culture is that staff are forced to go home if they're not feeling well – so they can get better and so that others do not get sick. He said there will be activities, particularly with construction finals, where staff will have to be on-site for a period of time and there is some nervous energy around it. No one wants to feel like they have to do something that puts them at risk. He said staff is also very eager to resume engaging with residents in the most normal way possible. He said they knew this day was coming and they're ready to try it out in the safest way possible as long as they have the strong goals to help support that.

Vice-Mayor Derwin asked if all construction would be opened or if some will remain restricted. Town Manager Dennis said he would like to receive the Council's guidance on this, also allowing Planning & Building Director Russell some flexibility to make some on-the-ground determinations on what happens when. He said he thinks a broad range of construction activities can resume without restriction, perhaps giving staff about a week to ramp some of that up, mostly to make sure staff is not overwhelmed and so that the residents' expectations of high-level service can be met. He said staff has worked hard to embrace technology to allow online applications, permitting, plan review, etc. Town Manager Dennis said there were people scheduled for inspections when the Town shut down. They would like to go to those people first to get those projects going. There were people who were on their way in to submit applications. He said those are also the folks that should be contacted first.

Vice-Mayor Derwin asked Town Manager Dennis to clarify what is allowed in the order with regard to fields. Town Manager Dennis said his interpretation is that gatherings are still not allowed, nor are contact sports or sports with shared equipment. He said, however, there are some limited non-contact activities that allow for social distancing that are allowed. He said families can continue to use the facilities as they have been using them. He said the tennis courts are not open.

Councilmember Hughes said there is a question from the public regarding whether or not Alpine Hills can open the pool for lap swimming if social distancing can be maintained with using every other lane, no shared equipment, and keeping locker rooms closed and if low risk outdoor activity in a private club can adhere to the recommendations. Town Manager Dennis said he would be uncomfortable answering that question and would defer to the County hotline and the Town Attorney. Councilmember Hughes suggested the resident call 211 so the County can provide some guidance on the swimming pool. Town Attorney Silver said Town Manager Dennis's description of the kind of activities the order permits is generally accurate. She added that it is an evolving subject. She said she was on a call with the County Counsel that drafted the order. She said the thinking was that the Counties want to stay largely in sync with one another and also want to stay in sync with the State. She said there will be some evolution, of course. For example, she said Santa Clara is permitting tennis. She said under the strict interpretation of the order, tennis would not be allowed because there is a shared ball. She said she did not think there could be 6-foot distancing with pickleball. She said swimming pools did come up on the call today and, as of right now, the County is not recommending that public or communal swimming pools reopen. She said, however, if a private club can show a very strict social distancing protocol, the County may be open to it. Mayor Aalfs clarified that the current order does not allow swimming. Councilmember Hughes noted that the order specifically calls out pools, spas, barbecue areas, picnic areas, dog parks, and other things being required to remain closed.

Councilmember Wengert asked if the State Parks are reopening. Town Manager Dennis said he is not sure but he will look into it. He said there is a phased opening approach to the County parks, with four phases. The first parks will be those that do not encourage gathering spaces, such as trail systems. Over time, based on reaching certain thresholds and working with the Health Officer, further facilities will open as well as infrastructure within the facilities.

Councilmember Wengert said her guess is they are not opening State Parks yet. She said if the County parks on the coast are not opening, and also the 10-mile restriction, will shift back some of the burden to those parks that are now open. Town Manager Dennis said he anticipates the use will increase. He said the order also allows certain businesses to begin opening so, theoretically, more people will be working and not using facilities. He said parking restrictions may also help to some extent.

Town Manager Dennis verified that the State beaches are closed. He said Half Moon Bay and Pacifica are following suit because they cannot manage the 5-mile restriction. He said over the weekend Pacifica had 900 unique interactions with beach visitors, with 600 of them from more than 5 miles away. Councilmember Hughes was able to access the State Parks website and said the only State Park closed in the County that is not a beach is the Portola Redwood State Park. He said it appears that beaches are closed and most State parks are technically open.

David Cardinal. Mr. Cardinal said the USDA has suggested ways to play tennis and possibly pickleball where each player has their own can of balls and only returns the balls to the other player with their racquet or foot. He said it sounds weird but he wanted to share that info.

Eric Quade, Alpine Hills. Mr. Quade said they believe, after reading the new order many times, that tennis can be played by following all the guidelines as long as they provide an environment where they're not social gathering. He said with tennis lessons, a student doesn't need to touch any balls because the balls are fed to them and they return the balls, with the coach picking up all the balls, staying 6 feet away from the student. He said with tennis singles, people are 60 feet away from each other most of the time, no shaking hands, no crossing the net at the same side, no provided water or towels, rules about the benches and wiping down. He said in a club environment, they can allow families to play. He said couples

doubles can also be done safely. He said, with regard to the swimming pool, the order is written with a public pool in mind, envisioning lots of children on a pool deck running and jumping in the pool. He said they have no desire to do that but it seems safe to allow one person to reserve a lane and swim with a variety of other safety rules. He said because of the way the current order is written, they will not be doing that right now, but he's sure that issue will be addressed because many clubs are anxious to get their people back in the pools safely.

Mayor Aalfs asked about the outdoor exercise classes with people 6 feet apart. Mr. Quade said they've thought about the outdoors classes as well as personal training where no one shares equipment with everyone at least 6 feet apart. He said they are vetting that right now because it is more in the gray area than tennis.

Mayor Aalfs shared a public question regarding landscape contracting. Town Manager Dennis said landscape contracting is now allowed under the new order.

Mayor Aalfs invited discussion regarding construction.

Councilmember Wengert said construction in general has many dimensions and will require anybody considering working on a project with their team spending a lot of time making sure all parties are comfortable before they resume. She disclosed she falls into that category with two major projects – one out, which will be easier, and one in, which will have more complications. She encouraged setting expectations for staff on what they can expect in the first week. She said the community will not likely be surprised that they will not receive services as quickly as before. She said the onus on all of the homeowners and residents in town who have construction projects underway is going to be very significant to make sure we are reopening in a way that is safe for everybody, not only for the teams coming in but for the residents as well. She said she wouldn't want to delay any construction workers who are ready to go on Monday from being able to do that unless there is a reason. She agrees with staff's priority list regarding finals and other things that were in process when things closed up should be on the top of the list.

Mayor Aalfs said there are a few elements of this issue to consider. He is supportive of moving forward with projects that were already permitted but mothballed during the shelter-in-place. He said on-site inspections will require that safe practices are in place for the safety of staff. He said he feels comfortable moving forward with those things as long as the protocols are in place. However, group site visits such as a typical ASCC field visit, is more complicated.

Councilmember Hughes asked Planning & Building Director Russell asked if the Town will be requiring that a contractor show compliance and in-place protocols prior to resuming a construction project or conducting site visits. Planning & Building Director Russell said she would expect that. She said they have conducted inspections for the minor emergency and urgent building permits with lesser protocols. She said they will integrate the County protocol with the one the Town has been using. She said they are also learning from colleagues who are also performing inspections. She said she wants to be sure that the staff has the discretion to establish and uphold a protocol. She said what the County has provided is thorough but the Town may want to add some additional things.

Councilmember Hughes said anything 20,000 square feet and less is considered a small project. He asked if Alpine Hills is under 20,000 square feet. Planning & Building Director Russell said the main clubhouse building is substantially complete and they have a TCO to be using it anyway, so the construction occurring there is on the Roadhouse building which is certainly smaller.

Mr. Quade says it is less than 20,000. He said no staff members or public are in their project building. He said there is a separate entrance and the only people there are the subcontractors and Vance Brown, the general contractor, who has a long list of protocol for their procedures. He said the exposure to staff or community members is minimal or even nonexistent, much less than going to Roberts Market. He said

the only area of exposure would be Town staff members doing inspections but that can be accomplished safely. He said his concern, which is financial and may be selfish, is that Vance Brown is ready to start work on Monday and they feel they can do that safely and abiding by all rules. His concern is that because this is a commercial contract, if the contractor is able to work and Alpine Hills cannot allow them to work because of Portola Valley restrictions that take precedence over the County, there are general conditions that will kick in and it could get ugly. He said he totally understands there may be delays for things such as inspections and everyone will be willing to work through that process. He said, however, if the Town does not allow them to continue work on Monday as planned, it will create a problem for Alpine Hills to deal with.

Mayor Aalfs said there is a question from the public about video inspections. Planning & Building Director Russell said there is a video inspection scheduled for tomorrow for a very small project where the residents are living in the home and they didn't want to combine three groups of people – the residents, the contractor, and the inspector. She said colleagues in other communities are getting mixed results with the virtual inspections. She said the obstacles are there are not electronic versions of all of the plans so the inspectors cannot review the plans in advance and some spotty cell coverage in some places which makes it challenging to do inspections over Facetime or Skype. She said they are working on making it possible to do more video inspections in the future.

Mayor Aalfs asked if staff was ready to perform on-site inspections following the safety protocols in place. Planning & Building Director Russell said they will expect the residents and contractors to meet all of the Town's criteria and reserve the right to leave a site if they see something that does not appear to meet the criteria. She said the firm they use, CSG, developed internal protocols and have been doing inspections all over the state in places that didn't have as strict an order as Portola Valley so they have had an opportunity to develop their protocols. She said there is a difference between the building inspector, who has more experience with abiding by safety protocols, and the planners who also have to go out into the field for things like TCO inspections and final inspections but do not have the same level of training and experience with some of those on-site protocols. She said there is some work to do before they can send planners out into the field to do inspections.

Councilmember Richards agrees that construction activities must be resumed. He asked if there was any guidance in the County order regarding the fact that most contractors and subcontractors are coming from outside the County, in small trucks, two or three at a time. He said it will be incumbent on the Town to make staff and residents aware that there is this increased level of exposure. Councilmember Hughes said there is nothing in the order about traveling to and from, so this is an important point to consider.

Councilmember Wengert said her contractor's employees will be coming in separate cars, which will be an impact because there will be more cars. She asked Planning & Building Director Russell when staff is required to go out on a physical inspection and what the preparation and training process for staff would look like before they go out on physical inspections. Planning & Building Director Russell said it is important to differentiate that construction can start before staff is fully ramped up for inspections if that's what the Council wants to do. She said for building permit inspections, she would recommend that all of the emergency and urgent building permits are covered, that the Sequoias are covered, and everything that has been issued during this time. She wants to keep the first week very open in terms of inspections and then perhaps do more routine inspections the second week, filling out a regular inspection schedule. On the Planning side, she said her team still needs to do some work around everything that they can do remotely. She said they have not completely fleshed that out yet. She said, for example, they typically do in-progress inspections for lighting, so they will go around and check that all lighting fixtures are installed in the right place. She said something like that might be done over Facetime or Skype, but most of the time they will need to go out for Finals or TCOs to make sure all of the ASCC conditions of approval have been met. She said they are thinking about ways some of that can be done from the office and there may be simple cases where they don't have to go out. She said they need at least a week to think through what they can and cannot do. She asked the Council for some direction so they can phase in TCOs and final inspections in particular because that's the time in a project where there is a lot of pressure on the contractors to finish, especially now since they haven't been working. She is concerned they will get a

number of those requests at once while they are still developing the protocols to be able to complete them.

Councilmember Wengert asked how many projects are underway now that would be very close to final or need TCO inspections before they can move ahead. Planning & Building Director Russell said there are about five which doesn't sound like a lot but finaling a project and doing a TCO is very time intensive and they don't have procedures yet to do those electronically.

Mayor Aalfs said it sounds like if the Town allows construction to start on Monday, people must understand that the inspections will not be done until a week after that. Planning & Building Director Russell said that is accurate.

Michael Katz asked if outside house painting is allowed. Mayor Aalfs said it is.

Mr. Quade said Vance Brown is also not allowing carpooling on their projects.

Judith Murphy asked if it can be suggested that gardening and landscaping be limited to a single household or by people from one household. Town Manager Dennis said enforcement on landscaping issues is impossible. He said the Town can provide guidance but there should be no expectation that there will be any measurable amount of enforcement. Mayor Aalfs said residents can encourage their landscapers to be careful and possibly not carpool.

Town Manager Dennis highly recommended a two-Councilmember subcommittee for the reopening process so that staff can run ideas by them as things happen. Councilmember Richards and Mayor Aalfs volunteered to serve on the subcommittee.

Councilmember Wengert moved to appoint Councilmember Richards and Mayor Aalfs to the reactivation sub-committee. Seconded by Councilmember Hughes, the motion carried 5-0 with a roll call vote.

Town Manager Dennis said he, on behalf of the entire staff, appreciates the attention this Council is paying toward the safety of everyone involved. He said that does not happen everywhere on a regular basis. He thanked the Council on behalf of the Town staff.

Councilmember Richards moved to accept staff's report regarding the Reactivation of Full Government Service Provision, COVID-19. Seconded by Councilmember Hughes; the motion carried 5-0 with a roll call vote.

Councilmember Wengert asked if more direction was needed regarding Windy Hill. Town Manager Dennis said they have had candid conversations with MROSD in the recent weeks. He said if there is a desire to do something other than opening the facility, he will communicate that with MROSD. He said staff is comfortable moving forward with an opening with appropriate signage, one-way features, and restricted parking.

Councilmember Wengert said she agrees with the current recommendation but since it wasn't part of the staff report, and it was the decision of the Council to close Windy Hill, it is important that the Council acknowledges their endorsement of this concept of moving forward in opening Windy Hill trails. Town Manager Dennis said he, the Mayor, and Vice Mayor had a conversation about the interaction with MROSD related to these issues but there was not a formal decision made about it by the Council.

(6) Recommendation by Town Manager – COVID-19 Fiscal Impact Update

Town Manager Dennis and Interim Finance Director Rodas thanked Councilmember Wengert and Councilmember Hughes for working through these issues. Town Manager Dennis also thanked Interim Finance Director Rodas for all the hard work she put into this. He described the background, the COVID-

19 impact, the Town's government revenue and budgeted expenditures, and discussion items including the COVID-19 analysis of revenue and fiscal impacts, as detailed in the staff report. Staff recommended that the Town Council accept the report on the impact of COVID-19 on the Town's fiscal health.

Councilmember Richards asked if there had been any consideration in this era of unknowns of places where big cuts may be made if necessary. Town Manager Dennis said he doesn't anticipate it being necessary in the operational budget. He said there may be considerations for changes in expenditures related to roads and rights-of-way because a lot of those resources have a connection to sales tax and some of the usual work done may not be possible. He doesn't anticipate other areas that could not be worked through by relying on reserves for a period of time. Councilmember Richards asked if the cut to roads funding is the largest piece that could be cut without doing long-term damage. Town Manager Dennis said there are areas that may possibly be considered discretionary expenditures related to the aesthetics of facilities and the Town's cherished open spaces where such cuts could be considered. He said decisions could be made to not make improvements or continue the current high maintenance standards of facilities. The primary expenditure relates to salaries, benefits, staff support, services, and supplies. He said there can be cuts made to services and supplies. He said the revenue estimate for property taxes may come in a little higher this year, as well as UUT and franchise, which would provide additional support.

Councilmember Wengert said the road budget is a major expenditure of more than \$500,000 a year. She said the CIP budget is clearly at this point sort of stopped dead at most levels and that's not sustainable for a number of years. She said cuts can be made for the short term but will then have to be rebuilt for the longer term. She said it will be interesting to see the view in July when there is a better idea of some of the other items. She said the fixed costs as a percentage of revenues have risen as staff has been added, salaries and benefits have increased, OPEB, and all the things that are part of the fundamental structure. She said that's the last piece to touch. She said reducing the variable costs during the downtime may mean that part of the budget may never need to be tapped into.

Councilmember Hughes said staff has done a great job in pulling this together. He said the assessment is comfortably conservative. He said, as Town Manager Dennis already pointed out, a number of the revenue sources won't go full to zero. He explained that a relatively small amount of sales tax is collected in Portola Valley. He said other taxes, such as UUT, are probably rising. He said Portola Valley is lucky that this particular disaster has not hit the Town's sources of revenue particularly hard, not nearly as hard as many other communities. He said he would not want to be less conservative but he is reasonably comfortable that the Town will not have to cut hundreds of thousands of dollars from anything. He said there may be trimming of \$10,000 here and \$5,000 there, but the Town doesn't have to cut out the roadwork. He said they may only spend \$400,000 instead of \$500,000 to be cautious, but given the impact on the revenue side in the short term, he doesn't think it will be necessary. He said overall the Town is in pretty good shape and there will be more belt-tightening and caution than cutting until things settle down.

Councilmember Hughes pointed out that, although not in this analysis, the CalPERS unfunded liability will be rising. He said that in two years the Town will get a bill from CalPERS advising that the unfunded liability has gone up and future budget processes need to address this. He said the CalPERS fund has held up reasonably well but this year's scale of it probably will result in a large total dollar shortfall and the Town could easily get a bill for a couple hundred thousand dollars.

Town Manager Dennis said the revised 20/21 budget will have the benefit of further analysis and better understanding of the impacts, at which time there will be a very robust conversation around roads and other areas. He said the Town has benefitted from Public Works Director Young's stewardship over the roads and rights-of-way, which are in great shape. He said the Town will be okay if that belt has to be tightened a bit in the short term; however, the same amount of money will need to be spent to get back up to those numbers. Town Manager Dennis is talking on Friday with the OPEB trust fund group. One of staff's longer-term goals is to have a similar trust fund for pensions. He said the Town will receive a bill but the Town is in better shape than most other communities.

Councilmember Hughes moved to accept the report on the impact of COVID-19 on the Town's fiscal health. Seconded by Vice-Mayor Derwin; the motion carried 5-0, with a roll call vote.

Councilmember Wengert thanked Interim Finance Director Rodas for all of the work she did. Town Manager Dennis added that Interim Finance Director Rodas is working from home with all of her children also at home.

Mayor Aalfs said, responding to a question from the public, that the Town Council will likely continue with the Zoom meetings as well as recording them.

Mayor Aalfs shared a comment from Leo, the Manager of Portola Valley Ranch, thanking the Town for their support.

(7) Recommendation by Town Manager – SMC Strong Support

Town Manager Dennis described SMC Strong and the background, town support, and private donation campaign, as detailed in the staff report. Staff recommended the Town Council consider a donation to the SMC Strong Small Business Program and a campaign to solicit private donations to the SMC Strong Small Business Program.

Councilmember Wengert said there were 512 applications submitted in the first 22 minutes the program went live. They were so overwhelmed with the number of applications that they closed the entire process at 4:00, being open not even a full four hours, with 2,530 applications. She said if everything had been funded, it would have cost \$25 million and the fund only had \$1 million. She said there is clearly a need for this fund and some additional potentially augmented funds. She said she and Councilmember Hughes have been researching this. They asked Interim Finance Director Rodas to provide information about the Town's reserve situation. She said she is grateful for the Town's conservative financial approach over a long period of time, always wanting to maintain what some might term overly-conservative reserves. She said the Town has the opportunity to do a minimal reserve draw to assist the beloved institutions in the community. She said many consider Ladera part of the community in terms of retail and they should discuss if something should be considered differently for them or their inclusion. She said there are two aspects to consider - the Town committing funds from reserves and the Town initiating an active local campaign to solicit private donations. She said the unassigned reserve balance is currently approximately \$2.5 million. She said it is large enough to handle a commitment of \$50,000 to \$100,000, recognizing that the maximum any one applicant could receive would be \$10,000. She said the SMC Strong program is based on two weeks of operating expenses not to exceed \$10,000. She said they would probably use the same criteria, but some of those details will need to be flushed out. She said the first-come-first-served approach may need to be reconsidered. She said these are public funds and Ladera are not Portola Valley taxpayers. She said it should be discussed whether the Town would offer Ladera grant monies from the Town's donation or if it should be segregated into the donation part of the fund to say donors can designate whether they want their monies to go to Portola Valley or Ladera or some combination, to avoid the issue of whether or not it is fair to give Portola Valley's tax dollars to others. She would like the Council to discuss if there is an appetite for this, how much money would be appropriate, and how the Ladera issue might be addressed or not. She said there are Go Fund Me campaigns for both Portola Valley and Ladera tenants, so she is confident the Town could quickly spend \$100,000, either all Town funds or combined with donations, for tenants who need it.

Councilmember Hughes said he also arrived at the amount of \$50,000 to \$100,000 as affordable. He asked about the structure of how the SMC Strong applications were taken and payments were paid. He would like to see something more equitable than first-come-first-served. He said he also noticed that the guidelines specify recipients must have a primary office, storefront, or business space open to the public located in the County. He said Portola Valley has a lot of licensed businesses but does not know how many are open to the public. He asked if there was a broader set of businesses to think about. He said he is not sure the Town should directly spend Portola Valley tax dollars in Ladera, but if residents are

encouraged to make private contributions, they could use the larger sphere of influence as a pool for those monies. He said Woodside recently contributed \$80,000. He said \$100,000 divided by the number of retail businesses in town is not a lot but could be a very helpful amount to a business that has been struggling.

Town Manager Dennis said he talked with his counterpart in Woodside this afternoon, asking how they came up with \$80,000. He said that amount was based on the number of businesses (eight) that met the criteria in their town that could potentially accept it.

Vice-Mayor Derwin said the first-come-first-serve idea is not likely the best approach. She asked how many Portola Valley businesses have applied. The Council agreed that was a good question. Vice-Mayor Derwin asked if SMC Strong would open it up again if there weren't very many or there are others that want to apply. She said if they did, how could they be assured it wouldn't be closed down again and eliminate the Portola Valley recipients. Councilmember Wengert said this money would only be for Portola Valley residents and would not go into the main pool. Vice-Mayor Derwin asked how businesses would apply. Councilmember Wengert said she does not know the logistics of that yet but agrees that first-come-first-serve wouldn't be necessary for a community-specific fund like this.

Councilmember Hughes said they have been tweaking the website and he would assume they would tweak it again for the local municipality funding things, modifying it with pull-down menus to identify the specific town. Councilmember Wengert said that part of it is not fully developed yet.

Vice-Mayor Derwin asked how the businesses would be chosen, if not selected on a first-come-first-served basis. Councilmember Wengert said the Council will have to decide what the criteria would ultimately be.

Mayor Aalfs said he thought the advantage of doing this is that the Town can set some terms with SAMCEDA so they would come up with some kind of criteria for evaluating applications. Councilmember Wengert said she wished she had had that conversation prior to the meeting so she could fill in more details, but she is happy to dig into that tomorrow to see how they're managing the locational specific funds. Councilmember Wengert said she would like to decide tonight the comfort level in terms of dollars and the sphere of influence question. She said many people view the mall and shopping center in Ladera as part of the community even if they're not part of the taxing base.

Councilmember Richards said he was comfortable with \$100,000, given this is helping important members of the community. He said the trick will be how to decide which of the businesses in town qualify. He said it makes more sense to help the retail outfits that people in town are familiar with as part of the community as opposed to people running businesses out of their homes that have nothing to do with Portola Valley. He would like to see Ladera included in some way, perhaps with the private donation angle.

Mayor Aalfs said he is comfortable with \$100,000. He said he hadn't thought about criteria. He said Ladera are not Portola Valley taxpayers but they are thought of as part of the community. He said he'd like them to be included, perhaps with the private donations. He said he might also consider putting some dollars toward them considering how many residents use the businesses there. He does want to think more about the details of how SAMCEDA would decide to disburse the money.

Town Manager Dennis reviewed the criteria. He said he and Councilmember Wengert estimated there were approximately a dozen businesses in the two shopping centers that could meet this criteria.

Vice-Mayor Derwin agreed with \$100,000. She said it should be for the public facing businesses, the retail establishments. She said it would be cleaner to start with the Portola Valley proper businesses, using taxpayer money, and then, if there is extra from private donations, spill it over to Ladera.

Councilmember Hughes agreed that the retail Portola Valley businesses are appropriate. He agreed that, for example, VC funds who happen to have home offices in Portola Valley would not qualify. He would want to think if there are any other types of businesses that should be included or any types of businesses that technically meet the definition but should be excluded. He asked Councilmember Wengert to find out if that maneuvering would be the same across all towns. He also asked if a Portola Valley fund could be established and then a Portola Valley plus Ladera if private donors are found who want to donate to the larger pool.

Mayor Aalfs said a question was asked about builders qualifying. Town Manager Dennis said if the builder was located in San Mateo County they could apply through the broader program and wouldn't be Portola Valley centric. Town Manager Dennis said another consideration is to have a conversation with Supervisor Don Horsley, who represents the Ladera area, to see if there's been any movement there. Councilmember Hughes suggested Councilmember Wengert asked about the structure if it's not first-come-first-served.

Councilmember Wengert said she agreed with Councilmember Hughes suggestion about an application deadline process. She said another question would be if there would be full allowances to those who have a greater need. The supporting documentation that will be required will show varying degrees of need.

Councilmember Wengert agreed it should be kept to Portola Valley as a start and then allow for donations that be identified potentially for Ladera as well. Councilmember Wengert and Councilmember Hughes volunteered to lead the donation effort.

Councilmember Wengert moved to accept the report on SMC Strong Support, delegating Councilmember Wengert and Councilmember Hughes to commit \$100,000 to SMC Strong focused on local facing retail outfits, pending the resolution of some of the questions regarding vetting of candidates and distribution of funds. Seconded by Councilmember Hughes; the motion carried 5-0, with a roll call vote.

(8) **Report by Town Manager and Interim Finance Director** – Update, FY 2020-21 Budget Process

Town Manager Dennis described the Staff's preparations for the upcoming fiscal year budget development and discussion items, as detailed in the staff report. Staff recommended the Town Council accept the update on the FY 2020-21 Budget process.

Councilmember Richards was supportive and said this is a reasonable process to provide as much flexibility as possible.

Councilmember Hughes commended the work staff has done. He said he is comfortable that the Town will be pretty fortunate, although there may be some structural shifts in how things are done, and be able to pay the bills. He said taking the extra couple of months will allow staff to really think things through to create a more realistic budget when more useful information is available.

Councilmember Wengert agreed. She said it is eminently sensible to take this approach in this environment.

Vice-Mayor Derwin said it is a great approach.

There were no public comments.

Vice-Mayor Derwin moved to accept the update on the FY 2020-21 Budget process. Seconded by Councilmember Wengert; the motion carried 5-0, with a roll call vote.

(9) **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS**

Councilmember Wengert – Attended a conference call regarding the reopening of the fields. She said everyone is pretty much resigned now to there being no spring or summer season for Little League or soccer. She said there is a consistent messaging from all of them looking at ways they can do things like practices and drills in a safe way with social distancing.

Councilmember Richards – Attended the County Emergency Service Council meeting last Thursday with a presentation by the Sheriff. The jail population is down to 45% of their previous population, with no cases of COVID in the jail with inmates or staff. There was also a presentation from the Health Department, reporting that 9,000 tests had been conducted in the County as of last week. They are planning to test all people in skilled nursing facilities. 7,500 people to date have used the 211 line. He said that so far \$64 million has been allocated to the crisis in the County. He attended the Conservation Committee meeting last night where they discussed some fire safety issues, Blue Oaks vegetation management issues, and work on the Town rights-of-way.

Councilmember Hughes – Participated the weekly conference call with a subcommittee of the School Board and Superintendent today, with the main topic being caught by surprise by the Governor's statement that schools may start back in the summer. He said the schools are moving forward with their plans on how they might reopen.

Vice Mayor Derwin – Participated in the weekly call with the Sequoias and the County call with Councilmember Hughes.

Mayor Aalfs – Attended Wildfire Preparation meeting last week. They had a discussion about handling public hazards on private property. In response to Vice-Mayor Derwin's question, Mayor Aalfs said they discussed the Hillsborough WUI ordinance. The other question that comes up is enforcement.

(10) **TOWN MANAGER REPORT** – Town Manager Dennis said the only item on next week's Council agenda would be a COVID update. He recommended the next meeting be scheduled for May 13. The Council agreed.

Mayor Aalfs shared a comment by Mr. Cardinal regarding the COVID-19 case data coming out by ZIP Code. Mayor Aalfs said they should prepare to address it.

WRITTEN COMMUNICATIONS

(11) **Town Council Digest** – April 23, 2020

None.

ADJOURNMENT [9:38 p.m.]

Mayor Aalfs adjourned the meeting.

Mayor

Town Clerk