

PORTOLA VALLEY TOWN COUNCIL SPECIAL MEETING NO. 997, SEPTEMBER 23, 2020

CALL TO ORDER AND ROLL CALL

Mayor Aalfs called the Town Council's Special Teleconference Only 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, Finance Director
Brandon Alvarez, Intern
Sharon Hanlon, Town Clerk

Attendees: Mary Hufty
Nan Shostak
Rita Comes
Rusty Day
Sarah Wernikoff
Vic Schachter
Lucy Neely
David Cardinal
Felicity Barringer
Judith Murphy
Kristi Corley
Leslie Kraus
Betsy Morgenthaler
Catherine Magill
Danna Breen

ORAL COMMUNICATIONS

Rita Comes. Ms. Comes thanked the Council for moving Item #3 to the Regular Agenda because it is important for people to understand why those changes were made. She thanked staff for providing the names of the online attendees.

Nan Shostak. Ms. Shostak is concerned about fire safety and other natural disasters. She said it may be a matter of formatting but she was having difficulty piecing together the fire safety items in the budget. She suggested a top-down, comprehensive long-term approach to preparing and avoiding natural disasters. She suggested the budget reflect fire safety priorities.

Kristi Corley. Ms. Corley said that, considering the total property assessment of the Town, the budget items for fire protection seem low. She asked regarding the priorities for fire protection and if the Town has long-term goals, especially considering the recent fires.

CONSENT AGENDA

- (1) **Approval of Minutes** – Town Council Special Teleconference Meeting of September 9, 2020. *[Removed from Consent Agenda.]*
- (2) **Approval of Warrant List** – September 23, 2020, in the amount of \$124,004.89.
- (3) **Recommendation by Town Clerk** – Updating the Designated Positions and Disclosure Obligations in the Town’s Conflict of Interest Code. *[Moved to Regular Agenda]*
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Designating Public Officials and Employees and their Disclosure Categories for the Town’s Conflict of Interest Code (Resolution No. ____)
- (4) **Recommendation by Finance Director** – Audit and Financial Statements for FYE 06/30/19
- (5) **Recommendation by Public Works Director** – Adoption of a Resolution relative to Senate Bill 1 (SB 1) Road Maintenance and Rehabilitation Account Funding and Submittal of a Proposed Project List
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting a Project List for Fiscal Year 2020-21 Funded by SB 1: The Road Repair and Accountability Act of 2017 (Resolution No. 2833-2020)
- (6) **Recommendation by Mayor Aalfs and Councilmember Hughes** – Creation of a “PG&E Public Safety Council Subcommittee” *[Amended later in meeting.]*

Councilmember Richards moved to approve Consent Agenda Items 2, 4, 5, and 6. Seconded by Councilmember Hughes, the motion carried 5-0, by roll call vote.

- (1) **Approval of Minutes** – Town Council Special Teleconference Meeting of September 9, 2020.

Councilmember Hughes moved to approve Consent Agenda Item #1, as amended. Seconded by Councilmember Wengert, the motion carried 5-0, by roll call vote.

Prior to Item #12 in the Agenda, Town Attorney Silver pointed out that Item #6 of the Consent Agenda was incomplete because the members of the subcommittee had not been formally confirmed, likely due to the assumption that the writers of the memo would comprise the subcommittee.

- (6) **Recommendation by Mayor Aalfs and Councilmember Hughes** – Creation of a “PG&E Public Safety Council Subcommittee”

Councilmember Richards nominated Councilmember Hughes and Mayor Aalfs to serve on the subcommittee on PG&E Public Safety Council Subcommittee. Seconded by Vice Mayor Derwin; the motion carried 5-0 by roll call vote.

REGULAR AGENDA

STAFF REPORTS & RECOMMENDATIONS

- (3) **Recommendation by Town Clerk** – Updating the Designated Positions and Disclosure Obligations in the Town’s Conflict of Interest Code. *[Moved from Consent Agenda]*
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Designating Public Officials and Employees and their Disclosure Categories for the Town’s Conflict of Interest Code (Resolution No. __)

Town Manager Dennis provided the update to the Town's current Conflict of Interest Code. He said the last modification occurred December 2, 2018. He explained this update includes a slight amendment adding the new Assistant Planner Position, as detailed in the staff report. Staff recommended that the Town Council adopts the attached Resolution updating the designated position titles and disclosure obligations for the Town's conflict of interest code.

Mayor Aalfs invited questions from the Council.

Councilmember Hughes pointed out a correction to the list of job titles.

Rita Comes said that the list appears to have been updated since last month. She asked why certain groups need to disclose more than other groups. She asked to see the State form designating the requirements for the different categories. Town Attorney Silver said the State has a requirement that only applies to certain categories. The State-required categories are found in the table in the resolution under Designated Positions, which includes all of the Town Council members, all members of the Planning Commission, the Town Manager, and the Town Attorney. Those positions, under State law, must file a complete Form 700. Town Attorney Silver said the Form 700 includes disclosure of all sources of income received from any source, including real property, investment income, salaries, personal savings accounts, etc. She said there are also a series of exceptions such as income from mutual funds, which are exempt from disclosure. She said State law also says that each individual Council can decide whether to list additional positions, requiring that additional Commission or Committee members or staff submit additional disclosures, at the Council's discretion. She said Portola Valley Council has historically required disclosures by certain Commissioners and certain staff members. She said that recently, cities in general have been revising the disclosure categories, considering that the only sources of income a Council is concerned about are the sources of income that could impact decision-makers making decisions in the Town.

Rusty Day. Mr. Day asked why the State-required update every two years is not done pursuant to a noticed public hearing. He said there are certain designated entities that must disclose but the Council has discretion to determine what other bodies must disclose but that discretion is not unbounded under State law. He said entities that exercise final decision-making or adjudicatory authority are required to fall under Category 1 to make a full disclosure. He said the State definition of that obligation would seem to include the ASCC. He said two weeks ago the ASCC was in Category 1 but are now in Category 2. Regarding the Town's authority or discretion to limit disclosure, Mr. Day asked for clarification of the wording of that limitation, when that was approved, and if it was done subject to a noticed public hearing, so the citizens can understand what income sources officials are and are not disclosing.

Town Attorney Silver said the disclosure requirements are very important in terms of transparency and open government and the Town takes them seriously. She said the State law governs the procedure for adopting a local conflict of interest resolution but does not require a noticed public hearing. She said noticed hearings are usually held in conjunction with development applications requiring property owners within a certain radius of the project receiving written notice. This item is listed on the Town Council Agenda. With regard to ASCC members, Town Attorney Silver said State law specifically designates the Planning Commission and does not specify final decision-makers. Although the Planning Commission is legally required to file a Form 700, the Town Council has expanded the State law's requirement and has also included ASCC members because the ASCC do have final decision-making authority in certain situations. Town Attorney Silver said all mandatory filers must comply with State law and beyond that the Council is well within its discretion to impose additional requirements on Committee members and staff members, which has been done through the years via resolutions.

Town Manager Dennis said the reason there was a change in the description from the last meeting to this meeting was that staff had inadvertently used a previous version of the template when preparing the document, which was changed in 2018. He said that is why this item was pulled from the last meeting in order to make the correction.

Vice Mayor Derwin moved to approve Adoption of a Resolution of the Town Council of the Town of Portola Valley Designating Public Officials and Employees and their Disclosure Categories for the Town's Conflict of Interest Code (Resolution No. 2832-2020). Seconded by Councilmember Hughes; the motion carried 5-0 by roll call vote.

- (7) **Recommendation by Town Manager** – Woodside Highlands Road Maintenance District Citizen Advisory Board formalization [*Continued and Pulled from Regular Agenda.*]
- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting the Woodside Highlands Road Maintenance District Citizen Advisory Committee Charter (Resolution ____)
- (8) **Report by Town Manager and Subcommittee** – Adoption of a Revised Budget for FY 2020-21

Town Manager Dennis, Finance Director Cindy Rodas, and Fiscal Consultant Jim Saco led a PowerPoint presentation of the proposed revised budget for FY 2020-21, the background, the new look, content, and Finance Committee and staff comments, as detailed in the staff report. Staff recommended adoption of the revised budget.

Mayor Aalfs invited questions from the Council.

Councilmember Hughes asked if OpenGov has the ability to drill across all the various departments to pull together a comprehensive look at, for example, fire prevention efforts, trail or open space clean-up, etc. Finance Director Cindy Rodas said that function is available using the project codes function, tagging line items and budget items with a particular project code and then pulling reports based on those project codes. She said the reports would be public allowing the public to review the transactional data as well as an overall look at the full scope of work.

Vice Mayor Derwin asked Town Manager Dennis why they are defunding a position in Planning and Building and hiring consultants. Town Manager Dennis said that Planning is grappling with a host of new types of projects that haven't been dealt with in the past on a regular basis, with standard single family homes taking longer, and with more attorneys involved in the process than ever before. He said there are multiple very large Conditional Use Permit projects going to Planning and ASCC at the same time. He said using a consultant provides a level of flexibility in bringing in folks with specialized skill sets. He said in the coming year staff anticipates working on the Housing Element and General Plan Update issues and having access to that skill set in the very early stages is useful. He said it also provides some savings with regard to benefits.

Vice Mayor Derwin asked if staff had any estimation of when or if the ERAF funds would be received. Town Manager Dennis said he has not heard of any resolution coming soon.

Vice Mayor Derwin asked if the line item for \$103,817 for the Sheriff was part of the contract. Town Manager Dennis said the Sheriff's and Dispatch fees both increased per their contracts.

Vice Mayor Derwin asked if staff was pursuing the TA Grant for the two rapid-flashing beacons. Town Manager Dennis said they submitted for the grant on Friday.

Vice Mayor Derwin said Measure A, Measure W, and Measure M will likely be decreased funding sources and asked if that had been factored into the budget. Finance Director Cindy Rodas said the Measures were included in the budget as revenue sources, shifting the expenditure into reserves as those are primarily used for funding of the road construction project, which the actual construction of the roads has been shifted into the budget for 2021-22. Currently, those revenues will be listed under reserves until that funding can be used for those expenditures. Town Manager Dennis said one of the benefits of shifting the Annual Road Resurfacing Project from the end of the fiscal year to the start of the next fiscal year is that

staff historically bumps up against when they happen and where they may fall in a fiscal year related to the audit. Also, instead of Public Works Director Young making an educated guess about what the bid may look like nine months later, this will tie in closely with the bid process.

Councilmember Wengert said it is difficult to tell what projects are being undertaken within DPW, which is consistently being funded at very high levels and increasing every year, resulting in dramatically reduced General Fund reserves. Town Manager Dennis said there are two primary funding sources for DPW – General Fund and Special Funds, such as the gas tax. He said they can provide additional detail in future budgets. He explained the significant increases, including the vegetation management work and landscaping services and supplies due to insurer's recommendations to significantly reduce redwood dead branch drops. Of the Special Funds, the road right-of-way work has been at a deficit for many years, which is more visible in this budget presentation.

Councilmember Wengert asked if the Woodside Fire Fuel Mitigation amount reflected a plan to augment those activities in the next budget year. Town Manager Dennis said last year \$28,000 was allocated for the year and the work did not start until October 2019. They found that the DPW workers were being pulled from their normal duties to support that activity by doing the work themselves or doing traffic mitigation. Staff wanted to ensure that stopped because it was putting the crews behind in the regular work and there was an augmentation of funds related to that. Secondly, the fund augmentation allows more work to happen faster. In the first few years, staff anticipates doing a whole set of work, getting it to a maintenance level, and then have a maintenance schedule.

Public Works Director Young said it was unknown how the pilot program would develop and staff was trying to be proactive in fire mitigation. He teamed up with Chief Enea on how to accomplish this task, budgeting for just one person to do the work. It was quickly determined that it required almost a full crew with several people working and several doing traffic control. In order to help that pilot program along, two Town maintenance people were pulled to work full-time on Thursday and Friday to work along with the Fire Mitigation Engineer. Because there was much more work than anticipated, they needed to add a couple more people to be efficient and effective and make a dent in the situation. He said the pilot program needed some time to iron out the kinks. He said when they pulled the two workers on Thursdays and Fridays, it created a void. He said this budget reflects the funding required to staff the program with the right number of people, identifying the target streets in conjunction with the Fire Department.

Town Manager Dennis said the additional \$123,000 includes approximately \$40,000 to cover the Town employees on Thursdays and Fridays year-round and the remainder is for additional work to be done.

Councilmember Richards said the reserves have been dipped into for quite a while and this cannot continue for very long, with the current revenue staying flat or dropping. He suggested continuing the discussions about reserve level minimums because this situation does not appear to be sustainable. Town Manager Dennis said this is not sustainable in the long term but there are factors in this particular budget that are different – the loss of a couple of hundred thousand dollars in revenue from ERAF, which may be permanent, and revenue from the event instructors, from planning activity, etc. He said there have been additional requests placed upon staff to do work where there is limited or no funding. He said they are very proud of what they are accomplishing while having the smallest staff in San Mateo County but if there is a desire to maintain the previous levels of service, it needs to be considered what that means in the future. He also noted 10 years ago the Town lost the Road Impact Fee, which significantly supported the roadwork.

Mayor Aalfs invited public comment.

Judith Murphy. Ms. Murphy said the requested budget from the Conservation Committee is pared down from the usual in deference to the Town's decreased income and they understand the need to throw more resources at fire prevention. She said in addition to their small budget, she would like to request additional funds for Public Works, as she has done in the past. She said in 2018 the Council approved a

three-year program for Spring Down and 2020/21 is Year #3 of that program. She said last year Public Works Director Young produced cost estimates for the item that Conservation needed done to restore and improve the other most important properties. The chart she and Mr. Young produced represented a paring down from their larger wish list. She said the Council approved the first three columns for \$33,500, most of which was spent last year with a few projects still lingering due to DPW staff working on fire mitigation two days a week. She said Triangle Park, Town Center, and Spring Down look substantially better due to the additional work completed over the last year or two. She said the DPW budget submitted this year includes ongoing maintenance for those most important spaces.

Ms. Murphy said the Conservation Committee requests additional funds be approved for some of the items in that fourth column. She said the Council priorities for this year included stewardship of these priorities. She pointed out that volunteers from the neighborhood and local Scouts performed the requested coyote brush work, and did a very good job, which saved the Town approximately \$10,000. The Committee would like a biologist to look at the pond to provide an objective overview of a restoration so they can prioritize their efforts and requests to the Council. They would like thinning of vegetation and removal of non-natives along the trail. They would like to begin the difficult removal of the Harding Grass that chokes the pond. Nona Chiariello and a team of Jasper Ridge volunteer biologists have done a botanical inventory of the grasses that are surviving and will do that seasonally at no cost to the Town. They propose removal of the Harding Grass over three to five years to make the cost more manageable. She said volunteers would follow up the removal of the grass by planting native grasses and wildflowers, at no cost to the Town. She said donations might cover some of the Harding Grass removal, with funds pledged but not available until the official incorporation of the road remnant into the Frog Pond Open Space. She said some dense vegetation needs fire mitigation between the trail and Alpine Road and should be made a priority in the fire work being done. She said it is important to include something for creek maintenance at Town Center, which has historically been done with Grass Roots Ecology. She said there should be further protection of the heritage oak from foot traffic. She expressed appreciation to the Council for their commitment to preserving the local environment.

Rita Comes. Ms. Comes attended most of the Finance meeting last week. She thanked Councilmember Hughes for the suggestion of an easier way to look at the data, and asked how much money in the budget structure is for fire mitigation minus the \$151,000 engineer. Town Manager Dennis said the engineer has been the primary fire mitigation for the last two years. He said the fire services are provided by the Woodside Fire Protection District but the Town provides \$63,000 to them to support the chipper program and Selena Brown and the CERPP program. Including the \$151,000 it's approximately \$200,000 total. Rita Comes asked if there would be more in the budget for next year. Town Manager Dennis said there is a Wildfire Preparedness Committee that has been working on a suite of recommendations, the first set being implemented this year. The medium term items may also be implemented this year. Town Manager Dennis said he expects to hear more recommendations from them. He said these issues are not always solved by money. He said the Committee is working, for instance, on home hardening, communications, and other issues. He said there are many ways to provide what is becoming a very comprehensive wildfire preparedness program in town. Councilmember Hughes said there are additional fire mitigation expenditures mixed through other departments, such as the clearing of trees on Shady Trail, open space improvements, EPC costs, EOC, software for virtual EOC, etc. He said there are a lot of things done that are difficult to show, which prompted his question regarding the capabilities of OpenGov to tag things to be able to pull it out later. Mayor Aalfs agreed there should be a report that specifically deals with everything the Town is doing regarding fire preparedness.

Lucy Neely. Ms. Neely commented about the \$5,000 cost related to the Council and said the Town is getting a lot of bang for their buck there and appreciated all of their hard work. Ms. Neely said she is Chair of the Finance Committee and she congratulated Town Manager Dennis, Finance Director Cindy Rodas, and staff for their work on the budget and appreciates the new presentation. Ms. Neely said seeing the glow of the CZU fire over the western hillside was a turning point for her, realizing it could hop the ridge and come right on over to this fuel-laden town. She said this will be an increasingly pressing topic in California and that Portola Valley can do even better to prepare, given the resource, intelligence, ability and privilege of this town. She said the \$7 million Open Space Acquisition Fund is largely just

sitting there, to be used solely for the purchase and maintenance of open space within the town. She said maintenance is not defined and to her understanding the fund has only been used for purchase and not maintenance. She said that the acquisition of open space may be an outdated emphasis if that open space is not being taken care of, getting overgrown and subject to fire risk. She encouraged consideration of use of this fund for the maintenance of open space, which includes public safety.

Kristi Corley. Ms. Corley was pleased that fire safety items can be coded. She said other cities have a line item for brushing and chippers and bring in foresters to manage the chippers and deal with ladder fuels. She would like to see more detail on the line items and coding them so that the public can manipulate it to get the numbers they are looking for.

Rusty Day. Mr. Day asked what the total assessed property value is of the town and how that's changed over the last five years. Town Manager Dennis said he can get that information for him. Mr. Day said it would be helpful to see that in the budget report. He said he understands that a public budget is difficult because it involves weighing many priorities. He said he does not mean to argue that fire safety is the only priority but said it may be the most important. He said thinking about the priority of fire safety, it would be helpful to understand the total assessed value, the total insured value, and the market value of town. He said it would be in the hundreds of millions and billions of dollars. He said that's what was at risk and burned up in Boulder Creek, Paradise, Felton, and Bonny Doon. He said in looking at priorities it would be helpful in budgeting to see if an appropriate level of protection is being provided to the asset base and the lives. He said if this is a Town priority, perhaps an employee can be hired to aggressively go after grants, and perhaps a bond measure can be considered to fund a comprehensive and extensive program to reduce the hazard of wildfire in town. He said the number one objective is not to fight wildfire, not to evacuate the town when they occur, but to prevent them.

David Cardinal. Mr. Cardinal said 90+ percent of the Town's 6,000 acres is owned by residents. He said it costs about \$10,000 an acre to clear it to be fire safe. He said that is not the Town's responsibility. He said the property owners need to get out there and lower the fuel loads on their own property.

Town Manager Dennis responded to a chat comment regarding comparing fire mitigation spending to Woodside and Hillsborough. He said the Town of Hillsborough budgeted approximately \$20,000 less than Portola Valley on CERPP and the chipper program, and budgeted \$25,000 more on a program to help support residents regarding vegetation management. He said Hillsborough passed a tax on parcels for fire mitigation, which is a large funding source.

Councilmember Wengert said she considers the budget the number one priority of the Council in terms of managing it responsibly and conservatively but also being reactive to changes that may be necessary. She said this year's budget reinforces a continuing concern about bringing down the reserves. She said this budget potentially drops the reserves level by 23 percent, which makes her uncomfortable. She said she completely understands the reasons for it – the complexities and demands on staff, COVID, increased sensitivity to fire safety, etc. Councilmember Wengert asked how this budget looks relative to its sustainability and what position it leaves the Town in going forward. She said essentially \$500,000 needs to be drawn down from the General Fund Unrestricted Reserves in order to balance, which is significant. She said with the year's expenditures being around \$6 million, after drawing \$500,000 from reserves to make that balance, the remaining cash reserves will equate to 27 percent of one year's expenses, which is quite low. She said the Council previously had a specific reserves level to maintain, but in today's environment, a more relevant calibration is how much of the Town's operating expenses could be paid if there were no revenues coming in at all. Under this budget, it would only cover a quarter of a year. She suggested that short term there could be tightening of capital improvement numbers and longer term there should be a different solution developed, such as looking at replacement mechanisms for the previous Road Impact Fee to potentially generate some additional revenues that are sustainability and longer term. Councilmember Wengert agreed with Ms. Neely about looking at the money in the Open Space Acquisition Fund. She said she wants to fund the Conservation Committee projects but is concerned about where to find that money. Councilmember Wengert suggested looking at reprioritizing the CIP spending and/or have staff explore options for additional revenue sources and potentially Open

Space Acquisition monies. She said she also agrees with the comments relative to fire safety and agreed that the majority of the onus is on the residents, with everyone who owns property in Portola Valley doing their best to keep their properties as fire safe as possible.

Councilmember Hughes agreed with most of Councilmember Wengert's comments. He said, however, the purpose of reserves is to deal with years like this year to cover unusual blips of increased spending or reduced revenues. He said it may be that revenues will be higher than expected this year, but the expenses have certainly increased, in part due to COVID and the increased spending for fire safety. He agreed that the vast majority of spending must be from property owners making their own properties fire safe. The Town also owns property and must make sure that land and rights of way are safe and provide education programs to teach people how to make their properties safe, etc. He agrees that the Town cannot deficit spend forever but said the General Fund has been accumulating money, ending each year with more money that they started with. He does not see this as a situation that will extend for multiple years and noted that these costs are largely transitional, working from home, changes in how the Town operates, etc. He said it needs to be closely watched to make sure that moving forward the Town gets back on the previous track where it ends up with surpluses rather than deficits. He said looking at whether or not there is a surplus or deficit is really around long-term structural changes such as hiring employees and committing to long-term contracts. He said the items that lead to this overall deficit are largely one-off expenses. He agreed with Councilmember Wengert's concern that the overages don't continue and create a longer-term problem but he is comfortable dipping into the reserves for this one year.

Councilmember Richards said he is not overly concerned about encroaching on the reserves this year, except that it seems to be becoming more of a trend. In addition to the fire safety demands and the expenses that came with COVID, it seems the Town is good at thinking of new ways to spend money. He said there is a fabulous Town Center, more and more activities available, and the road system is almost perfect. He said the demands on staff and budget keep increasing aside from the emergency expenditures. He suggested the Council come to agreement regarding setting a reserves target. He also suggested looking into revenue prospects such as bond measures for special situations such as fire. He would like the staff to review the budget again to recommend areas that can be trimmed further.

Vice Mayor Derwin said she was also concerned about the big dip into the reserves. She said this was the first time she's ever felt really uncomfortable with the budget; however, upon examining the budget, it looked very lean and she couldn't see how it could be trimmed without going into the Capital Improvement Projects, which are fairly standard projects. She was concerned about the roads because of the loss of revenue in that area and said other ways to generate those revenues should be researched. She said they discussed using Open Space Funds for maintenance and her recollection was that the Open Space Committee did not support that idea. She asked if it is legal to use those funds for vegetation management on Town-owned properties. Town Attorney Silver said the measure states the funds (the 2% set aside from the UUT) shall be placed in the Open Space account and the Council has the discretion to determine what the Open Space account can be used for. Vice Mayor Derwin said the UUT can also be raised. She asked if that can be used for fire safety. Town Manager Dennis said it could if it's the 4.5% General Fund UUT. Vice Mayor Derwin agreed that most of the burden is on residents regarding making their properties safe. She said she had H&H Wildland Fuel Mitigation look at her property and she is waiting for the bid. She intends to do whatever is necessary and believes everyone in Town needs to take that view. She said staff did a great job with this budget in this very difficult year. She said everyone is deathly afraid of fire and everyone, the Town included, needs to do a lot of work. She suggested looking for more revenue streams and grants and then proceed in that manner.

Town Manager Dennis said Fire Marshal Enea is now with Fire Safe San Mateo County and he talks with her regularly about grant opportunities. He said she operates in a de facto role as the grant finder and he and Fire Marshal Enea also write them. He said they regularly apply for grants but the last couple have not worked out. He would not recommend hiring someone to do grants. He said Portola Valley historically struggles with grants because of the size and affluence of the Town.

Mayor Aalfs said he is also not happy about being in a deficit and he would support asking staff to look at Capital Improvements or anywhere else something could be put off. He said the bigger concern is the long-term trend because the expenses are increasing faster than the revenues will increase. He said with COVID and 2020 aside, it was clear those lines would cross at some point and it's getting close to that point. He said they could consider raising the UUT. He said Judith Murphy commented that some people donate to the Open Space Fund specifically expecting the money to be used for acquisitions, so if the Town does consider using it for maintenance, the impact of that needs to be carefully thought out. Town Manager Dennis said, having discussed this issue with the Open Space Committee, this is a serious concern because people have an assumption that open space projects means specifically acquiring properties. He said there would need to be thoughtfulness as it relates to having that conversation with the community, recognizing that the Town gets significant bequeathments from donors into that fund. Whether or not that would continue if the money was being used for maintenance or something else needs to be acknowledged and discussed.

Mayor Aalfs summarized that the Council would like to reconsider whether all of the Capital Improvements are critical at this point, thinking about other sources of revenue including the possible UUT increase, and looking into the options available with the Open Space Fund.

Town Manager Dennis thanked the Council for their helpful comments. He said he would like to schedule two budget study sessions for the fall. He asked if there is a specific figure staff should be aiming for in their review for further cost-cutting measures.

Councilmember Wengert asked that staff look at alternatives for replacement for the Road Impact Fee. She agreed that the CIP list does not include anything particularly extraordinary. She said if no major road projects are being done this year, perhaps all of the pre-work and design and resurfacing project design can be moved to 2021/2022. She agrees the maintenance truck needs to be replaced. She said the answer to Town Manager Dennis' question will be dependent upon whether or not it is determined appropriate to look at some limited use of the Open Space Fund for maintenance because there are a number of items under the CIP that would very clearly fall into that category.

Town Manager Dennis noted that most years the revenue side has come in better than budgeted. He said they expect approximately \$50,000 from the Federal Government to support COVID expenditures, which is not reflected in the budget. With regard to the road design work, he does not see any opportunity to change those amounts. The truck is necessary. He said they are hopeful that the Pedestrian Safety Study improvements can get funded by grants. He said focusing on the longer-term revenue and having the budget study sessions will move that further.

Councilmember Wengert thanked Town Manager Dennis, Finance Director Cindy Rodas, Consultant Jim Saco, and staff for their work during this extraordinary year. She acknowledged that it was not easy to work with the two systems and it is still challenging, but she believes the new format will provide a lot of flexibility longer-term.

Mayor Aalfs thanked staff for the presentation and called for a five-minute break.

Town Manager Dennis explained that the fee schedule and salary schedule ranges have been increased by CPI every year. He recommended modifying both the fee schedule and salaries by the current CPI of approximately 1.4% and the Council agreed.

The budget will be brought back to the Council on October 14 for final adoption.

(9) **STUDY SESSION** – Climate Action Plan

Assistant to the Town Manager Brandi de Garmeaux and Sustainability & Communications Intern Brandon Alvarez led the study session and PowerPoint demonstration, describing the background and

discussion items, as detailed in the staff report. Staff asked Council to provide feedback and guidance on next steps.

Mayor Aalfs invited questions from the Council.

Councilmember Hughes asked if the RICAPS template and calculations use the same modeling for large cities and small cities and how well that model fit Portola Valley. Intern Alvarez said that in looking over the menu of measures thus far, it appeared it will work as a very effective tool. They said all of the Town's 2017 data has already been input into their models and the model can be specifically tailored to the Town's inventory data. They said the projections thus far seem to be quite detailed and quite accurate and will serve as a good tool and model to provide accurate projections and prioritizations regarding the best measures for a Climate Action Plan.

Vice Mayor Derwin asked for clarification about the difference between a work plan and formal adoption. Assistant to the Town Manager de Garmeaux said a work plan is a guide where a formal adoption has legal implications in undertaking private development. She said, for example, in a larger city, with a formal adoption and an EIR, that EIR can be used as a basis for private development. Town Attorney Silver said some cities adopt a Climate Action Plan as an element of their General Plan, which requires a CEQA analysis, and perhaps an EIR if being adopted in connection with other elements of the General Plan. She said an EIR can take up to two years to complete which is the downside to formal adoption. The benefit of adoption is mitigation measures can be imposed on private projects that have been identified in the Climate Action Plan. Applicants can also determine the thresholds of significance for a private development analysis of greenhouse gas impacts. She said that benefit is more applicable to larger cities as EIRs are not often done in Portola Valley. With regard to a work plan, Menlo Park recently adopted a Climate Action Plan as a work plan, adopting three particular programs and policies and they are currently in the process of implementing those policies. She said the work plan does not commit the Town to achieving those policies or goals but establishes an aspirational plan.

Councilmember Richards said either form would provide the opportunity to evaluate various different approaches. The work plan may be used as a starting point, making modifications along the way finding out what works best, and then make the formal adoption later on after seeing how the template works for the Town. Assistant to the Town Manager de Garmeaux said that is a reasonable way to look at it. She said her opinion is that the work plan at least initially provides the flexibility to adapt with the changing landscape. She said when looking at adopting a 2020 Climate Action Plan, one issue was there were not enough innovative measures, which has changed in just a few years. She wants the Town to be able to adapt to those changes and be innovative.

Mayor Aalfs invited public comment. There were none.

Mayor Aalfs said he would lean toward the RICAPS template versus trying to come up with something separately. He said it is enough for the Town's purposes and provides reasonable guidance. He also preferred the work plan over adoption. As for identifying programs for consideration, he would look at the biggest sources which were already identified – transportation and natural gas for heating and heating water.

Councilmember Hughes asked if the RICAPS template included cost estimates for the different programs. He said they want high impact but really want bang for the buck. Intern Alvarez said the menu of measures only provides emissions impact. As Assistant to the Town Manager de Garmeaux articulated in the next steps section, they hope to be able to find which measures would have the highest emissions impact relative to Portola Valley and then bring it to the Council to discuss the specifics in detail as to which are reasonable, which would be good to include, etc. Councilmember Hughes said that approach makes sense, starting with the highest potential ones and considering ones that may have slightly lower impact but will actually save everyone money.

Mayor Aalfs agreed high potential measures can be identified as the big targets and then figure out if it's feasible to go after them. He said with regard to community engagement, several committees will be very interested, such as Sustainability. He said schools would be interesting to consider, possibly even partnering with PCE who have a lot of good outreach programs that might extend to something the Town is trying to do.

Assistant to the Town Manager de Garneau asked Mayor Aalfs what other committees he thought would weigh in on this. She thought of EPC and perhaps the Ad Hoc Wildfire Committee and Conservation. Mayor Aalfs said definitely EPC and the Wildfire Committee. He said Cable and Undergrounding is not very active but people on that committee would probably be interested. Councilmember Hughes said they've been talking about potentially reactivating the Teen Committee and this may be of interest. The Council agreed with Town Manager Dennis's suggestion that the Bicycle, Pedestrian, and Traffic Safety would also be interested. Vice Mayor Derwin suggested the Finance Committee. Assistant to the Town Manager de Garneau said the Sequoias is one of the biggest opportunities with regard to natural gas.

Mayor Aalfs asked if there are things to be done during the time they are waiting for end of the year data. Assistant to the Town Manager de Garneau said additional data will be collected and, now that they have this feedback, they will put together a proposal as to how to move forward as far as engaging the committees, perhaps bringing it back to the Council as a digest item, for the first part of the next steps. She said the first report will likely occur later this year with an overall outline while waiting for the data.

Town Manager Dennis said the timing is good because this will also be happening in advance of a potential General Plan update. Assistant to the Town Manager de Garneau said they will make next summer their target for coming back with a plan.

The Council thanked Assistant to the Town Manager de Garneau and Intern Alvarez for their work on this item.

(10) **STUDY SESSION** – Update on Enterprise Resource Planning (ERP) Finance Module

Town Manager Dennis and Finance Director Cindy Rodas shared their first impressions of the new ERP, the OpenGov module. Finance Director Cindy Rodas said there are quite a few improvements in the capabilities of the new system versus the options and capabilities of Fund Balance. She said with the OpenGov system there is the option to create specific reporting mechanisms staff can use internally and also push that information out to the public-facing system, the OpenGov Transparency tool. They can build various different types of reports, with the majority being financial data, but also non-financial data such as water consumption, solicitation permits, etc., that can be pushed out to the public. They can also look at and compare yearly transactional data. She said they will be increasing efficiencies internally as well with the AP system, increasing the use and having the options to view and scan and have invoices available within the system without having to go to paper files with all the options available within the cloud. She said that in this COVID climate, having those capabilities has been a great tool. She said they are still working to get the right reporting mechanisms in place. She said OpenGov has been great in deploying their team to Portola Valley, who is the very first municipality in California to be using the financial systems within OpenGov. She said the Town partners within OpenGov to build the system and provide them the feedback they need to build a more solid product. Town Manager Dennis said they are delighted with the program, with the next step being finalizing the feel and look of the Finance Department with potentially a full-time position to replace Finance Director Cindy Rodas. He extended appreciation to the Council for authorizing this expenditure because it made a big difference this summer.

Town Manager Dennis agreed with Councilmember Wengert's suggested that as they get into customizing some of the reporting, perhaps they could invite a representative from the Finance Committee and maybe even a resident to provide input on what they would find useful.

(11) **Recommendation by Town Manager and Town Attorney – Extension of Local Emergency Declaration in Response to Novel Coronavirus (COVID-19)**

Town Manager Dennis presented the proposed local emergency declaration extension, describing the background and discussion items as detailed in the staff report. Staff recommended the order be revised for an additional 70 days, beginning on October 2 and extending through December 10.

Councilmember Wengert asked if the emergency declaration automatically expires if the County moves into the lowest risk zone. Town Attorney Silver said the local emergency declaration the Town adopted does not automatically expire and the Council would need to reconvene.

Councilmember Hughes asked regarding a statutory maximum extension. Town Attorney Silver said there is no limit in Portola Valley. She said the Council would need to reconvene to formally rescind the resolution.

With no further questions from the Council, Mayor Aalfs invited public comment.

Rita Comes said the Planning Commission has not met since January. She said the original excuses were because of COVID-19 and now because there is no reason to meet. She said earlier, in talking about the budget, there seems to be contractors and other expenses and lots of permit activity occurring. She asked if there would be a Planning Commission meeting soon. Town Manager Dennis said that he responded to Ms. Comes' email regarding this last week and nothing has changed. He said that in the beginning there were no Commission or Committee meetings for a period of time. He explained that the Planning Commission sees a specific set of issues. He said that now that the Planning and Building Department are in full operation, some of those issues go to ASCC first or only go to ASCC. There have not been any issues to go to Planning Commission yet. There is, however, a Planning Commission meeting scheduled for next month because there are now issues that have percolated up to that need.

Councilmember Hughes moved to approve the Extension of Local Emergency Declaration in Response to Novel Coronavirus (COVID-19) for an additional 70 days, beginning on October 2 and extending through December 10. Seconded by Vice Mayor Derwin; the motion carried 5-0 by roll call vote.

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

Councilmember Wengert – Attended the San Francisco Roundtable budget review meeting September 16. She said one member of the Roundtable hasn't paid for three years. She said the fees will remain the same for all member cities with the biggest issue to be dealt with shortly being the inclusion or not of Palo Alto and others who may request to become part of the Roundtable.

Councilmember Richards – Attended Conservation Committee meeting with a presentation of milkweed and Monarch butterfly effort, discussion of dittrichia management, and biological review of plants at Frog Pond. Rita Comes commented that the milkweed distribution will be October 3.

Councilmember Hughes – Attended ASCC meeting. Attended Finance Committee meeting where they discussed the budget. Bill Urban will be stepping down from the Committee after 30+ years of service.

Vice Mayor Derwin – Attended C/CAG meeting on September 10 where there was a presentation and update on the Express Lane Project and San Mateo County's COVID-19 Recovery Effort. She said the legislature ended August 31 at midnight. Due to a COVID case among the Republicans, they moved to virtual meetings which had a lot of procedural issues resulting in many delays and several bills not making it. In response to Vice Mayor Derwin's question, Town Attorney Silver said that the Governor did sign AB-725 but it is not applicable to Portola Valley because of the size of the Town. Vice Mayor Derwin said C/CAG is supporting SB-1044 regarding firefighting foam and AB-841 regarding emergency efficiency upgrades. They also had a presentation of the Comprehensive Bicycle and Pedestrian

Program. She attended the JPA Express Lanes meeting where they had an Equity Study presentation and discussed the Public Engagement Plan. Attended Flood and Sea Level Rise Resilience District meeting where they decided to join the Association of California Water Agencies to get better options for insurances, employee assistance, human resources, risk management, etc. The Long-Term Financing Committee will be publishing an electronic newsletter. Attended the Library JPA meeting on September 21 where they saw a presentation by EMC Research, discussed the increased services such as printing on demand and curbside pickups, with no planned in-person opening before January 2021. They adopted their budget. The author event with Professor Eberhardt was already oversubscribed. Vice Mayor Derwin also attended the Sustainability Committee meeting, the first meeting held since February. They will be working on a book club. They discussed the leaf blower incentive, PCE's battery backup rebate, smart water meters, and devices you can buy yourself. Clean-Up Day will be October 3.

Kristi Corley asked if the Council had written Gavin Newsom any letters of support for any bills and, if so, which ones. Mayor Aalfs and Town Manager Dennis said none were sent this year.

Mayor Aalfs – PCE has announced a couple of initiatives including offers of a \$150 COVID rebate to every small business account in San Mateo County and the \$28 million EV infrastructure funding program. He said Sunrun is still offering their battery backup program. He said PCE may be at a slight loss this yearend, partly because of COVID and partly because of the large increase in the PCIA.

(13) **TOWN MANAGER REPORT** – Town Manager Dennis invited all residents to a public meeting with PGE to be held at 7:00 p.m. on Wednesday, September 30, where they will present their plans on keeping the Town safe related to vegetation management and upkeep of their infrastructure and maintenance.

Councilmember Richards said that he, Vice Mayor Derwin, and Intern Alvarez discussed a potential indigenous land acknowledgement. Intern Alvarez will contact local tribes to learn about possible options. Town Manager Dennis said that Intern Alvarez will bring his experience as a Native American and also through their experience working on these issues at Stanford University with a professor.

Intern Alvarez explained that a land acknowledgement is a formal statement that recognizes that we dwell on and benefit from ancestral lands taken from indigenous peoples and recognizes indigenous peoples as traditional stewards of the land and the enduring relationships that tribes have both practically and spiritually to their ancestral territories. They said this is usually done through the adoption of a formal statement as well as a short piece that is said prior to public addresses. They pointed out that these kinds of statements do not mean as much without direct policy actions and collaborations to back them up. Intern Alvarez explained that Portola Valley primarily sits on the ancestral home of the Ohlone Peoples, particularly the Ramaytush and Muwekma tribes. They said Portola Valley has a unique opportunity to build a long-term relationship with tribal leaders in a collaborative way. They said the collaboration does not just honor a tribe's relationship to the land but also opens doors for cultural and historical preservation. The Ramaytush and Muwekma tribes tend to place a lot of their focus on cultural preservation and different social initiatives to try to reach out to Native families. Stanford has a long relationship with the Muwekma Ohlone tribe and has worked with them to remove statues or rename buildings dedicated to those who have contributed to genocide or a cultural eraser of indigenous people. They also host an annual powwow for the larger indigenous community in the Bay Area. Intern Alvarez reached out to tribal leaders in the Muwekma and Ramaytush tribes to ask how they would envision collaboration between their elders and the town and how they would be interested in working together, and is waiting to hear back from them.

Town Manager Dennis said Intern Alvarez is also working on creating a reconstituted Teen Committee.

WRITTEN COMMUNICATIONS

(14) **Town Council Digest** – September 11, 2020

None.

(15) **Town Council Digest** – September 18, 2020

None.

ADJOURNMENT [10:30 p.m.]

Mayor Aalfs adjourned the meeting.

Mayor

Town Clerk