



**CITY COUNCIL
and
COMMUNITY DEVELOPMENT AGENCY
MINUTES**

Wednesday, June 27, 2007

5:00 P.M.

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

5:00 p.m. SPECIAL MEETING (Menlo Park City Council Chambers)

ROLL CALL - Fergusson (via teleconference), Cohen, Boyle, Cline, Robinson (via teleconference). Vice Mayor Cohen chaired the meeting.

Staff present – Interim City Manager Steffens, Acting Assistant City Manager Heineck, City Attorney McClure, and City Clerk Vonderlinden. There was no other City staff present.

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

B. REGULAR BUSINESS

1. Approval of a Joint-Use Agreement between the City of Menlo Park and the Sequoia Union High School District for the future use of the Menlo-Atherton High School Performing Arts Center. (Staff Report #07-121)

Interim City Manager Steffens provided a brief staff report which included history on the matter and referred to a joint use agreement that was accepted in concept by Council in 2006. He stated that the proposed agreement before the Council for consideration would specify a payment by the City of \$2.6 million in two installments with the first installment due upon final approval of the design and award of the contract and the second payment due upon completion of the construction. He further stated that the agreement would allow for not less 55 days of use per year, including six full weeks in summer, six events during the day when school is in session and 24 events after school hours. The agreement is for 25 years with an option at the City's discretion to extend the lease for an additional 25 years. The City would be obligated to pay a proportionate share of future renovation costs as well as for janitorial and other operational costs for the City's use of the facility. Mr. Steffens asked Mr. McClure to comment on the pending lawsuit regarding use of the facility. Mr. McClure explained that the Town of Atherton is acknowledging that the City's use will not be subject to the Town's Special Events Permit Ordinance but that the Town reserves the right to assert that any third party use would be subject to the ordinance. Menlo Park has not acknowledged that third parties sponsored by Menlo Park would be subject to the ordinance. Mr. McClure commented that the Town and School District are close to settling the balance of the issues.

Public Comment

Ed Lavine, Assistant Superintendent with the Sequoia Union High School District, said that this project as designed is going to the Board of Education tonight. He made himself available to answer any questions Council might have.

Council Member Robinson asked about possibly using funds from Measure T for this purpose. Interim City Manager Steffens said that the payment would be an eligible use of Measure T funding, however the current bond funds are fully committed. He noted that additional funding would be available with the next bond issue. Council Member Robinson inquired if the City is eligible for any of the revenues from ticket sales and Mr. McClure explained that for a City event, the City collects and retains the revenue and for an event by a third party, the revenue would be retained in a fund for the maintenance of the facility.

Mr. Lavine explained that some of the revenues will be used to off-set the operating expense for the particular event and then the remainder will go to long term maintenance fund.

Council Member Boyle asked if, in the case the money came from the General Fund, it could be reimbursed to the General Fund. Mr. Steffens said that this would be the case if set up as a loan. City Attorney McClure stated that the only way to reimburse an expense after the fact is if you set it up as a proper expense from Measure T and allocate the money to make a loan from the General Fund to Measure T. In this way, it can be reimbursed out of the next bond issue. Council Member Boyle asked if this decision needed to be made tonight or whether it could be made at a future date. Mr. McClure explained that the decision would need to be made before the first payment was due. In response to a question, Mr. McClure further explained that it could be structured as a loan from the General Fund and the General Fund could then forgive the loan at a later date. Council Member Boyle asked if future Measure T funding would be available to cover the expense. Mr. Steffens responded that the identified list of Measure T projects is longer than can be funded and that if Measure T funding is used for the performing arts center, another project would need to be eliminated from the list of Measure T projects. He further indicated that a loan would provide greater flexibility in the future to decide how to cover the payment. Council Member Cline asked about third party events. Mr. McClure stated that the Town's position is that if the City subleases the facility or sponsors a third party event, the event would not be exempt from the Town's special events permit. If the City took the position that the event is exempt and the event then went beyond the permitted hours, the Town could attempt to cite the third party for not obtaining the required permit. Mr. McClure also clarified that Atherton is reviewing its special events permit process.

Council Member Cline asked what would happen if we did not use all of the City's days and what the procedure would be for getting more days if necessary. City Attorney McClure explained that the City could let other organizations use our days. He further explained that the City has first priority right to use the facility if it is not being used by the School District but we would have to pay the reasonable costs associated with that time. Council Member Boyle said that third parties could also rent directly from the School District. Vice Mayor Cohen thanked Mr. Levine for his presence and all his work on this project.

M/S Cline/Boyle to approve the staff recommendation which includes payment of \$1.3 million from General Fund reserves upon completion of the design and award of contract by the School District and \$1.3 million upon completion of the construction.

Mayor Fergusson believes this is a great day for Menlo Park and she acknowledged the role prior Councils have played in this process. Council Member Boyle also expressed gratitude for the five years of work that have gone into this. Council Member Boyle noted that the contract specifies that the City will be subject to all school district rules and regulations, so there will be some limitations on the use. He commented that the new center will be a world class facility and an asset the community can be proud of for decades to come.

Motion carries unanimously by roll call vote.

2. Consideration of the adoption of Resolution No. 5752 approving an employment agreement with Glen Rojas. (Staff Report #07-122)

City Attorney McClure presented a brief staff report. He said that Mr. Rojas would commence work on August 2, 2007 and the agreement is for a term of three years. He walked the Council through the agreement. Mr. McClure explained that an enhanced retirement benefit package is being offered to Mr. Rojas to match what he was receiving in Chino.

Mayor Fergusson asked for Public Comment. There was no public comment.

Mayor Fergusson said she is excited about Glen Rojas leading the City and that the new City Manager brings experience and a great track record. She thanked the subcommittee for working hard on this. Council Member Robinson echoed the same feelings and he said that his experience and his demeanor were important. He looks forward to having Mr. Rojas leading the organization. He added that there were excellent candidates and it was not an easy choice.

Regarding the remuneration for the new City Manager, Mr. McClure said that a study was done and the amount offered is comparable to salaries being paid. Council Member Boyle asked if there were

differences between what was agreed upon in Closed Session and the agreement before Council. Cit Attorney McClure said the agreement reflects what was agreed upon in Closed Session. Vice Mayor Cohen welcomed Mr. Rojas to Menlo Park and said he looks forward to working with him. He spoke about the thoroughness of the process. Vice Mayor Cohen thanked Bob Murray for his outstanding work in the selection process.

M/S Boyle/Cline to approve agenda item B2. Motion carries unanimously by roll call vote.

C. PUBLIC COMMENT #2 - None.

D. ADJOURMENT – The meeting adjourned at 5:47 p.m.

Respectfully submitted,

Silvia M. Vonderlinden, Certified Municipal Clerk

Approved as submitted at the Council Meeting of August 7, 2007.