

TOWN COUNCIL MEETING NO. 696, JUNE 14, 2006

ROLL CALL

Mayor Toben called the meeting to order at 8:01 p.m. and led the Pledge of Allegiance. Ms. Howard called the roll:

Present: Councilmembers Davis, Derwin, Driscoll and Merk, and Mayor Toben
Absent: None
Others: Town Attorney Sloan, Town Administrator Howard, Planning Manager Lambert, Planning Technician Borck, and Deputy Clerk Hanlon

ORAL COMMUNICATIONS

Bill Henderson, Brookside Drive, pvtrojanhorse.com, said the budget was the most important document the Town produced and was a statement of the Town's values and policy. He said the Finance Committee looked at it for 45 minutes or an hour and posed few questions. He felt the Committee needed more time to review the budget. The Committee's charge also indicated they should make recommendations with respect to appropriate reserve levels, which they had not done. He would be asking some questions during the budget discussion.

CONSENT AGENDA

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

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

- (1) Minutes of Special Town Council Meeting of May 16, 2006.
- (3) Warrant List of June 14, 2006, in the amount of \$269,880.28.
- (4) Resolution No. 2243-2006 Designating the Town's Agent to the Governor's Office of Emergency Services in order to apply for financial disaster relief, per Town Administrator's memo of 6/8/06.

REGULAR AGENDA [Note: agenda items re-ordered during meeting]

- (2) Minutes of Regular Town Council Meeting of May 24, 2006 (removed from Consent Agenda)

Councilmember Davis submitted a change to the minutes of the 5/24/06 meeting. By motion and second, the minutes were approved as amended by a vote of 4-0, with Mayor Toben abstaining.

- (8) Park and Rec Committee's Request for Preliminary Analysis of Baseball Field Overlay on Soccer Field at Corte Madera School

Mayor Toben reviewed his memo of 6/7/06 on the Corte Madera School ball field design work. He noted that Anne Campbell and Tim Hanretty were present from the School District. He said the intent of agendaing the item was to address the appropriateness of considering a contract for the design work.

Anne Campbell, superintendent, said the School District was willing to entertain the possibility of a ball field constructed at Corte Madera as part of the settlement of the lawsuit that was filed. There were, however,

several constraints. First, the soccer field at the school was there for a very specific reason in terms of the educational needs of the school. Nothing should be done that would interfere with the school's PE program and AYSO/CYSA groups. Second, the District at this point did not have any funding to put forward for construction of a baseball diamond. If an agreement was reached on the design, the funding was an issue from the District's point of view. Additionally, if a ball field was considered for that site, the people in the surrounding areas had concerns. One suggestion that had been made was to use the existing grass fields at Ormondale and Corte Madera for younger children. Temporary backstops and bases could be put in that wouldn't require changing the configuration of the existing field. That would free up space at the other baseball diamonds used for the older children who needed the larger diamond. Responding to Councilmember Davis, she said if a design was done, the School District would need to work with the Town on the next step. The District had some real reservations on whether it was actually possible to put in a baseball diamond that did not interfere with the existing soccer field. If it would be expanded out into Town land, that would require some sort of JPA between the two agencies. If it was feasible to put a baseball diamond in, she reiterated that the District was not in a position of assuming responsibility for the construction and funding.

Councilmember Driscoll said the Parks and Rec Committee was not interested in building a large baseball field there; they were only thinking about tee ball and the more junior leagues. They were only interested in what could fit on the school land without impacting the soccer field and without using Town land. The point of the design was to determine if that could be done—not how to install a deluxe baseball field there. The intent was to replace the small field at Town Center which was about to be shut down as the Town Center project moved forward. Responding to Councilmember Davis, he said from aerial photos, it looked like it might be technically possible to put a small field there; that was what the architect would be asked to figure out. He discussed the larger full sized field that used to be at the school, noting that the smaller field would be in about the same place. The architects were looking at two locations.

Councilmember Merk said the architects indicated at the ASCC meeting this week that the Town Center baseball field could remain in operation through Phase 1 of the project. Councilmember Driscoll confirmed it would not need to be shut down in two months time.

Responding to Councilmember Davis, Mayor Toben said the Little League and Parks and Rec understood that there would be no funding from the Town for the construction of this facility. The process that he discussed with Ms. Campbell—assuming the design work was approved—would be to form a subcommittee consisting of two members of the Council, two members of the School Board, and staff from the Town and District to discuss what steps should be taken—particularly with respect to interactions with the neighbors who had concerns about noise, parking, trash, etc. These were concerns of the Town and District as well in addition to the concern about the ever-rising demand for ball fields. The notion was that if this subcommittee could come up with a process, it would move forward with actions to be considered by the School Board because it was their property. At the same time, a fundraising effort would begin with private donations only. The project was on the order of \$150,000 or less. Little League and Parks and Rec understood that that money would have to be raised if the School District agreed. The only item before the Council tonight was whether it made sense to permit this preliminary analysis in order to nail down the potential for having this facility overlaid on the campus so that it did not interfere with their existing programs.

Responding to Councilmember Derwin, Councilmember Driscoll said the long-term intention was that this field would be permanent; it would replace the field that used to be there. Responding to Councilmember Derwin, he said the field would be available to the community in addition to the school.

Responding to Councilmember Merk, Ms. Campbell said there were four points in the settlement of the lawsuit: 1) the School District would continue to support the community's efforts to provide a safe baseball diamond at Corte Madera School for recreational use; 2) the District was willing to dedicate for joint use a

clearly identified portion of school property for the purpose of helping provide space for a baseball diamond; 3) the School District welcomed the opportunity to assist the Town and youth sports organizations in exploring a community effort to bring another baseball diamond to Corte Madera. From the District's point of view, it was very important that it was not stated as a School District initiative or that the School District was funding this. The last point had to do with attorneys' fees and Mr. Bowen withdrawing his lawsuit. Responding to Councilmember Merk, she said "joint use" meant the school's use and community organizations' use—either adult leagues sponsored by Parks and Rec or youth sports leagues.

Councilmember Driscoll reiterated that approval of the design work was to make sure there was a possibility of doing something. How it would be paid for, who would use it, etc., would be decided later.

Councilmember Davis said he understood the need for the field. But, he was also very sensitive to the fact that the moment the Town started spending money on the field, a stamp of approval would be transmitted before meetings were held with the neighbors. He would rather presume it could be done and go to the next step. Or, if this was going to be entirely funded by gifts, the first \$5,000 of gifts could go for the design.

Councilmember Driscoll said the intent was to give people something specific to discuss. People were talking about amplified sound, major backstops, etc., which was not what was being contemplated.

Referring to Mayor Toben's memo, Councilmember Merk said there had been two designs produced in 2003. The first design needed 6-10' of Town land to make it work. When it came back from the architect, they needed 60 feet. He did not want to see that history repeated here. Secondly, according to the memo, the Town budget included provision for up to \$10,000 for redesign work. He had not found that in the budget. Mayor Toben said it was encompassed within the general consulting budget that was approved last year. When the budget was discussed last June, he had made an explicit point of saying that the \$25,000 for miscellaneous consultants needed to contain a \$10,000 item for potential design of a Corte Madera ball field. Responding to Councilmember Merk, he said his memo indicated that the budget "included provision" for up to \$10,000, which was an unspecified non-itemized provision.

Councilmember Merk said the lawsuit was essentially between a citizen of the Town and the School District. The settlement was agreed to by a citizen of the Town and the School District. He did not understand why the Town was being drawn into something that was likely to become very complicated. He agreed there was a temporary need for the field. But, in terms of the number of Portola Valley players using the fields and the number of fields and players in other cities, he was not sure of the need. The Town might already be providing more than its share.

Councilmember Davis said he found it awkward to be investing money in another jurisdiction's property. That put great pressure on them to do things that they might or might not feel comfortable with—even before the Town went through a process to determine if it really wanted to push this. He wanted some proof that there was money there for this.

Mayor Toben said the question was whether the Town wanted to provide some threshold funds, which were modest in amount, to get this process moving and take the burden off the School District and operate as a good neighbor. The School District had helped the Town in all kinds of ways in the last 1 ½ years. There was an impending loss of the ball field—whether 6, 9 or 12 months from now—and a steadily increasing demand long-term for the fields. He was also very confident that a good working dynamic could be engendered with the neighborhood. As a preliminary step, he felt this was the right thing to do.

Councilmember Derwin said she agreed that the Town committing to \$4,000 for the design work indicated that the Council was looking at a ball field at Corte Madera School. To the neighbors, this was a big deal in terms of parking and traffic. She also would like to see some data indicating that a third ball field was needed.

Councilmember Driscoll said the Parks and Rec Committee had received reports from all the soccer and baseball users during the last couple of meetings. There was a 25-30% increase in the last couple of years. In all cases, they were making the minimum of having the majority of members being Town residents. Councilmember Merk said there were a number of players from adult teams and groups that were looking for any place where there was a field; they were not necessarily Town residents.

Councilmember Merk said he felt the user leagues should start this ball rolling. They were the ones who would benefit from the ultimate outcome. This was between the leagues and the school. Referring to Mayor Toben's memo, he said it was specious to say that the appropriation for design services was analogous to the Town Council appropriating funds for consultants to advise the Sausal Creek Advisory Committee. That Committee was addressing Sausal Creek at the Town Center on Town property. This land was not Town property and was in another legal jurisdiction. Mayor Toben said it essentially involved the whole community's recreational activity.

Mark Lockareff, Parks and Rec Committee, said the Committee had been studying this issue for the better part of two years. The neighbors had been talked to extensively. An exhaustive search of every site in the Portola Valley area that could accommodate a baseball field had been done. There was a need and the numbers showed it. There was a 10% increase in the Portola Valley adult softball league every year for the last 6 years. There were 800 kids in the Little League system of which 250-300 were in the Portola Valley school district. These numbers were projected to grow. There was also the closure of the Town Center. There was not just a temporary need for a field but also a long-term need for a simple field. On the website, there was a matrix that showed an evaluation of every site on Portola Valley land, Stanford land, and school land that could be used to create an additional field in Portola Valley. Having gone through that process, the only viable location in the next couple of years happened to be on Corta Madera School land. It was in Town, and it was available. The School was open to considering a field there. It was up to the Town to show leadership to fill the need—regardless of what land or who owned it. The Town would not build this field; funding would most likely come from private sources including Little League. But, the Town needed to grease the process and get some sort of decision made on location. The next step was for the Town to come up with a high-level plan that could be shown to the neighbors and community of what was being discussed. Until there was something specific, it was all a theoretical discussion. A year ago, the Committee was told there was \$10,000 budgeted to be used towards this endeavor to figure out where the field would be. The proposal was for \$4,000 to do a high-level set of diagrams and designs that would be detailed enough to show the community and neighbors in order to help make the decision. This field would only be on school land and would be simple. It would satisfy the short-term softball needs and longer term for younger Little League usage.

Councilmember Merk said the Park and Rec Committee's budget did not include \$10,000 for this. Mayor Toben reiterated that there had been discussion specifically about reserving funds in the 2006 budget for this precise purpose.

Jessie Schilling, Canyon, said she was appalled by the statement that this issue had been discussed at length with the neighbors. She was a neighbor and had never had a discussion. She had a great number of concerns about this issue starting with the \$4,000 proposed for feasibility studies—regardless of whether it took up the Town's open space or not. She understood the need and the School District's concerns. She said the feelings of the neighbors and the problems they faced should not be minimized. It was disingenuous to say this had been discussed with the neighbors at great length. Responding, Mr. Lockareff said there had been discussions with a group of neighbors. There was a leader among the neighbors that Parks and Rec hoped was branching out and bringing in the rest of the concerned neighbors. He thought that the group represented the broader concerns of the neighborhood. While they might not have caught everyone's concerns, they caught a lot. Perhaps the group of neighbors that met next time could be expanded to a larger group. The intent was to bring specific information to show people; without something specific, it was all theoretical. Ms. Schilling said she saw no reason why the Town should pay \$4,000 to

present it to the neighborhood.

Neil McKinnon, Parks and Rec, said the Town had taken care of the temporary needs of the library by re-locating it at the school and found classroom space for the Town Center classes. He urged that the Council evaluate the field issues. If a temporary field was not set up, there would be a lot of unhappy people. That was clearly the Town's purview. The Committee had looked at alternative locations. It was not a foregone conclusion that it would be at Corte Madera. It might not work from the standpoint of the neighbors, but it was right now the logical place to have it. There needed to be something more tangible to work with the neighbors on in terms of field layout and use guidelines.

Responding to Councilmember Derwin, Mayor Toben said creating a temporary site on the location of the demolished buildings at the Town Center was not viable according to the architects for reasons of irrigation, scheduling, phasing, etc. Additionally, the growth in the participation in girls' softball alone had been explosive in the last 5 years. The question of whether the field would become permanent was way down the road. The only issue was whether the Town should contribute something to get this started with an informed dialogue. He added that this was analogous to the Sausal Creek Committee process because consultants were being used to inform the decision-making to make it more rational.

After discussion, Councilmember Driscoll moved to approve an expenditure of \$4,000 for preliminary design work for a baseball field at Corte Madera. Mayor Toben seconded the motion.

Councilmember Davis reiterated that by putting public funds toward this, the Council was saying this should be done. While the amount was modest, his concern was that by voting for it, the Town was telling the School District that this was what the Council wanted to do. That put the District in a negative posture. This started as a private suit, and he preferred that this move forward as a private transaction where people started with the presumption that there was a great need. He wanted it to move forward and was prepared to donate some money. If those who wanted the ball field couldn't cross the \$4,000 threshold, they couldn't pass the \$150,000 threshold. The worst thing that could happen was that half or two thirds of the funds were raised, and then it came back to the Town again for the balance. There was a great advantage to having the design work funded by private donations, and he would vote "no" on the motion.

Councilmember Driscoll said if a 7-year-old played tee ball on that field, he was not playing as a student of that educational institution; he was playing tee ball as a citizen of the Town. The baseball use of that field was unrelated to the educational mission. He felt the Town should facilitate the citizens' use of a recreational resource that was available. It was not a matter of the Town helping the school provide the students with playing fields. This was a Town issue. Councilmember Davis said he wanted to meet with the neighbors and hear their discussion, watch the traffic activity, etc., before granting money. He would start with the assumption that there was a small kids lot, talk about what the utilization would be, who would use it, and go through that process early on. Councilmember Driscoll agreed but felt that some lines needed to be put on the ground so that the neighbors knew what they were reacting to, the School knew what it was getting into, and the fundraisers knew what they would be raising funds for. Someone needed to say that it would actually fit. It was a small expense. Then, he welcomed full public discussion on whether this was a good idea, side effects, possible parking restrictions, etc. It should not be a discussion about people's hypothetical worst-case scenario but an actual real world proposal.

Ms. Sloan noted that there would also have to be environmental review. One of the problems with the earlier plans was that there had been no environmental review of the proposed ball field.

Mayor Toben said going out and raising the money privately introduced new delay, and time was already drawing short. He felt it would be better to move ahead now.

Councilmember Driscoll said by the Town facilitating this process, the Town would become a mediator in

this issue. If the Council did nothing and money was privately put forward to do this, the School District and the private funders would work out their baseball field. The Town would be in the same place it was when the school was remodeled--having little or nothing to say or contribute to it. The Town citizens who were impacted by it would have to deal with the School. By getting involved at this stage in an early facilitative way, the Council would be an observer in the middle and make it a public, Town-level discussion for a public amenity.

Councilmember Merk disagreed and said that was not backed up with historical fact. Additionally, referring to the Project Fee Estimation, he asked about the difference between items H and I. Councilmember Driscoll said he too had questioned whether there was a difference between the two items.

Mayor Toben called for the question and the motion failed 2-3. Responding to Mr. Lockareff, Councilmember Driscoll said if the end result required some permits, the Town would be involved. Councilmember Merk felt the Town could get involved down the road. If it was turned around as suggested by Councilmember Davis, there might be a completely different outcome.

Councilmember Davis said the implication was that the School District would not do the right thing. That had proved not to be the case. The District had expressed willingness if two things occurred: 1) it fit in the space and didn't disrupt the soccer facility; and 2) someone else paid for it. They were donating the land and indicated they would be happy to cooperate. He wanted to get the people who would be paying for the facility directly involved. Responding, Mayor Toben said the Little League was a potential stakeholder here and much of the Little League perspective came from outside of Portola Valley. Those interests were not always congruent with the Town's. That was another reason why the Town should be more directly involved. From all that he had observed, the School District would want to work very closely with all the stakeholders—including the Town—to try to come to resolution. He felt there would be a role for the Town to play, but that role had been weakened by this action.

Mr. McKinnon said he felt very let down by this vote. It was inconsistent with the direction the Committee had been given well over a year ago in terms of how to handle this. He also felt the Council had abrogated its position of leadership with regard to a key aspect of the Town Center plan and how the fields would be taken care of.

(9) Request from Alpine West Little League for Amplified Sound at Ford Field

Ms. Howard reviewed the staff report of 6/8/06 on the request to use amplified sound at Ford Field during a Little League tournament scheduled for June 17-20.

Lawson Miller, Alpine Rd., said he could hear field activity every time the field was used. The demand had way outstripped its capacity, and parking occurred on both sides of Alpine Road. He said he would not object to a one-time use of amplified sound. He also felt that amplification on an on-going basis could be intimidating to the children. In the future, he suggested more info about the specific request be provided along with the notice of the meeting.

Andy Kirkpatrick, with Alpine West Menlo Little League, said this was a one-time request, but the Little League would probably come back next year with a similar request. He described the amplifier that would be used during the tournament. He said the National Anthem would be played, and each batter would be introduced when he came to the plate. Responding to Councilmember Driscoll, he described where the speaker would be placed. Councilmember Driscoll said the impact would be a function of where the speaker was aimed. If it was aimed back toward the field from the infield out toward right field, it would be quite objectionable. If it was in the outfield aimed back at the crowd, players and open space, it would be much more acceptable to everyone. Mr. Kirkpatrick said it would be hard to see who was at bat from 200' out. Mayor Toben suggested trying it out. Mr. Kirkpatrick said he would prefer to tone the sound down

rather than try to deal with the logistics of putting it in the outfield.

Councilmember Davis said he supported the request. This was modest usage in terms of time, etc. Hopefully, it would go well, and future requests could also be approved. Councilmember Derwin said if the neighbors didn't object, she was okay with it.

Councilmember Merk noted that the notices to neighbors were mailed on June 9 and were probably delivered on the 10th or 12th. He supported the request but had some concerns. The ordinance was intended to protect the tranquility of the Town. The Council made an exception for the Little League's opening day. This would be another exception, and he questioned when this would stop. He would feel more comfortable if the Little League would at least explore the way the speakers were aimed. It made a huge difference in terms of impact. He suggested looking into a wireless mike so that the amplifier could be set up somewhere in the outfield.

Councilmember Davis moved to accept the one-time use of amplified sound at Ford Field on June 17-20, 2006, for the Little League Tournament. Councilmember Derwin seconded, and the motion carried 5-0.

(5) Review of Proposed Policy Concerning Environmentally Preferable Purchasing

Ms. Borck reviewed her memo of 6/7/06 on the proposed Environmentally Preferable Purchasing (EPP) policy.

Councilmember Merk said he was very pleased with the policy and felt it was a wonderful idea. Referring to the policy, section 4.2, he said it was written to give the Town a lot of flexibility in terms of implementation. Referring to section 3.6.3, he suggested adding concrete to the list of permeable substitutes.

Councilmember Derwin said she enthusiastically supported the policy. She felt the Town should lead the way in environmentally conscious purchasing programs. She suggested putting the names of the products the Town used on the website so residents could use them if they wanted to. Councilmember Driscoll concurred; education was a lot of the Town's job.

Councilmember Davis said the concept and text were fine. His concern was with workload and execution. Having had a brief discussion with people in Alameda who adopted an EPP, he said the budget for the Alameda County Waste Management Authority was \$22.5 million and \$31 million next year. The individual communities involved received half a million dollars for staff work related to this activity. The normal process was to choose the low cost supplier; in this case, you could be paying a lot more. It also enlarged the amount of product information that staff would have to review; that equated to staff time. Some of the product choices needed some real skill and expertise. While he supported the concept, he was concerned about its execution with such a small staff. Many of the things the Alameda group put in place, the Town already did such as encouraging green building. Before he could fully support the policy, he wanted to know more about the execution phase and the implication in terms of increased costs.

Ms. Howard said she was very sensitive to staff time, but the staff truly believed in these policies and the work the Town was doing in terms of green building, recycling, etc. She noted that the Town had had a lot of incentive to go in this direction because of the past non-compliance order from the Waste Board. She said the policy would be implemented cautiously and slowly. Staff would start with the supplies used and would expand to other items. The last piece would probably be contract issues. This year, it would go slowly and costs would be looked at. Some of the information obtained would be implemented in the next budget. The policy would be administered by the Asst. Town Administrator, and Ms. Borck would be involved in obtaining information. Ms. Borck added that the Town would use resources like StopWaste.org for product lists, etc. It would take awhile to implement, but it would get easier as time passed.

Councilmember Merk said he did not think this year's budget needed to reflect the policy; there was no requirement to implement the policy. Simple things like choosing the right supplies was a good place to start. It would get difficult when the big projects came forward. But right now, that was already covered in terms of the Town Center project.

Mayor Toben said the policy was more aspirational than mandatory with norms to pursue and achieve over time.

After discussion, Councilmember Merk moved adoption of the EPP policy with the addition of concrete to the list of permeable substitutes in section 3.6.3. Councilmember Driscoll seconded, and the policy was adopted by a vote of 5-0.

(6) Agreement with Village Square

Ms. Lambert reviewed her memo of 6/7/06 on the lease agreement for use of Village Square space for classes during the demolition and rebuilding of the Town Center. She said Stanley Lo (owner) had agreed to a month-to-month lease if necessary after the two-year lease expired. Ms. Sloan suggested adding to paragraph #38 language similar to "At the option of the Town, the Town may extend the term of the lease on a month-to-month basis at a monthly rent equal to the preceding month's rent until the new Town Center is completed." If Mr. Lo did not agree, there might be a small increase.

Referring to the lease, paragraph #2, Councilmember Merk said the amount of interest due on the delinquent amount if the rent was not paid within 10 days after the due date was not specified. Ms. Sloan said she thought "plus interest" should be crossed out, and she would verify that with Mr. Lo. Responding to Councilmember Merk's question about utilities (paragraph #15), Councilmember Driscoll said it was his understanding that the whole site was metered, and utilities would be pro-rated among the tenants; the Town's amount was \$658.47. Ms. Sloan said she would verify that was the case with Mr. Lo. If there were no additional utility fees for the space, paragraph #15 could be removed. Referring to paragraph #33, she confirmed for Councilmember Merk that the language was standard for leases because landlords did not want to be held responsible for modification if the ADA applied. If the space was leased to a public entity and used for classrooms, then technically ADA applied. It was not unlike the position the Town was in with the current structures that did not comply with ADA. Responding to Councilmember Merk, Ms. Howard said the lease would cost the Town \$30,000; \$15,000 of that would be covered by the users. Referring to Addendum No. 1, paragraph #3, Councilmember Merk said the "no right to hold over" section should be amended because there was an option of a month-to-month continuation of the lease.

Councilmember Merk moved to approve Resolution No. 2242-2006 with amendments to the lease and authorize the Mayor to sign the lease on behalf of the Council following negotiations with Mr. Lo on those sections for which there were questions. Councilmember Driscoll seconded, and the motion carried 5-0.

(7) Review Proposed 2006/2007 Budget and Set Public Hearing

Mayor Toben thanked Ms. Howard and Ms. Nerdahl for once again delivering a very solid, fiscally prudent and well-considered budget. The Town had not suffered a fiscal crisis, which was due to the diligence and skill of the staff in managing the gyrations in revenue and, to some extent, expenditures. The budget demonstrated thoughtful estimates and assumptions. Projected expenditures and revenues tracked with remarkable congruence budgeted expenditures and revenues. He felt the Town was very well served by the staff.

Ms. Howard presented the 2006-2007 Town budget. She reviewed: 1) her memo dated 6/8/06 on the calculation of revenue from property taxes and the UUT; and 2) the budget's introductory memo dated 6/8/06 on revenue and expenditure highlights.

Councilmember Davis said the County felt their calculations for property tax revenues were correct; it did not look quite as good for the Town as originally thought. Additionally, the windfall from the UUT had not occurred although there was a slight increase. It also appeared that the Town would be losing \$50,000 from the telephone portion of the UUT due to the Verizon lawsuit. Those revenue streams that the Council hoped could allow for the reduction in the UUT were looking rather bleak; one could argue for no change in the UUT. He said Ms. Howard had built in a 30% reduction in the Town's portion of the UUT beginning in January '07. He said the Finance Committee members studied the budget and were reasonably content with what they saw. There were some concerns about the Sheriff's substantial increase. He noted that previous attempts at finding alternate law enforcement services had not been successful. He said the Finance Committee felt that the presentation of the budget was such that people could quickly grasp what was happening; that served the Committee and the Council well.

Referring to the budget memo, attachment #2, Ms. Howard confirmed for Councilmember Merk that the Portola Valley Ranch maintenance district was similar to the Wayside and Woodside Highlands maintenance districts. She did not think any money had been spent. Revenues could be used for common land such as the area around the Ranch house/gate.

Ms. Howard and Ms. Nerdahl answered questions: 1) the \$23,617 listed for revenue from the Town Center Facilities (p. 1), was broken out on page 24; 2) the \$283,203 listed for Revenue (Exp-CIP) (p. 1) represented money in restricted funds (e.g., open space, road fees) that would not be spent during the year; 3) the general fund absorbed all the interest for the fund including restricted fund revenue (p. 2); 4) the pooled State gas tax (p. 8) was reallocated based on a formula used by the State that was based on population; 5) an increase to \$24,000 in Fines and Forfeitures (p. 15) was proposed because of the anticipated increase in the amount of traffic and parking citations; 6) the revenue and expenses for Blues and BBQ were funneled through the general fund (p. 17); at the end of the year, the donation was made to Open Space; Blues and BBQ was not considered part of Open Space revenues (p. 15); 7) for Long-term Field Use (p. 17), staff assumed that the field would not be available for next season due to Town Center construction; 8) the big bump in Construction Traffic Road Fees (p. 19) for 2005/06 and several other fees was due to the Priory and Sequoias large projects; 9) the \$1,279,416 proposed for 2006/07 for Secured Property Taxes (p. 22) assumed that the County would prevail with respect to ERAF; 10) the \$2,592 shown for Art Studio Leases (p. 24) was for the first month of the fiscal year; *[tape inaudible]* 11) the proposed \$275,000 for Interest from reserves invested in the State Local Agency Investment Fund (p. 26) was based on a 5% rate; 12) FYE07 (p. 29) referred to fiscal year ending 2007; 13) the Town Planner forwarded a memo yesterday indicating he would be asking for an increase in retainers which would change those figures (p. 36 and 37); 14) Emergency Preparedness was proposed at \$22,400 because the Committee requested \$8,000 in training classes for the staff and Council, \$1,700 for the microwave line, \$1,200 in communication equipment, \$10,000 in emergency supplies for the containers, and \$1,000 to provide some supplies and food for the Town staff during an emergency; 15) Mr. Young would be made aware of any inaccuracies in the GIS maps; 16) the budget for Waste Management Consultant (p. 41) included the annual report to CIWMB that indicated how much of the waste stream was being diverted; 17) the jump in Parks and Field Maintenance for 2004/05 (p. 45) was due to the new playground; the \$67,000 included renovations at both fields; 18) the maintenance for the Priory electronic crosswalk came out of the Public Road Surface & Drainage Maintenance (p. 47); 19) the Town would be reimbursed \$39,000 by OES for non-disaster related storm damage (p. 47); 20) the Town was required to do the maintenance of the Alpine Road revegetation (p. 47); monitoring would take place once the plants took hold.

With respect to the increase in the Sheriff's contract, Ms. Howard said a representative would make a presentation at the next meeting. She said the cost of the retirement plan and an enormously large group of people that would be going out of the system in the next couple of years were key factors. They also included things in the contract this year like dispatch.

Responding to Councilmember Merk, Ms. Howard said the NPDES and CLEEP programs (p. 49) were no

longer funded; related work would come out of the public works budget. Councilmember Merk said the monthly Town Hall updates to residents (p. 51) had been discussed but he did not think that any decision had been made. He questioned whether it was in the Town's economic and informational interest to send people something every month. People already got so much junk in their mailbox. Councilmember Driscoll said the Town would be undergoing some fairly significant decisions during the next year, and he felt a regular notification was appropriate. Ms. Howard said the updates would go out on card stock and highlight what was coming up, refer people to specific things on the website, etc. Some samples would be brought to the Council. This budget included two newsletters, six TCOC notices, plus a monthly Town Hall update. Responding to Councilmember Merk, she said the increase in Office Equipment (p. 51) was for an evaluation and probable update of the 7-year old computer and network system. Responding to Councilmember Merk, she said the dues for the building inspector (p. 53) were about \$500. She said another recruitment would be done, but it was a very tough market. The present consultant was doing a good job, and it was financially pretty much of a wash. But, they were not part of the staff/team. Councilmember Merk said he had heard some complaints from contractors that the inspector services were not available on Fridays, which could be a hardship. His experience with two of the inspectors had been good, but they did not know the Town, do follow-up of ASCC requirements, etc. Councilmember Driscoll said the current inspector was being relatively consistently used within the Town and was getting to know the issues.

On the fire prevention/wood chipping program (p. 53), Councilmember Merk said the Fire Department didn't take the chips. At some point, the shoulders of the roads would be covered with chips which would clog the drains during the rain. That needed to be discussed with the Fire Department. Councilmember Driscoll said the citizens should bring the chips back on the property. He felt it was a good program and suggested discussing it with the Fire Department when it was time to do the next chipping.

Referring to the storm drain program (p. 57), Councilmember Merk said nothing had been done in 2005-2006. He recalled that the five culverts identified for replacement had rusting out. Ms. Howard said Mr. Young had lined the culverts rather than replace them; the money came out of the regular drainage budget. Responding to Councilmember Merk, she said TBI was listed in the budget because they had done the work of the Town Center Construction Manager (p. 57) in 2005/06.

With respect to the digitization of planning documents (p. 59), Ms. Howard said the Town was at the beginning of this process and the proposed figure was a rough estimate. If the Town was serious about doing this before the documents had to be moved a second time, it would need to begin this fiscal year. The estimate came from Ms. Lambert who had spoken with the consultant who performed the service for Woodside. The estimate covered 200 boxes which was the entire planning/building inventory. Responding to Councilmember Merk, she said the items on page 59 of the budget were part of the capital improvement budget. Normally, the equipment portion was modest. A summary of the capital improvement program was shown on page 30. While listed as equipment on pages 30 and 59, it was more of a service contract. Responding to Councilmember Merk, she said she would investigate why the % change formula (p. 30) did not provide a figure. Ms. Howard said the \$157,000 total on page 59 was shown on the summary on page 30 under 2006/07 budget as Capital Improvement Program – Equipment.

Ms. Howard confirmed for Bill Henderson that \$1,030,000 would be transferred out of reserves to pay for Town Center expenses when they came in during this fiscal year. Mr. Henderson questioned why the privately raised funds wouldn't be used for Town Center expenses. Ms. Howard said the money being raised for the project was for the actual construction of the buildings. Some of the infrastructure and demolition would be paid for by the Town. She confirmed that that had been a Council decision. Mr. Henderson said the Town's reserves, which were for important matters that might come upon the Town, were being reduced by \$1.03 million. That put the Town in a danger zone. Councilmember Driscoll pointed out that \$1 million in unexpected revenue had come in. Mayor Toben noted that the reserves were being replenished through other mechanisms. For several years, those reserves were appropriately directed to

solve a serious problem the Town had with the Town Center. The reserves were created to permit that. This was consistent with the long-term plan to lower expenditures if necessary to prepare the way for the buildings which would be funded privately. Mr. Henderson reiterated that it was his understanding that the reserves were for emergencies or a rainy day. Responding to Mr. Henderson, Ms. Howard said the estimated balance of all of the Town's money at the end of the fiscal year would be \$7.488 million. Of that, \$2.560 million was in the Town Center project reserve. The budget called for \$1.03 million of that to be spent this year which would leave a balance of \$1.5 million in that particular reserve; the total Town reserves would be \$6.7 million at the end of FY 2006/07. Mayor Toben suggested Mr. Henderson come to Town Hall for a meeting during which he [Toben] and Ms. Howard would clarify some of the history of how the reserve funds were designated. Mr. Henderson said there were a lot of questions in the community about how the numbers got to be what they are. He thought the budget hearings were a good time to discuss this.

Council thanked staff for their work on the budget. The public hearing on the budget was set for 6/28/06.

COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS [Note: agenda items re-ordered during meeting]

(10) Debriefing on May 31, 2006, Emergency Response Training

Referring to his e-mail to Marianne Plunder of 6/3/06 on the May 31, 2006, Emergency Response Training, Mayor Toben asked for feedback from the Council. He noted that Ms. Plunder had suggested quarterly training; he recommended semi-annual training. Additionally, on off-quarters, he suggested periodic review of the contents of the binder.

Councilmember Driscoll noted that there had been some problems with the notification of the training. Councilmember Merk said there was no notice of the meeting, and he had the time wrong.

Councilmember Davis said he found the training very useful. It was helpful to realize how much he didn't know. He strongly agreed with the suggestion to have a future training session at the Priory. He did not know where the emergency supplies were located around Town. He also liked the suggestion to use any fifth Wednesday in a month for training. During the exercise, he thought the phone messaging needed to be improved.

Councilmember Merk said there were 5-6 disaster binders where the letterboxes were but only one at the Schoolhouse. No matter how much you studied, you wouldn't know all the rules, which were numerous, and only rarely used in practice for familiarity. Mayor Toben noted that the response changed whether you were at zero hour, one hour, six hours, seventy-two hours, etc. The binder addressed all of those timed events.

Councilmember Merk said the biggest error made collectively was not to stop at the beginning and assess the situation with each person giving a brief report. Each section was operating without any understanding of what the overall situation was. His scenario told him that the electricity was off at his house, but he didn't know how widespread it was. Councilmember Davis said all kinds of things had been missed. He went back and looked at the messages; 97 homes had been wiped out. Councilmember Merk said it had been an excellent exercise regardless of whether things were done right or wrong. You learned from the mistakes.

Councilmember Derwin said Mayor Toben's write-up was excellent. Referring to item #6, she said how good the CERPP divisions were was very important. Very quickly, all of the fire department had been tied up with houses burning. They wanted the CERPP people sent out. Councilmember Merk said in some areas CERPP was in really good shape and in other areas there was nothing. Councilmember Driscoll said

it depended on how well the neighborhood was organized. The Ranch was very well organized because there was a very strong homeowners' association.

Responding to Mayor Toben, Councilmember Merk questioned whether a semi-annual exercise was enough. He thought a training session on each of the four fifth Wednesdays was appropriate—especially until everyone was up to speed. Councilmember Davis agreed and said the number of trainings could be reduced later. Mayor Toben said the next events would be on the fifth Wednesday of August and November. Councilmember Merk suggested the Town send a written thank you to John Carnes who did a lot of work. Councilmembers agreed.

(11) Status of Town Center Project

Ms. Howard said the architects continued to meet with various user groups. Staff was also working on the packets for the initial phasing of phase 1.

Councilmember Driscoll said the architects had been given different directions from the ASCC and Trails Committee about the location of the fence and trail in front of the church. Councilmember Merk noted that the ASCC had also objected to the retaining wall, which was substantially bigger than originally discussed at the ADT level. Councilmember Driscoll said after mediating with all sides, what was now proposed was a 2' high retaining wall that didn't require substantial foundation. The church preferred the fence was between the trail and the road. They also wanted the berm to be longer so that cars turning from the Schoolhouse or turning into the property would not shine headlights into their property. The architects were redrawing the plans. The church also delegated to their representative on the ADT the right to approve the plans on behalf of the vestry.

Councilmember Driscoll said he and Ms. Lambert had been working very hard to get the activities housed in alternate spaces. The one still in limbo was Nancy Lund's historic archives. Bill Lane's office was very small and would not allow easy access to the various file cabinets. Ms. Lund wanted to continue her work during this process and would like a table as well as all of the storage. Some of the material was fragile and a storage locker was not a good idea. One option was to use one of the corner rooms in the Schoolhouse; Ms. Lund could do her work in the Schoolhouse. He felt what was in the two rooms could probably be consolidated into one.

(12) Reports from Commission and Committee Liaisons

(a) Trails Committee

Councilmember Driscoll said the Trails Committee discussed the minority report on the dogs on trails issue; the majority report had been received at the last meeting. Most of the members didn't agree with the statements being made in the minority report and didn't want to approve it. He had suggested they approve the report in so far as it reflected the positions taken on the pros and cons presented and not whether they agreed with the statements. All reports would be provided to the Council. They also discussed improving the signage at Willowbrook and Alpine with a map and color coding showing which trails allowed dogs, etc.

(b) Planning Commission

Councilmember Derwin was the Planning Commission approved a site development permit for a property on Mapache and held a preliminary review of a re-subdivision of lots 14 and 15 in Blue Oaks.

(c) Library

Councilmember Derwin said the library JPA reviewed the budget of \$24 million, which was an increase of

almost \$2 million. The same officers were re-elected. They were kicking off a new program called "One book – one community," which she described. She said tutoring and homework programs had also been discussed, and she would be speaking with the Town library staff to find out what the Town offered. She said she had attended a Friends of the Library meeting briefly. They would not start their fundraising until after the Town Center's public fundraising phase was over.

(d) Teen Committee

Councilmember Derwin said the Committee was still trying to find a venue for their end of summer dance. A full moon walk up Windy Hill was set for 8/9/06, and they were trying to get a docent from MIDPEN. They were setting a date for the ski trip next year and were reviewing the Committee Charter.

[Tape change – missing dialogue]

(f) Sausal Creek Advisory Committee

Mayor Toben said the participation on the Committee had been outstanding, and the staff work had been excellent. The Committee would be holding what might be its final meeting tomorrow night.

(g) ASCC

Councilmember Merk said the ASCC had reviewed the Phase 1 plans for the Town Center for consistency. The plans showed lighting on the entrance sign on Portola Road. He recalled that the Council had decided not to have lighting on the signs. Councilmember Driscoll said it had been discussed by the ADT. The problem was that the church sign was lit, and the Town would be sharing the signage. The plan was to put power out there, but the lights would be off unless someone consciously turned them on. Councilmember Merk said the ASCC also reviewed the building permit plans for consistency for the Priory. It was very complex, but the ASCC found that the work the Priory was doing was consistent with what was permitted. He added that some of the applications that came in as a remodel turned out to be a teardown because of the condition of the structure. All of a sudden, it was a different project than what the ASCC approved, and the ASCC would be working on a solution.

(h) Community Events Committee

Councilmember Merk said the Committee did not have a quorum at the last meeting. There was a presentation from the Town Center PVCF about using Blues and BBQ as a kickoff for the public portion of the fundraising. The three members of the Committee who were present were not particularly receptive. They were very concerned about bringing anything in that might be controversial into an event that had the complete support of the Town. He had suggested that there be a display and someone available to answer questions in the Schoolhouse about the Town Center project. The three members present were comfortable with that as long as it was separated from Blues and BBQ; the Committee would be discussing it further. He said the Committee also wanted to amend their charter to make it easier to have a quorum, but staff couldn't locate the charter. Ms. Hanlon said Marianne Plunder drafted a charter at the time the Blues and BBQ event and the picnic were shifted from the Parks and Rec Committee to Community Events, but it was never adopted.

WRITTEN COMMUNICATIONS

(13) Town Council 5/26/06 Weekly Digest

(a) Bike/Walk to School Day

Referring to Shelly Sweeney's memo on the bike/walk to school day, Councilmember Merk said items #2 and #3 should be considered, and he suggested looking at some of the trails around Ormondale School. More bicycle use should be allowed and promoted. Councilmember Driscoll noted that the Trails Committee had addressed the trail at the Priory entrance. Mr. Young would be working with the Priory on putting some lines on the pavement showing where the trail was. Mayor Toben noted that Lynne Davis had done some work on school destination trails. He agreed it would be helpful to look at opening up some more of the trails for kids on bicycles. Councilmember Driscoll said he would bring the suggestion to the Trails Committee.

(b) Crime Activity Report

Referring to the report for the first quarter, Mayor Toben asked for a year-to-year comparison to see whether crime was up or down. Councilmember Merk pointed out an incident that took place in Woodside as opposed to Portola Valley. Ms. Sloan and Councilmember Merk discussed several of the incidents in the report.

(14) Town Council 6/2/06 Weekly Digest

(a) Pension Reform

Councilmember Merk asked that a complete copy of the League of California Cities report on Pension Reform dated March 1, 2005, be included in the next meeting's digest.

(15) Town Council 6/9/06 Weekly Digest

(a) Creek Erosion Concerns

Councilmember Merk referred to Ken Barker's letter of 5/3/06 about creek erosion concerns and asked if there were any erosion problems for privately owned creekside properties and road and bridge installations. Ms. Howard said this contractor was the only person to report any erosion problems. The staff continually informed him that the Town would be more than happy to assist residents with erosion problems. Mayor Toben noted that he had responded to Mr. Barker in a letter dated 6/5/06.

(b) Portola Valley Post Office

Referring to Ms. Lambert's memo of 6/7/06, Ms. Howard said staff had made numerous calls to the USPS trying to get them to inspect the prospective sites and move the process along. After discussion, Councilmember Derwin said she would follow-up with Rep. Anna Eshoo's office.

(c) Jacobson v. Portola Valley

Referring to Dan Siegel's memo of 6/8/06 on the lawsuit, Ms. Sloan said the Town prevailed. She discussed the case and court order. She said she was uncertain if there would be an appeal.

(d) Sand Hill Hotel and Office Development

Councilmember Merk referred to Town Planner Mader's letters of 6/1/06 and 6/6/06 on the Sand Hill Road hotel and office development project. He said he was concerned about the term "native/drought-tolerant species" and questioned what it meant and whether it was acceptable for the scenic corridor. Referring to the letter to the Mayor of Menlo Park, item #2, he said the Town could not be assured of anything without knowing what "native/drought-tolerant" meant. In #4, he said there was no indication of the Town's position and whether the EIR should have looked at a 90% or 75% plan that might be economically feasible for

Stanford and Menlo Park. Additionally, the issue of uplights had not been significantly addressed. After discussion, Council asked Councilmember Merk to contact the Town Planner for clarification. Ms. Howard said she would notify the Town Planner that he was authorized to attend the public hearing on the project on behalf of the Town.

CLOSED SESSION

- (16) Conference with Legal Counsel – Anticipated Litigation
Government Code § 54956.9(c)
Possible Initiation of Litigation: two cases

REPORT OUT OF CLOSED SESSION: None to Report.

ADJOURNMENT

The meeting adjourned at 12:10 a.m.

Mayor

Town Clerk