



**Minutes**  
**Town of Atherton**  
**JOINT MEETING OF THE CITY**  
**COUNCIL AND AUDIT COMMITTEE**  
**May 12, 2004**  
**7:00 p.m.**  
**TOWN COUNCIL CHAMBERS**  
94 Ashfield Road  
Atherton, California

**SPECIAL MEETING**

Mayor McKeithen called the meeting to order at 7:00 p.m.

**1. ROLL CALL**

**PRESENT**

**City Council:**

**Kathy McKeithen**  
**William R. Conwell**  
**Alan B. Carlson**  
**James R. Janz**  
**Charles E. Marsala (arrived at 7:03 p.m.)**

**Audit Committee:**

**Marc Hebert**  
**Robert Jenkins**  
**Robert Wilson**  
**Mason Brutschy**  
**Michael Barsotti**  
**Dr. Sam Goodman**

**City Manager Jim Robinson, City Attorney Marc Hynes, Finance Director John Johns, Police Chief Robert Brennan and Public Works Director Duncan Jones were also present.**

**2. PUBLIC COMMENTS**

**There were no public comments.**

**STUDY SESSION**

**3. REVIEW AND CONSIDER RECOMMENDATIONS REGARDING THE RENEWAL OF THE TOWN OF ATHERTON PARCEL TAX.**

**The City Council, at their April 21, 2004 regular meeting, received a report from the Audit Committee and an analysis by the Finance Department related to the parcel tax reauthorization. A special joint meeting of the City Council and Audit Committee was scheduled to allow for a more detailed review of the process for submitting a parcel tax measure to the voters.**

**Audit Committee Chair Marc Hebert presented information on the Finance Department's analysis of the cost savings and revenue enhancement opportunities that would result from implementing certain suggestions made by the Audit Committee. Chair Hebert stated that the Audit Committee is willing to have follow-up study sessions subsequent to this meeting if the Council deems it necessary.**

**New ideas for potential costs savings in the area of the Police Department that were reviewed by the Audit Committee included: outsourcing dispatch services, evaluating the detective function, evaluating the school resource officer positions, and evaluating the traffic officer function. Specifically, the Committee suggested looking at staffing some or all of these positions with non sworn personnel.**

**The Audit Committee suggested that at the beginning of any cost savings program, transition costs could be temporarily covered by reserves. Additionally, the Committee discussed possibilities for raising funds by leveraging the "Atherton" name for marketing and implementing a real property transfer tax.**

**Police Chief Brennan responded to questions regarding the suggestions for cost savings in the Police Department. Outsourcing nighttime dispatch services was discussed. Chief Brennan noted the unique direct alarm service provided by the Police Department to the community. Finance Director Johns was asked to work with the Palo Alto IT Department to determine the cost of outsourcing alarm service as part of dispatch.**

**Discussion continued regarding the funding sources for the school resource officers and the availability of grants for police services.**

**Mayor McKeithen asked the Police Chief to provide statistics for crime rates inside and outside Menlo/Atherton High School, before and after a school resource officer was provided. Finance Director Johns was asked for rough costs to outsource nighttime dispatch and alarm service and the actual costs of providing police salaries at the 70th percentile including retirement costs. The City Manager discussed funding requirements for PERS and explained that the contribution amount varies each year based on several factors including interest earnings.**

**Finance Director Johns presented his report and noted that the Audit Committee had focused only on items that the Committee determined could be implemented by November.**

**Mayor McKeithen stated that the focus should be on looking at revenue enhancements such as a transfer tax and reviewing the business license ordinance.**

**Discussion was held regarding assumptions associated with the development and implementation of a real property transfer tax. City Attorney Marc Hynes discussed the requirements of becoming a charter city. The Council requested the City Attorney to provide information on the legality of charging real estate firms business licenses based on gross receipts and the procedure for implementing the gross receipts method.**

**The following members of the audience spoke:**

**John Sisson, Atherton  
Jan Simonds, Atherton  
John Rugeiro, Atherton  
Sandy Crittenden, Atherton  
Jean Schaaf, Atherton**

**Mayor McKeithen asked that the agenda for the May 19, 2004 meeting include a follow-up discussion on the legality of increasing the business license tax, the possibility of placing a measure on the March ballot for the business license ordinance, discussion on the amount of the renewed parcel tax, and cost cutting measures. Council Member Carlson asked that sometime in the near future the current Town fee structure be reviewed and that the Town consider the implementation of landscape permits including road impact fees.**

**City Manager Jim Robinson stated that staff is putting together a balanced budget for Fiscal Year 2004/05 and that the Town will continue to monitor staffing levels and looking at reducing staff by attrition. He stated that the May 19 agenda will include an item for setting a public hearing date for the parcel tax ordinance.**

#### **4. ADJOURN**

**The meeting adjourned at 9:50 p.m.**

**Respectfully submitted,**

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**Sharon Barker, City Clerk**