



MINUTES
Town of Atherton
CITY COUNCIL
March 4, 2020
SPECIAL MEETING

Mayor DeGolia called the meeting to order at 4:00 pm

4:00 PM REGULAR SESSION – *Convene as the City Council*

1. ROLL CALL - Wiest, Widmer, Lempres, Mayor DeGolia – Present

Vice Mayor Lewis - Absent

2. PUBLIC COMMENT

Woody Shakelton, Atherton resident commented on MPFD detachment. He spoke in opposition of detaching from the MPFPD, which he believes would leave residents at risk and encouraged Council to reconsider their course.

REGULAR AGENDA

3. REVIEW AND APPROVAL OF THE FIRE SERVICES SPECIAL EDITION
ATHERTONIAN

City Manager Rodericks introduced the item, and provided his report, which included confirmation that information pertaining to this item was included in the Athertonian newsletter. He noted feedback was received from council and the subcommittee on the draft newsletter and edits were implemented.

Council discussed the information presented in the newsletter and the overall goal of the town-wide communication.

Councilmember Widmer and Lempres both agreed that understanding the costs of providing fire services to Atherton is beneficial to Town staff and residents. Widmer added that while the Town does not want to set up its own fire department understanding the process is valuable.

Mayor DeGolia noted, for the record, that the goal of the newsletter should be to provide information to residents and solicit feedback, which should be stated outright in the newsletter.

Peter Carpenter, Menlo Park resident addressed the Council in opposition of detachment of the MPFPD and encourage the Council not to proceed. It is his belief that the analysis is faulty.

Sean Ballard, Menlo Park resident and volunteer with Atherton Disaster and Preparedness Team (A.D.A.P.T) spoke in opposition of the MPFPD detachment and commented that newsletter clear that the city approach is just not to set-up their own fire department, which is highlighted in the newsletter.

MOTION by Wiest, Second Widmer to approve, as modified the Special Edition Athertonian. The motion passed with DeGolia opposed.

4. REVIEW AND CONSIDERATION OF INITIAL STAFF WORK TOWARD PREPARATION OF A LAFCO APPLICATION FOR DETACHMENT FROM THE MENLO PARK FIRE PROTECTION DISTRICT; AND RECEIPT OF A PRESENTATION AND DISCUSSION BY REPRESENTATIVES OF THE FIRE DISTRICT

City Manager Rodericks introduced this item. Rodericks introduced Martha Payatos, Executive Officer at LAFCO who addressed Council and provided insight into to the process.

Payatos responded to Council inquiries regarding the process including steps that including tax negotiations. She noted that if an agreement is not reached then the application process would stop. Payatos recommended pre-application steps for Council to consider that included having a willing service provider lined up, providing all the required information to LAFCo, and include detailed property tax payment information from the Town to the district. Payatos included that a Property Tax Resolution can be denied by the Board of Supervisors, which would effectively stop the application process. However, once an application is brought to LAFCo it is then referred to the County Assessor's office for calculations, as well as, the County Controllers Officer, and Elections Office, which all contribute to the evaluation of the application. Ms. Payatos continued to explain the process involved before and after an application is submitted to LAFCo.

Ms. Payatos further clarified the negotiations would include a Town and County representative. If an agreement is made, then resolutions would go before the Board of Supervisors and City Council for approval.

Councilmember Wiest asked clarifying questions about the process. Specifically, whether the City should already be reaching out for fire services and obtaining a letter of commitment, and if this is consistent with the municipal service review on consolidation. Ms. Payatos clarified that having assurances for services prior to submitting an application for detachment, would help avoid a major issue down the line should the Town come to learn they cannot obtain such assurances, while the application is going through the review process.

Councilmember Wiest noted that he is concerned that a service provider has not been identified and believes it to be prudent to have exploratory conversations with other service providers before we pursue the application.

Councilmember Lempres asked that the Council direct staff to spend time to identify, if there is a clear formal process already in place the Town should be following. Councilmember Lempres asked further questions of Ms. Payatos and she clarified that there isn't a flow chart of a formal process that exists. Payatos noted that detachment from a district is not typical. She added that the City Manager report did provide ample information about the steps to take, but there remain unknowns, because this is a new process.

Mayor DeGolia commented that base on the staff report the Town needs to prepare a plan for providing service to include a five-year projected operational and capital budget.

Councilmember Widmer suggested staff have exploratory conversations with neighboring fire districts about providing services and the associated costs.

City Manager Rodericks commented we must confirm whether the Town should follow a formal bid process for service. He further clarified that direction to staff at this stage is to send out the newsletter but not to engage a consultant at this time.

City Attorney, Ebrahimi did provide additional information on the Town bidding process. She stated that an RFP process may not be needed, if we seek potential letters of interest and only receive one.

Mayor DeGolia stated the importance the Town share the information about public meetings, as soon as possible and via electronic distribution even before the newsletter mailing. He further added that the is not in favor of detachment from the MPFPD. City Manager Rodericks noted that staff would make sure to communicate to residents electronically, as soon as possible.

Woody Shackleton, Atherton resident stated he has concerns concerned about the basic process and indicated that the Fire District has provided information, and anyone can simply go to a Fire Board meeting to ask questions.

Peter Carpenter stated his discontent for the process the Town has started.

Steve Nachtsheim, Atherton Resident encouraged the Council to ensure that service levels are not degraded.

City Manager Rodericks stated options for Council consideration, including sending out the newsletters and postponing an application until community feedback can be received at a public meeting.

STUDY SESSION AGENDA

5. REVIEW AND DISCUSS THE CASH FLOW FOR THE TOWN CENTER PROJECT

Finance Director Barron introduced the item and provided the staff presentation, which highlighted the variances and the ERAF Revenue Projections numbers. He also provided an overview of the draw down schedule for the project, which reflects the current construction activity. Barron stated that the impact to the General Fund remains unchanged. Additionally, staff highly recommended that the Town reserve be maintained to ensure maintenance of debt service payments in an emergency. Barron noted the 10% contingency is not included in the Cash Flow Analysis.

City Manager Rodericks noted that the \$500,000 Lurie contribution is not included. Which is broken up in installments of \$250,000, one in December 2020 and at the other at the conclusion of the project. He clarified that there is a calendar, which notes anticipated dates that council will consider various resolutions as it pertains to this project.

Mayor DeGolia noted a concern with the timeline and indicated the Town needs to provide ample time to residents to consider naming opportunities.

Rodericks noted the drop-dead date for solicitations would be two weeks before the end of June.

Barron indicated that the Trustee and Bank of NY Mellon have indicated they would provide the COP funding.

There was consensus from the Council to have the Mayor and Vice Mayor convene the Finance Subcommittee, along with adding Bob Polito from the Audit and Finance committee.

6. FY 2020/21 BUDGET KICK-OFF AND OVERVIEW

Finance Director, Robert Barron III introduced the item and reviewed the staff report. He noted that the report provides a recap of the current fiscal year with preliminary budget assumptions and 5-year forecast. He noted, that for the 5-year forecast, staff projected a property tax revenue at a 5% increase in year one, a 4% increase in years two through four, and 3.5% in year five. these are conservative projections. Mr. Barron III highlighted pension costs will increase to 11 % in FY 2020/21. The contribution rate set by CalPERS for Public Safety Employees is 23% in FY 2019/20, and likely will remain the same and not increase to 25%. Additionally, the budget assumptions for the General Operations expenditure budgets are 3% to 4% year to year. However, actual budget requirements may change throughout the process.

Mr. Barron III noted for the Council that the Capital Projects budget will be presented at the May 6th study session.

Councilmember Widmer asked if staff will check with HDL on projects for growth. Mr. Barron III affirmed that staff will go to HDL and get a recap on 19/20 numbers and projections over the next few years.

Barron replied to Council inquires stating property taxes are received in early-mid December and January and residual payments in April, May and June. Barron noted the unfunded accrued liability payments and variances over the last year and explained that the Town receives projections annually. Baron included that the plan is to have CalPERS representatives present to Council in May present.

7. ADJOURN

Mayor DeGolia adjourned the meeting at 5:42 p.m.



Anthony Suber
City Clerk