



**SPECIAL CITY COUNCIL
and
COMMUNITY DEVELOPMENT AGENCY
MINUTES**

Tuesday, March 28, 2006

6:00 p.m.

**701 Laurel Street, Menlo Park, CA 94025
Menlo Park City Council Chambers**

Teleconference participation by Council Member Cohen from The Westin Excelsior, Rome, Via Vittorio Veneto
125 Rome 00187, Italy (Posted March 24, 2006)

6:00 p.m. SPECIAL MEETING (Menlo Park City Council Chambers)

ROLL CALL - Jellins, Fergusson, Cohen (via teleconference), Duboc, Winkler

PLEDGE OF ALLEGIANCE

STAFF PRESENT - David Boesch, City Manager; Dan Siegel, Acting City Attorney; Audrey Seymour, Assistant City Manager; and City Clerk Vonderlinden. Other senior staff was present.

A. COMMISSION VACANCIES AND REPORTS

1. One vacancy on the Las Pulgas Committee to fill an un-expired business member seat that expires March 2009. The extended deadline for receipt of applications is April 5, 2006 at 5:30 p.m.
2. Commission Reports.

B. PRESENTATIONS AND PROCLAMATIONS

1. Proclamation celebrating National Library Week.

Mayor Jellins presented the proclamation to Tim Goode from the Friends of the Library, Sanjoy Goyle a Library Commissioner, Bill Critzer from the Library Foundation, and Susan Holmer, Library Director.

2. Proclamation honoring the Budget Advisory Committee members.

Mayor Jellins read and handed a proclamation to various Members of the Budget Advisory Committee. They are: Charles D. Bernstein, John C. Boyle, Fran Dehn, J. Michael Gullard, Shelley W. Kilday, Katie Graves-Ferrick, Patti Fry, Honor Huntington, Henry E. Lawrence, E. H. Lentz, Melody Davenport McLaughlin, Jack Morris, John O'Malley, and Kent W. Smith.

C. PUBLIC COMMENT #1 (*Limited to 30 minutes*)- None

D. CONSENT CALENDAR

1. Approval of the City Council minutes for the February 14, 2006 meeting.

M/S Duboc/Winkler to approve item D1. Motion carries unanimously by roll call vote.

E. PUBLIC HEARING - None

F. REGULAR BUSINESS

1. Discussion of Your City/Your Decision Workshop results; approval of recommended 2006-07 Capital and Study Project Priorities; direction regarding strategies to be included in the City Manager's Proposed 2006-07 Budget; authorization to engage consultant assistance to explore placement of a tax measure on the ballot; and dissolution of the Budget Advisory Committee under its current charge.

Audrey Seymour, Assistant City Manager, provided the staff report covering an overview of the workshop results, project priorities, proposed budget strategies, implementation timing, next steps regarding the budget advisory committee and the recommended actions before Council. Ms. Seymour noted that the FY2006-07 Budget includes a \$2 million contribution for infrastructure maintenance of the City that was not included in the previous budget. She added this is something

that the City has foregone over the past several years and this level of investment has been built back into the Budget.

Council Member Duboc asked if the \$130,000 suggested to support the projects for FY2006-07 was part of the \$2.9 million and Ms. Seymour said that it was not. Council Member Cohen asked about the strategies impacting child care services in the Belle Haven area and if any of the strategies effected that area. Ms. Seymour responded that this area will not be effected with the exception being users who don't reside in Menlo Park, particularly in the area of senior transportation and after school childcare. Council Member Cohen asked if positions were going to be cut in the Belle Haven area. Ms. Seymour said that adult sports and in-house recreation classes are being recommended for cuts at both sites (Burgess and Belle Haven). Ms. Seymour said there will be some level of impact on positions but it is much narrower than what was brought previously to Council. Council Member Cohen asked about the positions to be cut. Mayor Jellins said that Council had not made a decision.

Ms. Seymour thanked the Budget Advisory Committee for its stamina and commitment during the process. The Assistant City Manager relayed some of the issues the BAC brought forth and its wish to continue existing as a body. Ms. Seymour reiterated the four areas where staff seeks Council direction.

Public Comment

Ty Durekas operates a child care program in Menlo Park and has been a childcare provider for the last 14 years. Mr. Durekas supports the city seeking requests for proposal.

Mike Gardner, with time donated by Mimi Gardner and Donna Davis, said he is a member of Menlo Children's Center Parents Association, and is involved with various other programs. Mr. Gardner opposes privatization of the City's childcare services because he believes it should be a public service. Mr. Gardner said that staff has been stable and as a parent who has experienced childcare services elsewhere, the services here are outstanding. Mr. Gardner enumerated the names of City employees who provide the services because to him they are like family. He emphasized that community-based childcare is the norm for various communities. He questioned the budget process since it did not include the issue of privatization. He opposes privatizing child care services because he believes it should be a community-based service and current staff is reliable and qualified.

Douglas Scott said that he participated in the survey and the Saturday workshop, and he believes the childcare services are not cost effective because other residents are subsidizing it. He gave examples of other cities that have outsourced childcare services and he believes that if the Council waits until December there is a loss of \$12,500 per day.

Roxanne Rorapaugh, with time donated by Vic Lovell, James Spencer, and Martha Oliva, said that staff only makes projections of what the budget will be. Ms. Rorapaugh shared a presentation that included the City's Comprehensive Annual Financial Report numbers and she explained the variances for the last four years. Ms. Rorapaugh explained what she believes are the actual revenues and expenditures for the past five years. She opined that the City has about \$21 million in the General Fund for undesignated and unreserved. Ms. Rorapaugh said that the City this year increased revenues by \$1,181,163 with a net increase of \$757,157 and this is a better number than what was predicted. She said that the staff was conservative with the budget and maybe now is the time to dip into the savings. She disagrees with cutting teen services because in her opinion these teens are already at risk. As for the Belle Haven after school program, she opined that people who live nearby are still part of the community. She disagrees with cuts to the summer school program due to the need.

Marcia Bever supports item T3 on the priority list and thanked Council that this is on the recommended list. Ms. Bever said that in a year nothing has changed as far as the speeding, but parents have gotten organized. The group met with Ken Ranella and he agreed it is a dangerous situation and supports the groups' efforts. She asked for staff time to coordinate a multi-jurisdictional approach to this problem.

Vic Lovell, with time donated by Linda Mungia, spoke about taxes and he said that employment is up and we are in the forth year of a bull market.

Bill Wilson supports T3 and T8 (Safe Routes to Laurel and Safe Routes to Encinal) because in his opinion the roads are unsafe. Mr. Wilson is part of a group of concerned parents and he spoke about an incident that happened six years ago in Palo Alto. He asks Council to support T3 and T8.

Patti Fry (with time donated by Katie Ferrick) read a letter from Michael Gullard, a BAC member, on behalf of that group. The letter supports a comprehensive update of the General Plan. Ms. Fry supports Mr. Gullard's position because different people see it differently and the General Plan process is the guiding plan that fosters community involvement. She said that a high priority should be discussed and to have the community come to a consensus. She appreciated the opportunity to serve on the BAC and she thanked staff. She respects the expertise and demeanor of her colleagues on the BAC, and recommends that Council reap the investment made by using the BAC members as a free resource. She said that there wasn't polarization and divisiveness and the group worked towards identifying ideas to present to Council.

David Roise supports T3 and T8 and he asks Council to reconsider T10 (Replace Locking Mechanism on Caltrain Bicycle Shelter) and include it in the project list. He believes it is important to look at this now because of the changes happening on El Camino Real. He would like to see more people on bicycles and to take advantage of easier access.

Jeff Staudinger talked about the fee increase for users of the childcare center and he believes this represents \$14,000 a year for certain parents. He said that if the other programs are averaging an increase of 5% then why is MCC being hit with a 15% increase. He believes a fee increase of 7.5% is reasonable. He opined that staff manipulates numbers and questioned why certain programs did not get cut at all.

Don Weber addressed the Council asking it to reconsider the elimination of his position. He gave details about his position and what it entails. He believes it would be a disservice to cut his position because it could affect the safety of the vehicles the City operates and he believes he is providing a direct service and he should not be considered overhead.

Henry Riggs thanked Council, staff and BAC members for the amount of work that went into the budget process. He spoke about taxes and fees and he believes there is limited support for taxes. He recommends the City invest in streamlining the zoning ordinance. He urged a sunset clause on any proposed tax.

Lara E. Hoyem urged Council not to make an easy or quick decision to privatize the child care services. She would prefer an increase in fees rather than privatization. She believes the transition from community to private childcare will have a detrimental impact in the children. She would like the Council to have a vision to increase revenue and a long term plan to that effect.

Jan Stokley, the Child Care Council Coordinator, brought to the Council's attention the fact that the City has created an invaluable community resource that would be difficult to replicate. She said this program has low staff turnover and a committed staff, adding that parent involvement is high and a good sign. She asked Council to look at the issue of how to preserve and grow an institution that sets a high standard. She does not believe the deficit should be looked at as a negative because this is an investment in the children of Menlo Park.

Katherine Bailey said that she believes that the dialogue should be about options. She believes that if what we have now is the best option the City should keep it, but if there are other options that are equally excellent then they should be explored. She supports Council exploring all the options, including a RFP process, for the benefit of the people.

Ronnie Smith has worked for the city for the last 17 years, and he is concerned about the children. He has seen them go through the different programs the city provides. Mr. Smith asked Council not to contract out childcare services.

Sascha Eisner (with time donated by Keith McLeod and Yuka Arai) spoke about a staff report from May 27, 2005 that lists a deficit for this coming fiscal year of \$8K. Mr. Eisner asked where the \$2 million came from; and, in meeting with the Assistant City Manager and Finance Director he learned that \$2 million was added in by staff for infrastructure maintenance. Mr. Eisner agrees with not deferring infrastructure maintenance; however, he pointed out that the city has only put this amount

into the infrastructure fund three times out of the last 6 years. He said that the deficit was self-created or manufactured by virtue of the recent change. He said that in the last couple of the years the City has cut 30 full-time positions and further position cuts will reduce services to residents. He does not believe there is a crisis. Mr. Eisner mentioned that the staff report includes ideas about revenue measures, business development and these items should be looked at. Mr. Eisner believes the Council has discretion relating to the \$2 million and he outlined Council's options: deferral, a mixed approach which would include tapping into reserves, and use of taxes such as Utility User's Tax. Mr. Eisner offered to go door-to-door to get residents to support taxes and he reiterated that he does not believe there is a deficit.

Carla Dewar shared her excitement about T3 being above the line and she thanked Council. She believes that going after the General Plan in a piecemeal fashion is not the correct approach.

Frank Carney, speaking as a resident, shared his concerns with the proposal of increasing the heritage tree permit fee by 60%. He believes this might discourage people from applying for a permit and instead just cut down a tree. He spoke about the current heritage tree program but he thinks that a fee increase might be problematic.

Anne G. Moser, speaking as a resident, said the Housing Commission spent a lot of time going over the recommendations and one was not included in the projects list. Ms. Moser said that most of the projects that include BMR units are for large units and most families on the waiting list are small families. She asked Council to expedite Gretchen Hillard's replacement.

Mayor Jellins proposed a break at 8:30 p.m. and Council returned at 8:40 p.m.

Linda Gregory (AFSME representative) spoke about outsourcing and supported the remarks made by Sascha Eisner applauding his research. She believes that good public employees believe and trust in the public and the Council, and one of the things that threaten that relationship is outsourcing because it erodes trust when there is not a guiding philosophy. Ms. Gregory said that Menlo Park hasn't had an outsourcing philosophy and in her view what happens is that employees who remain will be demoralized. Her experience is that there are broader implications when outsourcing and she urges Council to consider them. Ms. Gregory said her comments were based on her 32 years of experience representing public employees.

Hank Lawrence opined that Council needs to make a decision of where its loyalties are - the employees or the public. He believes the Council should look at who can do the best for the least money. Mr. Lawrence said that Ty Durekas provides childcare services to Redwood City and it got an award for being the best program in the State. He believes that the Council has an obligation to everybody and not just parents.

Project Priorities Discussion

Community Development (CD)

Council Member Duboc supports CD1 (East Hamilton/Tyco/Dumbarton Rail Land Use and Circulation Study) and CD2 (Haven Avenue Land Use Study) because they are revenue generating projects. Mayor Pro Tem Fergusson supports CD projects generally and she asks that this be called out CD1 (East Hamilton/ Tyco/Dumbarton Rail Land Use and Circulation Study) as having support from Council. Mayor Jellins believes that a letter of support can be sent to the Transportation Authority and to the Metropolitan Transportation Commission stating that the City wants to take advantage of the grant funds. Council Member Winkler supports the CD projects but she wants to concentrate on revenue generating projects. She asked about the review of the fences (CD3- Development of Policy for the Review of Fences on Corner Lots) on corner lots and certain Council Members suggested creating a subcommittee of the Planning Commission. Council Member Cohen endorsed the staff recommendations above the line. Mayor Jellins asks why staff did not take advantage of the CD6 (El Camino Real Land Use and Transportation Study). In looking at CD8 (Development of Regulations Limiting Paving of Front Yards of Single Family-Residences), he asks that staff start addressing some kind of standards for the Planning Commission and Building to look at the permeability and not aesthetics. Ms. Heineck said that this is an aesthetics issue. Mr. Steffens said that the PW staff reviews plans and encourages applicants to use permeable materials. Mr. Boesch said that maybe staff can have a planning intern do the preliminary work and then Council can look at it in January '07. Mayor Jellins was comfortable with Mr. Boesch's answer.

Community Services Projects (CS)

Council Member Duboc asked about CS2 (Upgrade Recreation Registration Program Software) in regards to software upgrades and Mr. Taylor said that the new software will take credit cards and accept registrations online. Mr. Boesch said that this not only replaces antiquated software but it will take online registration and credit cards. Mayor Pro Tem Fergusson is supportive of both items CS1 (Measure T Projects Priority Assessment) and CS2 (Upgrade Recreation Registration Program Software). Council Member Duboc commented that CS2 (Upgrade Recreation Registration Program Software) is like a capital investment and there will be savings and it would be good to know in future budgets about the savings. Mr. Boesch said staff would take that guidance. The Mayor asked about the potential strategy of an RFP and if this should be a strategy or a new project. Mr. Boesch said that this would be driven out of his office making it a multi-disciplinary process with a steering committee. Mr. Boesch said that if there is a majority of Council that wishes to explore that issue the next logical step would be to come back with an outline of different approaches and dates. Ms. Fergusson is concerned that we don't have an outsourcing philosophy/policy and she believes we need to take a step back and develop a policy that outlines the criteria to guide these decisions. She would like to start at step one and draft a policy.

Public Works –Transportation Projects (T)

Kent Steffens, Public Works Director, was present to answer questions. Mayor Pro Tem Fergusson shared her concerns with traffic and she thanked the people that put together a little book about traffic. She believes that residents want T1 (Middlefield Road and Ringwood Avenue Traffic Signal Modification) and T6 (Transportation Impact Analysis Guidelines Study) and this is a unique opportunity because the schools are doing site planning. Mr. Boesch said he has had multiple discussions with Ms. Fergusson about the fact that she would like a more comprehensive approach while staff is doing its best by breaking it into pieces. He believes that over time the goal is to have an integrated, comprehensive system-wide approach of safe routes to all three schools. Mayor Pro Tem Fergusson hoped that as principles emerge, the City can get involved to create some synergy. Mr. Boesch said he already committed to trying to facilitate a meeting of all jurisdictions so that another agency could take the lead role. Mayor Pro Tem Fergusson asked about T11 (Bike/Pedestrian Undercrossing Study of Caltrain Tracks between Ravenswood Avenue and Alma Street in Palo Alto City Limits) and Mr. Boesch said that this project will likely come back and it is up to staff, the commissions and Council to keep it alive. Mayor Pro Tem Fergusson supports staff recommendation but she would like to move T8 (Safe Routes to Scholl Project for Encinal Middle School) above the line. Mr. Steffens said that hopefully a State Safe Route to Schools grant would be an option.

Council Member Winkler addressed T11 (Bike/Pedestrian Undercrossing Study of Caltrain Tracks between Ravenswood Avenue and Alma Street in Palo Alto City Limits) and she believes Stanford is well aware of our interest in that area and she believes supports Caltrain's efforts. Council Member Winkler would like to see us use the proximity of the schools to address the issue. She asks that staff look at the safe routes and she supports all the other ones as well. Council Member Winkler addressed the difference between T12 (Bicycling Education Event) and T5 (Bicycling Education Material) and Mayor Jellins said that one difference is the cost. Mr. Steffens said staff could switch the two projects because these are small enough projects. Bruce Goitia, Acting Police Chief, explained that the PD has participated in the past and they can send an officer to talk to the children. Mr. Steffens said that T12 (Bicycling Education Event) would also take double the staff time. David Roise, Bicycle Commissioner, clarified that the education awareness came up through a joint meeting with the Transportation Commission. Council discussed the possibility of a bicycle rodeo.

Council Member Cohen referred to an email he sent to the City Manager and the Mayor expressing concerns about the combination of the two topics on the agenda tonight. Council Member Cohen regrets the meeting has been set up this way and he signed off at 10:00 p.m. Council Member Cohen was absent for the rest of the meeting.

Mayor Jellins summarized that there was consensus except on T8 (Safe Routes to Scholl Project for Encinal Middle School), T11 (Bike/Pedestrian Undercrossing Study of Caltrain Tracks between Ravenswood Avenue and Alma Street in Palo Alto City Limits) and T12 (Bicycling Education Event). The Safe Routes to School grant for Hillview was discussed and Mr. Steffens said there is a grant

pending. Mayor Jellins believes we could learn from a bicycling session and he would like T5 (Bicycling Education Material) and T12 (Bicycling Education Event) to be above the line. Council Member Winkler wants to keep with the staff recommendation. Council Member Duboc said that there are other items below the line that are important, and she believes \$15K is a lot of money for a bicycle rodeo. Mayor Pro Tem Fergusson said that she'd prefer staff to concentrate on Encinal and safe routes then T12 (Bicycling Education Event). Council agreed with the staff recommendation for the Transportation projects.

Engineering Services (E)

Mr. Steffens answered questions about the various engineering projects. Mayor Jellins would like the strategies piece of this to be deferred to another time when Council Member Cohen would be present. Council Member Winkler asked about the plan to deal with liquid ambar trees. Mr. Steffens said that there are quite a few in the city and the tree management plan aims to replace the non-native species such as liquid ambars with native trees. Mr. Steffens said that staff looks for opportunities to replace them, but there are thousands of trees in Menlo Park and so it will take a while. Mayor Pro Tem Fergusson is in favor of the recommendation and supports the signage project (E12 Gateway Signage), hoping it will get included next year. Council Member Winkler spoke about the in-lieu fee.

Public Works – Maintenance Division

Mayor Pro Tem Fergusson spoke about park improvements and, because she has seen more graffiti, she hopes staff selects durable materials. Mr. Steffens confirmed that to be the case. Council agreed with the staff recommendation.

Administrative Services Projects

Mayor Pro Tem Fergusson said she supports the Cost Allocation and Fee Rate Study (A1) and she said that after talking with Finance Director Augustine, she became aware that a lot of the planning expenses are not being recovered at this time. Mayor Pro Tem Fergusson asked about the Metropolitan Transportation Commission grant and Mr. Boesch said that he is not sure if the grant has been awarded and worse case scenario it will be paid for from the capital improvement fund. Council Member Winkler is satisfied with the full recovery model and she likes that it will cover indirect costs. Council consensus was to follow the staff's recommendations.

Mayor Jellins explained that he would like to have Council Member Cohen present for the discussion on budget balancing strategies. Council Member Winkler agreed but asked that when this comes back she would like staff to propose an RFP or RFQ process for looking at the childcare issue. She does not think we need a policy for prioritizing outsourcing all city services. She believes we should have a good process for considering what childcare options we should pursue. Council Member Duboc agrees with this approach, but she worries that one of the strategies is to raise fees and she would like the families to be aware and have due notice if the fees are going to be raised considerably. Mayor Jellins prefers deferring the BAC discussion, strategies and the exploration of a tax measure to go on the ballot to the next Council Meeting when Council Member Cohen can be present. Mayor Pro Tem Fergusson is encouraged that staff is suggesting some bridge funding from the reserves. She wants to push forward in a correct manner. Council Member Winkler does not think a policy is needed but she agrees with moving forward carefully. Mayor Pro Tem Fergusson asked that an alternative strategy or project on how to take up the issue of childcare and privatization be included. Mayor Jellins said that the matter will be addressed at the next meeting when the budget comes forward and the strategies will be looked at. On the issue of a possible tax measure on the ballot, Mayor Pro Tem Fergusson agreed that she would rather have this discussion at the next meeting.

City Manager Boesch said that if there is a desire to continue the Budget discussion to the near future then a one week delay won't make a big difference.

2. Consideration of state and federal legislative items including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Items.

G. WRITTEN COMMUNICATION

1. Request by Council Member Winkler for review and comment on the draft mission statement prepared by the Grand Boulevard Task Force.

Ms. Winkler said that on April 4, 2006 there will be a meeting of the task force and she shared with Council samples of possible vision statements for that group. Dan Siegel, Acting City Attorney, said no discussion should occur but comments could be sent to Council Member Winkler. No consensus or discussion of comments should take place. Mayor Pro Tem Fergusson opined that she approved the first two sample statements and she likes the broader discussion points.

H. INFORMATION ITEMS - None

I. COUNCIL MEMBER REPORTS

Mayor Jellins asked that City Clerk Vonderlinden review the list of the Council of Cities appointments, and highlight appointments pertinent to the Menlo Park Council.

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

Hank Lawrence supports creating an outsourcing policy and he offered to work on it. He opined that Council should issue an RFI (request for information) and city staff be included.

K. ADJOURNMENT - the meeting adjourned at 10:42 p.m.

Respectfully submitted,



Silva M. Vonderlinden,

Approved at the Council Meeting of June 13, 2006.