



CITY COUNCIL and COMMUNITY DEVELOPMENT AGENCY MINUTES

Tuesday, June 3, 2003

7:35 p.m.

The Menlo Park Council Chamber
801 Laurel Street
Menlo Park, CA 94025

Mayor Jellins called the meeting to order at 7:35 p.m.

ROLL CALL - Jellins, Duboc, Collacchi, Kinney, Winkler

STAFF PRESENT - David Boesch, City Manager; William McClure, City Attorney; Audrey Seymour, Assistant City Manager; Silvia Ponte, City Clerk. Various department heads and other City staff were present.

PLEDGE OF ALLEGIANCE

A. PRESENTATIONS AND PROCLAMATIONS

1. Presentation on plans to rebuild Sequoia Hospital.

Mayor Jellins introduced the representatives from Sequoia Hospital present: Glenna Vaskelis, and JoAnn Kemist. Glenna Vaskelis, President and Administrator of Sequoia Hospital shared a slide presentation illustrating the future plans for this facility. Due to seismic requirements, established in 1994 by the State Legislature passage of the Hospital Facility Seismic Safety Act, hospitals are required to meet certain standards to withstand large earthquakes. For some facilities these requirements must be met by January 2008. Ms. Glenna Vaskelis asked for Council's endorsement of the plans to comply with such mandate.

Council inquired about the funding needed to rebuild this institution, services provided, and its relationship with Catholic Healthcare West.

B. COMMISSION VACANCIES, APPOINTMENTS AND REPORTS

1. Library Commission vacancy for an un-expired term, ending September 2003; the deadline for applications is June 20, 2003.

Mayor Jellins announced this vacancy and invited the community to apply for this position.

2. Council Member Reports.

Council Member Kinney requested that items **G1** and **G2** be moved to enable earlier public comment. The Mayor concurred and Council Member Kinney presented the report.

Agenda Item G1

1. Memo from Council Member Kinney requesting Council to agendize item regarding Trees for Menlo, Inc.

Lucille Spurlock, secretary for Trees for Menlo, Inc. spoke on the benefits of the donated trees. Ms. Spurlock also elaborated on the proposal of a commemorative plaque recognizing donors. The cost of fabrication and installation of the plaque will be completely borne by Trees for Menlo, Inc. and it was requested that the City approve the agreement. Ms. Spurlock thanked the Council of Menlo Park for its support of this organization.

Bob Peterson, architect for the project shared a site plan illustrating where the plaque would be installed. The plaque made of green slate is not raised and is non-slip. Mr. Peterson shared other details about the material, size and look of the plaque.

Council concurred that the agreement would come back on a future Agenda.

Agenda Item G2

2. Letter of request from Mid-Peninsula Regional Open Space District for a Resolution from the Council supporting and endorsing the Mid-Peninsula Regional Open Space District's proposed extension of its boundaries to the San Mateo County coast to preserve open space and agricultural lands. (Agendized at the request of Council member Kinney.)

Council Member Kinney reported that Menlo Park joined the District in 1976 and asked for support on the resolution included, which allows this organization to acquire more open space lands. Council consensus was to agendize this resolution on a future Agenda.

Other Council Reports

Mayor Pro Tem Duboc reminded those present that "The Belle Haven Clean Up day" is June 7 and all are invited to participate from 9:00 a.m. to 3:00 p.m. Mayor Jellins expressed his gratitude to Mayor Pro Tem Duboc for her efforts and hard work in organizing this event. Mayor Pro Tem Duboc mentioned that the Fire District and the Police Department have contributed greatly towards this event.

Mayor Jellins reported on attending the retirement dinner for Don Jonhson, City Building Inspector, who has just retired after 35 years with the City of Menlo Park. Mayor Jellins thanked Don for his service to the City and expressed best wishes.

Mayor Jellins attended the Menlo Park Chambers of Commerce Golden Acorn Awards dinner hosted by the Stanford Park Hotel. Mr. Jellins stated that the business community of Menlo Park greatly appreciates the support provided by the current City Council of Menlo Park as well as previous Councils.

Mayor Jellins acknowledged the presence of Dr. Jeffrey Kline, chair of the Menlo Park Community Mediation Service, who provided a report on the status of this entity. Dr. Kline acknowledged the presence of the Vice Chair Camille Acayan. Dr. Kline provided a brief history of this service, and stated its mission and plans for the future. This advisory body is looking to address the concerns of staff time allocation while supporting this service. Dr. Kline presented a proposal to resolve the challenges. This proposal includes: having a dedicated phone line voicemail to which calls coming to the service would be referred (mediators to be on rotation to respond); electing a secretary from the commission to take minutes (instead of City staff); compilation of data done by City staff to be done by mediators; reducing the frequency of the meetings from every two months to every three months; reducing the number of City staff present at the meeting from two to one. Dr. Kline requested a six-month trial period to implement this plan.

Mayor Jellins thanked Dr. Kline for the report and explained the relationship of these challenges to the current budgetary situation. David Boesch, City Manager, stated that the proposal did represent a reduction in staff time. Mr. Boesch stated that while the proposal is valid there were some operational issues that still need to be worked out. Council concurred with this approach, and noted that the issue could also be discussed under the budget considerations.

C. PUBLIC COMMENT #1 (*Limited to 30 minutes*)

Andy Cresci, spoke on behalf of Sequoia Hospital and how beneficial it has been to his family. Mr. Cresci has supported the Hospital financially since 1994, and hopes that the Council supports this proposal.

Mayor Jellins acknowledged the correspondence received from Patti Fry, Chair of the Planning Commission, concerning the review of the residential zoning ordinance negative declaration. The correspondence requests a delay on the Council Hearing date.

Linda Gregory, as the president of the San Mateo County Labor Council, shared her support for the resolution before Council on behalf of Sequoia Hospital rebuilding in a new site. Ms. Gregory believes the current site has too many challenges such as traffic, parking problems and its steep location.

Edwin Brink, spoke about the city's low water pressure and this is an area of serious concern.

Dick Poe, noted an increase in parking enforcement in the downtown area, and stated that according to his observations this is not conducive to shopping downtown. He is concerned people may opt to go to the Stanford Mall instead, where parking is free.

Mayor Jellins recognized Richard Napier, Executive Director of C/CAG who was in the audience to answer possible questions related to item D7 and D8 of the Consent Calendar.

Vin de Silva, spoke about the VTA bus number 22 and the cuts to that service. The changes will impact residents, and Mr. Silva asked that the City Council relay to VTA the challenges this represents to the current users.

Mayor Jellins noted that he would be meeting with the Palo Alto City Mayor and requested Mr. Boesch to place this item on the agenda. It was suggested that Mr. Silva follow up on this matter by calling either the Mayor or the City Manager's office.

Mary Gilles, spoke about the need for Police enforcement in the area of Oak Knoll. Ms. Gilles thanked the Council and the Chief of Police for their help in maintaining safe routes. Ms. Gilles is concerned that with budget cuts this safety level will not be maintained.

Laurie Golden, spoke about the challenges of walking and riding to school since schools do not offer transportation. Ms. Golden stated that Chief of Police Boyd has been attentive to these needs, but she hopes that the City Council will continue to support the Police and maintaining its focus on safe streets.

D. CONSENT CALENDAR

1. Waiver of reading of Ordinance No. 921 and adoption of said Ordinance amending Title 16 of the Menlo Park Municipal Code, amending Chapter 16.80 Nonconforming Uses and Structures, and amending Chapter 16.04 Definitions.
2. Approval of an agreement in the amount of \$57,750 with the Box Lunch Company for the delivery of Senior lunches for Fiscal Year 2003-04 and authorization of the City Manager to execute the agreement. (*Staff Report # 03-094*)
3. Approval of a Resolution No. 5449 authorizing the City Manager to enter into a contract with Bay Cities Joint Powers Insurance Authority (BCJPIA) authorizing City participation in the property and fire insurance pool for property and fire coverage for City-owned property and buildings for the period of May 15, 2003 through June 30, 2004, for a premium not to exceed \$55,000. (*Staff Report # 03-095*)
4. Award of contract for the construction of the Oak Knoll School Field Renovation Project to Jensen Corporation Landscape Contractor in the amount of \$132,333; and (2) authorization of a budget of \$180,000 for construction, contingencies, testing, engineering, inspection and administration. (*Staff Report # 03-098*)

5. Award of contract to O'Grady Paving Inc. for the bus route repair program: Merrill Street, Monte Rosa Drive, Santa Cruz Avenue, Sharon Park Drive and Sharon Road Resurfacing Project in the amount of \$321,086.20; and 2) authorization of a project budget in the amount of \$417,256.20 to cover construction, contingencies, material testing and construction administration. (*Staff Report # 03-097*)
6. Reject the bid for the various park improvement projects. (*Staff Report # 03-099*)
7. Approval of a Resolution No. 5450 supporting Assembly Bill 1546 addressing Storm Drainage and Traffic Congestion Management needs.
8. Approval of a Resolution No. 5451 supporting Assembly Constitution Amendment No. 10 addressing property-related fees for Storm Drainage.

Items pulled from the Consent Calendar

9. Approval of the City Council Minutes of May 13 and May 20, 2003.

**M/S Duboc/Collacchi to approve the Consent Calendar with the exception of item D9.
Motion passes unanimously.**

Item pulled: D9

At staff's request Mayor Jellins pulled item D9.

Council discussion on item D9

Mayor Jellins read the proposed change to the Minutes of May 13, 2003 on page 5 last paragraph (2nd line) to read: "Certain Council Members expressed their belief in not starting the lay-off notification procedure, but instead they welcomed the oral proposal made by the AFSCME Union to find a solution that accommodates all parties". Council concurred with the correction.

M/S Winkler/Duboc to approve the minutes as amended. Motion passes unanimously.

E. PUBLIC HEARINGS

1. Fiscal Year 2003-04 Budgets for the City of Menlo Park, Capital Improvement Projects, and Community Development Agency. (*Staff Report # 03-096*)

Mr. Boesch presented the overview explaining the documents before Council, and the budget process so far. Mr. Boesch also clarified that Divisions are now Departments comprised of Programs, and every service provided to the community has measurable service levels. Mr. Boesch also elaborated that staff allocates on a weekly or daily basis where they spend their time and this allows a better understanding of cost by service. Uma Chokkalingam, Finance Director, assisted the City Manager with a slide presentation focusing on the current economic scenario and trends, as well as on revenue and expenditures trajectories for the next 10 years. Council asked questions of Mr. Boesch on particular items of the report. Mr. Boesch also reiterated that the actual revenue numbers are yet to come out including sales tax, building permit activity, and the class enrollment fees. All of these items impact the General Fund. Mr. Boesch further clarified that certain adjustments were made and staff is now charging time directly to enterprise funds instead of first billing it to the General Fund and then reimbursing it with transfers from the enterprise funds. Mr. Boesch offered to explain this in more detail should there be other questions.

Council asked questions of the City Manager, and Mr. Boesch made it clear that some fine-tuning is still required after Council provides additional direction. Mr. Boesch also clarified that the previous direction of avoiding layoffs had been taken to heart, and it is reflected in the current plan. Mr. Boesch mentioned that a comprehensive infrastructure replacement plan would be coming to Council in July, which would include a work plan outlining a six-month process that could result in the approval of a multi-year Capital Improvements Program (CIP). This work plan would show all the projects in the works, and all of the funding sources, laying out a game plan for the next 5 to 10 year. Hopefully, this would allow staff to

dedicate the off year from the operating budget to address the CIP budget. Staff requested that Council consider a two-year alternating budget system (one year the operating budget would be addressed, and the next year the CIP budget would be addressed).

Council posed questions about the balance in the reserve fund, and it was explained that this number fluctuates with the expenditures and revenues. Council also asked questions about the Menlo Atherton Theater for which there has been a letter of intent regarding commitment of up to 2.6 million dollars. Council inquired about record keeping of time spent in particular projects, and how that is accomplished. Mr. Boesch clarified that each employee has precise timecards allowing them to allocate precisely the time spent on each activity and project area. Certain Council members asked that performance measures be brought back to Council so see service level results.

Council was inquisitive about certain increases, and department heads justified the needed increases. Mr. Boesch stated that results on the current performance measures could be shared at the end of the year. Council agreed that performance measures are a valuable tool to assess results. Mr. Boesch stated that many of the exempt employees work a lot more than 40 hours per week, but can only code 40 hours per week. These hidden costs do not get captured.

Public Comment

Tom McDonough, a Library Commissioner, shared a slide presentation with statistics on the use of the Library and its benefits to the Community. Mr. McDonough believes the City should add hours instead of decreasing them.

Arthur Traum, Chair of the Library Commission, stated that the Library is already a very frugal and lean operation. He stated that staff is extremely competent, and the public uses the Library to its maximum. Mr. Traum believes the Library is a great value to the community and makes a real difference in people's lives.

Jaqueline Garcia believes the Library is a necessity for the students and the public in general. She asked the Council to not cut funds from the Library budget. Ms. Garcia is a full-time student who uses the Library very often to write papers, research and read.

Dawn Platt does not agree with the merging of the Onetta Harris and the Belle Haven After School Programs because the play structure at Onetta Harris is inappropriate. Ms. Platt believes transportation to the program will also be a serious problem.

Bess Greenfield is very excited about the funding for the sidewalks on Menalto Avenue, and hopes the Council will leave this in the budget.

Rich Mintz is very appreciative of the sidewalk funds for Menalto Avenue, and thanked Mr. Boesch for his comprehensive review of the budget. Mr. Mintz believes the document is very easy to digest and tangible to the residents of Menlo Park.

Peter Whidden was going to speak on the Zoning Ordinance but was asked to speak later at the appropriate time.

Kelly Fergusson, representing the Menalto Safety Group, supports the Menalto Avenue approach to the traffic situation there. Ms. Fergusson believes this traffic improvement project increases pedestrian safety as well as the vitality and functionality of the Menalto neighborhood commercial area.

Paul Bendix spoke about the Menlo Park Activity Guide. Because of that document he joined the chorus with his wife. Mr. Bendix believes the City should keep this tool to communicate with its community and to keep people involved with civic life.

Susan Young, serves on the Board of Oak Knoll School, and she shared concerns about traffic issues that will be affected by the budget cuts. Traffic enforcement is a real need in that area, and the proposed cuts will influence the safety of that area.

Mayor Jellins summarized the main themes brought forth by the public. They were: mailing of the Activity Guide, maintenance of Library hours and funding, merger of After School Programs in Belle Haven, sidewalks on Menalto Avenue, Traffic Enforcement and safe routes to school (including parking downtown).

Council Discussion

Council members expressed their empathy towards all the items brought forth by the speakers. Options concerning the Activity Guide were discussed and it was clarified by Ms. Seymour, Assistant City Manager, that most of the cost is related to the printing of the document. The possibility of having teachers and service providers support the Activity Guide via advertisement cost was discussed. Ms. Seymour stated the cost for each publication (three times a year) is \$14,300 and of total, \$8,100 is for printing alone. Some Council members wanted more interfacing with the instructors to inquire about the willingness to have them participate monetarily. Ms. Seymour stated that some outreach had been done but without a cost in mind this is difficult. Targeted marketing was discussed, and Ms. Seymour elaborated on the steps this approach would require. Council members also shared concerns about adding these programs back without cutting somewhere else. Council members offered ideas about having instructors pay for this publication, use some kind of advertising, insert the Newsletter in the Activity Guide to save mailing costs, and distribute the Activity Guide to local schools.

Council asked specific questions about the Draft Budget Document and how it can be interpreted. There were some concerns about the lack of breakdown on the programs. Council asked questions about the Library. Susan Holmer, Library Director explained the Library's particular budget and how the reductions would function. Ms. Holmer stated that the furlough had been dismissed as an option. One Council Member suggested a donation box where citizens could contribute monetarily to help defray Library costs. Council members suggested that staff reevaluate the option of closing the Library for one week in August and perhaps in December too, in lieu of the reduction in hours proposed in the current budget. Council went through certain items on the draft budget document and explored certain programs, however it was requested that a more explicit break down of programs be provided. Cost recovery was also brought forth as an approach, and involuntary termination was also discussed as a possibility if the expenditure reductions are not met.

Council agreed to have the City Manager bring forth a balanced budget, and one or two quarters into the year the City would then look at the numbers and make cuts. As the City adopts the budget it was suggested that Council also adopt a goal of reductions of \$400,000, with that goal to be met by the end of the 2003-04 fiscal year. Council's direction was to have the City Manager work with the Unions towards meeting the goals of the actual budget, and continue to labor towards meeting the necessary reduction of \$400,000. Council agreed with this approach. Mr. Boesch clarified that the proposed approach is compatible with the budget timing, and it would be possible to wait for the talks with the Unions to produce additional savings.

Council discussed the fact that PERS is an enormous structural hit that will persist. Council indicated the option of adopting the budget as it stands but look for additional savings in the amount of \$400,000 (in amicable personnel reductions) by the end of first fiscal quarter, or at the end of the second fiscal quarter. Cost recovery should also be examined and considered a portion of this consensus. Council's desire is to continue scrutinizing line items, and possible savings. Council will approach staff directly, and if there are items that need to be discussed they can be addressed at the June 24th meeting.

Public Comment

Linda Gregory noted that general expenditures are a better approach than blaming the PERS Safety retirement issue as the source of the structural imbalance.

David Boesch commented that while the statements were well taken, the facts remain that \$260,000 is for safety retirement benefit in 2003-04, and in the 2003-04 year the benefit goes up to \$1,777,000 which includes retirement for miscellaneous employees.

Council provided some feedback to Ms. Gregory, clarifying that the intent was to address the financial concerns and not focus on a particular portion of it.

F. REGULAR BUSINESS

1. 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.

None

G. WRITTEN COMMUNICATIONS

Items G1 and G2 moved to an earlier time in the agenda

1. Memo from Council Member Kinney requesting Council to agendize item regarding Trees for Menlo, Inc.
2. Letter of request from Mid-Peninsula Regional Open Space District for a Resolution from the Council supporting and endorsing the Mid-Peninsula Regional Open Space District's proposed extension of its boundaries to the San Mateo County coast to preserve open space and agricultural lands. (Agendized at the request of Councilmember Kinney.)
3. Request by Council Member Winkler for Council discussion and direction regarding the timeline for Planning Commission review of the proposed revisions to the single-family residential zoning ordinances.

Council Member Winkler requested that this item be moved to the beginning of September to allow more time for the Planning Commission. Ms. Winkler shared concerns about the summer time not being a good time to discuss this item because people might be on vacation.

Council consensus was to postpone the item until September, so the Planning Commission has more time to study the matter. Bill McClure, City Attorney stated that a notice of cancellation of the public hearing would be posted at City Hall and published in the newspaper.

Public Comment

Peter Whidden spoke in agreement of postponing this item until September. Mr. Whidden believes a bigger window of time will allow residents to get fully informed on the details of this matter. Mr. Whidden thanked the Council for delaying this item.

H. INFORMATION ITEMS - None

I. PUBLIC COMMENT #2 - None

J. ADJOURNMENT at 11:35 p.m.

Respectfully submitted,

Silvia M. Ponte, City Clerk

Approved at the City Council Meeting of June 17, 2003.