

TOWN COUNCIL MEETING NO. 817, JULY 13, 2011

Mayor Driscoll called the meeting to order at 7:32 p.m. and led the Pledge of Allegiance. Ms. Howard called the roll.

Present: Councilmembers John Richards, Steve Toben and (by teleconference) Ann Wengert; Vice Mayor Maryann Derwin; Mayor Ted Driscoll

Absent: None

Others: Angela Howard, Town Manager
Janet McDougall, Assistant Town Manager
Sharon Hanlon, Town Clerk
Stacie Nerdahl, Administrative Services Officer
Sandy Sloan, Town Attorney
Tom Vlastic, Town Planner

ORAL COMMUNICATIONS

Councilmember Toben, noting that election season opens next week, indicated that he's decided against running for a third term.

- (1) Presentation – Recognition of 10-year Anniversary of Sharon Hanlon, Town Clerk

Ms. Howard said that Ms. Hanlon, who started working for the Town in July 2001, came with no municipal experience but what Ms. Howard identified as a real desire to learn and grow. She immediately set out to create order out of chaos, and has adapted enthusiastically as her role and responsibilities have evolved and expanded. Adept at multi-tasking, Ms. Hanlon has organized all of the Town's original resolutions and ordinances, serves as the contact for all commissions and committees, distributes agendas and minutes, manages elections, and was a driving force in helping the Town go paperless.

Filling the town clerk functions herself at the time, Ms. Howard said that Ms. Hanlon was the first to fill the position when the Town Council created a Deputy Town Clerk classification in 2006, and moved up to Assistant Town Clerk, learning and growing on the job as well as from the Institute of Municipal Clerks, from which she earned a Certified Municipal Clerk designation. She advanced to official Town Clerk status when the Town Council created that position in 2008.

Mayor Driscoll added that it has been a real pleasure working with Ms. Hanlon, and that he appreciates her sense of humor. Vice Mayor Derwin said that Ms. Hanlon is so "on top" of things that she's on the other side waiting; when she calls with a question, she said, Ms. Hanlon almost always gets back to her with an answer within 15 minutes.

Ms. Hanlon said that she not only enjoys the work she does, but also appreciates working with such dedicated and talented people and knowing the thoughtful and deliberate consideration that goes into each Town Council members decision. She said that she holds dear the beauty of Portola Valley and appreciates the one on one conversation and friendships made with its residents.

CONSENT AGENDA

- (2) Approval of Minutes of Regular Town Council Meeting of June 8, 2011 [*removed from Consent Agenda*]
- (3) Approval of Minutes of Special Town Council Meeting of June 29, 2011

- (4) Ratification of Warrant List of June 22, 2011 in the amount of \$234,930
- (5) Ratification of Warrant List of July 13, 2011 in the amount of \$387,854.77
- (6) Recommendation by Administrative Services Officer – Annual Adoption of the Town’s Investment Policy
 - (a) Adoption of a Resolution of the Town of Portola Valley Adopting Town Investment Policy (Resolution No. 2527-2011)
- (7) Recommendation by Administrative Services Officer – Adoption of the 2011-2012 Appropriations Limit
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Determining and Establishing the Appropriations Limit for 2011-2012 (Resolution No. 2528-2011)
- (8) Recommendation by Assistant Town Manager – Adoption of Ordinance Regulating Commercial Activity on Town Center Property
 - (a) Second Reading of Title, Waive Further Reading, and Adopt an Ordinance Adding Chapter 12.10 [Commercial Use of Town Outdoor Recreational Facilities] to Title 12 [Streets, Trails and Public Places] of the Portola Valley Municipal Code (Ordinance No. 2011-392)

By motion of Councilmember Toben, seconded by Councilmember Richards, Items 3 through 8 on the Consent Agenda were approved with the following roll call vote:

Aye: Councilmembers Richards, Toben and Wengert, Vice Mayor Derwin, Mayor Driscoll

No: None

REGULAR AGENDA

- (2) Approval of Minutes of Regular Town Council Meeting of June 8, 2011

Councilmember Toben moved to approve minutes of the Regular Town Council Meeting of June 8, 2011 as amended. Seconded by Vice Mayor Derwin, the motion passed 5-0.

Mayor Driscoll proposed taking Items 13 and 12 next so that Mr. Vlasic could leave the meeting as early as possible. The Council concurred.

- (13) Recommendation by Town Manager – Approval of the 2011-2012 Planning Program [7:45 p.m.]

Councilmember Toben requested elaboration on the proposed Portola Road Study Plan, for which \$40,000 is budgeted. Mr. Vlasic replied that this plan seeks to establish and clarify policy direction regarding the character of the Portola Road corridor and associated setbacks, because differences of opinion have emerged in terms of some of the properties that have come in for review.

Vice Mayor Derwin asked for more information about the proposed Housing Element Implementation, the other \$40,000 item in the 2011-2012 budget. Mr. Vlasic said this involves the continuing work needed to implement the Housing Element, including completion of the second-units manual and resolution of the below-market-rate (BMR) unit’s issue, either onsite at Blue Oaks or in an alternative location.

In response to Vice Mayor Derwin's inquiry about the handbook for administration of the zoning ordinance, Mr. Vlasic said that effort, for which \$7,000 is budgeted, will clarify and consolidate interpretations that have evolved to administer the zoning code.

Ms. Howard said that the Town Council had approved adding \$12,500 for Wireless Task Force work to the 2010-2011 budget – which was originally at \$180,000, the same as for 2011-2012. The 2010-2011 budget, then, totaled \$192,500, and she said it will come in about \$11,000 less.

Councilmember Toben moved to adopt the 2011-2012 Planning Program as proposed in Ms. Howard's memorandum of July 13, 2011. Seconded by Councilmember Richards, the motion passed 5-0.

- (12) Recommendation by Assistant Town Manager – Amendment to Consultant Service Agreement Between the Town of Portola Valley and Spangle Associates for Planning Services [7:50 p.m.]

Ms. Howard explained that the only change in the agreement would be a 2.8% increase in fees, equal to the increase in the Consumer Price Index (CPI) for 2010. In response to Vice Mayor Derwin, Ms. Howard indicated that the Town also used the CPI to increase Spangle's fees last year and confirmed that Spangle's retainer/fixed fees for Town Council, Planning Commission and Architectural and Site Control Commission (ASCC) services apply regardless of whether any meetings are canceled.

Mr. Vlasic indicated that it was unusual last year for eight Planning Commission meetings to be canceled – primarily for lack of quorums – but the volume of work on a day-to-day basis continues for both the Planning Commission and ASCC whether scheduled meetings occur or not.

Councilmember Toben moved to approve the first amendment to the consultant service agreement with Spangle Associates as proposed in Assistant Town Manager Janet McDougall's memorandum of June 22, 2011. Seconded by Vice Mayor Derwin, the motion passed 5-0.

- (9) Recommendation by Administrative Services Officer – Adoption of a General Fund Minimum Fund Balance Policy (Reserves Policy) for the Town [7:52 p.m.]

Given Portola Valley's vulnerability to earthquakes, landslides and wildfires, and the fact that it's a small town, Councilmember Toben raised the question as to whether a 50% reserve is sufficient. Another issue, he added, is that lacking a policy about reserves with a rationale to back it up would weaken the Town's position with the voters when they consider the Utility User's Tax (UUT) every four years.

Mayor Driscoll said the only precedent that comes to mind is the Alpine Road washout in about 1997-1998. Although it cost \$11 million to repair, at the time Alpine Road remained on the Federal Highways Map, so the U.S. government covered most of it. At that time, too, he recalled that the Town's reserves equaled 100%. Mayor Driscoll said that it's difficult to plan for such a major earthquake that would demolish recently built structures, and also noted that aid also would come from FEMA (Federal Emergency Management Agency) in such a situation.

Councilmember Richards, citing a 30% reserve figure from the Grand Jury Report ("Running on Empty," June 27, 2011), said that he had thought 50% was a good increase over that recommendation. He said that he agrees it would be nice to have 100%, but limited ability to draw from the General Fund could hamstring the Town from undertaking some projects.

In some of those cases, Mayor Driscoll noted, the funds could be included with capital expenditures.

Ms. Howard pointed out that in the event of an emergency that calls for rebuilding, the Town would have to wait for reimbursement, because FEMA does not issue funds in advance. At the time of the Alpine Road collapse, she said, the Town had \$2 million in reserves, and took out a \$3 million short-term bridge loan. With the work costing more than \$10 million, she said, at times it was difficult to meet payroll and

pay vendors. Thus, she said, \$2 million wasn't enough – but, she added, it may be impossible to ever create a reserve fund big enough to deal with a major disaster.

Ms. Howard also pointed out that to increase the General Fund reserves will take increases in revenues, which may be somewhat easier to come by as the economy improves. She said that a 60% target would mean reserves of about \$2.7 million.

Councilmember Toben suggested that the policy could be crafted to be aspirational. It need not require setting aside a certain amount of money each year. It could call for achieving a 60% reserves level within a period of 10 years. Mayor Driscoll said that another option would be to set the reserves at 50% initially, and then add 1% annually for a period of 10 years.

Councilmember Wengert said that it's always a good idea to maximize reserves, so she concurs with a longer-term strategy to work toward the higher target.

Ms. Howard said that future annual audits will include footnotes relating to the status of the reserves in terms of whatever policy is established. She suggested deferring the vote on this item so that the policy statement can be redrafted with the 50% initial requirement, growing incrementally to 60% within 10 years. Councilmembers concurred. The revised draft will be on the Council's July 27, 2011 meeting agenda.

(10) Recommendation by Administrative Services Officer – First Amendment to Agreement to provide Information Technology Services and Support to Town Hall

(a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Approving and Authorizing Execution of First Amendment to Agreement between the Town of Portola Valley and the City of Redwood City (Resolution No. 2529-2011)

Ms. Nerdahl said that the Redwood City IT team has been excellent, and the representative is very good about helping the Town save money. Ms. Howard indicated that they're also very proactive.

Mayor Driscoll expressed concern that Redwood City employees may be reading information that is internal to Portola Valley. Ms. Nerdahl said that although the IT people require a certain level of access to do the job, the representative has indicated no interest in that information; his concern is about keeping computers operating. She said she doesn't know if the contract contains any confidentiality clauses.

In theory, Councilmember Toben said, all of Portola Valley's attorney-client privileged material is available for the contracted workers' perusal. Thus, he considers a confidentiality clause important.

Vice Mayor Derwin pointed out that Redwood City's IT operation also contracts with other municipalities.

Ms. Nerdahl suggested approving the recommendation now so that the contract will be current, and then update it again after investigating what other communities do to protect confidential information.

Councilmember Richards moved to approve the first amendment to the agreement between the Town of Portola Valley and the City of Redwood City for IT services as recommended in Ms. Nerdahl's memorandum of July 13, 2011. Seconded by Councilmember Toben, the motion passed 5-0.

(11) Recommendation by Administrative Services Officer and Town Clerk – Approval of Town Manager Recruitment Schedule and Request for Proposals (RFP) for Town Manager Executive Search Services

Ms. Nerdahl explained that since Ms. Howard has announced her plans to retire in April 2012, it's time to begin the process of getting an executive search underway for a successor, and the first step will involve

issuing a RFP. Accordingly, she and Ms. Hanlon drafted a proposal as well as a recruitment schedule for the process. She said that they want a Town Council subcommittee to work with staff in reviewing and interviewing candidates and selecting a successor.

Mayor Driscoll and Councilmember Richards said that they are willing to serve on the subcommittee.

Councilmember Toben commented that the RFP and the schedule are well-done.

Mayor Driscoll questioned whether the scheduled two-week window is long enough between Town Council approval of an agreement with the selected executive search firm (August 24, 2011) and approval of the firm's proposed recruitment announcement and materials (September 14, 2011). Ms. Nerdahl said that she considers two weeks sufficient, as did Ms. Howard. Ms. Hanlon added that the process will be handled electronically as well, which will save time.

Councilmember Wengert asked about the period between announcing the candidate selected (at the March 14, 2012 Town Council meeting) and the new Town Manager's start date. Ms. Howard said that because negotiation of the employment agreement is scheduled for February 2012, the intervening time is actually closer to two months than one.

Councilmember Toben moved to approve the RFP and recruitment schedule proposed in Ms. Nerdahl's and Ms. Hanlon's memorandum of July 13, 2011. Seconded by Vice Mayor Derwin, the motion passed 5-0.

Councilmember Wengert excused herself from the meeting.

COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

(14) Reports from Commission and Committee Liaisons

(a) Trails and Paths Committee

Mayor Driscoll noted that the Trails and Paths Committee spent much of its meeting considering the nature trail in the Dengler Preserve. Although members agreed on the idea of the nature trail, fundamental issues concerning signage, difficult access on a privately maintained street and lack of parking prevented them from making a recommendation regarding that location.

Mayor Driscoll told the Council that even Craig Taylor, Open Space Acquisition Advisory Committee member and one of the original proponents of a nature trail, raised questions about it. He said that he also understands that the Conservation Committee likes the idea, too, but opinions differ as to whether the Dengler Preserve is the place for it.

(b) (C/CAG) City/County Association of Governments

Vice Mayor Derwin said that Will Travis, Executive Director of BCDC, the San Francisco Bay Conservation and Development Commission, spoke at the C/CAG meeting on June 9, 2011. He said that considerable controversy remains over the Bay Plan Amendment, and that BCDC is not attempting to take away local buildable land but merely to plan for the rising sea level within the context of global climate change.

(b) Sustainability Committee

Vice Mayor Derwin reported that the Sustainability Committee met on June 13, 2011, and announced that the Acterra High Energy Home program is now active on Acterra's website. The Committee's PG&E contractor workshop was a success, with approximately 50 enthusiastic contractors in attendance. The

Committee is lining up speakers for Energy Upgrade Portola Valley and working on a profile postcard initiative to feature homeowners who have completed energy upgrades and to publicize the program.

Councilmember Toben said that he likes the idea of the personalized approach.

(c) Council of Cities

The Council of Cities held elections at its June 24, 2011 meeting, Vice Mayor Derwin reported. She said that new Redwood City Councilmember Jeff Gee won the seat on the San Mateo County Transit District (SamTrans) Board of Directors, and also competed for a contested seat on the Caltrain Joint Powers Board (JPB) with Burlingame Councilmember Jerry Deal, who won that election.

(d) Teen Committee

At its June 30, 2011 meeting, Vice Mayor Derwin said, the Teen Committee discussed its Sharing the Bounty project, which includes working on the garden at Corte Madera Elementary School, and its upcoming dance. Vice Mayor Derwin also reported that the Committee is moving forward with the Bill and Jean Lane Civic Involvement Project, their interest piqued by the realization that involvement might help with their college applications.

(e) Cultural Arts Committee

Vice Mayor Derwin said that the Cultural Arts Committee discussed its budget at the last meeting. Ms. Howard said members also talked about buying materials to help advertise and promote their music events, which include a concert scheduled for July 21, 2011.

(f) San Mateo County Emergency Services Council

Councilmember Richards attended the San Mateo County Office of Emergency Services (OES) meeting on June 16, 2011. He reported that:

- Web-based Emergency Operations Center (EOC) classes are coming soon
- Held at the San Mateo County Event Center on June 11, 2011, the County's Annual Disaster Preparedness Day drew good attendance
- The Belmont Fire Department will run the County's Hazmat team on a provisional basis, to be reviewed in three months and alternatives considered, and
- The American Red Cross has a launch date of June 23, 2011 for its Ready Neighborhoods Program in East Palo Alto.

(g) Architectural and Site Control Commission (ASCC)

Councilmember Richards reported that the ASCC gave conditional approval for design of a remodel on Golden Hills Drive, and discussed several issues relating to the Shorenstein Planned Unit Development (PUD), including a vegetation management plan and the extent to which nonconforming vegetation and fencing should be removed. He also said that the Conservation Committee has requested earlier notification about ASCC projects.

(h) Parks and Recreation Committee

Councilmember Toben reported that the main discussion at the Parks and Recreation Committee meeting last month centered on recovering income for field maintenance. He explained that a year or so ago, an

approach was adopted that raised fees for leagues that use the fields, that Ms. McDougall has assembled a report that details monthly costs of everything involved in field maintenance, and that as a result, staff has reduced field maintenance expenses significantly. Ms. McDougall confirmed that now more than 50% of the outlay is recovered via league fees. Councilmember Toben commended both Ms. McDougall and Recreational Facilities Coordinator Tony Macias for their efforts to demonstrate such conscientiousness to the community.

(i) Emergency Preparedness Committee

Ham radio operators met under the auspices of the Emergency Preparedness Committee at Town Hall in early June 2011, Councilmember Toben reported, with a lot of interesting conversation about activating the ham radio community in the aftermath of a disaster. One idea was to pursue the potential of the Town acquiring a low-power FM transmitter, perhaps about 20 watts. Because the FCC apparently is no longer active in licensing low-power facilities, the EPC might contact Representative Anna Eshoo for assistance.

Councilmember Toben expressed appreciation to the *Almanac* for the excellent news and editorial coverage of the Council's joint meeting with the EOC on June 29, 2011. He also told the Council that Ms. Howard is leading the plan for the August 31, 2011 emergency simulation at Town Center, and working with an EPC subcommittee on it.

(j) League of California Cities

Councilmember Toben said that he attended the Peninsula Division dinner meeting of the League of California Cities. The San Bruno Mayor and City Manager made a presentation about how critical the role is of elected officials in media outreach and community relations. They stressed the importance of demonstrating competence, calmness, clear-headedness and composure.

WRITTEN COMMUNICATIONS

(15) Town Council June 10, 2011 Weekly Digest

- a) #2 – Email to Tim Hanretty from Janet McDougall regarding Mayors' Diversity Awards Ceremony – June 6, 2011

In response to a question from Mayor Driscoll, Ms. McDougall said that everything was ready for the Diversity Awards presentation in April, but the event was postponed until October. As soon as she learned about it, she advised Mr. Hanretty, Portola Valley's Superintendent of Schools, why he hadn't heard from the Town earlier.

(16) Town Council June 17, 2011 Weekly Digest

- a) #1 – Memorandum to the Town Council from Angela Howard regarding Not-for-Profit Agency Funding Requests – June 17, 2011

The Council concurred with Ms. Howard's recommendation.

- b) #5 – Information from the League of California Cities regarding the Designation of Voting Delegates and Alternates – June 9, 2011

Mayor Driscoll advised Ms. Hanlon that he will attend the September 21-23, 2011 League of California Cities Annual Conference in San Francisco as a voting delegate, and Vice Mayor Derwin volunteered to serve as his alternate.

(17) Town Council June 24, 2011 Weekly Digest

- a) #2 – Memorandum to Town Council from Brandi de Garneau regarding Consideration of Expanded Polystyrene Ban in Portola Valley – June 24, 2011

Councilmember Toben indicated that the approach that Ms. de Garneau has outlined is very sensible. Others concurred, agreeing with her recommendation for a phased approach to ban polystyrene within the Town of Portola Valley – particularly in light of the fact that only two food vendors use it anyway.

- b) #2 Attached Separates – Indicators for a Sustainable San Mateo County Fifteenth Annual Report – April 2011

Ms. Howard drew the Council's attention to page 48 in *Sustainable San Mateo County's 2011 Indicators Report*, where a bar chart shows Portola Valley leading the County in the Registered Voter Turnout category, with 79% voter participation for 2010 – ahead of 19 other communities and the unincorporated areas of the county. Ms. Howard said that this would have made the late Bill Lane proud. In terms of solid waste, she said that Portola Valley came in first in terms of generating the least disposable waste of any community in the County, based on disposed pounds per day per resident (page 45).

(18) Town Council July 1, 2011 Weekly Digest

- a) #1 – Grand Jury Report "Running on Empty" – June 27, 2011

Staff will write letters of response to Grand Jury Reports, including the one dated June 27, 2011. The response to "Running on Empty" is due by September 26, 2011. Vice Mayor Derwin pointed out that Portola Valley was identified as one of the communities providing fewer than three years' worth of budget documents and Comprehensive Annual Financial Reports (CAFR), and one of the communities that hadn't posted a CAFR for 2010 on its website as of March 10, 2011. Ms. Howard said that Ms. Nerdahl has now posted that information.

(19) Town Council July 8, 2011 Weekly Digest

- a) #1 – Grand Jury Report "County Officials Need to Make Noise about Aircraft Noise" – July 6, 2011

Councilmember Toben, noting that he felt somewhat vindicated by the report's criticism of the San Francisco International Airport Roundtable's effectiveness, said that he would draft Portola Valley's letter of response, and include information that the report overlooked.

CLOSED SESSION [8:55 p.m.]

(20) Conference with Legal Counsel – Existing Litigation

Government Code Section 54956.9(a)
Michael and Lisa Douglas vs. Town of Portola Valley
Case No: CIV 484299 (State Case)

Michael and Lisa Douglas vs. Town of Portola Valley
Case No: 10-17804 (Federal Case)

REPORT OUT OF CLOSED SESSION

No reportable actions.

ADJOURNMENT [9:10 p.m.]

Mayor

Town Clerk