



CITY COUNCIL COMMUNITY DEVELOPMENT AGENCY MINUTES

Tuesday, March 27, 2007

7:00 p.m.

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

ROLL CALL - Fergusson, Cohen, Boyle, Cline, Robinson

Staff present - Interim City Manager Steffens, City Attorney McClure, Acting Assistant City Manager Heineck, and City Clerk Vonderlinden. Other City staff was present in the audience.

PLEDGE OF ALLEGIANCE

A. COMMISSION VACANCIES AND REPORTS

1. There will be one vacancy on the Planning Commission to fill an expiring term that ends April 2007. The deadline for applications is Wednesday, March 28, 2007.
2. There will be three vacancies on the Bicycle Commission to fill expiring terms that end April 2007. The deadline for applications is Wednesday, March 28, 2007.

Mayor Fergusson noted the number of applications received, and encouraged community members to apply. She asked if Council wanted to interview the Planning Commission applicants. Council consensus was to conduct interviews prior to the next City Council Meeting. Council Member Boyle asked if the deadline for receipt of Bicycle Commission applications could be extended if not enough applications were received. Council Member Robinson suggested addressing this at the time it comes back. **Council consensus was to extend the period of receipt of applications for four weeks if there aren't enough applicants for the Bicycle Commission.**

3. Commission member and Chamber of Commerce reports. None.

Mayor Fergusson spoke about the upcoming Spring Break and the possibility of canceling the April 10, 2007 meeting and rescheduling those items to a future meeting. Interim City Manager Steffens said that the items on the April 10, 2007 meeting could be moved pending confirmation on the public hearing items.

Council Member Boyle added that some of the parties involved in the appeal may be out of town. Council Member Robinson asked when the deadline is for the appeal to be heard. Mr. Murphy, Acting Community Development Director, said that mid-May would be the 75-day deadline. Council consensus was to cancel the meeting of April 10, 2007 pending the public hearing information. Such cancellation is tentative pending the ability to reschedule the public hearing items.

B. PRESENTATIONS AND PROCLAMATIONS - None.

C. PUBLIC COMMENT #1 - None.

D. CONSENT CALENDAR

1. Adoption of Resolution No. 5730 authorizing the installation of an additional 17-Foot No Parking Zone on El Camino Real, south of the driveway at 1450 El Camino Real. (Staff Report #07-050)
2. Adoption of Resolution No. 5731 authorizing the submittal of applications for grant funds from the California Integrated Waste Management Board for any waste-tire-related grants, and authorization of the City Manager to execute all documents to secure such grant funds for fiscal years 2006-2011. (Staff Report #07-051)

M/S Cline/Robinson to approve the Consent Calendar as presented. Motion carries 5-0-0.

E. PUBLIC HEARING - None

F. REGULAR BUSINESS

1. Discussion and possible direction on Council goals identified during the January 6, 2007 Council Retreat. (Staff Report #07-041)

Arlinda Heineck, Acting Assistant City Manager, provided a staff report that covered the status of the goals and the additional three items that Council needs to address. Ms. Heineck explained that these three goals are: budget, community involvement and campaign reform. Ms. Heineck commented that all of these goals have implications for staffing resources. She outlined the key provisions for each of these goals. Ms. Augustine, Finance Director, provided details on the budget committee proposed by staff. Ms. Augustine reported that staff looked at best practices and the recommendation is for the creation of a finance committee that would also serve as an audit committee. She explained that staff tried to come up with an approach that both responds to Council's needs but also has some structure.

There was no public comment.

Regarding the Budget Decision-Making goal, Council Member Cline appreciated the effort that was put into the staff report. He commented that there are two functions to consider: 1) an audit committee, and 2) a finance committee. He opined that his goal is transparency in the reporting. He suggested a five person finance committee that would come up with principles for reporting the numbers. This body would work in conjunction with the finance department, and include two Council Members as well as residents. The two Council Members would form an advisory body and not a policy setting body. He viewed this body as an audit committee that would have a quarterly meeting schedule.

Mayor Pro Tem Cohen noted that on page A1 the suggested meeting schedule is bi-monthly, and he inferred that the Finance Director would be in attendance. Mr. McClure said that the Finance Director would be the staff liaison to that body. Mayor Pro Tem Cohen said that regardless of what this committee does, the business development area should also be involved and Mr. Johnson, the City's Business Development Manager, could be a liaison as well. Mayor Pro Tem Cohen agrees with a body of five citizens with alternates. He echoed the comments made by Council Member Cline and he complimented staff on a job well done with the proposed structure.

Council Member Robinson commented that he wanted to step back and look at the goals of this committee. He said that once those are clear, other things would fall into place. Council Member Robinson commented that there is a need to communicate better and the way the data is presented could be improved. Council Member Boyle asked if a standing subcommittee would be a Brown Act body and Mr. McClure said this would not be a Brown Act body. Council Member Boyle stated that this item is important but that the agenda description was not clear enough for him or the public. Furthermore, he would like to have two items addressed by the audit committee: format and detail. Council Member Boyle referred to an email he received from a resident that outlined specific recommendations regarding an audit committee procedure. In Council Member Boyle's opinion, the main function of the audit committee is to have direct, explicit and open conversations with the auditor about City staff and procedures. He also sees this committee as a venue for whistle blowers to go to, and asked that anonymous input be allowed from staff to this committee. In his view, the larger financing committee would look at forecasting, budget planning and priorities and this group may be the Budget Advisory Committee (BAC) and such group could work with staff and then bring matters to the City Council. He recommended a third small committee of two Council Members to serve as a compensation and negotiations committee. He commented that it is awkward for staff to be presenting analysis for raises in which the staff members have a self-interest.

Mayor Pro Tem Cohen supported Council Member Boyle's ideas. He stated that he likes small audit and compensation committees and a finance committee that is somewhat larger. Mayor Fergusson said that she sees one of the duties of the committee as communicating about the whole budget picture. She stated that because the City does not have a communications officer she has felt that many times she needs to do the job of sending out press releases and responding to misinformation that is out in the public. She noted that she would welcome the opportunity to delegate this role to a committee. Mayor Fergusson asked if staff would be part of the committee and Ms. Augustine said that staff would be the liaison but not a member of the committee, which is consistent with the Government Finance Officers Association (GFOA) recommendation for audit committees. Mayor Fergusson commented that budgeting priorities should not be handled by a committee. She viewed that function as a core Council function. Council Member Robinson asked for clarity on the tasks for each committee. Council Member Boyle said that regarding comments made by the Mayor regarding public misinformation, he has tried to provide a balanced picture. He added that his intention is to share information.

Council Member Boyle suggested creating a new commission called Finance or Budget Commission and the key is to allow it to get involved and be a citizen-led group that works with the staff on budget planning, finance and forecasting. He would keep the reporting issues with a Council subcommittee. Council Member Boyle would further keep the auditing and compensation items with the Council. Council Member Cline said that there is a need to have better community engagement and he referred to the letter that he had submitted. He reiterated that his goal is to have more involvement by the public and a better way for Council to communicate with the community. He is focused on transparency and better reporting. Council Member Cline spoke in favor of a Finance committee whose sole goal would be to find a better reporting procedure and come up with a set of guiding principles and a formula that is used for items such as the pool and childcare outsourcing etc. He said that preferably the members of this committee should have a strong accounting and finance background. Regarding the audit committee, this body would work with the auditor and consultant, possibly making recommendations on an annual or bi-annual basis. He stated that the BAC should be separate from the Finance Committee because the latter should focus on the numbers. Council Member Robinson said that it looks like four to five committees will be formed tonight and that is a lot. He shared his thoughts about the BAC and how its role was focused on cuts instead of business development. He explained that context is important and this is a small town with a small Council and at the top of his list is promoting the city and making this a business friendly place so Council can one day lower the Utility User Tax rate and increase other revenues.

Mayor Pro Tem Cohen likes the commission idea and that it excludes Council Members. He supported Council Member Boyle's idea of an economic commission because it encompasses budget and business development. However, he did not see this solving the problem of including the BAC and the other subcommittees. Council Member Boyle saw investment policy review as one of the roles the economic commission would work through. Mayor Fergusson said that she hopes that every resident is an emissary representing Menlo Park and bringing the kind of business that serves the Menlo Park community. Mayor Fergusson suggested expanding the staff in the Business Development area to get more pay back for the investment. She supported a Finance Commission that also looks at business development but she believes that supporting these efforts is everybody's responsibility.

Council Member Boyle said it is his understanding that the direction is to encourage staff to develop the concept of an audit committee as recommended by the GFOA and other models, and most likely this would take the form of a subcommittee of two Council Members. Its charter, in his opinion, would be to work with the auditors and provide periodic review of the financial statements. He further supported the creation of a small compensation subcommittee of two Council Members and having staff further develop an economic or finance commission including possibly figuring out

how to better communicate with the public on a regular basis, and involve it more. Council Member Boyle proposed three committees.

Council Member Cline was uncomfortable with the recommendations because he believes the financial reporting is what gets in the way of clarity. He did not believe that following a government standard is the answer. He commented that the crux of the matter is the reporting of the finances. He supported regular meetings to achieve clear information about the numbers being reported, and it is hard for him to understand how a Commission will resolve the issues, especially given his first hand experience being a commissioner for many years. His was supportive of a small Finance Committee that can fix the problems at hand, with the other committees occurring in parallel. Council Member Cline wanted to keep policy and numbers separate.

Mayor Pro Tem Cohen accepted the idea of a Finance Committee of two Council members and other complementary members, noting that in time this body could evolve into a commission. He stated that this addresses the thrust of the communication prepared by Council Member Cline which is to improve access to information. He wanted to see Council Members Cline and Boyle on that committee.

Council Member Boyle supported the ideas proposed by Council Member Cline and he agreed that one of his primary goals is trying to improve the transparency and clarity on the reporting. He said that the charter of the audit committee would be to look at the reporting. He commented that this subcommittee would help the Finance Director look at the numbers and think through what gets released and that the public would be better served because the information is better packaged. He supported a small subcommittee of two Council Members.

Council Member Robinson supported staff coming back with a recommendation for a Finance Committee with two Council Members and a to be determined number of residents. He wanted that committee to discuss the issues that have been discussed by the Council tonight. In his opinion, the work of an audit committee is less defined and it meets once or twice a year and a compensation committee is not needed for at least two years. He recommended a motion to have staff outline parameters for a Finance Committee that would have an audit function and come back with a more defined role. This committee would focus on reporting, transparency, and presentation of data as its primary roles. Mayor Fergusson agreed with Council Member Robinson but also wanted to include communication as an additional role of the committee. She shared concerns of how politicized things could get around election time. Council Member Boyle was comfortable with the approach and having the audit committee be a part of the Finance Committee. He pointed out that the compensation subcommittee might need to come into play earlier because of the City Attorney and City Manager compensations needing to be addressed.

Council Member Boyle suggested that the terms on the audit subcommittee be two staggered four-year terms of Council Members. He said that something longer than one year would be preferable for the sake of continuity. Mayor Fergusson stated that smaller is better for the time being. She said that the compensation of the City Manager and City Attorney has been traditionally a Council responsibility, and she has seen that approach work. She pointed out that there was a City Manager that left possibly because he was compensated well below the market average, possibly \$30,000 below market rates. Council Member Boyle agreed but his suggestion was for that committee to make recommendations to Council and then have the matter discussed openly. Council Member Boyle said that sometimes Council is rushed in a Closed Session and sometimes having a subcommittee with more time might be beneficial. Council Member Boyle reiterated his support for a compensation committee to discuss these issues in more detail.

Regarding the Community Engagement goal, Council Member Boyle liked the four ideas and he especially appreciated the model in attachment C. He mentioned that he can not support adding staff at this time, because his initial reaction is that one person should not be responsible for this whole goal. Council Member Robinson agreed with the comments about staffing, and focused his comments in the area of Information Systems and current staffing levels. He would like to have a

robust community calendar that includes all the meetings that are going on including regional events and links to the agencies' pages. However, he understood that it would have to be managed. Council Member Robinson wanted staff to work differently on how to manage projects when there is community input. When he looks back at the goal statement he said that he would like the word "included" instead of "heard" in the description.

Mayor Pro Tem Cohen supported items 1 and 3 as the most important because the city takes a lot of criticism when the public feels left out, and these two bullet points will do a lot to improve this situation. He commented that the Commission college could be addressed last because there isn't enough the money to pursue this. He stated that the website should be better utilized but he realizes that right now that area of the organization is on overload. Council Member Cline said this is a very proactive report and he likes everything listed and he is just focusing on execution. He asked for a phased approach over three years. He liked the Outreach Plan and Toolkit (OPT) material and he opined that the effectiveness of the website could be improved now. He also suggested real time blogs. He suggested addressing the training components in years two and three.

Mayor Fergusson echoed much of what was said but stated that item #4 is the baseline. She commented that the Menlo.Info newsletter was an important communication tool and she supported the commission college because of the many hours that volunteers give the City. Mayor Fergusson wanted an approach where a consultant or a fixed-term employee is brought onboard to help the City get jump-started. Mayor Pro Tem Cohen said that in retrospect he did not mean to get more out of the current staff. He stated that he has no problem with some of the juggling and moving #4 up. He said that it would be helpful to him to see some estimates of what could be accomplished with certain funds. Council Member Boyle said that some data on website usage would be useful, i.e. how many subscribers use certain subscription services. Council Member Boyle suggested being more efficient and he did not think the commissions are being fully utilized. He commented that he met with Council Member Cline and a facilitator on the El Camino Real study and had a revelation about timing and when the community comes into the process. He said that criticism occurs when cities do not involve residents in the process upfront.

Council Member Robinson stated that there is a lot of overlap with the other Council goals. He stated that this goal goes to the core of how Council sees its role and position in the community. Council Member Robinson said that on the website there are some things that can be done. He added that a creative entrepreneur might have a packet that revamps the site. Regarding the El Camino Real task force, Council Member Robinson supported using some of the items that are suggested in the report. Mayor Fergusson found that a certain methodology was missing to get instant feedback from the community. Mayor Fergusson concurred with the idea of a community calendar being added to the website. Mr. Steffens, Interim City Manager, said that staff could come back with a phased approach that would implement these ideas over multiple years versus a more immediate approach that would have financial and staffing impacts.

Council took a five-minute break at 9:05 p. m. Council resumed at 9:10 p.m.

Regarding the Campaign Election Ethics Reform goal, Mayor Pro Tem Cohen said he attended a conference in San Jose regarding campaign reform. He learned several things but that one of the most important items is that because Menlo Park is not a charter city it cannot enact a clean money ordinance. He also learned that Independent Expenditure Organizations are constitutionally protected and cannot be regulated. He added that the relevant portion of staff's three paragraphs on this is the formation on an informal group sponsored by one Council Member that would address many of the concerns. He said this is a great concern of his even if the Council does not have the power to change things. Mayor Pro Tem Cohen stated his willingness to provide leadership and come back with ideas and he asked for residents' assistance on this project.

Council Member Boyle supported addressing this matter in Menlo Park but he does not think Council should reinvent the wheel. He suggested picking 14 cities similar to Menlo Park and

figuring out their best practices. This could even be a consultant's job to create best practices, but maybe the first step is to look at what has worked and what has not worked. Mayor Pro Tem Cohen said that just because an approximate city has looked into it, does not mean that it is a model. Mayor Pro Tem Cohen stated that there are many resources out there. Council Member Robinson thanked the vice mayor for taking this on and stated that he finds this is a bit like policing Council. He said that if the community does not have faith that things are being done in an ethical manner this could be critical. Council Member Robinson wanted to know exactly what the problems are that need addressing. Council Member Cline supported reform and stated he would like the newspapers included since they are the watchdogs. He spoke about code of conduct as one item that could be addressed.

Mayor Fergusson commented that Menlo Park already has stricter rules, and there is a code of conduct and these items have been thought out in the past. Council Member Robinson asked the City Attorney to provide some input on this. Mr. McClure said that one of the issues that usually comes up is the use of signs on public property. Council Member Robinson said that the current Council has experience with the issue of signs and he is supportive of fixing this particular issue. He referred to a letter that is included in the campaign documents and about state roads and the sign rules. He mentioned that while the candidates' handbook is helpful it could be improved. Council Member Robinson spoke about candidate statements and how there are divergent opinions on the language to include. He would like to have a discussion about giving better guidance or relaxing the guidelines as far as what gets included.

Council Member Boyle said that the sign ordinance is a broad issue and he would like clarification on the issue. He said that proper procedure for handling sign issues would be to add clarity. Mayor Pro Tem Cohen asked the City Attorney to expand on the issues that have come up through the years. Mr. McClure said that negative campaigning, last minute hit pieces, campaigning around schools, large signs, and endorsements are some of the issues that have come up in the last years. Council Member Robinson said that there is a need to clarify that there are no regulations on signs within the State public right way for non-commercial signs. He added that there is no regulation on private properties. Council Member Robinson questioned why Council could not adopt the DOT (Department of Transportation) guidelines.

Mayor Fergusson summarized by saying that Mayor Pro Tem Cohen could work on his own on this matter and carve out a more limited approach to the signage regulations that Council Member Robinson suggested. Council Member Boyle stated that he is not sure he supports this because there are already a lot of Council priorities. He commented that sign regulation can be litigated and controversial. Council Member Cline agreed with giving guidance and that the size of signs could be discussed. He found the biggest problems are institutional endorsements even if they are not aware, and false statements or endorsements and these should be fined. Mayor Pro Tem Cohen stated his willingness to sit down with the City Attorney and investigate the issue of the signs. He also suggested reaching out to residents and he invited anyone who would like to help him in the area of ethics and campaign reform to come forward. Council Member Robinson appreciated Mayor Pro Tem Cohen pursuing this topic. He wanted the issue of candidate statements included in the research.

Mayor Pro Tem Cohen asked if he had to copy all Council Members on the communications with the residents or group, and Mr. Steffens said he was not aware of any such rules. Council Member Boyle asked that in addition to the classic reform maybe there are some creative ideas that should be looked at. He suggested that maybe the City could organize a more comprehensive series of forums where all candidates are invited to discuss topics. Council Member Robinson supported this suggestion and stated he would like to think about making improvements to campaigning, including the forms. He said that candidate ballot statements should be on the list of items to be addressed and he would like to see what other cities are doing.

Regarding the El Camino Real goal, Mayor Fergusson said that she would like to see the Phase I as a subsidiary of the overarching goal. Council Member Robinson asked what the difference was

and Mayor Fergusson said that the goal statement is the short-term goal. Council Member Boyle said that he is frustrated with the status of the commercial zoning update work. He said it was not mentioned anywhere and he did not want it go get dropped or lost. Ms. Heineck commented that the work will be a component that will come back to Council as part of Phase II of the process.

Council Member Robinson addressed the issue of sports fields and the trade off mentioned by staff with the O'Brien Streetscape Study. Mr. Steffens said that this would be on next week's agenda. Mr. Steffens commented about fields at Encinal School and the issue of artificial turf. He added that staff would not have a chance to do a detailed analysis of the health and environmental impacts. Council Member Robinson wanted to understand the environmental cost of maintaining a field. Mr. Steffens said that the City does maintain other similar school fields and this should be information that can be provided.

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 Item.

Kent Steffens, Interim City Manager, said that staff is tracking state legislation and will have one item for Council consideration next week.

G. WRITTEN COMMUNICATION - None

H. INFORMATION ITEMS

1. Information on alternate work schedules. (Continued from the City Council Meeting of March 20, 2007.) Staff Report #07-049)

Mayor Pro Tem Cohen said that since this item came up it has become clear to him that top management is not on a four-day work schedule so it doesn't directly apply to them. However, he stated that he would like to have staff reports in advance so that the public, commissions and Council can have more time to review them. He said that he would like to see any facts and figures regarding energy savings, reduction of commute time, etc. that results from the modified work schedule. He stated that other than this information, his concerns have been largely answered. Mayor Fergusson said that staff report timing could be addressed under Council Procedures which will be on a future agenda.

I. COUNCIL MEMBER REPORTS

Council Member Robinson reported that he attended the Subregional Housing Needs Assessment meeting where the ABAG methodology was adopted. Based on this document Menlo Park's allocation is projected to be 1,137 units. He expressed frustration that this process has not been well publicized.

He also attended the San Francisquito Creek JPA meeting, which was a continuation of a previous Study Session. He commented that County Supervisor, Richard Gordon, committed to providing funds up to \$75,000, which is below what is needed from each jurisdiction.

Council Member Boyle asked about the 1,137 units. Ms. Heineck said that all units regardless if they are rental or ownership count towards that total, but they have to be fully independent facilities.

Mayor Fergusson mentioned that tomorrow at 4:00 p.m. the second meeting of the Green Ribbon Citizen Committee would take place. She invited everyone to attend.

Mayor Fergusson asked for people to save the date of April 18, because there will be a youth jobs summit night in the Palo Alto Council Chambers with other communities such as East Palo Alto and Menlo Park participating.

Council Member Boyle reported on a recent meeting he and the Mayor held with parents who find challenges with current levels of child care offered. He added that the Menlo Park School District will be reviewing this matter on April 4, 2007 at 7:00 p.m. at the Encinal School Headquarters and the parents are getting organized and moving forward.

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

Mark McBirney said that he was here with his two boys who are doing a scouting project.

Collin McBirney said that he was an eagle scout and Shawn McBirney said that he just joined the scouts.

K. ADJOURNMENT - The meeting adjourned at 10:26 p.m.

Respectfully submitted,

Silvia M. Vonderlinden, Certified Municipal Clerk

Approved at the Council Meeting of April 17, 2007.