

TOWN COUNCIL MEETING NO. 710 JANUARY 24, 2007

ROLL CALL

Mayor Driscoll called the meeting to order at 8:03 p.m. and led the Pledge of Allegiance. Ms. Howard called the roll:

Present: Councilmembers Davis, Derwin, Merk and Toben, and Mayor Driscoll
Absent: None
Others: Town Administrator Howard, Town Attorney Sloan, Asst. Town Administrator Willis, and Deputy Clerk Hanlon

ORAL COMMUNICATIONS

Danna Breen, Alpine Rd., said it was thrilling to be able to look across the Town Center site at the hillsides. She hoped it would invigorate the community to get behind the project.

Mayor Driscoll said the passing of Bob Anderson was a great loss to the Town. He discussed Mr. Anderson's service to the Town. The memorial service would be held next Wednesday at Christ Church at 2 p.m.

(1) PRESENTATION: Recognition of Laura Chase and Mike Schilling for Service on the ASCC

Mayor Driscoll said Laura Chase and Mike Schilling were stepping down from the ASCC after many years of service. Councilmember Merk thanked Ms. Chase and Mr. Schilling for their long and consistent service on a very important committee to the Town. It was a lot of work to be on the ASCC that took a lot of time and thought. Councilmember Davis praised the ASCC for setting the tone that made the review process cooperative and productive. The ability to accomplish that and make technical and difficult decisions was a great skill. Councilmember Toben said five years ago, the *San Jose Mercury* did a feature article on the design process in Portola Valley. The work done by the ASCC produced a distinctive ethos to the building environment in the Town. The Town was a special place, which had a lot to do with the vision of the Town founders and those who devoted untold hours to ensuring that essential values of the Town, including the respect for the natural landscape, were honored. He expressed his appreciation to the families for the time Ms. Chase and Mr. Schilling spent away from them serving the Town.

Mr. Schilling said the ASCC could not function without the superb staff support—in particular, Tom Vlasic, Leslie Lambert and Carol Borck. Ms. Chase said it had been a pleasure for the ASCC to become involved in the design of the new Town Center project. She felt very good about the contribution that the ASCC had made to the process and the design of the Town Center.

(2) PRESENTATION: Portola Valley Climate Protection Website by Angela Hey

Angela Hey said she was on the metrics subcommittee of the Town's Climate Protection Task Force. She said the website was a work in progress, and she was interested in feedback. She said the purpose of the website (<http://coolpv.com>) was to: 1) showcase a model green community; and 2) provide climate change information for Portola Valley residents. The idea was to build community amongst the task force members, Council, local government, residents and businesses in the Town. There were two websites: coolpv.com, which was the public site, and a yahoo group. She discussed the coolpv.com site, which allowed people to add content provided you were a registered user. She described news feeds from other sites, polls, and links to other sites, subcommittee news and the calendar. The Yahoo group was for more private communication for people on the climate task force committee. Responding to Councilmember Davis, she confirmed that she had constructed the website herself. Responding to Councilmember Toben, she said Google had excellent software that measured how many people came to the website, where they came

from, and indicated what route they took to land on things like the calendar. Responding to Mayor Driscoll, she said there was a link on the site to carbon calculators. Mayor Driscoll said there were also websites where you could make a donation to offset carbon usage. Councilmember Toben noted there was also a website that indicated which carbon-offset sites were bogus. Council thanked Ms. Hey.

CONSENT AGENDA

By motion of Councilmember Davis, seconded by Councilmember Toben, the items listed below were approved with the following roll call vote:

Ayes: Councilmembers Davis, Derwin, Merk and Toben, and Mayor Driscoll
Noes: None

- (3) Minutes of Town Council Meeting on January 10, 2007, with Councilmember Merk abstaining.
- (4) Warrant List of January 24, 2007, in the amount of \$308,184.82.

REGULAR AGENDA (agenda items re-ordered)

- (5) Wayside II Road Maintenance Loan Increase

Mr. Willis reviewed his memo of 1/17/07 and recommendation to authorize a loan increase by \$40,000 to the Wayside II Road Maintenance District to be utilized for the expenses described in the 12/13/06 staff report, with repayment on or before the end of fiscal year 2016-2017. He noted that members of the maintenance district were present to answer any questions.

Byron Shaw, Wayside, said he concurred with the requirements set forth in the staff report for the loan increase. He said the maintenance district was also discussing increasing the assessment to ensure the loan was repaid on schedule. Once the current project was complete, he felt the residents would be more receptive to an increase in the assessment.

Responding to Mr. McKitterick, Mr. Willis confirmed that the resolution referenced the 12/13/06 staff report, which set forth the specific purposes for which the \$40,000 increase would be used.

Councilmember Merk moved approval of Resolution No. 2291-2007 Approving a Loan of Monies from the Town to the Wayside II Road Maintenance District. Councilmember Davis seconded, and the motion carried 5-0.

- (7) Final Documents Regarding Lot Line Adjustment with Christ Church

Ms. Sloan reviewed her memo of 1/18/07 on the lot line adjustment with Christ Church to facilitate construction of an access to the new Town Center, improve parking on Church property, and allow an adequate buffer between the two properties.

Councilmember Davis moved approval of Resolution No. 2292-2007 Approving the Grant Deed and an Access Easement Related to the Lot Line Adjustment Agreement with Christ Episcopal Church in Portola Valley, CA. Councilmember Derwin seconded the motion. Mayor Driscoll said this was a true win-win situation and described benefits to both parties. Councilmember Toben thanked Mayor Driscoll and Councilmember Davis for handling the sensitive negotiation. Ms. Sloan noted that the new Senior Warden at the church had been wonderful to work with.

Mayor Driscoll called for the question, and Resolution No. 2292-2007 passed 5-0.

(6) Classification Study and Setting 2006-2007 Salary Schedule

Ms. Howard reviewed her memo on the classification and salary survey report and recommendation to approve the classification specifications set forth in Appendix A along with the proposed 2006-2007 salary ranges. She introduced consultants Jean Sullivan and Shellie Anderson from Bryce Consulting.

Jean Sullivan reviewed the salary study report and discussed: 1) the reason for classification studies; 2) job descriptions; 3) value of the work to an organization; 4) scope of this study; 5) breadth of classification specifications; 6) data collection; 7) data analysis and allocation factors; 8) market survey and comparability; and 9) the market-driven pay plan. Responding to Councilmember Davis, she listed the agencies surveyed for comparability with the Town. She said statistically it was not perfect, but from a market standpoint, the information gathered was the best that could be obtained. From the classification perspective, the pay plan put together fit well with the recommended job specifications.

Councilmember Davis noted that the salaries for the Public Works Director, Planning Manager and Accounting Assistant were way off the mark. Ms. Sullivan said the classification of the office assistant had been changed to accounting assistant, which was valued more in the market place because of the numeric knowledge required. In terms of the Planning Manager and Public Works Director, she said management tended to not take the same types of increases as the front line employees. When that happened, they were more off market when a survey was done. When this was presented to an organization, management got the raises and the employees thought it was a conspiracy. Another issue related to the Public Works Director had to do with the registration as an engineer and the market. Those positions were more desirable, and there were less people to fill them. There were specific management classes that were becoming harder and harder to recruit, and those salaries moved more than others did.

Responding to Councilmember Toben, Ms. Sullivan said salary surveys were usually done every 3-5 years. If there were cost of living adjustments every year, a town could go quite a long time. The compensation policy would drive how often a survey should be done. Some cities did surveys every two years; some cities did not do surveys. Responding to Councilmember Toben, she said some organizations were way off. It was always a question if they should be used in the labor market survey.

Mayor Driscoll said the key issue was to ensure there was no staff turnover because the Town was seriously out of market. There were a number of things with any position that were very difficult to quantify, but he was content with the way the survey had been done.

Councilmember Davis moved to accept the report and adopt Resolution No. 2293-2007 modifying the salary schedule for fiscal year 2006-2007 as recommended by the consultants. Councilmember Toben seconded the motion. Responding to Councilmember Toben, Ms. Howard said the current budget accommodated all the salary increases that were within the new ranges. She said she normally increased the salary budget by at least 3-4%, which would still leave everyone in the current ranges. She did not think the new ranges would dramatically affect the budget. Responding to Mayor Driscoll, she said when the market changed, you could not hire at the lower or median end of the range. That was why the salary review needed to be done with some frequency. She noted that the salary ranges were normally shifted every year by the consumer price index. Most of the Town's employee ranges were within the market. If a position was much more desirable in the market place, adjusting the salary by the consumer price index would not be enough. Based on difficulty within the last year of hiring for vacancies, it was clear that some of the positions were off.

Jean Sullivan discussed ways to implement compensation. There was the implementation of the range to the class, which was the job description. And, there was the way to implement to the incumbent, which was the person. Most organizations implemented 100% on the pay plan, and then decided how much to

implement to the incumbent. For the Town, there would be increases because the ranges had changed, but those increases every year would occur longer into the future. It gave the Town a competitive position but flattened out the cost of it. The Town was going with the most conservative implementation dollar-wise.

Mayor Driscoll called for the question, and Resolution No. 2293-2007 passed 4-1 (Merk).

COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

(8) CEQA Requirements Regarding Historic Structures

Ms. Howard said Town Planner Mader requested that the item be continued to the 2/14/07 meeting. The staff report included in packets was missing several pages.

(9) Information Regarding Conservation Easements

Ms. Sloan reviewed her memo of 1/18/07 on how conservation easements worked. She estimated it would take about \$10,000 to accomplish the documentation required. She said Councilmember Toben wanted the Town to facilitate getting this information out to the public and facilitate people donating easements. She noted that a summary on conservation easements from POST was included in the digest. Responding to Mayor Driscoll, she confirmed that a conservation easement would devalue the sale price of the property in the future. She was not aware of a subsequent property owner being allowed to buy back an easement. Provisions of the State code on the Williamson Act and the Mills Act had a way to cancel the contract with payment of a penalty. Those were also 10-year contracts that rolled over. You could give notice ten years in advance and let it gradually expire. The property tax would rise every year for 10 years. Craig Taylor, Open Space Acquisition Committee, said he understood that an easement could be extinguished if both parties to the easement agreed. Ms. Sloan concurred. She said there were a few cases where people had given easements to two public entities because they were worried about one agency giving up the easement.

Responding to Mayor Driscoll, Mr. Taylor said POST was a purchasing as well as holding body. They had easements that they had taken from property owners.

Ms. Sloan discussed the Lanes' conservation easement which took a long time because they changed their minds on certain things throughout the process. If someone was ready to go, these things could be accomplished in a couple of months.

Councilmember Toben felt there were property owners in Town who needed some incentive to move ahead beyond the incentive in federal law for the near term. The combination of the advantages available this year only and the opportunity to tap some of the open space funds to assist with the transaction cost seemed to be an idea worth exploring. He had also considered getting together a team of conservation specialists, appraisers and lawyers, who would be on call over the next 11 months to provide rapid response to any property owner who wanted to get in the game. Some staff support would be necessary to direct people and promote this idea and lubricate the mechanism to do it. He had not met with the Open Space Acquisition Committee yet to talk this through, but he thought it would be worth discussing. Responding to Councilmember Derwin, he said he had asked Tom Vlasic to do an inventory of the larger properties in Town where conservation easements might be appropriate. Mayor Driscoll noted that the lot would need to be substantially larger than the zoning on it. He thought there could be a dozen or two that were way above their zoning. Some of those might be Williamson Act or POST controlled.

Councilmember Toben and Mayor Driscoll discussed incentives that might be attractive to the different types of large property owners in Town. Councilmember Toben said 25% of the parcels in the community were valued at \$300,000 or less. Long-term property owners might be property rich but cash poor. An incentive

or support to do an easement with the benefit of a significant reduction in estate values and property values might be attractive—particularly if the Town had already lined up a team of consultants. Mayor Driscoll thought minimizing the hassle of dealing with the Town and consultants would be more of an incentive. Many property owners were probably accustomed to minimizing taxes and finding ways to reduce estate taxes and were more concerned with the aggravation rather than the cost.

Councilmember Toben said smart money these days in conservation trusts was on assisting with easements rather than buying parcels. Mr. Taylor agreed. Even if the Town put in \$10,000, that was significantly less than buying \$1 million worth of property. Anything the Town could do to leverage the funds was preferable to waiting for 10 years to have enough money to buy one more parcel.

Responding to Councilmember Merk, Ms. Sloan said if there were a lot of conservation easements, it might be good to come up with some guidelines. With the Lanes' easement, the conservation easement would be in the property file. The regulations were very specific in terms of the number of sf that could be built, the fact that it could only be 1-story, no structures were allowed on the part of the property where there were no structures today, etc. All of that was in the file. Responding to Councilmember Merk, Ms. Howard said she will ask the Conservation Committee to consider adding the monitoring of these easements to their charter. Councilmember Toben questioned whether volunteers should be expected to go onto the property and inspect for compliance with a conservation easement. The terms of these easements implied it was more of a staff function. Ms. Howard noted that the Trails Committee performed a similar function and did go onto easements on private property. But, if there were a lot more conservation easements, the Town would need to look at ways to monitor compliance. Mr. Taylor noted that there were standards that other organizations used to monitor easements. Generally, it was a matter of ensuring that the easement wasn't damaged.

Councilmember Merk said he felt \$10,000, for example, could really make a difference to whether an easement happened with someone who was land rich but didn't have a lot of capital to do something like this. He was not against the idea of making some money available, but he thought the money should be tied to a need.

Mayor Driscoll noted that people who bought their property more recently had a higher tax basis and might have more on an incentive to do a conservation easement. The motivation was based on the taxes that you might save by doing it. Ms. Sloan added that it was a State savings on property tax plus a federal savings because it was considered a gift.

Responding to Councilmember Derwin, Mr. Taylor said the Open Space Acquisition Committee had discussed easements before but a meeting was being set up to discuss conservation easements. People were generally favorable. Mayor Driscoll asked that the Committee discuss it and make a recommendation to the Council. Councilmember Toben noted that the time clock was ticking and he wanted to craft some proposed criteria for offering support. Another action step would be to get an inventory of potential candidates for this. Ms. Howard said staff could identify parcels and forward that list to the Committee. It might be appropriate to send a letter from the Mayor or the Council to the parcel owners explaining the process, indicating that the Town would offer support, and reminding them of the deadline.

Councilmember Toben said another action step would be identifying a team of consultants the Town could recommend. Mayor Driscoll suggested the Committee select the consultants and ask them to be on standby. Ms. Sloan said POST could probably recommend consultants.

Mr. Taylor said it was important that people not feel that the Town was interested in taking their property. Mayor Driscoll agreed and said in the offer the Town made, it needed to indicate that the Town was looking at all the property owners and had identified the top 20%, for example, so people didn't feel they had been singled out.

Mayor Driscoll asked the Open Space Acquisition Committee to take the lead on the items discussed with

Town staff support. Councilmember Toben suggested using Open Space stationary and having the letter signed by the Chair.

(10) 2007 Commissions and Committees

Mayor Driscoll noted that the Trails and Paths Committee should indicate 10 versus 9 members. After discussion, Mayor Driscoll appointed the Committee and Commission memberships for 2007 shown on the roster. By motion and second, Council unanimously concurred.

(11) 2007 Commission and Committee Council Liaisons

Referring to the liaison list, Councilmember Derwin noted that the Teen Committee met the first Tuesday of the month at 7 p.m. She said she also attended the Friends of the Library meetings, which met the last Thursday at 7:15 p.m. every other odd month. Councilmember Merk asked that the County Emergency Services Council, which met quarterly, and HEART, which met as needed, be added.

(12) Status of Town Center Project

Ms. Howard said the Town was ahead of schedule. The grinding would begin this Friday, and another letter had been sent. With no delays, it should be done in three days. The main focus was working on the bid packages for phase 2 and the new schedule and pricing. The next ADT meeting was January 30. Danna Breen would be the new ASCC representative to the ADT.

Mayor Driscoll suggested moving the mailbox to the front of the Schoolhouse while the parking lot was used for construction. Council agreed.

(13) Reports from Commission and Committee Liaisons

(a) Parks and Rec Committee

Councilmember Toben said the Committee discussed the backstop for the New Town Center. The story poles would be put up and input requested from multiple interests. Councilmember Toben and Mayor Driscoll discussed concerns over the backstop and alternatives. Mayor Driscoll suggested the story poles not be orange posts but give a feel for what the actual visual impact would be. Councilmember Toben said the Committee also discussed the fact that the playground might not be constructed for a year after the groundbreaking. This was a safety issue, and the Town needed to make it clearer why having the playground functioning was incompatible with the activity going on on the site. Mayor Driscoll noted that the contractor could not get insurance if there were children on the site. Secondly, the utility trench that brought the utilities into the buildings passed under the tot lot. He suggested the Parks and Rec Committee take the lead on moving the tot lot to another location temporarily.

(b) Trail Use Discussion Group

Councilmember Toben said the first discussion meeting had been cordial. The first hike was this Saturday on Coal Mine Trails. The second hike was February 3 on trails that permitted dogs. He said he was receiving a lot of private communication, and it was difficult for some to get past the history of this controversial issue.

(c) Regional Housing Needs

Councilmember Davis said he attended the first meeting of the policy group on regional housing, which was reasonably well attended with 2/3rds of the County's towns and cities attending. The policy group would be

looking at the methodology proposed by the technical group to distribute what was anticipated to be some 60,000 additional buildings in the County to the various municipalities. He discussed the Town's requirements during the next cycle for below market units in comparison with neighboring jurisdictions, and the Town's attempt to get information on how allocations were determined.

(d) Conservation Committee

Councilmember Merk said the Committee had an applicant to fill a vacancy and the Council would be receiving a letter soon.

(e) ASCC

Councilmember Merk said someone at the Ranch had a space under their garage and wanted to turn it into a yoga studio. There was some question whether it would be adding a bedroom, etc., and the decision was to deny the request.

(f) Planning Commission

Councilmember Derwin said she did not attend, but the Commission finished their discussion on variance findings and nonconforming provisions of the zoning ordinance. They also discussed how to move forward with the creek regulations. Ann Wengert was elected as Chair of the Planning Commission, with Leah Zaffaroni as Vice Chair.

(g) Comcast Local Edition

Mayor Driscoll said he had been asked by Comcast Local Edition to film a segment on Town issues. The majority of the 5-minute interview was on the Town Center project. It would be broadcast on CNN as a filler. He noted that Comcast Local Edition's website was www.norcalcle.com.

WRITTEN COMMUNICATIONS

(14) Town Council 1/12/07 Weekly Digest

(a) Proclamation for Lions Club

Referring to the Lions Club's request for the Town to issue a proclamation marking the observance of the Lions Club's 90th anniversary, Mayor Driscoll asked staff to forward a response indicating the Town's policy on proclamations.

(15) Town Council 1/19/07 Weekly Digest

(a) Special Council Meeting on Emergency Preparedness

Referring to his letter inviting committee members to attend the special meeting on emergency preparedness on 1/31/07, Mr. Willis said he had received around 6 RSVPs so far.

ADJOURNMENT

The meeting adjourned at 10:07 p.m.

Mayor

Town Clerk