



CITY COUNCIL SPECIAL MEETING MINUTES

Tuesday, April 23, 2013

7:05 p.m.

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

7:05 P.M. SPECIAL SESSION

Mayor Ohtaki called the meeting to order at 7:02 p.m. with all members present.

Mayor Pro Tem Mueller made opening remarks stating that tonight's meeting is about transparency, accountability and problem-solving, and asked participants to maintain a collegial and collaborative tone.

SS. STUDY SESSION

SS1. Receive Public Comment on labor contracts ([Staff report #13-049](#))
([POA MOU](#)) ([PMA MOU](#)) ([SEIU MOU](#)) ([AFSCME MOU](#))

Public Comment:

- Roy Thiele-Sardina thanked Council for holding this session prior to the negotiation process. He expressed concern regarding the unsustainability of the City's pension fund, the need to reduce the number of full-time employees (FTE), such as the child care center staff, to reduce salaries and reduce the pension formula.
- Edward Moritz spoke regarding the police retirement formula and the current "step" system
- Henry Riggs stated that Menlo Park is a desirable place to work and that raising salary and benefits is not necessary to attract new employees. He asked Council to establish a moratorium on new hires. He addressed reducing staffing levels and salaries, reconsidering the step system, reducing paid time-off, negotiating healthcare, active recruitment from the private sector, withdrawing from CalPERS, including citizens on the negotiating team and to consider the benefits becoming a charter city. ([handout](#))
- Mickie Winkler urged Council to take a fiscally analytical approach, to reconsider the current seniority system and to continue involving constituents in the process
- Chuck Bernstein encouraged Council to defer making any decisions for one year and spoke regarding the need for a long-term financial model and independent analysis by an outside contractor who would report directly to the Council, no increases in salary or benefits, utilizing citizens to form a task force, and the impact of development and low income housing ([handout](#))
- Joy Kosobayashi stated that salaries should be reduced and cautioned the Council against a "keep up with the Jones'" mentality
- William Brown asked Council to move from a defined benefit system to a defined contribution program. He stated that as incremental revenues are achieved, these should go toward repayment of unfunded liabilities before implementing new services.
- Hank Lawrence urged Council to consider subcontracting work similar to the defense industry, to cut staff size and move from a defined benefit system to a 401K
- Honor Huntington thanked Council for holding tonight's session and encouraged Council to utilize the Finance and Audit Committee to assist with financial modeling, consider becoming a Charter City, and to review State requirements and what the City can do regarding employment benefits

- Peter Carpenter commended Council for holding tonight's session as it serves as a good example of transparency and participation, and asked how much would it cost to buy out of CalPERS
- Rene Morales stated that City staff delivers exceptional customer service, but under current conditions that level is dropping. He stated it will be difficult to attract qualified candidates with the new benefit formula and that contracting out can become costly.
- Jennifer Pollock spoke regarding the Specific Plan

Mayor Pro Tem Mueller stated that staff has been directed to look into an unfunded pension liability fund.

In response to Mayor Ohtaki, City Attorney McClure clarified the difference between workers' compensation claims and disability retirement and the State's requirements to qualify for benefits. The City's workers compensation claims are handled by an outside administrator and staff meets quarterly to review claims. He gave a brief overview of both processes.

In response to Councilmember Cline, Assistant City Manager Jerome-Robinson described the 3-tiered pension formulas for sworn and non-sworn staff.

	<u>Police</u>	<u>Non-Sworn</u>	<u>Date Implemented</u>
Tier 1	3% @ 50	2.7% @ 55	June 2006
Tier 2	3% @ 55	2% @ 60	November 2011
Tier 3	2.7% @ 57	2% @ 62	January 2013

In response to Mayor Ohtaki, Assistant City Manager Jerome-Robinson addressed concerns regarding new CalPERS actuarials, the "smoothing" period and the potential for increased rates.

In response to Councilmember Keith, City Attorney McClure described two types of binding arbitration. The first type of arbitration occurs when a City and a bargaining unit reach an impasse regarding contract terms. The second type, which is included in Menlo Park's labor MOUs, can be implemented when an employee that has been disciplined wants to appeal the City's decision regarding the discipline. He gave a brief overview of this type of arbitration.

City Manager McIntyre discussed Menlo Park salaries compared to those of 13 neighboring cities. Menlo Park ranks within the top 10 percent. The Police Department ranks number two.

Council stated the pay-off of the CalPERS safety fund in 2011 was appropriated from the General Fund and has not been repaid but that the City has reaped the financial benefits of taking that action.

Mayor Pro Tem Mueller stated that some clean-up language may be needed in the Police duty handbook regarding grievances and dismissal in order to be consistent with what is in the MOU, and to review community policing and the quality of work the City receives in return for what it pays for.

In response to Councilmember Cline regarding financial models, City Manager McIntyre stated that the best model is a 3-5 year forecast.

Councilmember Carlton thanked the public for attending tonight's session and stated that there are talented members of the community who could assist with research regarding financial modeling and becoming a Charter City.

Mayor Pro Tem Mueller made closing remarks, thanking the public and staff for participating.

Council adjourned to Closed Session in the 1st floor Council Conference Room, Administration Building, at 8:33 p.m.

CL. CLOSED SESSION

CL1. Closed Session pursuant to Government Code section 54957.6 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Police Management Association (PMA)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Robert Jonsen, Police Chief, Dave Bertini, Commander

C. ADJOURNED at 11:07 p.m.



Pamela Aguilar
Deputy City Clerk

These minutes were accepted at the meeting of June 4, 2013