



SPECIAL MEETING MINUTES

Date: 5/26/2020

Time: 5:00 p.m.

Special Meeting Location: Joinwebinar.com – ID# 964-426-187

NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the City Council, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
 - Submit a written comment online:
menlopark.org/publiccommentMay26*
 - Record a comment or request a call-back when an agenda topic is under consideration:
Dial 650-474-5071*
 - Access the special meeting real-time online at:
joinwebinar.com – Special Meeting ID 964-426-187
*Written and recorded public comments and call-back requests are accepted up to 1 hour before the meeting start time. Written and recorded messages are provided to the City Council at the appropriate time in their meeting. Recorded messages may be transcribed using a voice-to-text tool.
- Watch special meeting:
 - Cable television subscriber in Menlo Park, East Palo Alto, Atherton, and Palo Alto:
Channel 26
 - Online:
menlopark.org/streaming

Note: City Council closed sessions are not broadcast online or on television and public participation is limited to the beginning of closed session.

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website www.menlopark.org. The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information (menlopark.org/agenda).

According to City Council policy, all regular meetings of the City Council are to end by midnight unless there is a super majority vote taken by 11:00 p.m. to extend the meeting and identify the items to be considered after 11:00 p.m.

Closed Session (Teleconference)

A. Call To Order

Mayor Taylor called the meeting to order.

B. Roll Call

Present: Carlton, Combs, Nash, Mueller, Taylor

Absent: None

Staff: City Manager Starla Jerome-Robinson, Interim City Attorney Cara Silver, Assistant City Manager Nick Pegueros, Labor Negotiator Charles Sakai

C. Closed Session

- C1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the American Federation of State, County, and Municipal Employees Local 829 (AFSCME) and Confidential employees; Service Employees International Union Local 521 (SEIU); Menlo Park Police Sergeants Association (PSA); Menlo Park Police Officers' Association (POA); and Unrepresented Management.

Attendees: City Manager Starla Jerome-Robinson, Interim City Attorney Cara Silver, Assistant City Manager Nick Pegueros, Labor Negotiator Charles Sakai

No reportable actions.

Mayor Taylor adjourned the meeting.

Special Session ([Joinwebinar.com](https://www.joinwebinar.com) – ID# 964-426-187)

D. Call To Order

Mayor Taylor called the meeting to order at 6:58 p.m.

E. Roll Call

Present: Carlton, Combs, Nash, Mueller, Taylor

Absent: None

Staff: City Manager Starla Jerome-Robinson, Interim City Attorney Cara Silver, City Clerk Judi A. Herren

F. Report from Closed Session

No reportable actions.

G. Consent Calendar

City Councilmember Nash pulled items G1. and G4.

Mayor Taylor pulled items G2. and G3.

- G1. Accept the City Council meeting minutes for March 24, April 2, 7, 14, 17, 28, May 1, 5 and 6, 2020 ([Attachment](#))

The City Council directed revisions to the April 28 minutes regarding rubberized asphalt and the return of all projects, not limited to the capital improvement projects, for budget considerations.

- G2. Approve a one-year extension to the agreement with the County of San Mateo for animal control services and authorize the city manager to execute the amendment ([Staff Report #20-108-CC](#))

The City Council received clarification regarding sick animals.

- G3. Receive and file the quarterly financial review of General Fund operations as of March 31, 2020 ([Staff Report #20-109-CC](#))

The City Council requested items listed as miscellaneous to include more details in future reports.

- G4. Adopt Resolution No. 6558, preliminary approval of the engineer's report for the Menlo Park Landscaping Assessment District, and Resolution No. 6559, intention to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2020-21 ([Staff Report #20-110-CC](#))

The City Council received clarification on the on the funding and directed staff to retain the fund balance and minimize the use of the general fund.

ACTION: Motion and second (Nash/ Carlton) to approve the consent calendar including direction provided in items G1. and G4., passed unanimously.

H. Regular Business

- H1. Update the City Council and public on COVID-19 health emergency and the City's response ([Attachment](#))

City Manager Starla Jerome-Robinson made the presentation.

- Adina Levin spoke in support of community activities that support local businesses.

The City Council discussed ways to host virtual Citywide events for the community and the reopening the pools and libraries.

- H2. Approve Resolution No. 6554 amending the City's records retention schedule ([Staff Report #20-096-CC](#)) – **continued from May 12, 2020 meeting**

City Clerk Judi Herren introduced the item.

- Pamela Jones spoke in support of retaining documents indefinitely electronically.

The City Council received information on the various laws which govern the amount of time records are retained and impacts to the City when records are retained past the dates set in the records retention schedule. The City Council received clarification that adoption of this schedule does not allow staff to destroy documents; any record scheduled to be destroyed requires City Council approval.

ACTION: Motion and second (Carlton/ Combs) to approve Resolution No. 6554 amending the City's records retention schedule, passed unanimously.

H3. Direction on the reactivation of advisory bodies ([Staff Report #20-105-CC](#))

City Clerk Judi Herren introduced the item.

- Karen Grove spoke on concerns regarding staff serving on the emergency operations center and as staff liaison to various advisory body's.

The City Council received information on the timeline, process, and estimated costs to reactivate the nine inactive advisory body's. The City Council directed staff to prioritize the Environmental Quality Commission and Finance and Audit Committee and to decrease the timeline for all other body's as appropriate.

ACTION: Motion and second (Carlton/ Nash) to approve the reactivation of all advisory body's prioritizing the Environmental Quality Commission and Finance and Audit Committee and decreasing the timeline for all other body's as appropriate, passed unanimously.

H4. Provide direction on budget balancing measures including program and service reductions for the city manager's proposed fiscal year 2020-21 budget and authorize issuance of notice of intent to layoff affected positions ([Staff Report #20-106-CC](#)) – **continued from May 22, 2020 meeting**

Assistant Administrative Services Director Dan Jacobson made the presentation (Attachment).

The City Council received clarification on the decisions made to tables 2, 3, and 4 at previous City Council meetings and the preservation of childcare programs.

City Council took a break at 8:53 p.m.

City Council reconvened at 9:03 p.m.

The City Council discussed implementation of a contingency budget, overnight parking enforcement, and exploring a panel of experts to advise on actions to promote a strong local economy.

ACTION: By acclamation the City Council extended the meeting past 11 p.m., passed unanimously.

The City Council received clarification on reactivation of gymnastics and discussed furlough and cut options.

ACTION: Motion and second (Carlton/ Combs) to approve the proposed reductions in Tables 2A, 3, and 4 with the exception of items Nos. 41 and 45, passed unanimously (Attachment).

The City Council discussed the business tax license, transient occupancy tax, and cost recovery options.

I. Informational Items

- I1. City Council agenda topics: June 2020 to July 2020 ([Staff Report #20-107-CC](#))

J. City Manager's Report

None.

K. City Councilmember Reports

City Councilmember Mueller reported on the upcoming agenda item regarding the downtown social distancing project.

L. Adjournment

Mayor Taylor adjourned the meeting at 11:47 p.m.

Judi A. Herren, City Clerk

These minutes were approved at the City Council meeting of July 14, 2020.

Table 2a: Baseline budget changes, department summary	
Item	2020-21 expenditure decrease/(increase)
Administrative services summary	143,537
City Council/city attorney/city manager/city clerk/sustainability summary	563,108
Community development summary	(109,586)
Community services summary	523,137
Library summary	(186,261)
Police summary	(461,045)
Public works summary	326,198
Total	799,088

Note: Detail, by department, available as Table 2 in Attachment A of staff report #20-104-CC

Table 3: Unrepresented management personnel cost reductions	
Item	2020-21 expenditure decrease/(increase)
Freeze community development director position	246,278
Freeze administrative services director position	251,726
Suspend unrepresented pay increases for 2020-21	174,000
Suspend unrepresented bonuses for 2020-21	240,000
Additional reductions to reach 25% reduction goal	231,291
Total	1,143,295

Table 4: Low impact on citywide equity, tier 1 reductions		
Item		2020-21 expenditure decrease/(increase)
34	Rollback staff augmentation in finance: senior accountant; 2017-18	182,426
35	Rollback staff augmentation in human resources: HR technician; 2018-19	124,524
36	Reduce contract service support in HR and finance	40,000
37	Rollback community special events programming	304,575
38	Freeze management analyst position assigned to support community services	145,000
39	Reduce temporary staff by 30% due to anticipated service reductions	280,665
40	Withdraw from Peninsula Library System (note one-time costs in Table 2)	270,000
41	Eliminate enhancements to open data and crime analysis	144,000
42	Eliminate police chief's executive assistant	135,000
43	Eliminate Caltrain GoPass program for employees	71,478
44	Reduce public works' administrative capacity	86,414
45	Eliminate night-shift oversight of contract custodial services	272,187
46	Eliminate holiday decoration/lighting program	86,700
47	Eliminate fleet maintenance for West Bay Sanitary Sewer District and delay vehicle purchases in FY19-20, FY20-21.	199,680
48	Eliminate contingency for 2019-20 budget enhancements	1,500,000
	Total	3,842,649

A wide landscape photograph showing a river or stream winding through a green, hilly area. The sky is filled with large, white and grey clouds, suggesting a bright but overcast day. The water reflects the sky and the surrounding greenery.

FISCAL YEAR 2020-21 SERVICE AND PROGRAM REDUCTIONS

May 26, 2020

A close-up photograph of a riverbank. The foreground is filled with tall grasses and small purple flowers. The river water is visible on the right side of the frame, reflecting the sky.



AGENDA

- Direction on prior consensus
- Additional potential measures
- Provide additional direction



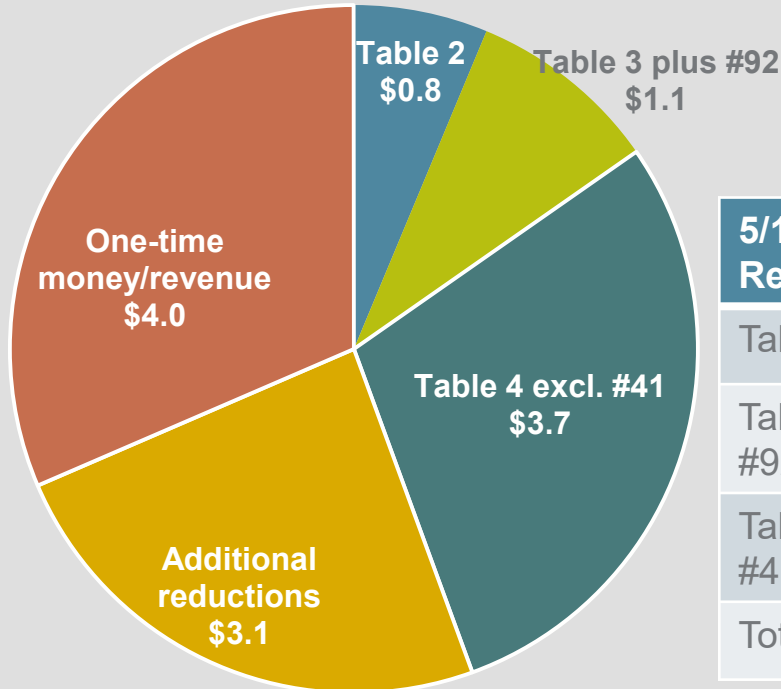


REQUESTED DIRECTION

- Provide direction on program and service reductions to include in the city manager's proposed budget
 - Confirmation of consensus at prior meeting
 - Consider other budget balancing measures
- Authorize issuance of layoff notices to employees



MAY 19 CITY COUNCIL MEETING SLIDE 1/2

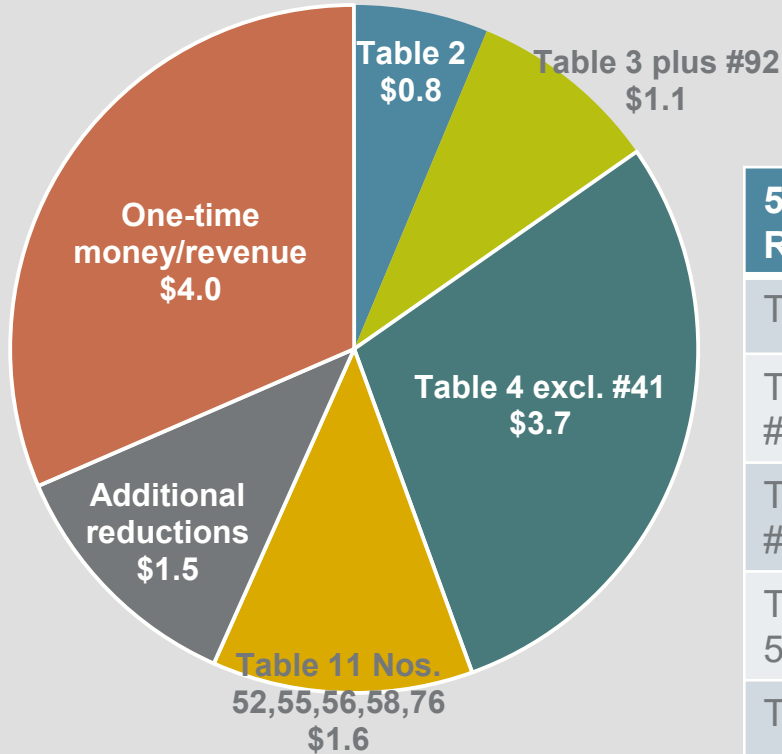


5/19 Staff Report	Layoff	Freeze	Temps
Table 2	1	0	0
Table 3 plus #92	0	3	0
Table 4, excl. #41	3	5	14
Total	4	8	14



MAY 19 CITY COUNCIL MEETING

SLIDE 2/2



5/19 Staff Report	Layoff	Freeze	Temps
Table 2	1	0	0
Table 3 plus #92	0	3	0
Table 4, excl. #41	3	5	14
Table 11 Nos. 52,55,56,58,76	0	6	27
Total	4	14	41



REQUESTED ACTION

Source table	Reference #s	Total deficit decrease/(increase)	Cumulative deficit decrease/(increase)
2/2a	1 - 28	799,088	799,088
3	29 - 33	1,143,295	1,942,383
4	34 - 40, 42 - 48	3,698,649	5,641,032
11	52, 55, 56, 58, 76, 92	1,555,561	7,196,593

- Direct City Manager to
 - Incorporate reductions in the proposed 2020-21 budget
 - Freezes/eliminate 13 full-time equivalent (FTE) positions
 - Issue layoff notices to 4 regular and 41 temporary employees



ADDITIONAL BUDGET BALANCING MEASURES





STAFF RECOMMENDATION - ADDITIONAL BUDGET BALANCING MEASURES

- \$1.49 million in service and program changes
 - Remaining items for consideration
 - Contingency reduction
- \$4 million in one-time money/ revenue



ADDITIONAL SERVICE REDUCTIONS

- 41 remaining potential service changes
 - Additional study necessary for childcare finances; Council presentation in June
- Adoption of contingency expenditure reduction
 - Amount equivalent to remaining deficit
 - Quarterly review to identify options/needs
 - October 1, 2020
 - January 1, 2021
 - April 1, 2021



ONE-TIME MONEY OPTIONS

Item	Estimated available as of July 1, 2020	Priority
Economic stabilization reserve	11,607,781	Tier 1
Use of strategic pension reserve to make additional payments to CalPERS	2,898,650	Tier 1
General fund unassigned fund balance	2,322,221	Tier 2
Unused capital improvement program funds originated in the general fund	2,700,000	Tier 3
Deferral of transfer to general capital improvements	3,002,400	Tier 3
Sale of assets, 1283 Willow Road	3,650,000	Tier 3



REVENUE OPTIONS

Type	Estimated revenue
Utility Users' Tax set to maximum rate	1,921,875
Business license tax gross receipt cap lifted*	1,050,000
User fee study	Variable
Transient Occupancy Tax (TOT) rate increase*	Variable

* Requires voter approval



REQUESTED DIRECTION

- Provide additional direction on fiscal year 2020-21 budget
 - Additional budget balancing measures
 - Use of one-time money or revenue
- Authorize issuance of layoff notices to affected staff



QUESTIONS



AGENDA

- Introduction
- Review of staff report
- Public comment
- Break
- Worksheet procedures and use
- City Council questions and deliberations



FISCAL YEAR 2020-21 BALANCED BUDGET



ADDED MEASURES

- Reopening scenarios
 - Belle Haven CDC
 - Menlo Children’s Center
 - Gymnastics programming
- Additional payments to CalPERS using strategic pension reserve
- Clarification on transportation positions



REQUESTED DIRECTION

- Provide direction on program and service reductions to include in the city manager's proposed budget
 - Confirmation of consensus at prior meeting
 - Budget balancing measures
 - Service reductions
 - Revenue options
 - Use of one-time money
- Authorize issuance of layoff notices to employees



RECOMMENDATION

Category	2020-21 baseline	Recommendation	2020-21 recommended
Revenue	\$ 68,214,481	\$ (12,688,343)	\$ 55,526,137
Personnel	44,689,302	(4,570,057)	40,119,245
Non-personnel operating	22,639,570	(4,100,000)	18,539,570
Use of one-time money			
Decrease capital transfer	3,002,400	(970,000)	2,032,400
Use of reserves	-	2,620,586	2,620,586



VACANT POSITIONS

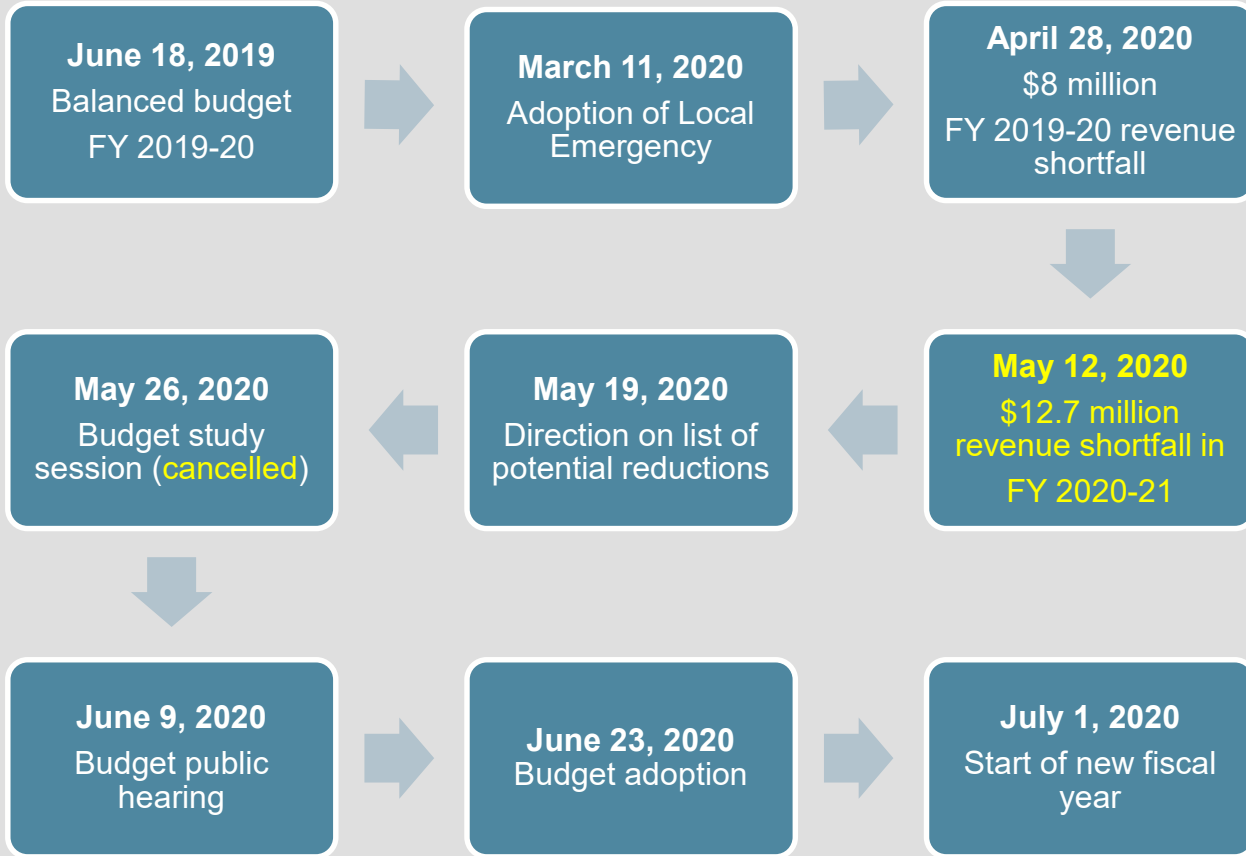
Position	Fully burdened cost
Administrative Services Director	270,836
Human Resources Technician	127,506
Building Inspector	158,837
Plan Check Engineer	182,457
Senior Planner	176,693
Management Analyst I/II/Sr	181,650
Management Analyst I/II/Sr	185,431
Recreation Coordinator	124,207
Management Analyst I/II	147,592
Child Care Teacher II	106,244
Communications Training Dispatcher	147,160
Police Records Specialist	116,124
Parking Enforcement Officer	66,208

Position	Fully burdened cost
Police Corporal	189,507
Police Officer	177,543
Police Officer	177,543
Police Officer	177,543
Management Analyst I/II	147,592
Associate Civil Engineer	180,967
Building Custodian	106,244
Building Custodian	106,244
Associate Transportation Engineer	180,967
Junior Engineer	128,265
Community Development Director	256,415
Assistant Public Works Director - Transportation	213,169
Associate Planner	163,108



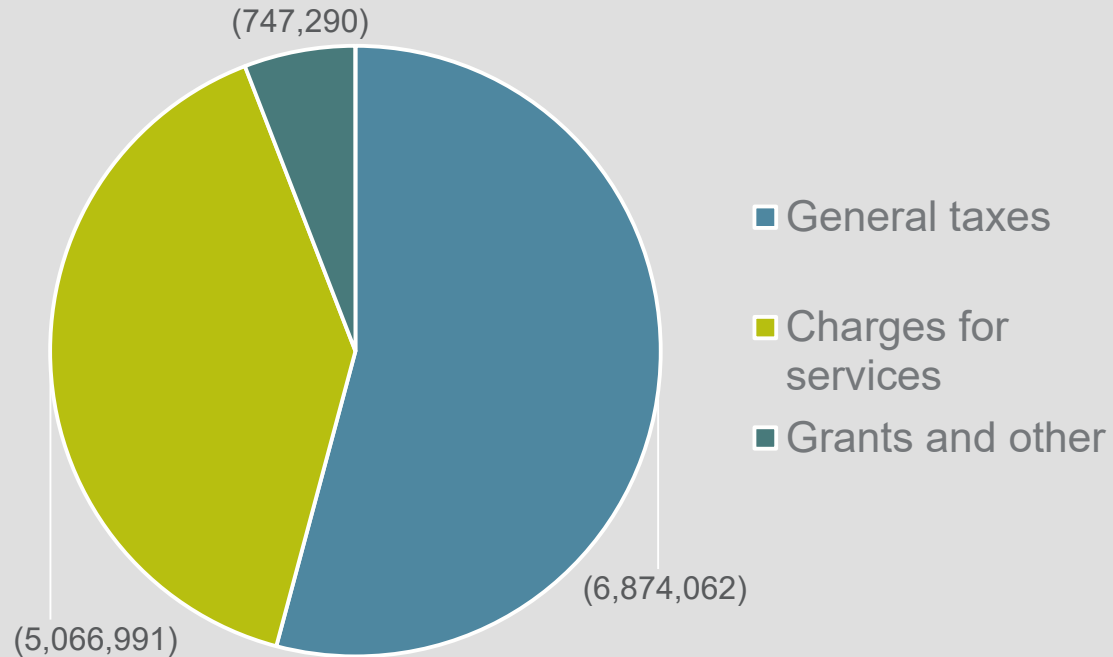
WHY ARE WE HERE?







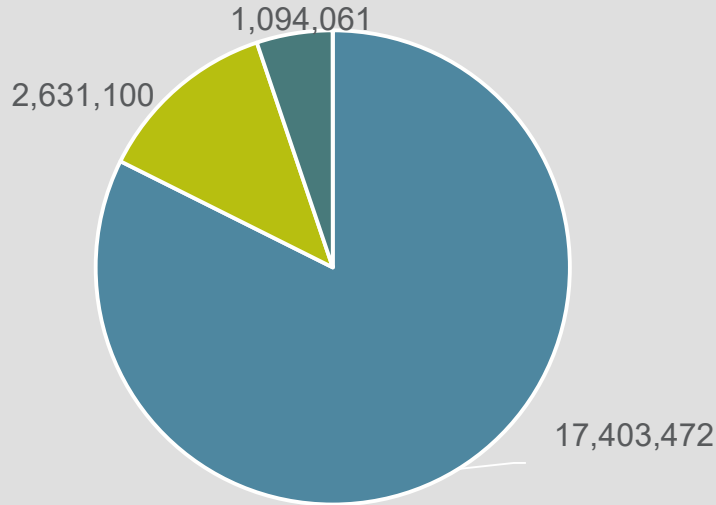
2020-21 REVENUE SHORTFALL \$12.7 MILLION





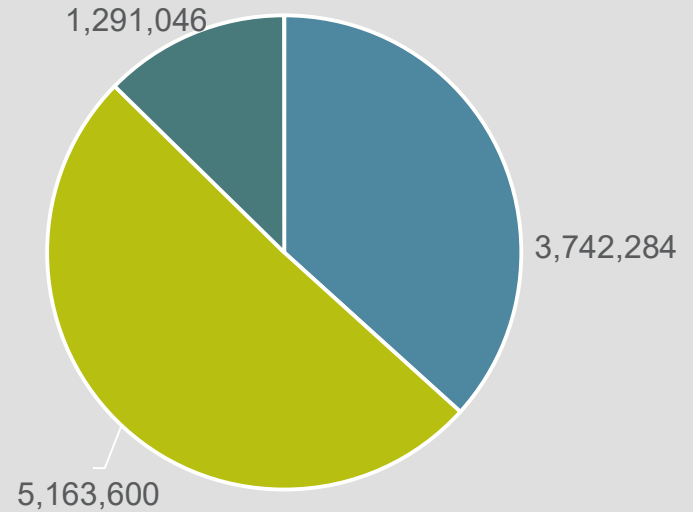
HOW PROGRAMS ARE FUNDED 2019 BASELINE

Police



- General taxes
- Charges for services
- Grants and other

Community services



- General taxes
- Charges for services
- Grants and other

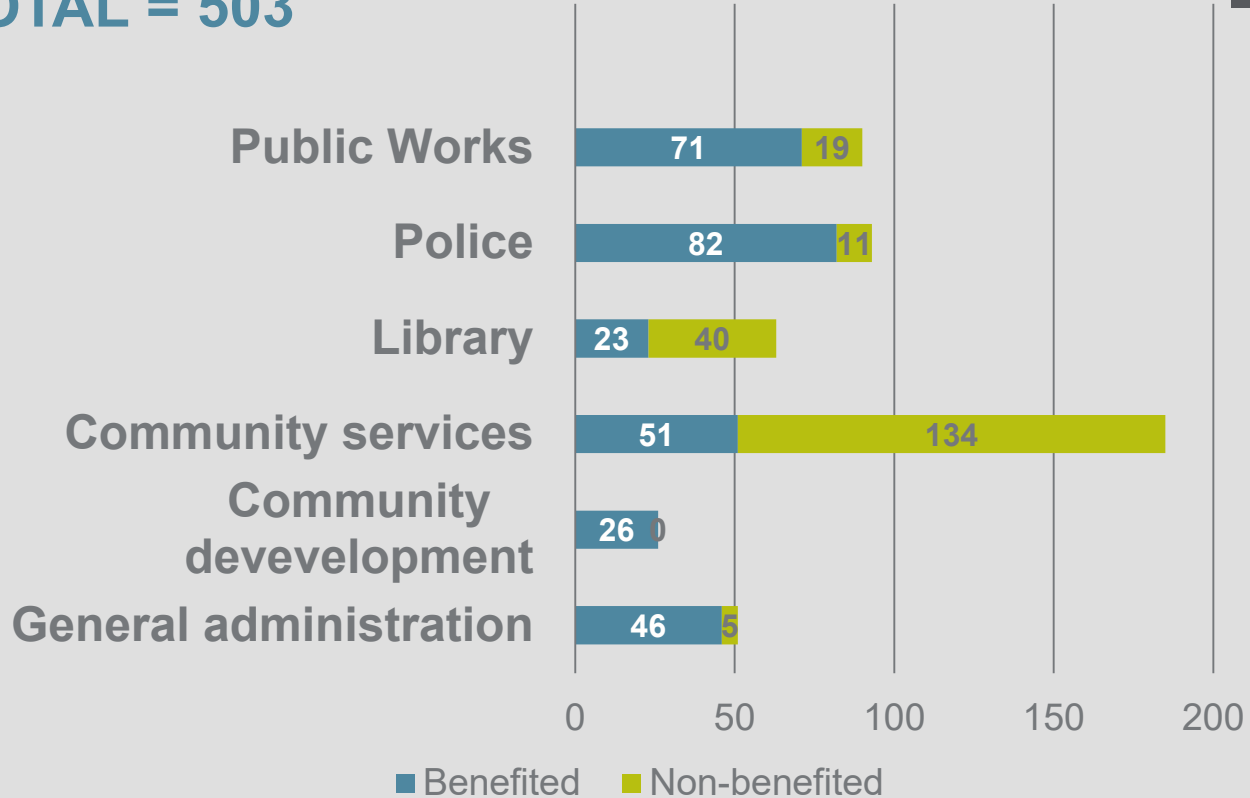


BALANCING MEASURES

- Operating revenue
 - Tax increases
 - Fee increases
- Operating expenditures
 - Essential services
 - Mandated services
 - Baseline services
- One-time money
 - Economic stabilization fund
 - Unassigned fund balance
 - Capital monies
 - Sale of assets



2019 HEADCOUNT (IRS W-2 FORMS) TOTAL = 503





UNREPRESENTED EMPLOYEES

- Management
 - 25 positions
 - Total wage & pensionable of \$4.50 million (general fund)
 - 25% reduction in personnel costs
 - No cost of living adjustment, merit increase, or bonus
 - Freeze two vacant department heads
 - Additional personnel cost savings of \$231,291
 - Employee share increasing 1.2% July 1, no offset
- Confidential
 - 8 positions
 - Total wage & pensionable of \$0.95 million
 - Mirror AFSCME wage and benefits



REPRESENTED NON-SAFETY EMPLOYEES

- Non-supervisory employees
 - Represented by Service Employees International Union Local 521 (SEIU)
 - Total wage & pensionable of \$12.45 million (general fund)
 - Contract expires June 30, 2021
- Supervisory miscellaneous employees
 - Represented by American Federation of State, County, and Municipal Employees Local 829 (AFSCME)
 - Total wage & pensionable of \$4.56 million (general fund)
 - Contract expires June 30, 2021



REPRESENTED SAFETY EMPLOYEES

- Police officers and corporals
 - Represented by Menlo Park Police Officers' Association (POA)
 - Total wage & pensionable of \$8.03 million
 - Contract expires August 31, 2021
- Police sergeants
 - Represented by Menlo Park Police Sergeants' Association (PSA)
 - Total wage & pensionable of \$2.72 million
 - Contract expires June 30, 2022



METHODOLOGY





BASELINE BUDGET – REVENUE

Revenue category	Pessimistic	Best guess	Optimistic
Property taxes	\$ (293,715)	\$ -	\$ 293,715
Hotel taxes (TOT)	(7,691,119)	(5,534,568)	(3,378,018)
Sales taxes	(1,674,368)	(1,339,494)	(1,004,621)
Licenses and permits			
Building	(901,923)	(409,965)	-
Engineering	(674,650)	(337,325)	-
Charges for services			
Planning	(438,916)	(199,507)	-
Gymnastics	(1,426,500)	(1,069,875)	(713,250)
Pre-school childcare	(2,244,000)	(1,683,000)	(1,122,000)
Contract classes	(737,500)	(553,125)	(368,750)
School-age childcare	(556,000)	(417,000)	(278,000)
Sports (youth & adult)	(743,700)	(557,775)	(371,850)
Rentals	(370,000)	(277,500)	(185,000)
Events & concerts	(106,000)	(106,000)	(106,000)
Other community services	(270,946)	(203,209)	(135,473)
Other revenue	(800,000)	-	400,000
Total revenue	\$ (18,929,337)	\$ (12,688,343)	\$ (6,969,247)



BASELINE BUDGET – PERSONNEL

Employee group	2019-20 salaries and retirement	Negotiated increases	2020-21 change in fully burdened amount
Council	43,536	0.00%	2,786
Unrepresented management	4,573,182	0.00%	286,788
Police Sergeants Association	2,728,446	4.41%	489,076
Police Officers' Association	8,031,365	3.50%	1,062,967
AFSCME Local 829	4,697,220	2.90%	283,657
SEIU Local 521	12,715,408	2.90%	881,171
Unrepresented confidential	715,275	2.90%	(121,820)
Total	33,504,432		2,884,626



BASELINE BUDGET – NON-PERSONNEL

Department	2020-21 baseline operating budget
Police	\$ 4,051,565
Public Works	6,335,592
Community Services	2,985,093
Library	1,003,717
Community Development	3,591,490
City Manager's Office	1,623,782
Administrative Services	1,293,161
Non-departmental	1,755,170
Total	\$ 22,639,570



SERVICE REDUCTION EVALUATION FRAMEWORK

- Essential or mandated services
- 2016 General Plan guiding principles
- Department identified reductions
- Expenditure impacts



OTHER BALANCING OPTIONS





REVENUE OPTIONS

Revenue source	Potential 2020-21 impact
Utility Users' Tax*	1,921,875
Business license tax**	1,050,000
User fee study	Dictated by cost recovery policy
Transient occupancy tax**	Varies

* Reflects expiration after September 30, 2020

** Requires voter approval of ballot measure, effective for second half of fiscal year



USE OF ONE-TIME MONEY

Item	Estimated balance as of July 1, 2020
Economic stabilization reserve	11,607,781
General Fund unassigned balance	2,100,000
Unused General Capital funds	2,720,000
General Capital transfer	3,002,400



SERVICE REDUCTION OPTIONS





SIGNIFICANT CHANGES TO BASELINE BUDGET (TABLE 2/2A)

- Consolidation of several flexible categories into non-departmental budget
- Expiration of provisional position
- Adjustment for special revenue fund budgetary practice
- Negotiated cost of living adjustments
- Effect of CalPERS rate increases



SIGNIFICANT CHANGES TO BASELINE BUDGET (TABLE 2/2A)

Department	2020-21 expenditure decrease/(increase)
Administrative services summary	143,537
City Council/city attorney/city manager/city clerk/sustainability summary	563,108
Community development summary	(109,586)
Community services summary	523,137
Library summary	(186,261)
Police summary	(461,045)
Public works summary	326,198
Total	799,088



ADJUSTMENTS TO UNREPRESENTED MANAGEMENT (TABLE 3)

Department	2020-21 expenditure decrease/(increase)
Freeze community development director position	246,278
Freeze administrative services director position	251,726
Suspend unrepresented pay increases for 2020-21	174,000
Suspend unrepresented bonuses for 2020-21	240,000
Additional reductions to reach 25% reduction goal	231,291
Subtotal Table 3	1,143,295
Cumulative total through Table 3	1,942,383

ADMINISTRATIVE SERVICES DEPARTMENT REDUCTIONS





CITY MANAGER'S OFFICE REDUCTIONS

COMMUNITY DEVELOPMENT DEPARTMENT REDUCTIONS



COMMUNITY SERVICES DEPARTMENT REDUCTIONS



LIBRARY SERVICES DEPARTMENT REDUCTIONS





POLICE DEPARTMENT REDUCTIONS

PUBLIC WORKS DEPARTMENT REDUCTIONS

