



CITY COUNCIL and COMMUNITY DEVELOPMENT AGENCY MINUTES

Tuesday, April 6, 2004
7:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
Menlo Park City Council Chamber

7:00 p.m. REGULAR MEETING (Menlo Park City Council Chamber)

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

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

PLEDGE OF ALLEGIANCE

A. COMMISSION VACANCIES, AND REPORTS

1. One vacancy on the Library Commission to fill an un-expired term ending July 2006. The deadline for receipt of applications is 5:30 p.m. on April 12, 2004.
2. Commission Reports.

Mayor Pro Tem Winkler showed Council car signs that she received from a group called “Save Our Streets” (SOS). The signs encourage drivers to comply with the 25 MPH speed limit.

B. PRESENTATIONS AND PROCLAMATIONS

1. Proclamation declaring May 8, 2004 “Walking for Ben Day”.

Mayor Duboc read the proclamation, and Mr. Jim McGovern was present to receive it. Mr. McGovern, Benjamin’s grandfather, thanked the Council for the gesture of support.

Council Member Kinney entered the Council Chambers.

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

None.

D. CONSENT CALENDAR

Consent Agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Council, staff or public request specific items to be removed for separate action.

1. Acceptance of work for the Traffic Signal Installation at the intersection of Valparaiso Avenue and University Drive.
2. Adoption of a Resolution No. 5502 to appropriate \$25,000 from the General Fund Reserve to provide for supplemental contract Planner Service in Fiscal Year 2003-2004.
3. Waiver of reading of an Ordinance No. 928 and adoption of an Ordinance No. 928 repealing and adopting a new Chapter 13.24, Municipal Code pertaining to Heritage Trees.

4. Waiver of reading of an Ordinance No. 929 and adoption of an Ordinance No. 929 adopting an amendment to the Community Development Plan for the Las Pulgas Community Development Project and amending related ordinances to extend by one year the time limits for implementing the Community Development Plan and for receipt of tax increment and adoption of a notice of exemption for the Ordinance.
5. Approval of the Minutes for the City Council Meetings of March 2, 2004 and March 9, 2004.

M/S Jellins/Collacchi to approve the Consent Calendar. Motion carries unanimously.

E. PUBLIC HEARING - None

F. REGULAR BUSINESS

1. Preliminary Fiscal Year 2004-2005 General Fund Budget Plan Recommendations.

David Boesch, City Manager, presented the preliminary budget plan as a follow-up to the workshop the Council held on January 31, 2004. Mr. Boesch mentioned some highlights from the staff report and shared a slide presentation. He explained that this was an inclusive approach that engaged employees throughout the organization. Mr. Boesch stated that the context for the current budget plan is depressed revenues, and continuing uncertainty in regards to Sacramento cuts.

Mr. Boesch covered the background, approach used, cost-cutting measures, revenue enhancements, and a ten-year revenue and expense projection. He explained that the current proposal includes personnel cuts, and reducing hours in certain positions. These cuts are throughout the organization and do not focus on one particular department. Other cuts related to non-personnel items are: reduced operating costs, no replacement of equipment, fewer consulting services, and elimination of special events. The City Manager went through the impact of these cuts. Mr. Boesch stated that the gap between revenues and expenses is in the order of \$2.2 million.

The City Manager also explained that this budget process had a significant amount of community outreach, i.e. community survey and community forums. Employees as well as the Unions' leadership were involved. The total proposed budget for 2004-05 is \$27 million in expenses. There is one exception in the reduction of staffing, and that is the conversion of the ½ time Family Services Manager to a full-time position. Mr. Boesch also explained the impact of the Hanna lawsuit settlement (which cost the City \$1.4 million) and the creation of the new business development program (\$200,000). Mr. Boesch said it is his recommendation to eliminate special events funding and reduce non-profit grants by 10%.

Mr. Boesch stated that the impacts of the proposed budget are: less public outreach, delays in the internal workings of the organization, fewer transportation studies, reduced teen program, reduced staff in the Onetta Harris Community Center and Senior Center, additional closures in Library hours, reduction in proactive community policing, and reduced swimming season. Mr. Boesch covered the proposed necessary transfers to have a balanced budget. One of the other large expenses is the PERS benefit of 3% at 50.

Council Discussion

Council posed questions on the gap between revenue and expenses this fiscal year, and Mr. Boesch explained that the two items that had a substantial impact on expenses were the Hanna lawsuit and the Business Development program. Uma Chokkalingam, Finance Director, answered questions about controlling expenses and how Finance monitors the allocation versus the expenditure.

Council asked about monies from the DeMonet settlement, and Mr. Boesch stated that \$30,000 had been spent on the Woodland speed humps. Council also discussed the Belle Haven Library, and its operation as well as reimbursements from the School District. Council inquired about the frozen police position, and Chief Boyd explained the backfill plan. The plan is to use overtime by other

police officers to fill this position, with a net savings of \$18,000. When asked about the length of time of this overtime, Chief Boyd stated that it could be as little as three hours or up to seven hours.

Council asked about the number of full-time employees over the last ten years, and Mr. Boesch provided data for the last five years. The City Manager also explained a conversion of temporary employees into permanent status. Currently, the City has around 240 full-time employees and with the proposed budget that number will be reduced to 230 employees. This is the smallest headcount in the last ten years. Council inquired how the maintenance plan gets funded, and Mr. Boesch clarified that the request is to allocate \$2 million for capital improvement projects.

Council members clarified that they've met with the City Manager one on one, and they have seen these numbers. Council discussed upcoming negotiations with Unions, and potential costs associated with the bargaining units' contracts. Mr. Boesch stated that at this point no money has been allocated for this item because these figures are hard to project. Council discussed capital improvements and infrastructure costs. Mr. Boesch stated that various projects would be covered over the period of five-years.

Council inquired about the reduction in community grants, and Mr. Boesch clarified that the reduction is permanent. Mr. Jellins asked questions about reductions in the summer teen program and if they will apply to all field trip programs or just in a particular area. The City Manager clarified that it is citywide. Mayor Duboc made a correction on the staff report on page 7, where it should read a left turn from Middlefield to Ravenswood.

Council discussed specific items relating to the Hillview School, and the Onetta Harris Community Center cuts. Mr. Boesch explained that the Hillview after school program does not have a large turnout. Council expressed concern on how staffing cuts at the Onetta Harris center will work. Mr. Boesch stated these seem to be places where right-sizing is needed due to the number of staff present.

Council discussed the need to hire more traffic cops, instead of eliminating a traffic unit. Chief Boyd said that the community needs and expects a high level of traffic enforcement, and the Police is trying to re-strategize the best it can with the resources available. Mr. Boyd said that prioritizing has been part of the plan. Chief Boyd said the current cost to implement a traffic unit (four officers) would be about \$570,000 (including a supervisor.)

Public Comment

Dirk Alvarado, Recreation Supervisor at the Community Services Department, said that while his position is to be downgraded, he would like to share concerns on the impacts of the cuts at Hillview middle school and other collaborations. Mr. Alvarado urges the Council to continue supporting the Menlo Park Teen programs, because this three-hour window is crucial to keep children away from trouble. Mr. Alvarado said the proposed reductions would impact 200 individuals.

Winter Dellenbech addressed the Council on the Park Theater, and she empathizes with the cuts the City is facing. Ms. Dellenbech complimented the Mayor on a letter of interest in the Park Theater. Ms. Dellenbech understands the budget constraints, and knows that no money can be advanced. However she thinks TDRs are one way of not having to advance any money and getting something done.

Paul Wirthlin, served on the Transportation Commission, and is representing the interests of seniors who use the shuttle program. He said that Ms. Debbie Helming has supported this program, and many people are grateful for her contributions. In his opinion the shuttle program gives seniors mobility especially to disabled seniors. He asks Council to not cut funding to the shuttle program because there are many elderly people who are depending on those services to get to the library and other places. He told Council that he does not agree with cutting employees who have been dedicated for many years.

Matt Henry spoke about the cuts at the community center and their impact on the Belle Haven community. He stated that the community center is one of the few outlets that community has. Mr. Henry said that the real impacts are never immediate, and this action may lead to negative results. He believes the money the City will save is not worth the negative results that it will produce.

Linda Gregory thanked the Council for using reserves, and she also thanked the Council for the process that has allowed communication and good planning. Ms. Gregory stated that most of the cuts are to occur in the Community Services Department. She has concerns that the population that receives the benefits of this program usually needs them the most. Ms. Gregory asked that personnel reductions be done via voluntary measures as much as possible, but her hope is that cuts would be avoided. Ms. Gregory asks that Council approve the exploration of voluntary measures, and apply bigger reserves to the extent that voluntary alternatives do not take care of the reduction in the workforce.

Al Heibeim disagrees with the City supporting the Park Theater. Mr. Heibeim said that nearby there are at least six other theaters running the same type of films. Mr. Heibeim spoke about the importance of the library, and how it is a place where different parts of the community congregate. He hopes Council will not support the development of the Park Theater.

Elizabeth Lasensky disagrees with the previous speaker and encourages the Council to dialogue with the landlord and tell him there is an interest because it is a community effort that brings in revenues.

Tyrone Williams, City employee, supports the programs offered by the City of Menlo Park, and he believes that no shortcuts should be taken. He serves the community and believes the programs available are very positive and an investment in young people. Mr. Williams wants the City Council to maintain quality services for the youth.

John Amangol has worked for the City of Menlo Park for 15 years, and he said staff is willing to work with the City to resolve the budget matter. Mr. Amangol said the cuts would affect the services provided to the community.

Sentia Warner, with the local SEIU 715, stated that the Council has done a lot to promote this City and now these cuts are harsh and need to be phased in, allowing City employees to work in carrying them through. Ms. Warner said that the current cuts would give the wrong impression to the community after its work and dedication to improving services. Ms. Warner asks that Council consider using more reserves.

Roberta Roth, a ten-year employee and a SEIU local 715 steward, is pleased that the City Manager recommended the use of reserves however the proposed cuts affect mostly the Community Services to youth and seniors. Ms. Roth stated that the City survey did not agree with cuts in senior services and shuttle services. Ms. Roth does not agree with the cut of the shuttle coordinator position. Ms. Roth asks that Council keep the TSM coordinator position.

Bruce McClentic spoke in favor of the Park Theater. He hopes the Council will find a way to make this happen, and give him reasons to come back to Menlo Park.

Aaron Johnson, City employee, said that most of the budget cuts are on the east of the freeway, and he does not believe the remaining people will be able to keep up the work. Mr. Johnson said that it is not correct to assume that if these positions are to be cut other staff will keep up the service levels. Mr. Johnson said the employees have been serving this community and he doesn't think it is fair to single out the staff in that area. He doesn't think that side of freeway will get any volunteers to help.

Heather Pugh has worked for the City for 15 years, and she was surprised to hear that her position was recommended for reduction to half time. The program she works in has 68 kids, and 19 kids are on the waiting list to be placed, and she does not believe it will be feasible to run the program

without this position. She believes the recommended reduction will have a big impact on the program.

Patricia Watkins asked that Council rethink its position because it had meetings with the community as part of the Belle Haven Community Life Initiative. She said the community has spoken and does not want these changes. She said the City Council had meetings to find out what was needed, and now these cuts are contradictory. She asks that Council rethink it.

Council Discussion

Council asked the City Manager about the shuttle program being cut, and Mr. Boesch stated that at this point there might be restructuring but it won't be taken away. He said the impact may be less responsiveness to inquiries, and less outreach but the goal is to not reduce services to the community.

Mayor Pro Tem Winkler would like to suggest that the Library be kept open for now, and if it does get overwhelmed, than the City Manager should come back and decide on decreasing the schedule. Ms. Winkler believes the survey rated the Library very high, and this needs to be heard and the service maintained. Council asked that the library be kept open. Council Member Jellins does not want to eliminate the special events funding because they are part of the small town social fabric. Mr. Kinney agrees with this approach, and keeping the Library hours the same. Mr. Kinney asks that the TSM coordinator position be kept. Mr. Kinney would be willing to use more reserves to keep more positions.

Certain Council Members believe there is a demand for the Belle Haven services and they are concerned with the proposed cuts. Various Council Members spoke about the challenges to achieve structural balance, and they complimented the City Manager on his efforts to balance the budget. Mr. Collacchi agrees with the approach the City Manager has put forth, even though it is hard at a human level. Mr. Collacchi is prepared to support this budget and he is not opposed to some adjustments on the details. Mr. Collacchi said this budget does not include salary negotiations, and this concerns him. He supports finding additional cuts in the amount of \$200,000, even if it is not at the beginning of the fiscal year.

Mayor Duboc mentioned this is a tough situation because there is a decrease in number of personnel but also an increase in personnel costs. She also mentioned attending the Community Day at Belle Haven and the people are concerned with code enforcement and education. Mayor Duboc agrees with the approach suggested by Ms. Gregory, to start with voluntary measures first, however she would be hard pressed to use additional reserves, because of deficits that are projected for upcoming years and increased personnel costs. Mayor Pro Tem Winkler would like chunking to occur (i.e. cutting off one service and not decimating the other departments), she believes this is a good approach and should be used.

Council gave direction as follows:

- **Council is approving the proposed approach to balance the General Fund Budget outlined in the staff report, including the identified areas of costs reduction and revenue enhancement;**
- **Modify approach in two areas: 1) preserve the Library hours (\$4,000 cost) and 2) maintain the funding for special community events (\$22,500 cost) and place these items back in the budget (for \$26,500) and find alternative savings;**
- **Explore chunking opportunities (large potential savings areas of services that could be eliminated, and list them by potential dollar savings over a four-year period) and then look at the priorities set in the community survey and create some kind of ranking using the community survey and identify how that information relates directly to savings;**
- **Consensus to authorize staff to proceed with a voluntary separation process, and to issue layoff notices if this process does not generate cost savings commensurate with the reductions outlined in the staff report.**

- **Bring back to Council a plan showing how services in Belle Haven will be maintained after the cuts in certain areas are implemented.**

Council Member Kinney asked if the TSM coordinator position could be put back in, and there wasn't Council consensus. Mr. Jellins disagrees with using the community survey because he doesn't think it is scientific enough. Ms. Winkler asked questions about adding the half-time position in the Belle Haven, and Ms. Seymour clarified that this position will promote more partnerships and community involvement. Council asked if some of what is being taken away could be restored by this increase, and Ms. Seymour said that it wouldn't happen because this person will not be running youth programs.

Council discussed structural changes versus looking at the services provided to find a way to cut expenditures. Council Member Jellins stated that results of the performance based budgeting would be helpful to see what results are being obtained.

Council discussed a new fee for developers and the Mayor and Mayor Pro Tem wanted this explored. Mr. Boesch said that he hopes this will come back at a later time because it seems to be infrastructure related.

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.

None.

G. WRITTEN COMMUNICATION

1. Request by Council Member Collacchi that his appeal of a Planning Commission decision to allow non-retail use on Santa Cruz Avenue in a retail zone be considered to be a Council appeal.

Council Member Collacchi asked Council to consider hearing this matter as a Council appeal; otherwise he will have to reclude himself from the discussion. Council consensus was to agendize this matter for discussion, possibly for May 11th, 2004.

H. INFORMATION ITEM - None

I. COUNCIL MEMBER REPORTS

Council Member Kinney would like to discuss the Park Theater, and get some direction from the Council to possibly place it on an Agenda. Mayor Duboc said that no action could be taken on this tonight. Mr. Boesch said that Mr. Crittenden has asked for a meeting, and subsequently Mr. Boesch will report back to Council.

J. PUBLIC COMMENT #2 (Limited to 30 minutes)

Earl Shelton thanked Senior Planner Tracy Cramer for posting a comparison sheet on ordinance 926 on the web page. Mr. Shelton said this ordinance does nothing to reduce out-of-scale housing. Mr. Shelton circulated the petition and he wants Council to know he was fully aware of the contents of the petition and issues.

K. ADJOURNMENT – the meeting adjourned at 10:31 p.m.

Respectfully submitted

Silvia M. Vonderlinden,
Certified Municipal Clerk (CMC)

Approved at the City Council of April 27, 2004.