



**CITY COUNCIL  
and  
COMMUNITY DEVELOPMENT AGENCY MINUTES**

**Tuesday, February 11, 2003  
7:30 p.m.  
The Menlo Park Council Chambers  
801 Laurel Street  
Menlo Park, CA 94025**

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**6:00 p.m. STUDY SESSION** (Administration Building – Main Lobby Conference Room)

1. City Council discussion of business development goals and strategies.

Council directed staff to report back on a proposal to fund an Economic Development position to facilitate revenue generation and economic development within the City. Following discussion, Council concurred to form a business round table to meet with local business leaders to develop targeted strategies for business development in Menlo Park.

**7:30 p.m. REGULAR MEETING – MENLO PARK CITY COUNCIL CHAMBERS**

**ROLL CALL:** Mayor Jellins called the meeting to order at 7:30 P.M. Mayor Pro Tem Duboc, Councilmembers Collacchi, Winkler and Kinney were present. Staff present included City Manager Boesch, Assistant City Manager Seymour, City Attorney McClure, (arr.7:40 P.M.) Interim City Clerk Kern and other department heads.

**PLEDGE OF ALLEGIANCE** Mayor Jellins invited everyone to join in reciting the Pledge of Allegiance.

**A. PRESENTATIONS AND PROCLAMATIONS - None**

**B. COMMISSION VACANCIES, APPOINTMENTS AND REPORTS**

1. Appointment to the Planning Commission.

Planning Commission (one vacancy)

Mayor Jellins called for nominations.

Mayor Pro Tem Duboc, nominated Ms. Kayton. Councilmember Kinney nominated Mr. Bims. There were no other nominations.

Mayor Jellins asked the Council to vote (by show of hands) for each nominee.

Ms. Kayton received two votes. Mr. Bims received three votes.

**Mr. Bims was appointed to the Planning Commission with three votes.**

2. The Planning Commission (one vacancy), the Bicycle Commission (three vacancies) to fill terms that expire April 3, 2003. The Arts Commission (one vacancy) to fill an un-expired term that ends September 2005. The deadline for applications is March 20, 2003 by 5:00 p.m.

Mayor Jellins announced that there was one opening each on the Planning and Bicycle Commissions to fill terms that expire April 3, 2003 and there is an opening on the Arts Commission to fill an un-expired term that ends September 2005.

Mayor Pro Tem Duboc suggested that the Bicycle and Transportation Commissions be combined because of budget constraints.

Mayor Jellins requested that staff agendaize this suggestion for discussion for a later meeting.

### 3. Councilmember Reports.

Councilmember Kinney announced that the \$100,000 for the San Francisquito Creek study had been included in the Federal Fiscal Year 2004 budget.

Mayor Jellins reported that he had met with the Mayors, Vice Mayors and City Managers of East Palo Alto, and Palo Alto to discuss various regional issues including traffic, fiscal development, social services and ways to work together for the betterment of the communities. One area of interest was the funding and preparation of a report on the opportunities for a southern access to the Dumbarton Bridge.

Mayor Jellins reported that he, Vice Mayor Duboc and Palo Alto representatives would hold a meeting with representatives from Stanford for discussions on various topics.

#### A. PUBLIC COMMENT

Mr. Kirsch, Menlo Park, expressed concern about the removal of the pedestrian islands on Santa Cruz Avenue. He stated he thought that the pedestrian islands provided safety for the pedestrians in that area. He said he was a member of the Alameda streetscape task force and asked the Council to talk to members of the community before passing a Resolution regarding the realignment of the corner of Alameda and Avy.

Mr. White, Menlo Park referenced a report on California. He stated that based on this financial report he would urge the Council to stop or delay all new capital expenditures in Menlo Park.

Ms. Platte, Menlo Park, asked how the children would get to the Onetta Harris site if the Belle Haven after-school program was moved, and wondered if the programs would be combined.

Ms. Kayton, Menlo Park, urged the Council not to spend the City cash reserve unnecessarily. She said she did not think it was necessary to spend \$6 million to build a child care center. She said if it was decided that the current center was not adequate, private industry could build one for no cost to the City. Ms. Kayton urged the Council not to cut services provided by the library, police and fire for 150 children.

Ms. Zack, Menlo Park, stated that the child care center serves families of Menlo Park and the voters had voted to build a new facility. She said this project should not be a scapegoat for the current budget crisis, because all the funding was in place. She did not think a private day care would be cheaper. She asked the Council to listen to the voters, who voted for this childcare center.

In answer to Mayor Pro Tem Duboc, City Manager Boesch explained that over the years Council had appropriated \$5 million from the General Fund for the purpose of constructing the Menlo Children's Center. The balance of \$1.6 million would come from Measure T funds.

Ms. Stein Menlo Park, explained the history of the child care center and stated that a City survey rated construction of the new children's center as the highest priority. She reviewed the costs involved for construction and stated that she thought they were reasonable. Ms. Stein encouraged the Council to review the Mountain View construction costs, which were comparable to Menlo Park's estimates.

In response to Mayor Pro Tem Duboc, Public Works Director Steffens stated that \$439 per sq. ft. was the total project cost. He noted that this project was expected to be \$500,000 under budget, for a total cost of \$6.1 million. He noted that the Canada College project was \$3.5 million for \$312.00 per sq. ft.

Ms. Searles, Menlo Park, stated that it was clear that two of the Councilmembers were against construction of the child care center. She said the argument that the cost was prohibitive, has been proven incorrect. Ms. Searles stated that during recent meetings with Mayor Pro Tem Duboc and Councilmember Winkler no new information had been received on the reason they were now against this construction. She said it was a favorable time to go out for bid. She urged Council to move forward with this project and not allow two Councilmembers to put forth their own agendas.

Ms. Travers, Menlo Park, stated that she had called the project architect and was told that he had not been contacted regarding the building costs for this child care center. She said she hoped this project would be put out to bid soon to realize cost savings. Mr. Travers explained that the architect indicated that there was some site

costs to be considered, including the cost of saving the trees at the current location. He indicated that a flat piece of land could help lower the overall project cost.

Ms. Stein, Menlo Park, stated that the utility costs were important and should be considered when comparing projects. She encouraged everyone to support this project.

Mr. Lange, Menlo Park, stated he was a father of three who used the child care facility. He said this was considered a child services center and would be a centerpiece of the community. He stated he was in favor of moving forward with this project

#### **D. CONSENT CALENDAR**

1. Approval of Resolution No 5425 authorizing applications to San Mateo County for Community Development Block Grant (CDBG) funds in the amount of \$438,000 for fiscal year 2003-2004 for the Housing Rehabilitation Loan Program and the Belle Haven After-School Program, and (2) authorizing the City Manager to execute related CDBG agreements. *(Staff Report #03-018)*
2. Approval of a Resolution urging the California legislature to reject the Governor's proposed shift of local Vehicle License Fee (VLF) revenues and to honor the 1998 commitment to restore the VLF. *(Staff Report # 03-019)*
3. Community Development Agency Resolution urging the California Legislature to reject the Governor's proposed shift of local Redevelopment Agency revenues. *(Staff Report # 03-020)*
4. Community Development Agency (1) approval of an agreement in the amount of \$146,000 with Eler and Kalinowski, Inc. for Environmental Consulting Services for environmental assessment and preparation of demolition plans and specifications for the Belle Haven Park and Housing Development Project, and (2) authorization of a budget of \$170,000 for consulting services, contingency and staff administration. *(Staff Report # 03-021)*
5. Community Development Agency acceptance of work for the construction of the Belle Haven Overall Street Light Improvement Project. *(Staff Report # 03-022)*
6. Community Development Agency acceptance of work for the Belle Haven School Recreational Facilities Project. *(Staff Report # 03-023)*
7. City Council (1) approval of an agreement in the amount of \$531,500 with ELS Architecture and Urban Design to provide architectural services for the Burgess Pool and locker room project, and (2) authorization of a budget of \$729,000 for architectural services (including contingency), miscellaneous professional services, fees, and staff administration. *(Staff Report # 03-024)*
8. City Council adoption of Resolution No.5426 authorizing the City Manager to submit an application and execute all agreements with the California Energy Commission to receive grants to install battery backup systems for various City traffic signals. *(Staff Report # 03-025)*
9. Approval of audited bills for period 29 ending January 17, 2003.
10. Approval of City Council Minutes for the Meeting of January 14, 2003.

Mayor Jellins requested that Consent Calendar Items D 2 and 3. be pulled for separate discussion.

**M/S Kinney/Collachi to approve the Consent Calendar, except for items D2 and D3. Motion approved unanimously.**

#### **ITEMS REMOVED FROM CONSENT CALENDAR FOR FURTHER DISCUSSION**

2. Approval of a Resolution No. 5426 urging the California legislature to reject the Governor's proposed shift of local Vehicle License Fee (VLF) revenues and to honor the 1998 commitment to restore the VLF. *(Staff Report # 03-019)*
3. Community Development Agency Resolution No. 263 urging the California Legislature to reject the Governor's proposed shift of local Redevelopment Agency revenues. *(Staff Report # 03-020)*

**Mayor Jellins stated that his preference was for the City Council to authorize the Mayor to send letters and/or Resolutions to the Legislators and Governor regarding these two subjects. Mayor Jellins' stated that some of the language in the current body of the Resolutions was objectionable.**

**M/S Collachi/Kinney to authorize the Mayor to send letters and/or Resolutions. Motion passed unanimously.**

**E. PUBLIC HEARING - None**

**F. REGULAR BUSINESS**

1. Citywide Budget Balancing Plan. *(Staff Report # 03-026)*

City Manager Boesch presented the staff report.

Questions and discussion ensued regarding revenues, current and future expenditures, department budget cuts, fee increases including a utility tax, citizen input, creation of a budget committee, and a community forum to discuss various cost-cutting and revenue enhancing ideas.

In response to Councilmember Kinney, Mr. Boesch explained that the program budget enables staff to pick service levels and see certain results that correspond to those measures. He said that was why staff resisted across the board bottom line cuts. He explained that even though the basic structure is in place, sufficient data about service results has not been gathered in order to analyze the impact of service level of various cuts.

Mayor Jellins stated that staff had played an important part in identifying many of the opportunities for expenditure reduction that are included in the recommendation. He noted that it was City policy to engage all employees and unions in these discussions.

Mr. Rice, Menlo Park, asked for clarification regarding deficit spending and the \$1 million property transaction between the City and the Redevelopment Agency. He expressed his concern for the City's financial problems and said that he thought that the various projects should be put in abeyance during these uncertain times.

Ms. Fergusson, Menlo Park, representing the Menalto Safety Group, reviewed the presentation she made on December 10<sup>th</sup> regarding the capital improvement plan for the Menalto neighborhood. She requested the City's help to solve these traffic problems and explained they were trying to find funding to move this project forward. She asked if the in-fill sidewalk fund was funded by a component of property tax revenues. Ms. Fergusson explained that the settlement agreement with the University Circle promised funding for traffic mitigations in the Willows neighborhood. She explained that this money had to be obligated by April of this year, and requested that Council look at this agreement soon, so this funding could be used for this project in this time of fiscal cutbacks.

Ms. Kumaishi, Menlo Park, said she felt the construction costs were reasonable for this child care project. She said temporary portables were adequate, but questioned if adequate was acceptable in the community. She said she thought the passage of Measure T indicated a commitment from the community to build this project. Ms. Kumaishi requested that Council honor the commitments made to the community.

Ms. Cheun, Menlo Park, reviewed campaign statements from Mayor Jellins and Mayor Pro Tem Duboc which indicated their support for construction of the Child Care Center, and requested that they fulfill their campaign promises.

Ms. Mesec, Menlo Park, expressed concerns about the City's budget gap. She said that \$5 million was already earmarked in the General Fund for the children's center and she did not feel that the money should be used for anything else. She said the voter's had approved funding for this center, so there was no reason not to move forward with this project. Ms. Mesec commented that this building would be an asset that would remain in the community, and could be utilized for all children's services.

Mr. Johnson, Menlo Park, explained that he was part of the group working on the Willows traffic concerns. He said his group would like the City to continue to work to find solutions in their area and would not want this project dropped from the priority list after all the time and energy that had gone forward to develop a plan.

Ms. Searles, Menlo Park, clarified that the children were in a public building without safety features, which could be a liability to the City. She stated that the building the children use was inappropriate and she urged Council to move forward with this project, which had been planned for five years.

Ms. Burke, Menlo Park, said that the Children's Center was made the number one priority of Measure T funding by the Master Planning committee. She commented that she would be presenting a petition at the next meeting in support of this project. She said she thought that all the spending for the Measure T Bond would have to be reprioritized, if funding was not spent to build the Children's Center. Ms. Burke said it may be advantageous to have a for-profit group build the Center, but she wondered what would happen to the other programs that are run with a slight profit. She explained that this building was planned to provide various services to the community, not just a day care center.

In answer to questions asked earlier, City Attorney McClure explained that the City could spend funds from the reserve fund, but can not spend more money than is in the bank, or in reserves.

City Attorney McClure explained that the Redevelopment Agency was acquiring a parcel of land owned by the City for a Redevelopment Agency project. This will result in a transfer of funds from the Redevelopment Agency budget to the City General Fund and can be allocated however the City Council determines appropriate.

City Manager Boesch stated that the \$100,000 for infill sidewalks had been indefinitely deferred, and Council had concurred with the staff recommendation not to spend these funds given our current financial situation. Mr. Boesch said this program was funded from the General Fund, and the funding could not be traced directly to property tax or any other source. Mr. Boesch said he would prefer to get more definitive information before he commented on the developer settlement agreement language.

Mr. Boesch explained that when Council held its goal setting in January, one question that came up was the sequencing of projects such as the Willows neighborhood traffic study. He said that there had been discussion on whether it made sense to work on a Willows traffic study prior or parallel to a General Plan circulation element, or if it was necessary to do the General Plan element first in order to have a broader city-wide context. He noted that there were projects that the Commissions had identified, so he suggested that these priorities be compiled, and staff asked to determine how much capacity was available in their current work plans to add additional projects.

Mayor Jellins requested that an item be placed on an agenda in the next few weeks to determine how to add additional projects to staff's work load. He stated that he and Mayor Pro Tem Duboc would be conducting a meeting with the chair and vice chairs of the various commissions soon, and he thought that projects may be identified at that time.

Councilmember Winkler stated that she was against the proposal to reduce library hours. She noted that the Library was probably the most used facility in the City, and cited several ongoing programs that would be missed if the library had shortened hours.

In answer to Mayor Pro Tem Duboc, Mr. Boesch explained that the primary purpose for increased parking enforcement downtown was to provide parking, so that people did not abuse the spaces by parking all day. This had the effect of facilitating parking turnover and generated revenue. He explained this was a consideration for next year's budget.

Mayor Pro Tem Duboc stated that before this plan was implemented she would like the downtown merchants engaged in discussions. She asked what the current practice was regarding business license revenue. She wondered if the City was penalizing businesses through increased enforcement during these hard economic times.

City Attorney McClure stated that he thought it was enforcement of businesses that had not been paying business license fees. He commented that computer technology had provided more information about businesses located in Menlo Park than was available in the past. He said it was more a case of stepping up enforcement for those that have been avoiding compliance.

Finance Director Chokkalingam explained that this process was part of enforcement, and letters were being sent to businesses that had not obtained a business license in the past.

Mayor Jellins summarized the various Council discussion points and stated that there was a desire to allow the library hours to remain unchanged. A request to consult with businesses before changes that impact them be instituted, such as additional parking enforcement or fee schedules, and a request that business licenses be tailored to enforcement, and not to increased fees.

Councilmember Kinney stated that he concurred with Councilmember Winkler about keeping the library hours the same. He asked questions about police patrol scheduling and parking enforcement income.

Police Chief Boyd explained that the patrol schedules were being changed to provide savings in overtime. He introduced Traffic Administration Officer Ely and stated that she would be able to explain the idea for increased revenue for downtown parking enforcement.

Ms. Ely explained that the revenue figure encompassed adding an additional officer, but more importantly would increase fines, to insure that the City did not lose money when issuing citations. She said that because the fees had not been increased for a long time, the City was losing revenue when issuing some of these citations.

In response to Councilmember Kinney, Mr. Boesch explained that the staff was considering relocation of the Belle Haven after school program as a possible cost saving in the next fiscal year. He said the details still needed to be worked out to move the program to the Onetta Harris Center. This would allow for some economy of scale savings over time.

Community Services Manager Roessler, explained that \$30,000 could be saved by consolidating the licensed childcare program at Belle Haven elementary school with the program at Onetta Harris Community Center. He said staff would continue to work on the logistics of this plan, and he hoped to implement this change at the beginning of the school year. Mr. Roessler stated that they would hold meetings with users of both programs to work out the details to allow the parents to collaborate on this change.

Mr. Boesch stated that staff would like to hear other Council recommendations so staff could begin the process of recalculating the figures to balance this year's budget,

Councilmember Collacchi stated that he was open to not restricting staff in any way and seeing what they come up with. He said these cuts were going to hurt, and he thought it was necessary for this process to be balanced and fair. Councilmember Collacchi said service cuts were going to be felt throughout the community, and he understood that the staff was trying to implement these cuts by service level reductions, and not service terminations. He said that this approach had the potential to save a great deal of money.

Mayor Jellins commented that there were two approaches being discussed. One approach was to comment now on proposed cuts and revenues proposed for next year and another approach was to wait until next year to have a full round of discussions and make decisions about cuts then. He explained that the City Manager had requested input to finish this mid-year adjustment, so staff could begin previewing how the FY2003-04 budget will look.

Councilmember Collacchi proposed that when staff returns with service level cuts for next year, a range of items be identified, to provide Council with some flexibility for cuts to take place.

Mayor Jellins and Mayor Pro Tem Duboc stated their support for Councilmember Collacchi's approach to the budget process.

Mr. Boesch stated that staff needed to identify \$2.5 million in savings, plus additional revenues.

Councilmember Winkler stated that she had some cost cutting ideas that she thought would save more than the \$8,000 being considered to be cut from the library, and she hoped that the decision to cut library hours could be delayed until she had a chance to present them. Councilmember Winkler invited the residents to share their cost cutting ideas also.

Mayor Jellins stated he preferred to preserve the library hours for this year, until he had a chance to discuss other cost savings ideas.

In response to Mayor Jellins, Mr. Boesch stated that the City had not imposed an across the board freeze on hiring. He explained that some of the salary savings come from staffing vacancies over the year. Mr. Boesch stated that the unions had not been involved in these discussions yet.

**M/S Kinney/Winkler to approve staff recommendation to apply the proceeds of the sale of the Hamilton Avenue property (\$1,062,000), amend the Fee Schedule and select ordinances to increase revenues (\$206,000), recognize cost savings measures within current operation (\$489,500), and authorize the transfer of up to \$750,000 from the Fiscal Uncertainties reserve fund. Library hours to remain unchanged through this budget cycle. No vote was taken.**

Library Services Director Holmer explained that the six-hour reduced library schedule at the main library would result in a \$8,000 cost savings.

**Motion passed 4-1, with Mayor Pro Tem Duboc dissenting.**

Mayor Pro Tem Duboc stated that she would like to begin a community education and feedback process.

Mr. Boesch stated that staff would outline a process for Council consideration.

2. Consideration of state and federal legislative items or items referred to in Written Communications or Information Items, including decisions to support or oppose any such legislative, written communication or information item.

Assistant City Manager Seymour reported current estimates are that the Vehicle License Fees and back fill for VLF fees are secure this year. She said there didn't appear to be support in the Assembly and Senate to shift Redevelopment Agency funds. Ms. Seymour stated that it remained to be seen what the future actions would be in regard to the State budget.

**G. WRITTEN COMMUNICATIONS**

1. Request by Mayor Pro Tem Duboc and Councilmember Winkler that the Council consider passing a Resolution opposing the County of San Mateo's construction of a bulb-out at the Arco Station on Alameda de las Pulgas at Avy Avenue. – Not discussed.

**H. INFORMATION ITEMS – None**

**J. I. PUBLIC COMMENT #2 - None**

**K. ADJOURNMENT** – at this time, being 10:15 P.M.

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**Kathy Kern, Interim City Clerk**

**Approved by City Council on March 11, 2003**