

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 912, JUNE 10, 2015

**I CALL TO ORDER AND ROLL CALL**

Mayor Aalfs called the Town Council's regular meeting to order at 7:30 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

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

Absent: None

Others: Nick Pegueros, Town Manager  
Leigh Prince, Town Attorney  
Sharon Hanlon, Town Clerk  
Debbie Pedro, Town Planner  
Stacie Nerdahl, Administrative Services Manager

**II ORAL COMMUNICATIONS – None**

**III CONSENT AGENDA [7:30 p.m.]**

- (1) Approval of Minutes: Town Council Regular Meeting of May 27, 2015.
- (2) Approval of Warrant List: June 10, 2015, in the amount of \$1,245,311.26.

Councilmember Richards moved to approve Items 1 and 2 of the Consent Agenda. Seconded by Vice Mayor Derwin; motion passed 5-0.

**IV REGULAR AGENDA [7:31 p.m.]**

- (A) Presentations - None
- (B) Committee Reports and Requests [7:31 p.m.]

- (1) *Conservation Committee* – Proposal regarding Garden Area in front of the Historic Schoolhouse.

Judith Murphy, Conservation Committee Chair, and Bob Waterman, Landscape Architect, presented the proposed hardscape and landscape for the front area of the Historic Schoolhouse.

In response to Council questions, Mr. Waterman said the colored concrete with deep impressions mimics the Town Center concrete treatment. He said the most compelling reason to remove the two steps at the entrance was safety.

Mayor Aalfs called for public comment. There were none.

Mr. Pegueros said Mr. Young will obtain estimates for completing the work and present a proposal to the Council at a future meeting. The Council was in agreement.

- (2) *Update on Retaining a Consultant to Assist with Aircraft Noise Impact Analyses*

Mr. Pegueros presented an update regarding the results of the study regarding the hiring of an aviation consultant to effectively advocate for a decrease in aircraft noise and the scope of work

required. In order to move forward with the study, staff requested guidance from the Council regarding: 1) Scope of study (identify the problem to be solved); 2) Budgetary authority; and 3) Expectations.

Mr. Pegueros said, with regard to the scope of the study, the Town is trying to get answers from the airport and federal agencies regarding the reason for the increase in aircraft noise in Portola Valley and work on solutions to decrease noise impacts. Mr. Pegueros reached out to industry experts and was advised the strategy would be to first define the problem using data available from the airport and then work collaboratively with the FAA and ATC toward a positive change. He said the consultant's task would be to obtain historical over-flight data, analyze and summarize the data, map the change in landing pads over time, and, finally, identify the options most likely to result in the reduction in aircraft noise. Mr. Pegueros said once the reason for the increased aircraft noise is determined, that will have significant bearing on the proposed solutions. He said that in order to effect any change at the airport, input and buy-in from the FAA and ATC is necessary.

Mr. Pegueros said staff recommends a budget of \$7,500 for the identified scope, and may be higher if the Council wants the consultant to more fully develop one or more solutions.

Mr. Pegueros said, with regard to expectations, the recommendation at this time is to understand the scope of the problem and develop options to address the problem. He said staff would provide the Council with monthly updates on the progress toward the completed report. He noted, however, that San Francisco's compliance with the data requests could impact the schedule.

Mr. Pegueros said that when the report is final, staff will return to the Council to seek further guidance on how to proceed.

Mr. Pegueros said a couple of technical decisions need to be made which the Council could defer to the aviation expert. He said the consultants he spoke with recommended studying data for the past five years; however, based on a previous analysis, the noise problem has been increasing for 10 years.

Mr. Pegueros said Williams Aviation recommended measuring over-flight data at three locations (data points). Mr. Pegueros said it also needs to be decided if this study will focus solely on Portola Valley or will reach across the Southern Peninsula. Mr. Pegueros suggested that by including data points outside of Portola Valley, the regional impact of the noise issue would be clearer and could make Portola Valley's position strong when it goes to Congresswoman Eshoo's office, the FAA, or the ATC.

With respect to next steps, Mr. Pegueros said once the Council receives the final report, a decision will need to be made whether to devote additional Town resources (staff time and funds) to hire an aviation expert to work with a number of different stakeholders – regional coalitions, Congress and Senate representatives, FAA, and ATC.

Mayor Aalfs asked if collaborating with other towns or groups had been explored. Mr. Pegueros said he has not explored that option and suggested it may be more difficult to move things forward if more groups are involved. He would support keeping the stakeholders aware of what the Town's doing while moving forward with our own analysis. Councilmember Wengert said there is a lot of interest in a collaborative cohesive regional perspective.

Councilmember Richards asked if, as this process moves forward, there is flexibility for evolving it into a more regional cooperative study. Mr. Pegueros said Palo Alto is on a path to do studies and analyses and the Town would welcome the opportunity for synergy. He said, however, the opportunity to create a report specific to the interests and requests of the Portola Valley Town

Council is important. He said the reports from Portola Valley and Palo Alto, viewed collectively, will be quite powerful.

Councilmember Wengert said that at the Roundtable meetings the issue is becoming much more regional and anticipates coalitions being formed, with the regional approach becoming more robust as time goes on.

Vic Schachter said a brief has been filed in Federal Court and he expects a response by the FAA in August. He hopes that by early 2016 there will be a hearing and a determination. He said the FAA continues to refuse to meet and discuss practical solutions to the problem and the Town's Congressional representatives, however well-intentioned, have also not made any progress. Mr. Schachter emphasized the need to set a time deadline with SFO. He said that Subsection D – "Identify options that are most likely to result in the reduction in aircraft noise" – should be a priority and cautioned against focusing too heavily on and becoming inundated with data to prove what is already clear, that the aircraft noise is unacceptable and affecting the quality of life of the residents of Portola Valley. With regard to coalitions, he said the City of Phoenix has filed a lawsuit against the FAA with the exact complaints as Portola Valley, Chicago, and Queens – the completely inaccessible and unresponsive FAA making changes without meeting or consulting with communities. He said the goal is not to inappropriately shift air traffic from our community to others, but to assure a fair allocation of the burden of these increasing flights, rather than merely be subjected to the FAA's arbitrary and disproportionate imposition of additional flights and resulting noise on a few communities, without proper environmental studies and analyses. Mr. Schachter wanted to emphasize not losing sight of quickly finding a practical solution.

Mayor Aalfs asked Mr. Schachter if there was an example of any instance in which the FAA has actually changed something in response to complaints. Tina Nguyen cited the Ranchos Palos Verdes and Del Mar communities.

Ms. Nguyen said that in 2012 she researched SFO minutes looking for data to support the perception of increased aircraft noise. After additional investigation, she learned SFO has all the data from 2008 to 2012.

Ms. Nguyen received a letter from Congresswoman Eshoo on September 26, 2013, and she believes Congresswoman Eshoo wants Portola Valley to propose practical solutions that she can evaluate. Ms. Nguyen said she is still working with the National Coalition of Residents.

With no further questions, Mayor Aalfs brought the topic back to the Council for comments.

Councilmember Wengert said the relationships within the Roundtable will be helpful to the extent she can speak directly with the airport to emphasize the need for cooperation relative to analyzing the data. She said she thinks the TRACON and FAA representatives will also be willing to work with the Town's consultant to potentially come up with practical solutions.

Vice Mayor Derwin asked if the Roundtable had discussed the lawsuit against the FAA. Councilmember Wengert said that they all are aware of the escalating anger in a number of locations and Portola Valley has been the loudest for the longest time, with larger communities now jumping in. Councilmember Wengert said the most effective strategies will be to work with the local people relative to the solutions and our Congressional representatives on a national level for the ultimate changes. She believes that, as they did in Palo Verdes, they can come up with some short-term solutions that are equitable to this area.

Councilmember Hughes said the air traffic report clearly showed a dramatic change from 2005 to 2010. If the change is found to be less dramatic from 2010 to present, he wondered if it would be better to study the data for the full 10 years. Councilmember Wengert said that while ideally more

data is better, she is mindful of the modest budget, but she would defer that decision to the consultants. Councilmember Richards suggested that if it did not delay the process and was not too burdensome, he would prefer studying data for longer than five years. Councilmember Hughes said he would defer to the consultant to collect and analyze the data, with the main focus on possible solutions.

Vice Mayor Derwin asked what the difference was between what staff was requesting and what Mr. Schachter and Ms. Nguyen were proposing. Mr. Schachter said there is no difference, he just doesn't want to see the Town get caught up in revisiting data collection unnecessarily, particularly if it's not forthcoming from SFO, and wants to stress that the emphasis should be on finding solutions and making sure there's enough budgeted money to get to the point of solutions.

Ms. Nguyen pointed out that the major recession will impact the air traffic data. Mr. Schachter said there are current plans for more routes and large increases of air traffic coming in.

Mr. Pegueros asked Council how specific the consultant should be with recommendations. For example, he said the consultant could find that the vectoring appears to be disproportionately affecting Portola Valley and recommend the Town work with the ATC and FAA to find a solution, and they could specifically develop a plan on how the ATC and FAA can achieve that solution.

Councilmember Wengert said that the ATC and FAA locally participate at the Roundtable and, despite the dissatisfaction; there is the opportunity to present a case to them as the data emerges. Mr. Schachter strongly disagreed that the FAA would in any way be responsive or look for solutions as there has never been any good faith participation by the FAA. He believes that the consultants can find a solution and the Town must be prepared to forcefully present those solutions.

Ms. Nguyen said at the last FAA meeting they at least acknowledged there was a problem after looking at the data. She said it would have been very valuable at that meeting to have had our own expert aviation consultant who could have offered possible solutions. Additionally, the expert consultant would have been able to respond more effectively and knowledgeably to the FAA's generic responses.

Councilmember Wengert said it was putting a disproportionate burden on a consultant to come up with specific solution sets. She anticipated the solutions would be more generic and she did not want to set an expectation that the consultant would be able to provide a perfect solution. She supports the effort and agrees now is the time to use the resources we have as efficiently as possible to try to get the best set of solutions available.

Councilmember Hughes agreed that the Town should ask the consultant if it is possible to come up with a solution. He believes the more concrete a presentation that can be made to the FAA, the more likely they will not just ignore it again.

Vice Mayor Derwin said Jackie Speers and Anna Eshoo will want to see specific solutions. She said if the Town can get that information, another meeting could be held to try again with the FAA.

Mayor Aalfs suggested data gathering of 5 to 10 years, whatever is reasonably obtainable. He supported focusing on Portola Valley and exploring the possibility of combining with Palo Alto by piggybacking onto their bigger project, and then being a data point within their solution. He supported the consultant preparing and presenting a solution and asking the FAA to consider it and clearly explain why it is or isn't feasible.

Councilmember Wengert suggested the consultant provide an opinion on what would present the most cogent picture. She said that three data points within Portola Valley will show pretty much the same thing.

Council directed the Town Manager to define the scope of work with the consultant, execute an agreement within the Town Manager's spending authority, and provide Council with an update at the July 22, 2015, Council meeting.

*(3) Update on Drought Emergency*

Brandi de Garmaux provided an update regarding the drought emergency, including the community outreach efforts and the following items:

- The Water Conservation Committee is working on the survey, which will be called a Water Use Profile, and is expected to have a first version from High Energy Analytics to test on Monday, June 15, and scheduled for release on July 1.
- Staff met with the San Mateo County Health Department on their greywater guidelines and will be working the Health Department to refine the permitting process.
- Cal Water's Final Schedule 14.1 (Water Shortage Contingency Plan), approved by the CPUC on June 1, did not include anything at all regarding pools.
- Town staff is preparing an appeal to Cal Water for Ford Field due to the construction that occurred in 2013. In addition, staff is preparing an appeal for the Town Center's domestic water account because there are no additional opportunities for reduction as a result of the extensive low-water saving devices already installed in the new Town Center and the usage depends upon events held there.
- In response to the Water Board's request, Cal Water will be providing timely feedback from Cal Water showing water reduction statistics. Ms. de Garmaux presented the statistics for the Town water usage.

In response to Councilmembers' questions, Ms. de Garmaux said she thought it took Cal Water about 30 days to respond to appeals. She said the water budgets will be on residents' bills and in July they will also include water usage reports. Ms. de Garmaux confirmed that water rates would rise 21% in July.

*(4) Council Liaison Reports*

- Councilmember Wengert – Attended June 9 Trails & Paths Committee meeting.
- Councilmember Richards – None.
- Councilmember Hughes – Attended Parks & Recreation Committee meeting on June 1, attended Open Space Acquisition Advisory Committee meeting on June 2; and attended Bicycle, Pedestrian & Traffic Safety Committee on June 3.
- Vice Mayor Derwin – Attended Water Conservation Committee meeting on June 3 and attended the Planning Commission meeting on June 3.
- Mayor Aalfs – Attended the ASCC meeting on June 8.

(C) Public Hearings: [9:26 p.m.]

(1) *Recommendations by Town Attorney* – Introduction of an Ordinance Amending Title 2 of the Portola Valley Municipal Code.

(a) First Reading of Title, Waive Further Reading, and Introduce an Ordinance Amending Title 2 [Administration and Personnel] of the Portola Valley Municipal Code (Ord. \_\_\_\_\_)

Leigh Prince presented. She said that after receiving input from all parties, it was decided that Town Council, Planning Commission and ASCC meetings would start at 7:00 p.m. It was also decided not to include the potential for Council compensation. The next steps would include removing the designated positions and disclosures categories so that when positions in Town Staff change, they can more easily update it by a resolution instead of in the ordinance. Since that will be removed from the ordinance, a resolution will be brought back to the Council regarding those two categories. She said the informal bidding procedures require the adoption of an ordinance and a resolution, so staff will bring back a resolution to the Council regarding this in the future.

There were no public comments.

Councilmember Hughes moved to approve the First Reading of Title, Waive Further Reading, and Introduce an Ordinance Amending Title 2 [Administration and Personnel] of the Portola Valley Municipal Code. Seconded by Councilmember Wengert; the motion carried 5-0.

The Second Reading is scheduled for the June 24, 2015 Council meeting.

(2) *Recommendation by Town Planner* – Introduction of an Ordinance Amending Section 18.64.010 of Title 18 [Zoning] – Referral of Projects for Architectural and Site Plan Review of the Portola Valley Municipal Code (Ord. \_\_\_\_\_)

(a) First Reading of Title, Waive Further Reading, and Introduce an Ordinance of the Town of Portola Valley Amending Section 18.64.010 [Applicability-Purpose] of the Portola Valley Municipal Code (Ord. \_\_\_\_\_)

Debbie presented the proposed ordinance and provided the history.

Councilmember Wengert moved to approve the First Reading of Title, Waive Further Reading, and Introduce an Ordinance of the Town of Portola Valley Amending Section 18.64.010 [Applicability-Purpose] of the Portola Valley Municipal Code. Seconded by Councilmember Hughes; the motion carried 5-0.

The Second Reading is scheduled for the June 24, 2015 Council meeting.

(D) Staff Reports and Recommendations [9:37 p.m.]

(1) *Report from Town Planner* – Annual Housing Element Progress Report for 2014

Debbie Pedro presented the draft annual housing element progress report, as required by State law.

Councilmember Hughes moved to authorize submission of the Annual Housing Element Progress Report for 2014 to the State. Seconded by Councilmember Richards; the motion carried 5-0.

(2) Presentation by Town Manager – 2015/2016 Proposed Budget Workshop

Stacie Nerdahl presented the proposed 2015/2016 budget.

Councilmember Wengert noted that this year the Town is dipping into the General Fund to pay for various expenditures, primarily due to the road impact. She asked if this type of deficit funding was expected to continue in the future and how that would be managed. Mr. Pegueros said the capital improvement budget for the next fiscal year is just under \$600,000. He said there are a number of isolated expenditures that will not be recurring. He said the measure to look to in terms of sustainability of the Town's budget is revenue less expenditure. He said the Town needs to make sure the General Fund operating surplus never reaches zero and should also be at least enough for the base road program, which is approximately \$200,000 in most years. He said this proposed budget does not result in unsustainable spending and the operating surplus is sufficient to cover the road budget. Mr. Pegueros said that Bill Urban, the Chair of the Finance Committee, was pleased the Town was running a deficit because he views the accumulation of excess funds in the unassigned reserve as not being the proper use of taxpayer funds. Mr. Urban would prefer to see the Town run deficits for the next two to three years to draw down the unassigned reserve, which would be a Council policy decision. Councilmember Hughes agreed that running a modest deficit is appropriate, after the Town has prudently reviewed the reserves. He said the excess amount of cash collected from the taxpayers should be spent on services for them. Councilmember Wengert pointed out that the Town is being asked to deal with more regional and statewide issues that will draw resources for which funds may be allocated, which should be discussed going forward; however, she said she is supportive of the proposed budget.

Councilmember Wengert suggested discussion of the priorities list and accomplishments be separate from the budget. Councilmember Hughes and Mayor Aalfs preferred those items be included within the budget but agreed that there needs to be additional discussion of priorities.

In response to Council's questions, Mr. Pegueros said the undergrounding project has not yet been cancelled; the Town Center Master Plan Committee is hoping to start work in late-July; and the biggest challenge to the budget is in the area of recruitments and training.

The Council directed staff to present the 2015/2016 budget as proposed at the public hearing scheduled for June 24, 2015.

(3) *Discussion and Council Direction* – Agenda Format and Protocol for Comments from the Audience

Sharon Hanlon presented the staff report regarding two items for discussion - agenda format and meeting protocol for comments from the audience.

Staff requested Council direction on whether to continue with the current agenda format as proposed in January 2015 or revert back to the original agenda format. Staff also requested Council direction regarding placement of Council, Committee, and Regional reports.

The Council recommended reverting back to the simpler, non-tiered agenda with the order being Call to Order, Oral Communications, Consent Agenda, Regular Agenda, Presentations, Committee Reports & Requests, Staff Reports and Recommendations, Council Liaison Reports, Written Communications, and Adjournment. Ms. Prince said Public Hearings did not need to be a separate heading and could be placed anywhere under the regular agenda.

With regard to audience comments, the Council agreed to be more consistent in passing the microphone to the speakers and reminding speakers to introduce themselves versus requiring speakers to approach a lectern equipped with a microphone and requiring speaker cards, which may be difficult with the seating arrangements and the elderly or infirmed.

(E) Council Liaison Reports on Regional Agencies and Organizations [10:25 p.m.]

- (1) Councilmember Wengert – Attended San Francisco Roundtable with speakers from Santa Cruz “Save our Skies.”
- (2) Councilmember Richards – None to Report
- (3) Councilmember Hughes – None to Report
- (4) Vice Mayor Derwin – Attended Council of Cities, discussed the San Bruno Pipeline Explosion; Attended San Mateo County Library JPA meeting on June 8, discussed budget, elected officers, and uses of library donor funds.
- (5) Library JPA discussed budget, possible uses of library budget funds
- (6) Mayor Aalfs – None to Report

**V WRITTEN COMMUNICATIONS [10:33 p.m.]**

(1) Town Council Digest: May 29, 2015

- #10 – Email from Kelly Foley with California Clean Power re: Follow-up Information on Lake County. CCA Subcommittee (Councilmember Hughes, Mayor Aalfs, Town Manager Pegueros, and Town Attorney Prince) will review information as it becomes available and report back to the Council.
- #14 – Letter from League of California Cities re: Designation of Voting Delegates and Alternates for Annual Conference – September 30, 2015, through October 2, 2015, in San Jose. Mayor Aalfs will be the voting member and Vice Mayor Derwin will be the alternate.
- #16 – Memo from Town Manager, Nick Pegueros re: Weekly Update – Friday, May 29, 2015. With regard to the OPEB/Retiree Medical Liabilities, Mr. Pegueros said the roles are changing and in some cases the liability for Retiree Medical will triple and the full liability is going on the balance sheet for every governmental agency. He said that this, coupled with Pension going onto the balance sheet, will drive significant policy changes with pension and retiree medical. He said this will not impact Portola Valley.

(2) Town Council Digest: June 5, 2015 – None

**VI ADJOURNMENT [10:47 p.m.]**

Mayor Aalfs adjourned the meeting.

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Mayor

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Town Clerk