



CITY COUNCIL AND COMMUNITY DEVELOPMENT AGENCY MINUTES

Tuesday, June 3, 2008

7:00 p.m.

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

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

Staff present: City Manager Rojas, City Attorney McClure, Assistant City Manager Steffens and City Clerk Kelly. Other staff was present in the audience.

PLEDGE OF ALLEGIANCE

A. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

1. **Commission members and Chamber of Commerce reports.** - None
2. **The City is accepting applications to fill vacancies on the following advisory bodies:**
 - **Bicycle Commission (1 seat)**
 - **Environmental Quality Commission (2 seats)**
 - **Housing Commission (2 seats)**
 - **Library Commission (1 seat)**
 - **Parks and Recreation Commission (1 seat)**
 - **Planning Commission (3 seats)**

B. PRESENTATIONS AND PROCLAMATIONS - None

C. PUBLIC COMMENT #1

Father Patrick LaBelle, representing Vallombrosa Center, reported that they are having problems with the students of Menlo/Atherton High School using the easement parallel to their property at 250 Oak Grove Avenue as a student parking lot, particularly since the start of construction of the Performing Arts Center. He said there are problems with drug use, graffiti, trespassing and intimidation of guests. He expressed concern for traffic and pedestrian safety and asked the Council to assist them in getting this matter resolved.

John Ames, the facilities manager for the Church of the Nativity, said that their parishioners utilize the Church for many activities during the week and are unable to park due to the problem with students parking on Oak Grove in front of the Church. He asked the Council to request that the School District secure sufficient student parking.

Lucienne Woods, representing Marcussen Drive neighbors, expressed concerned for the safety and security of their neighborhood. She stated that their street is narrow and has no sidewalks, and that due to the number of high school students parking on both sides of the street, there is not enough room for emergency vehicles, other cars, pedestrians and cyclists. She stated driveways are often blocked and difficult to exit; views are obstructed; and garbage pickup has been delayed. She presented a petition with 60 signatures asking that the Council institute a “no parking 7:00 a.m. to 9:00 a.m., excluding weekends and holidays” on both sides of their street.

Tom Prussing stated his concerns as follows: 1) traffic and pedestrian safety; 2) younger children are being harassed by the high school students; 3) ADA access for the disabled and

elderly is being impeded; 4) garbage pickup is being skipped; and 5) fire trucks can not get down the street if there are two SUVs parked on either side of the street.

Douglas Andreae reiterated neighbors concerns regarding traffic and pedestrian safety, younger children being harassed, missed garbage pickup, and the inability of fire trucks to get down their street because of the parked cars.

D. CONSENT CALENDAR - None

E. PUBLIC HEARING

- 1. Introduction of the City Manager's Proposed FY 2008-09 Budget and Capital Improvement Program for the City of Menlo Park; Consideration of the revised long-term Financial Forecast; Discussion of the continuation of the current reduced rate of Utility Users Tax beyond September 31, 2008; and Discussion of the findings necessary to continue the Utility Users Tax beyond December 31, 2008. ([Staff Report #08-074](#)) ([Transmittal Letter](#))**

City Manager Glen Rojas presented the FY 2008-09 proposed budget. He stated that after the public hearing staff will be looking for Council direction on the proposed budget and the continuation of the Utility Users Tax and that staff would return with the final budget for Council's adoption on June 17, 2008.

The City Manager reviewed the economic environment and noted that despite hints of recession and economic down turns in other areas of the nation, State and Bay Area, the City's economy, in relationship to property values and development projects in the pipeline, has been fairly stable.

The City Manager provided an overview of revenues and expenditures for FY 2007-08, adopted and estimated, and FY 2008-09, proposed, which estimates a deficit of \$1,008,049 that will need to be drawn from the general funds reserves. Mr. Rojas stated that while the FY 2007-08 budget projected a deficit of \$978,015, it is now anticipated that the fiscal year will end with a surplus of \$715,370. He pointed out that the general fund reserves are estimated at \$24.5 million at year end and that the budget will be reviewed at mid-year, and adjusted if needed.

The City Manager informed the Council that the proposed budget supports the Council's goals in the areas of: 1) El Camino Real Downtown Visioning Plan; 2) Community Engagement; 3) Transportation Management; 4) Budget Decision Making; 5) Sports and Playing Fields; and 6) Environmental Stewardship. Mr. Rojas stated that 38 new projects, in the amount of \$3,751,150 are being recommended to be added to the FY 2008-09 Project Priority List, with 28 projects already funded and in the pipeline for next year. Mr. Rojas pointed out that funding has yet to be identified for Phase 2 of the El Camino Real Vision Plan, the Burgess Gym and Gymnastics Center Improvements, and the Alternative School Transportation Program.

In response to questions raised by members of the Council, staff responded that some of the steps taken and factors that are expected to result in increased revenues are: 1) the hiring of a business development staff person; 2) the completion of the Rosewood Hotel; 3) the continuation of the Utility Users Tax; 4) increases to the City's Master Fee Schedule; and 5) completion of the El Camino Real Downtown Vision Plan. Staff also reviewed the

cost of recent police contracts and reported that as a result of the new contracts, the trend of losing police officers to other police agencies has been stopped.

Susan Holmer, Library Director, responded to questions raised by members of the Council regarding the Library Commission's request that the Library open two hours earlier on Tuesdays. She stated that the Library opens at 10:00 a.m. every day, with the exception of Tuesdays and Sundays, when it opens at 12:00 p.m. She noted that customers do want consistent hours and that there are usually no fewer than 50 people waiting to get in when the doors open at 12:00 p.m. on Tuesdays. She said it would cost approximately \$30,000 for staffing to open the Library an additional two hours a week and to provide another children's story time. She said that they have been unsuccessful at getting volunteers to cover this time.

Councilmember Boyle asked staff as to how conservative the projections for revenues are for next year. He also questioned staff regarding projections for development projects. The Finance Director responded that staff has tried to estimate probable revenues. The Community Development Director responded that there are lots of projects in the pipeline for the next year and that historically the City feels any State economic slowdown approximately 12 to 18 months later. She commented that there are not many large scale projects on the forefront, but that she feels that might partially be caused by the El Camino Real Downtown Visioning process.

In response to questions raised by members of the Council, Assistant City Manager Steffens reported that while the City sets aside money each year for infrastructure maintenance, funds are not set aside for either new buildings or major improvements to buildings. He also informed the Council that the State continues to mandate improvements to storm water systems, which could require additional street cleaning and the installation of filtration systems at a cost of over \$500,000 a year. City Manager Rojas informed the Council that the City also need to think in terms of responding to disasters, such as earthquakes, and he plans on coming to Council with a proposed reserve policy in the upcoming months.

Members of the public commented as follows:

Alaina Sloo, representing the Library Commission, requested that the Council consider sufficient funding so that the Library could open on Tuesday mornings at 10:00 a.m. She stated that there are always a large number of customers waiting outside the Library at 10:00 a.m. on Tuesdays.

Jim Lewis handed out his 10 point program for the future of Menlo Park.

Elizabeth Lasensky, Housing Commission, said that it is important that the City complete its Housing Element next year and pointed out that senior housing needs will continue to increase in future years.

Action: Moved, seconded (Robinson/Cline) and carried unanimously to close the public hearing.

Councilmember Boyle questioned what would happen if the City did not finish its Housing Element on time. The Community Development Director responded that the Housing Element is required to be certified and completed by June 2009, but that there are no

specific penalties for not completing it on time. However, she warned that the City would be at risk of being sued by housing developers and might be limited in applying for grants.

Councilmember Fergusson said she would like to remove from the City's fee schedule, the ability for a non-applicant of a development project to require a study session with the Council without having a councilmember bringing the matter forward, and that she also would support opening the Library at 10:00 a.m. on Tuesdays.

Councilmember Cline asked what strategy is planned for Phase 2 of the El Camino Real Downtown Vision Plan and expressed support for adding Library hours. City Manager Glen Rojas responded that funding for Phase 2 of the Vision Plan would have to come out of the City's reserves and that if the Council agreed to increase Library hours, he would ask the Council to decide what project or program to reduce or eliminate to balance the funds or that Council give direction that the funding would come from the reserves.

Vice Mayor Robinson expressed his support for opening the Library at 10:00 a.m. on Tuesdays and commented on which of the project priorities he considered to be of high and low priority.

Councilmember Boyle asked the City Manager if adding additional hours to the Library would be his highest priority for additional funding. The City Manager responded that all of the departments funding requests were evaluated and that if additional monies were available, he feels the Community Development Department is the most impacted in not being able to meet the demands of its workload.

Councilmember Boyle said he not comfortable with the budget as proposed because it projects over a million dollar deficit, not including other unfunded projects, particularly Phase 2 of the Vision Plan. He stated that expenses are outpacing revenues and the City needs to take steps to move toward a sustainable budget. He pointed out one step would be to delay some of the projects, that are not revenue generating, on the proposed Project Priority List and review them mid-year.

Councilmember Cline reviewed the budgets for the past five years and noted that the City finished off better than expected every single year. He acknowledged that the City needs to do a better job of forecasting, and that has been done this year. Councilmember Cline stated his belief that the Council has pushed staff to present a deficit budget by pushing its priorities. He stated that the City needs to invest in developing strategic plans and creating initiatives that will build revenues. He said he would like to see the City develop an M2 strategy, but understands that won't happen in next year's budget. He pointed out that it is easier to cut than to put time and money into building revenue generating mechanisms, and that he would like to see the City be bold, be forward thinking, and come up with plans to make money. Councilmember Cline did express concern for becoming too dependent on the Utility Users Tax and said it would like to see that eliminated in a couple of years.

Councilmember Fergusson said that she is in agreement with many of the comments made by Councilmember Cline. She noted that the Council will have the opportunity to make adjustments to the budget at mid-year and that she believes the proposed budget provides the framework for moving forward on many of the City's long term goals.

Vice Mayor Robinson said that the Council has several options: 1) cut expenses; 2) increase revenues; or 3) dip into reserves. He stated that historically the City has done better than projected and that the City has a healthy reserve. Vice Mayor Robinson said he is comfortable supporting the proposed budget, including the list of project priorities, and the Utility Users Tax.

Mayor Cohen said he would support staff's recommendations.

Action: By consensus, Council directed staff to come back on June 17, 2008 with the FY 2008-09 budget as proposed by staff, including extending the Utility Users Tax and continuing the temporary reduction rate in the tax beyond the original period and to include the list of Project Priorities as previously approved by the Council.

F. REGULAR BUSINESS

1. **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.**

Action: None

G. WRITTEN COMMUNICATION – None

H. INFORMATION ITEMS - None

I. COUNCIL MEMBER REPORTS

Councilmember Boyle announced that he has been elected as the Alternate to ABAG by the Council of Cities.

Councilmember Fergusson informed the Council that she attended a meeting with the Seminary Oaks neighborhood regarding the City's plans to build an emergency reservoir in the neighborhood and that there was a lot of commentary that staff is digesting. She said she hopes that the Council will receive an update on this.

Mayor Cohen announced that the Mayor's Speaker Series on Homelessness was well attended and that the Mayor's Speaker Series on Youth will be held on June 11. He offered that anyone that is interested in talking with him on these topics contact him.

J. PUBLIC COMMENT #2. – No speakers

K. ADJOURNMENT – Adjourned at 10:17 p.m.

Respectfully submitted,

Sherry M. Kelly, City Clerk

Approved at Council meeting of August 5, 2008