



**CITY COUNCIL
and
COMMUNITY DEVELOPMENT AGENCY
MINUTES**

Tuesday, June 8, 2004
7:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
Menlo Park City Council Chambers

6:00 p.m. STUDY SESSION (The Menlo Park Recreation Center – Fireside Room #112)

1. Discuss the Library Strategic Plan and Options for Funding Future Needs.

Library Director Holmer and members of the Library Commission presented an overview of the Library Strategic Plan elaborating on the process and goals. One of the goals is to promote and publicize the services and resources available at the Menlo Park Library. Council was favorably inclined to the idea of the possible creation of a Library Foundation.

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

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 APPOINTMENTS AND REPORTS

1. One vacancy on the Housing Commission to fill an un-expired term ending July 2005. Extended deadline for receipt of application is 5:30 p.m. on June 15, 2004. Two vacancies to fill expired terms ending in July 2008. The deadline for receipt of applications is 5:30 p.m. on July 6, 2004.
2. Two vacancies on the Las Pulgas Committee (one business member seat and one rental owner seat) to fill un-expired terms ending in March 2005. The deadline for receipt of applications is 5:30 p.m. on June 15, 2004.
3. One vacancy on the Library Commission to fill an expired term ending in July 2008. The deadline for receipt of applications is 5:30 p.m. on July 6, 2004
4. Two vacancies on the Parks and Recreation Commission to fill un-expired terms ending September 2005 and 2006. The deadline for receipt of applications is 5:30 p.m. June 15, 2004.
5. The Transportation Commission has one vacancy to fill an expired term ending in July 2008. The deadline for receipt of applications is 5:30 p.m. on July 6, 2004.
6. Commission Reports.

B. PRESENTATIONS AND PROCLAMATIONS - None

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

Ron Fernandez, president of DOGMA (Dog Owners Group of the Menlo Area), asked Council to hold off on funding the Nealon Park off-leash dog park. He stated that DOGMA would support this

option only if this was part of a broader project to reinstate dual use of the softball field at Nealon Park as well as finding other dual use facilities around the City.

Don Lowry stated that he read on the City's web page that a recall may be planned and he opposes it. Mr. Lowry said that the Council has been able to reach positive decisions such as rescinding Ordinance 926. In his opinion this is a good example of both sides reaching an agreement and finding a solution. He asked that the public not sign the recall petition.

Irene Searles, referring to articles she read in local newspapers, encouraged the City to clarify the fee structure and subsidies that exist or don't exist for the after school child care programs. Ms. Searles stated that the articles are creating misconceptions. She shared how much she has paid for the after school program in the last year.

D. CONSENT CALENDAR

1. Adoption of a Resolution 5519 amending the City's Master Fee Schedule to incorporate the proposed increase in Tennis Court yearly key fee for residents from \$25 to \$30 to become effective July 1, 2004.
2. Acceptance of work for the Spruce Avenue and Harvard Avenue/Cornell Drive Intersection Storm Drainage Improvement Project.
3. Acceptance of work for the Bus Route Repair Program: Merrill Street, Monte Rosa Drive, Santa Cruz Avenue, Sharon Park Drive, and Sharon Road Resurfacing Project.
4. Acceptance of work for the Marsh Road, Oak Grove Avenue, Sand Hill Road, and University Drive Resurfacing Project.
5. Approval of the Minutes of the City Council Meeting of April 20, 2004.
6. Adoption of a Resolution 5520 approving the adoption of the California Public Employee's Deferred Compensation Plan and authorizing of the City Manager to execute the adoption agreement.

Item pulled

7. Rejection of bids for the Burgess Pool and Locker Room.

M/S Kinney/Duboc to approve Consent Calendar items D1 through D6. Motion passes unanimously.

Discussion on item D7

Mayor Pro Tem Winkler asked for clarification on the bids, and City Manager Boesch explained that at this point staff would do more research and review why the Engineer's estimate was so much lower than the bids received. Council asked if the consideration of a 50ft. pool delayed the project. Mr. Boesch explained that the bid window was not lost because of those considerations. Council also inquired how long the review process would take (with the rejection of bids) and if it is feasible to keep the pool open while this is being studied. Council Member Jellins would like to consider the costs of keeping the pool open until the matter is resolved. Mr. Boesch stated that staff has been working on a transition plan and this would be a change in the current plans. Mr. Boesch offered to return with a comprehensive list of alternatives and costs if this was the new course of action.

M/S Duboc/Jellins to accept the staff recommendation but also have staff come back with information on how much it would cost to keep the pool open in the meantime (item to come back at the meeting of June 22, 2004). Motion carries on a 4-1 vote with Mayor Pro Tem Winkler dissenting.

E. PUBLIC HEARING

1. Fiscal Year 2004-2005 Budgets for the City of Menlo Park, Capital Improvement Program and Community Development Agency.

David Boesch, City Manager, presented the staff report that included an overview of the process to date; including a community survey, community forums, a Council priority session, and multiple study sessions on a five-year capital improvement plan (CIP). Mr. Boesch also enumerated the various Council Meetings at which the budget was reviewed. The City Manager explained the gap between estimated revenues and expected expenditures, and the plan put forth to achieve various savings. The City Manager presented slides covering budget challenges, balancing approach, summary of changes, general fund reserve projection, CIP, Community Redevelopment Agency, and other special revenue funds. Council asked questions about money being set aside for placing police vehicles, and the City Manager explained that this is a necessity and will be funded from undesignated funds.

Public Comment

Marjorie Rocha, Executive Director of the Peninsula Housing, asks for the Council's continued support of that organization. Ms. Rocha enumerated some of the services provided by the Peninsula Housing and the community needs for it.

Sasha Eisner, with SEIU 715 representing the City's non-management and non-safety employees, acknowledged how difficult this budget process has been, and that it is his intent to find better ways to get a transition process that is easier on staff. Mr. Eisner shared concerns with the TSM Coordinator position and how this employee has been unable to find another position. He mentioned the possibility of an additional grant that could subsidize this employee's salary. Mr. Eisner understands that staff would like to move forward with the cut and use the grant funding for other things. He opined that in the current scenario it is justifiable to use reserves as an alternative.

Steve Schmidt, former Mayor of Menlo Park, stated that the City is a service organization and the cuts that are being proposed are impractical. He has concerns that the cuts will affect the most vulnerable people in the community. It is his opinion that there are other ways of preserving the current services. He asks that Council instruct staff to preserve the TSM Coordinator because it will be very difficult to build this service up, and if Council decides that these positions are to be discontinued it is important to clarify how the City will spend the money saved.

Loretta Gallegos, Executive Director of Rebuilding Together Peninsula, stated that the Council support has been very useful to this organization. She asks that Council continue to help this organization so it can meet the needs residents.

Mr. Boesch addressed some of the concerns mentioned by former Mayor Schmidt, saying that the goal was to cut back on the administrative cost but continue providing the same level of services to the public. The City Manager mentioned that there has been some success in outreaching and making sure the people understand what is the City's commitment, which is to continue providing services to the Belle Haven community just as it was before, and to look for opportunities to increase programs that serve all segments of the community.

M/S Kinney/Winkler to close the Public Hearing. Motion carries unanimously.

Council Discussion

Mayor Pro Tem Winkler would like to consider the possibility of having an infrastructure bond for the Library, and she asked if this could be placed on the November ballot. Mr. Boesch responded that the best way is to bring in outside experts in this matter, but at this point it might be hard to rush through everything to get it in to the County by the August 6, 2004 deadline. Mr. Boesch stated that it has been the experience of this community that it usually takes longer to get everything ready for a ballot.

Some Council Members concurred that this requires a lot of research and inquiry and the best approach might be to set this for two years out. Some Council Members liked the idea of creating a library foundation or board as a non-profit 501(c) 3 organization. Council asked questions about placing this matter on the ballot and Mr. McClure stated that there is a difference between a general obligation bond or assessment that could be placed on any ballot with a 2/3 vote required, and a general tax increase which needs to be taken to the voters at a general election at which the Council is elected and requires a

50% vote. Council discussed and shared general agreement with the creation of a library foundation and spending up to \$10,000 for legal assistance if necessary, but also come back with information on a possible bond.

Council Member Jellins inquired about the transition and reorganization in the Community Services Department. He shared concerns about the cuts in that Department and whether or not there is concurrence from those involved. City Manager Boesch stated that there is never a clean cut and perfect way of handling these situations. Mr. Boesch added that the unions were consulted early on and invited to contact their members to identify voluntary cuts. The City Manager also stated that a substantial number of employees are taking advantage of the golden handshake option or the severance package. He added that it has been an open process and in his opinion it has been as humane as possible, but it is not a pleasant process. As far as the restructuring in the Community Services Department, Mr. Boesch said the goal is to make the transition as smooth as possible and fully maximize the facilities and staff that the City has. Mr. Boesch believes it has been an open process, and fair; and, while other people might not agree with it, he is comfortable with the budget as presented.

Mr. Boesch also mentioned that SEIU an AFSCME negotiations will be scheduled for the fall and he is looking forward to better economic times. Council Member Jellins stated that this is an important time to recognize people and to be conscious of their efforts. He advised that the focus should be on how to ensure success and move forward with providing services to the residents.

Council asked about the current reductions and the separations taking place. Personnel Director Kramer, stated that 20% are involuntary. Council inquired if there is a freeze in all positions, and Mr. Boesch confirmed that is the case with a few exceptions.

Mayor Duboc commended some of the employees who have been downgraded and had a good attitude about it. She has much respect for these employees who are sacrificing their positions. Mr. Kinney has serious concerns about the quickness of the process, and he hopes that this can be avoided because the City has significant reserves. Council Member Kinney asked that the process take more time and shared concerns about the TSM Coordinator position and the Belle Haven reorganization.

Mayor Duboc elaborated on the responsibility of elected officials to leave the City in a good place with Triple A rated bonds. Mayor Duboc stated that she is sad about the lay-offs and while this is a tough decision, she will support the proposed budget, because she is comfortable with the approach. Mayor Pro Tem Winkler stated that she will support the budget as proposed, and she thanked Mr. Boesch for the tough job of maintaining service levels when the resources are less. Council Member Collacchi stated that he will reluctantly support the budget but wants additional savings. Mr. Collacchi stated that the sales tax revenues continue to decline and that is a serious concern. He would like to know with more clarity why we are \$1 million short in revenues and he would have liked that outlined for better comprehension. The Mayor encouraged everyone to read the budget and make suggestions about how to improve it.

Mr. Boesch stated that the budget will be back on June 22, for adoption, and staff heard direction to return at a later date with information on a possible library tax and infrastructure bond in light of earmarked items identified for funding from the reserve fund.

F. REGULAR BUSINESS

Mayor Pro Tem Winkler recused herself and left the Council Chambers

1. Adoption of a Resolution 5521 authorizing a budget amendment from the General Fund Capital Improvement Program (CIP) Fund Balance for the Menalto Avenue and Avy Avenue Sidewalk Improvement Project; approving No Parking Zones along Menalto Avenue; awarding a contract to Sposeto Engineering, Inc. for the Project; and authorizing a budget increase for project construction, contingencies, engineering and construction administration.

Yaw Owusu, Supervising Engineer, presented the staff report, and explained many of the residents' concerns. Mr. Owusu said that the current proposal includes input received via public comment and two

meetings of the Transportation Commission. He explained that the challenge was a narrow roadway with limited parking and many conflicting items. Mr. Owusu covered the proposed new design, and why it exceeds the original budget. Some of the demands included more trees and elimination of various obstructions as well as the need to enhance the parking at the La Hacienda Market.

Council asked questions about the installation of an island and an additional crosswalk, and Mr. Owusu explained that during the public meeting the property owner stated that those items were part of the plan for improvements to their property. Council also asked detailed questions about the extra costs and what they cover.

M/S Jellins/Kinney to adopt the staff recommendation and execute all improvements as proposed. Motion passes 4-0 with Mayor Pro Tem Winkler recused.

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.

G. WRITTEN COMMUNICATION

1. Memorandum from the City Manager regarding Nealon Park off-leash dog facility follow-up.

City Manager Boesch addressed the City Council stating that the Memorandum aims at getting some closure on the discussion of the Nealon Park dog park. At this time the contractor is on hold, and staff needs direction from Council. Mr. Boesch stated that it would be his recommendation to delete the item from the current contract and refer it back to the Parks and Recreation Commission.

Council Member Kinney concurs with deleting it from the current contract because there has been a lot of consternation around this issue. Mayor Pro Tem Winkler would like to put this project on hold, and direct the Parks and Recreation Commission to investigate the green space close to the Little House as a prospective site. City Attorney McClure reminded Council that currently off-leash dogs are not permitted in Menlo Park.

M/S Kinney/Collacchi to delete the dog park item from the current contract, direct the Community Services staff to work with the Parks and Recreation Commission for exploration of a permanent off-leash dog area in one or more of the City parks, and return to Council for approval. Motion carries unanimously.

H. INFORMATION ITEM - None

I. COUNCIL MEMBER REPORTS

Mayor Pro Winkler asked about a letter she requested on the High Speed Rail issue, and it was clarified that this matter will come to Council the following week.

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

K. ADJOURNMENT – 9:45 p.m.

Respectfully submitted,

Silvia M. Vonderlinden, CMC

Approved at the Council Meeting of September 14, 2004.