

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 913, WEDNESDAY, JUNE 24, 2015

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 John Richards, Ann Wengert; Vice Mayor Maryann Moise Derwin, Mayor Jeff Aalfs

Absent: Councilmember Craig Hughes

Others: Nick Pegueros, Town Manager  
Brandi de Garmeaux, Sustainability and Special Projects Manager  
Sharon Hanlon, Town Clerk  
Leigh Prince, Town Attorney

**ORAL COMMUNICATIONS** – None**CONSENT AGENDA** [7:30 p.m.]

- (1) Approval of Warrant List: June 24, 2015, in the amount of \$118,853.82.
- (2) Recommendation by Town Attorney – Adoption of an Ordinance Adopting Revisions to Title 2 [Administration and Personnel] of the Portola Valley Municipal Code
  - (a) Second Reading of Title, Waive Further Reading, and Adopt an Ordinance Amending Title 2 [Administration and Personnel] of the Portola Valley Municipal Code (Ordinance No. 2015-406)
- (3) Recommendation by Town Planner – Adoption of an Ordinance Amending Title 18 [Zoning], Chapter 18.64 [Architectural and Site Plan Review] of the Portola Valley Municipal Code
  - (a) Second Reading of Title, Waive Further Reading, and Adopt an Ordinance Amending Section 18.64.010 [Applicability-Purpose] of the Portola Valley Municipal Code (Ordinance No. 2015-407)
- (4) Recommendation by Administrative Services Manager - Approval of 2015-2016 Appropriations Limit
  - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Determining and Establishing the Appropriations Limit for 2015-2016 (Resolution No. 2662-2015)
- (5) Recommendation by Administrative Services Manager - Approval of Investment Policy [*pulled from Consent Agenda*]
  - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting Town Investment Policy (Resolution No. 2663-2015)
- (6) Recommendation by Administrative Services Manager – 2015/2016 Woodside Highlands and Wayside II Road Maintenance District Tax Assessments
  - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Authorizing the San Mateo County Controller to Apply the Special Tax for the Woodside Highlands Road Maintenance District to the 2015-2016 Tax Roll and to Collect the Tax at the same time as General County Taxes (Resolution No. 2664-2015)

- (b) Adoption of a Resolution of the Town Council of the Town of Portola Valley Authorizing the San Mateo County Controller to Apply the Special Tax for the Wayside II Road Maintenance District to the 2015-2016 Tax Roll and to Collect the Tax at the same time as General County Taxes (Resolution No. 2665-2015)

- (7) Appointment by Mayor – Request for Appointment of Delle Maxwell to the Water Conservation Committee

Vice Mayor Derwin moved to approve Items 1, 2, 3, 4, 6, & 7 of the Consent Agenda. Seconded by Councilmember Richards; the motion carried 4-0.

- (5) Recommendation by Administrative Services Manager - Approval of Investment Policy

- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting Town Investment Policy (Resolution No. 2663-2015)

Staff confirmed that the Treasurer is the Town Manager. Councilmember Wengert moved to approve Item 5 of the Consent Agenda. Seconded by Councilmember Richards; the motion carried 4-0.

### **REGULAR AGENDA**

- (8) Presentations – None

### **COMMITTEE REPORTS AND REQUESTS** [7:32 p.m.]

- (9) Cultural Arts Committee – Request for Acceptance and Placement of an Art Donation to the Town of Portola Valley.

Linda Olson, Cultural Arts Committee Chair, presented a proposal for an art donation of a large (2 feet wide by 3 feet tall, 200+ pounds) piece of the Berlin Wall. The donation was approved by the Cultural Arts Committee and the recommendation brought to the Town Council for consideration and approval.

Mike Green, of Portola Valley, said this art piece was displayed in his office in Palo Alto since 1997. Mr. Green owns the piece and, since he is now retiring, he wished to donate it to Portola Valley. He narrated a slide show presentation describing the history of the piece.

Vice Mayor Derwin said she received an email from Steve Toben, former Councilmember and Mayor, referencing the Town policy regarding accepting art donations. Mr. Pegueros distributed a printout of the Town's policy that was adopted in 2010. Ms. Prince pointed out a list of criteria to be considered within the policy.

In response to Vice Mayor Derwin's question, Mr. Pegueros said Nancy Lund, the Town Historian, did not recommend accepting this piece of art due to the Town's challenge in finding pieces of art that have a direct link to Portola Valley.

In response to Councilmember Wengert's question regarding the history of the art donation policy, Vice Mayor Derwin it came about after a resident wanted to donate statues of playing children. She said a subcommittee reviewed it and the Town accepted it. Vice Mayor Derwin said she now regrets that decision because she does not think the art fits in with the rural buildings and natural landscape.

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

Ms. Olson said that upon receipt of the donation offer, she received direction from Staff to discuss the matter with the Cultural Arts Committee. She said she visited the Mountain View City library and was very personally moved by their display of pieces of the Berlin Wall. She said that while this art piece is not specific to Portola Valley, she considers it to have wonderful historical and global significance. She said the Committee had a robust discussion and recommended accepting the art donation.

Mr. Green said that at his office there was constant attention, admiration, and discussion around the Berlin Wall display.

Vice Mayor Derwin asked Mr. Green if he had considered donating it to the school district or the Priory. Mr. Green said he thought of Town government first because the pieces of the Berlin Wall are typically displayed in government offices around the world, but he had no objection to donating it to the school district.

With no further public comment, Mayor Aalfs brought it back to the Council for discussion.

Councilmember Wengert thanked Mr. Green for his generous offer and expressed admiration for the historical artifact. She suggested the following process: 1) establish that it fits the criteria for public art, 2) determine an appropriate location, and 3) have a plan for maintenance and preservation.

Councilmember Richards said it was a fascinating piece of art with substantial historical significance. He suggested review by a larger group. He also expressed concern about placement and fit and agreed the connection to the Town was a bit tenuous.

Vice Mayor Derwin said that while she thinks the art is fantastic, edgy, and urban, she did not believe it belonged on the Town's campus. She would be open to forming a subcommittee to decide if the Town should accept it and, if so, where it would go. In response to Ms. Olson's question regarding Vice Mayor Derwin's specific objection, Vice Mayor Derwin said the piece was very urban and not a good fit for the Town's rural campus.

Mayor Aalfs said it was an impressive piece of art, and it might be good to have in Town somewhere, but did not believe it belonged on campus. He said if a piece of art is accepted, there should be a specific spot in mind. He was supportive of considering a subcommittee if the Council wanted to move forward. He also suggested reaching out to the school district or the Priory.

Mr. Pegueros apologized to the Council for missing the policy, which was adopted in 2010 but had not been utilized since. He said the process that has already occurred closely fits with the policy. He said that if the piece was going to be placed outside, it would require the Parks & Recreation Committee and ASCC involvement.

Councilmember Wengert said she thought it was a significant piece of artwork and its appropriateness to Portola Valley would be strongly driven by where it's placed. She thought options would be limited if it was placed indoors. Councilmember Richards pointed out that it has been difficult protecting outdoor artwork. Mayor Aalfs said it would be safest indoors and the only place it would possibly fit would be in the library.

Mayor Aalfs pointed out that Criteria #3 specifies "aesthetic or historical significance of the artwork to the Town." He said there should be a fairly stringent test for that.

Councilmember Wengert suggested sending it back to the Cultural Arts Committee to come back with a recommendation of how and where the art would be most appropriately displayed.

Mr. Green suggested putting up a display in a specific corner of the library announcing that the piece of art was being considered for that location and seeing what feedback was received.

Council directed staff to take it back to the Cultural Arts Committee and convene a panel as outlined in the Town Council's approved policy for acceptance of donations of art.

(10) Update on Drought Emergency

Brandi de Garmeaux presented an update on the drought emergency.

Ms. de Garmeaux said the Water Conservation Committee has been working with High Energy Analytics to develop a water use analysis tool, which is currently being beta tested by the Water Conservation Committee, Conservation Committee and Sustainability Committee. She said they are on target for a soft launch on July 1 and a full launch on July 6 or 7 (after the 4th of July holiday) in time for the first billing cycle, with surcharges in mid-July.

Ms. de Garmeaux reported that the state released first draft of the update to the Water Efficiency Landscape Ordinance on June 12. She said the initial consideration will be at the July 15 California Water Commission meeting and is expected to be under consideration for approval at their August 19 meeting. She said at this point the proposed revisions included reducing the landscape size thresholds, efficient irrigation systems, encouraged installation of greywater systems to provide on-site landscape irrigation water, encouraged on-site storm water capture, further limited the portion of landscape that could be covered in turf, and a new provision that required local agencies to report to the Department of Water Resources on the implementation and enforcement of the Water Ordinance by December 31, 2015, and then January 31 in subsequent years. She said that after the final Water Efficiency Landscape Ordinance was approved, staff would formulate a plan of action for updating the Town's ordinance.

Ms. de Garmeaux said the Town met the reduction goals for the billing period ended in June. The appeals for Ford Field and the Town Center domestic water account were submitted to Cal Water this week and they indicated in their response email that they would respond to appeals within 30 days.

**STAFF REPORTS AND RECOMMENDATIONS**

(11) PUBLIC HEARING – Adoption of the Fiscal Year Budget

(a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting the Operating and Capital Budgets for Fiscal Year 2015-2016 (Resolution No. 2666-2015)

Mr. Pegueros presented an overview of the trends in some of the details within the Town budget as described in the Proposed Operating & Capital Budgets Fiscal Year 2015-16 report.

Staff recommended the Council adopt a larger-than-usual capital improvement program budget of \$660,000, which is \$200,000 more than the previous year's budget.

With regard to resurfacing, Mr. Pegueros explained that over the course of 30 years, applying two slurry seals (lifespan of 5-8 years) and one asphalt overlay (lifespan of 12-15 years) would cost \$3.80 per foot, whereas applying two asphalt overlays within that time span would cost \$6.00 per foot. He said that converting to asphalt overlays every 12-15 years would require some adjustments to cash flow planning. Mr. Pegueros said staff would continue with the slurry seal program unless directed otherwise by Council.

Mr. Pegueros introduced the Town's new Communications Information Manager, Lise Olson.

Mr. Pegueros reported that today was the bid opening for the SMTA Measure A Grant Program and two bids came in at or below the engineer's estimate. He said Mr. Young was confirming the accuracy of the bids.

Mr. Pegueros pointed out a new item (\$60,000) in the budget is the renovation of the Historic Schoolhouse entry.

Mr. Pegueros pointed out the Library Playspace Installation was in last year's budget but the project has been defunded. He said if there was a desire to move forward in the future, staff would consult the Friends of the Library and other stakeholders for decisions regarding the donor funds.

Mr. Pegueros pointed out that for the last three years the surplus reserves in the General Fund have increased considerably. He said that on the Finance Committee's recommendation, the Town Council has taken proactive measures to earmark considerable amounts to set aside for an emergency fund. He said even with those set-asides, the General Fund still has an unassigned fund balance of \$1.8 million. He said the Town has an obligation to the community to ensure the collected resources are used responsibly. He said it has been challenging to determine the correct amount of money to be maintained in surplus reserves. Mr. Pegueros suggested responsible investments in infrastructure and using funds to pay down or plan for unfunded liabilities are appropriate uses of accumulated fund balance.

Mayor Aalfs opened the public hearing and asked for questions from the Council.

Councilmember Wengert asked Mr. Pegueros if there was a rule of thumb as to what percentage of the Town's budget should be surplus. Mr. Pegueros said there is an adopted General Fund Reserve Policy of 60% and the Town is exceeding it. He said that typically cities will put between 10% and 25% of their operating expenditures into a reserve fund.

Councilmember Richards asked why the engineer services budget of \$100,000 dropped to a projected \$10,000. Mr. Pegueros said those funds were requested last year to give Mr. Young extra help and it was not used. In response to Councilmember Wengert's question, Mr. Pegueros said the challenge is managing projects that start out small but mushroom into bigger requests. He said next year Mr. Young's primary focus will be the shoulder widening project, the Town Center Master Plan update, and the resurfacing project.

Councilmember Richards asked why the animal control proposed costs were reduced. Mr. Pegueros said there is a new agreement for animal control services with some cost containment measures. He said costs are allocated based on usage and the figure was provided by the County.

With no comments from the public, Mayor Aalfs closed the public hearing and asked for comments or questions from the Council.

The Council supported exploring ways to bring down the fund surplus to benefit the community.

Councilmember Richards moved to approve the Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting the Operating and Capital Budgets for Fiscal Year 2015-2016. Seconded by Councilmember Wengert; the motion carried 4-0-1.

- (12) Recommendation by Town Clerk – Calling of the 2015 Election and Giving Notice of an Election to Elect Two Members to the Town Council and Direct the San Mateo County Chief Elections Officer to Conduct the November 3, 2015 Election for the Town of Portola Valley and a

Resolution Approving the November 3, 2015 Election be Conducted Wholly By Mail Pursuant to the Pilot Program Authorized by Assembly Bill 2028.

Sharon Hanlon, Town Clerk, presented two resolutions.

- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Calling and Giving Notice of the Holding of a General Municipal Election to be Held on November 3, 2015, for the Purpose of Electing Two Members to the Town Council (Resolution No. 2667-2015)

Ms. Hanlon reported that the offices of incumbents Councilmember Ann Wengert and Mayor Jeff Aalfs will expire this year.

Councilmember Wengert moved for Adoption of a Resolution of the Town Council of the Town of Portola Valley Calling and Giving Notice of the Holding of a General Municipal Election to be Held on November 3, 2015, for the Purpose of Electing Two Members to the Town Council. Seconded by Councilmember Richards; the motion carried 4-0.

- (b) Adoption of a Resolution of the Town Council of the Town of Portola Valley Directing the San Mateo County Chief Elections Officer to Conduct the November 3, 2015 Election for the Town of Portola Valley Wholly by Mail (Resolution No. 2668-2015)

Ms. Hanlon reported the County asked each jurisdiction to participate in this pilot program and for authorization to conduct the November 3 election as an all-mail ballot election.

In response to Vice Mayor Derwin's question, Mr. Pegueros said that to date all of the cities in the County with elections next year, except for Portola Valley and Redwood City, have adopted the all-mail ballot.

Councilmember Richards moved for Adoption of a Resolution of the Town Council of the Town of Portola Valley Directing the San Mateo County Chief Elections Officer to Conduct the November 3, 2015 Election for the Town of Portola Valley Wholly by Mail. Seconded by Vice Mayor Derwin; the motion carried 4-0.

Ms. Hanlon said an email was received this evening from Bill Urban. The Council directed staff to send the email to the Finance Committee for their review.

(13) Discussion and Council Action – Posting Committee Meeting Minutes to the Town Website

Mr. Pegueros reported on the Bicycle, Pedestrian and Traffic Safety Committee's request of the Town Council to direct staff to begin posting meeting minutes to the Town's website. He said his concerns include ensuring the Town Clerk has the final approved minutes and the lack of uniformity of meeting minutes across and within committees. He said staff walked through the current process and identified two options for the Council to consider. Mr. Pegueros pointed out that Council could also choose not to post meeting minutes on the Town's website at all.

Option A requires the Town Council liaison, Town Clerk and possibly the Town Manager review draft meeting minutes, for conformance to the Brown Act, formatting, or content.

Option B requires committees to prepare action minutes rather than discussion minutes, eliminating the need for draft minutes to be approved by the Committee since the only recorded item is action.

In response to Mayor Aalfs' question, Mr. Pegueros said the action minutes would replace the discussion meeting minutes.

With no public comment, Mayor Aalfs asked for comments from the Council.

The Council was in unanimous agreement to approve Option B (action minutes). Council directed staff to circulate the sample action minutes to the Committee Chairs for input and bring back a revised Advisory Committee Handbook to the Council in August.

**COUNCIL LIAISON REPORTS ON REGIONAL AGENCIES AND ORGANIZATIONS** [9:18 p.m.]

- (1) Councilmember Wengert – None
- (2) Councilmember Richards attended San Mateo County Emergency Services Council JPA meeting and Conservation Committee meeting.
- (3) Vice Mayor Derwin attended C/CAG meeting, HEART Board meeting, and Friends of Portola Library board meeting. Vice Mayor Derwin received an email from Mike Ferrera expressing the Loma Prieta Chapter of the Sierra Club's concern about the San Mateo County Community Choice Aggregation (CCA) and Portola Valley. She met at her home with Councilmember Hughes, and Sue Chow, Jan Butts, Mike Ferrera. She said she again had to squelch the rumor that Portola Valley is ready to sign with California Clean Power. Mr. Pegueros said he also continues to be asked about the rumor. She said the Sierra Club members shared a lot of negative opinions and information regarding California Clean Power which she will pass on to staff for review.
- (4) Mayor Aalfs – None.

Mayor Aalfs will be attending the CCA Advisory Committee meeting on June 26. He has learned that the cost of hydro-electricity is skyrocketing and if you were in a CCA and replaced PG&E, you are subject to a Power Charge Indifference Adjustment (PCIA) which varies year to year based on PG&E's costs. Kelly Foley advised that this year's PCIA will be unusually high because the drought has increased the unit cost for energy and may adversely affect all CCAs for the coming year because of throwing off a lot of feasibility studies.

**WRITTEN COMMUNICATIONS** [9:39 p.m.]

- (14) Town Council Digest: June 12, 2015
- (15) Town Council Digest: June 19, 2015

**ADJOURNMENT** [9:45 p.m.]

Mayor Aalfs adjourned the meeting.

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Mayor

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Town Clerk