SPECIAL MEETING MINUTES
Date: 6/28/2021
Time: 5:00 p.m.
Location: Zoom

City Council

Special Session

A. Call To Order

Mayor Combs called the meeting to order at 5:04 p.m.

B. Roll Call

Present: Combs, Mueller, Nash, Taylor, Wolosin
Absent: None
Staff: City Manager Starla Jerome-Robinson, Assistant City Attorney Tamar Burke, City Clerk Judi A. Herren

C. Regular Business

C1. Approve resolutions: adopting the fiscal year 2021–22 budget and capital improvement plan and appropriating funds; establishing the appropriations limit for fiscal year 2021–22; establishing a consecutive temporary tax percentage reduction in the utility users’ tax rates through September 30, 2022; establishing the salary schedule effective June 20, 2021; and establishing citywide salary schedule effective July 4, 2021 (Staff Report #21-125-CC) (Presentation) – continued from June 22, 2021

Assistant Administrative Services Director Dan Jacobson introduced the item.

- Victoria Robledo requested a break down on the holiday light costs and commented on a lack of transparency on the Community Engagement and Outreach Committee.
- N. Ollarvia requested information on equitable budget line items and applying that to the holiday lighting budget.
- Jason Ollarvia spoke in opposition of the holiday lightening budget and requested detail on the cost.

The City Council received clarification on Downtown maintenance staff and salaries, budgeting for lower than anticipated investment returns by CalPERS and use of strategic pension reserve fund, rehiring versus new hire onboarding process and priority on rehiring, and capital improvement projects (CIP).

The City Council discussed excess educational revenue augmentation fund (ERAF) as fully funded assumption, permanent street closures on Santa Cruz Avenue, earmarking excess ERAF funds for education and safety, holiday lights allocation and referring celebration lighting to the Parks and Recreation Commission, emergency preparedness, transportation staff and transportation master plan (TMP), review the financial management organizational resiliency headcount, sustainability staff request, user utility tax (UUT), safe routes to school, the classification of recreation coordinator, budgets for environmental impact report (EIR) to make some part of Downtown street closure permanent, gymnastics, and pay and equity.
The City Council took a recess at 8:20 p.m.

The City Council reconvened at 8:45 p.m.

**ACTION**: Motion and second (Wolosin/ Combs) to approve resolutions as amended: adopting the fiscal year 2021–22 budget including amendments and addendums updates made by the City Council (attachment) and capital improvement plan and appropriating funds; establishing the appropriations limit for fiscal year 2021–22; establishing a consecutive temporary tax percentage reduction in the utility users' tax rates through September 30, 2022; establishing the salary schedule effective June 20, 2021; and establishing citywide salary schedule effective July 4, 2021, passed 4-1 (Taylor dissenting).

C2. Adopt Resolution No. 6643 accepting fiscal year 2021-22 State Supplemental Local Law Enforcement Grant (COPS Frontline) in the amount of $100,000; and approve a spending plan (Staff Report #21-136-CC) – continued from June 22, 2021

Police Chief Dave Norris made the presentation (Attachment).

- Jason Ollarvia requested statistics on Taser deployment and in support of reallocating these funds to police reform.
- N. Ollarvia spoke in support of the budget addressing equity and requested clarification on the need for funding Tasers.

The City Council received clarification on Taser deployment statistics and defibrillators equipped in police vehicles.

The City Council discussed public outreach and how to reimagine policing and a subcommittee to work with police chief on police reform.

**ACTION**: Motion and second (Combs/ Taylor) to adopt Resolution No. 6643 accepting fiscal year 2021-22 State Supplemental Local Law Enforcement Grant (COPS Frontline) in the amount of $100,000; approve a spending plan, staff to provide monthly Taser and license plate reader reports to the City Council, and to equip defibrillators in all marked police vehicles, passed 4-1 (Nash dissenting).

D. City Councilmember Reports

D1. Appoint a representative to the Bay Area Water Supply & Conservation Agency and the Bay Area Regional Water System Financing Authority (Staff Report #21-128-CC) – continued from June 22, 2021

**ACTION**: Motion and second (Combs/ Taylor) to appoint Mayor Combs to the Bay Area Water Supply & Conservation Agency and the Bay Area Regional Water System Financing Authority with a term that ending June 30, 2025, passed unanimously.

City Councilmember Taylor reported out on One Shoreline Climate resiliency district, Menlo Park Community Center subcommittee and Community Amenities subcommittee meetings. City Councilmember Taylor also requested the addition of an agenda item to relocate senior center interim services to the Boys and Girls Club on Pierce Road. The Mayor provided direction for staff to work with the Council subcommittee to further explore.

City Councilmember Mueller announced an event with the Governor.
City Councilmember Wolosin reported on the Assembly and State Senate extending the statewide eviction moratorium.

Vice Mayor Nash reported on the redistricting meeting tomorrow, June 29, 2021.

City Manager Starla Jerome-Robinson reported on the housing workshop on Thursday, July 1, 2021.

E. Adjournment

Mayor Combs adjourned the meeting at 11:01 p.m.

Judi A. Herren, City Clerk

These minutes were approved at the City Council meeting of July 20, 2021.
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 closed session and regular meeting**
  - Submit a written comment online up to 1-hour before the meeting start time: menlopark.org/publiccommentJune28 *
  - Access the meeting real-time online at: Zoom.us/join – Meeting ID 957 0559 2015
  - Access the meeting real-time via telephone at: (669) 900-6833
    - Meeting ID 957 0559 2015
    - Press *9 to raise hand to speak

  (670) Written public comments are accepted up to 1-hour before the meeting start time. Written messages are provided to the City Council at the appropriate time in their meeting.

- **Watch 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 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.
AGENDA

- Summary of budget changes
- Enabling resolutions
- Final City Council direction and adoption
REQUESTED DIRECTION

- Provide any additional direction for changes to proposed budget
- Adopt resolutions:
  - No. 6633 adopting the fiscal year 2021-22 budget and capital improvement plan and appropriating funds
  - No. 6634 establishing the appropriations limit
  - No. 6635 establishing a consecutive temporary tax percentage reduction in UUT rates through September 30, 2022
  - No. 6636 establishing the salary schedule effective June 20, 2021
  - No. 6637 establishing the salary schedule effective July 4, 2021
SUMMARY OF CHANGES
PROPOSED FISCAL YEAR 2021-22 BUDGET

- Balanced General Fund budget
  - $61.49 million revenues and resources
  - $61.49 million expenditures and requirements
  - $0 surplus/(deficit)
  - Includes transfer from American Rescue Plan Act Fund of $2.91 million
TIER 1 ENHANCEMENTS

- Responsive to interests expressed by City Council during goal setting

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Service Level Enhancement</th>
<th>Cost ($ millions)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Augmentation of contract-supported capacity in the building division</td>
<td>0.45</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>Improved turnaround time for plan check review and building permit issuance</td>
<td>0.38</td>
<td>3.00</td>
</tr>
<tr>
<td>3</td>
<td>Restoration of planning staffing levels</td>
<td>0.30</td>
<td>1.50</td>
</tr>
<tr>
<td>4</td>
<td>Heritage tree ordinance implementation and downtown maintenance team</td>
<td>0.63</td>
<td>5.00</td>
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<tr>
<td>5</td>
<td>Increase capacity for transportation capital projects and improve use of mapping tools</td>
<td>0.16</td>
<td>1.00</td>
</tr>
<tr>
<td>7</td>
<td>Economic development management</td>
<td>0.25</td>
<td>1.00</td>
</tr>
<tr>
<td>8</td>
<td>Sustainability staff capacity for climate action plan implementation</td>
<td>0.15</td>
<td>1.00</td>
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</table>
CITY COUNCIL ADDITIONS

- Directed by City Council during public hearing

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Service Level Enhancement</th>
<th>Cost ($ millions)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC1</td>
<td>Rental and mortgage assistance outreach</td>
<td>0.125</td>
<td>0.00</td>
</tr>
<tr>
<td>CC2</td>
<td>Eviction and incidental assistance</td>
<td>0.125</td>
<td>0.00</td>
</tr>
<tr>
<td>CC3</td>
<td>Small business relief</td>
<td>0.250</td>
<td>0.00</td>
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</tbody>
</table>
TIER 2 OPTIONS

- Restoration of services eliminated starting in fiscal year 2020-21

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Service Level Enhancement</th>
<th>Cost ($ millions)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Enhanced police record-keeping, data collection, and quality assurance</td>
<td>0.10</td>
<td>1.00</td>
</tr>
<tr>
<td>12</td>
<td>Restoration of library and community services programs and services eliminated due to pandemic</td>
<td>0.60</td>
<td>6.00</td>
</tr>
</tbody>
</table>
TIER 3 OPTIONS

- Improvement of customer service and leveraging technology

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Service Level Enhancement</th>
<th>Cost ($ millions)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Enterprise systems optimization</td>
<td>0.37</td>
<td>3.00</td>
</tr>
<tr>
<td>14</td>
<td>Financial management organizational resiliency</td>
<td>0.36</td>
<td>2.00</td>
</tr>
</tbody>
</table>
### PENDING OPTIONS

- Service level enhancements proposed but requiring additional direction

<table>
<thead>
<tr>
<th>Ref. #</th>
<th>Service Level Enhancement</th>
<th>Cost ($ millions)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Gymnastics program delivery options</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>17</td>
<td>Restoration of holiday lighting at City parks</td>
<td>0.09</td>
<td>0.00</td>
</tr>
</tbody>
</table>
REVENUE CONSIDERATIONS

- Resource options
  - ARP funds up to full $8.30 million allowable
  - Excess ERAF assumption, up to $1.81 million available with 100 percent assumption
  - Utility users’ tax temporary rate lapse, up to $3.0 million available at maximum rate

- Proposed budget includes transfer from American Rescue Plan Act Fund to General Fund of $2.91 million

- Additional City Council-directed changes to the budget require accompanying resource
ENABLING RESOLUTIONS
RESOLUTION NO. 6633

- Adopts the fiscal year 2021-22 budget and capital improvement plan and appropriates funds
- Authorizes changes directed during adoption and clerical clean-up
- Authorizes payments up to budgeted amounts for:
  - Debt service on currently-issued debt
  - Utilities
  - Employee benefits
  - Inter-governmental agreements
  - City Attorney fees
  - IT ISF hardware and software subscription services
RESOLUTION NO. 6634

- Establishes the appropriations limit at $71.23 million
- Meets California Government Code requirements
- Appropriations limit calculations
  - Prior year limit, $67.93 million, plus population and inflation adjustment
  - Proceeds of taxes subject to limit total $49.44 million
  - Results in appropriations $21.79 million below limit
- Amounts may be adjusted depending on direction received during adoption
RESOLUTION NO. 6635

- Establishes a consecutive utility users’ tax temporary reduction
- 12-month maximum reduction length
- Rate set to 1 percent for all categories, lowered from 2.5-3.5 percent in Menlo Park Municipal Code
- Previous temporary reduction expires on September 31, 2021 if not adopted
RESOLUTION NOS. 6636 AND 6637

- Sets the schedule for pay for all regular classifications
- Resolution No. 6636 – effective date June 20, 2021
  - Implements previously agreed-upon COLA deferred due to effects of pandemic
  - Effective date based on agreements between City and SEIU, AFSCME, and unrepresented confidential employees
- Resolution No. 6637 – effective date July 4, 2021
  - Implements previously agreed-upon differential increase for police sergeants
  - Adds Planning Manager classification, unrepresented division manager position
REQUESTED DIRECTION

- Provide any additional direction for changes to proposed budget
- Adopt resolutions:
  - No. 6633 adopting the fiscal year 2021-22 budget and capital improvement plan and appropriating funds
  - No. 6634 establishing the appropriations limit
  - No. 6635 establishing a consecutive temporary tax percentage reduction in UUT rates through September 30, 2022
  - No. 6636 establishing the salary schedule effective June 20, 2021
  - No. 6637 establishing the salary schedule effective July 4, 2021
THANK YOU
AMERICAN RESCUE PLAN ACT FUNDS

- Stimulus money budgeted in newly-created special revenue fund, American Rescue Plan Act Fund
- Estimated $8.30 million total Federal stimulus, disbursed in fiscal years 2021-22 and 2022-23
- $2.91 million budgeted as transfer to General Fund
  - Revenue backfill model allows agencies to use stimulus funds to replace lost revenues
  - Maximum amount, $11.07 million, exceeds ARP allocation
FUNDED CITY COUNCIL PRIORITIES

- 2020 census redistricting
- 2022 housing element and related zoning code updates and documents
- Caltrain rail corridor quiet zone analysis
- Climate Action Plan
  - No. 1 – explore policy/program options to convert 95% of existing building to all-electric by 2030
  - No. 4b – Middle Avenue rail crossing and complete street
- ConnectMenlo community amenities list update
- Menlo Park Community Campus
UNFUNDED CITY COUNCIL PRIORITIES

- Reimagining downtown
- Reimagining public safety
PROPOSED FISCAL YEAR 2021-22 BUDGET

- Changes to budgeting/accounting
  - One-time Revenue Fund
  - American Rescue Plan Act Fund ($4.15 million revenue, $2.91 million expenditures)
  - Bayfront Mitigation Fund (no expenditures)
  - New special revenue funds for grant activities
  - Transparency on pension components
  - Reintroduction of vacancy factor
FUNDING THE CIP

- General fund: annual transfer of approximately $3m
- Other sources:
  - Grants
  - Dedicated sources: water, transportation impact, stormwater, solid waste, etc.
  - Development agreement community benefits (e.g., Downtown amenities fund)
- Prior fiscal years, surplus revenues at the end of the year used to pre-fund CIP projects for the following year:
  - Santa Cruz Avenue Sidewalks (Phase 1)
  - Chrysler Pump Station
  - Nealon Park Playground
  - Sharon Road Sidewalks
RESOURCES
2019-20 ADOPTED BUDGET

- **Staffing**
  - 286.75 FTEs
  - 28.50 vacant as of January 7
  - $52.33 million salaries & benefits
  - 63.3% of General Fund revenue
  - Temporary staff = estimated 55-65 FTEs
  - 9 Retired annuitants

- **Contract services**
  - $13.84 million = estimated 20-30 FTEs
HOW HAS OUR STAFFING CHANGED?

2017-18
278 FTEs
+6.0 police personnel, Community Response Team
+1.0 management analyst, housing
+1.0 asst. to the city manager, special projects
+8.0 FTEs, approved June 20, 2017

2018-19
287.25 FTEs
+3.0 library personnel
+2.0 water division personnel
+1.0 code enforcement
+1.0 construction inspector
+1.0 human resources technician
+0.75 gymnastics instructor
+0.5 police dispatcher
+9.25 FTEs, approved June 19, 2018

2019-20
286.75 FTEs
-1.0 red light enforcement officer
+0.5 CIP engineer, provisional
-0.5 FTEs, approved June 18, 2019
# 2019-20 Authorized Full-Time Equivalent (FTE) Personnel

<table>
<thead>
<tr>
<th>Department</th>
<th>Regular FTEs</th>
<th>Provisional FTEs</th>
<th>Total FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council &amp; Attorney</td>
<td>6.00</td>
<td>--</td>
<td>6.00</td>
</tr>
<tr>
<td>City Manager’s Office</td>
<td>10.00</td>
<td>--</td>
<td>10.00</td>
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<tr>
<td>Administrative Services</td>
<td>20.75</td>
<td>2.00</td>
<td>22.75</td>
</tr>
<tr>
<td>Community Development</td>
<td>31.00</td>
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<td>31.00</td>
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<tr>
<td>Community Services</td>
<td>52.75</td>
<td>--</td>
<td>52.75</td>
</tr>
<tr>
<td>Library</td>
<td>18.25</td>
<td>--</td>
<td>18.25</td>
</tr>
<tr>
<td>Police</td>
<td>76.50</td>
<td>--</td>
<td>76.50</td>
</tr>
<tr>
<td>Public Works</td>
<td>69.00</td>
<td>0.50</td>
<td>69.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>284.25</strong></td>
<td><strong>2.50</strong></td>
<td><strong>286.75</strong></td>
</tr>
</tbody>
</table>
GENERAL FUND
10-YEAR FORECAST

Most likely operating revenues
Most likely operating expenditures
Most likely net revenue
HOW ARE STAFF RESOURCES ALLOCATED?

- **Mandated**
  - Federal, State law; potential risk for violation
  - Municipal Code; City Council discretion

- **Baseline**
  - Mission critical services
  - Day-to-day programs

- **Flexible**
  - Projects oriented
  - Not mission critical
# Community Development Functional Areas

<table>
<thead>
<tr>
<th>Ref #</th>
<th>Community Development</th>
<th>0</th>
<th>25</th>
<th>75</th>
<th>100</th>
<th>31.00</th>
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<tbody>
<tr>
<td>10</td>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13.90</td>
</tr>
<tr>
<td>11</td>
<td>Building - inspections</td>
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<td></td>
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<td>6.30</td>
</tr>
<tr>
<td>12</td>
<td>Building - plan checks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.30</td>
</tr>
<tr>
<td>13</td>
<td>Building - permitting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.30</td>
</tr>
<tr>
<td>14</td>
<td>Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.15</td>
</tr>
<tr>
<td>15</td>
<td>Economic development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.05</td>
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</table>

January 7 vacancy rate = 17.7%
## COMMUNITY DEVELOPMENT FUNCTIONAL AREAS

<table>
<thead>
<tr>
<th>Functional area</th>
<th>FTEs</th>
<th>Mandated</th>
<th>Baseline</th>
<th>Flexible</th>
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</thead>
<tbody>
<tr>
<td>Planning</td>
<td>13.00</td>
<td>75%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Building – inspections</td>
<td>6.30</td>
<td>80%</td>
<td>20%</td>
<td>--</td>
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<tr>
<td>Building – plan checks</td>
<td>1.30</td>
<td>75%</td>
<td>25%</td>
<td>--</td>
</tr>
<tr>
<td>Building – permitting</td>
<td>6.30</td>
<td>90%</td>
<td>10%</td>
<td>--</td>
</tr>
<tr>
<td>Housing</td>
<td>2.15</td>
<td>25%</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>Economic development</td>
<td>1.05</td>
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<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31.00</strong></td>
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<td></td>
<td></td>
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</table>

January 7 vacancy rate = 17.7%
<table>
<thead>
<tr>
<th>Mandated activities</th>
<th>Baseline activities</th>
<th>Flexible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development review</td>
<td>Public information counter</td>
<td>GIS/Data/Graphics</td>
</tr>
<tr>
<td>Building permit review</td>
<td>Handouts</td>
<td>Community events (e.g. Facebook festivals)</td>
</tr>
<tr>
<td>Planning Commission meetings</td>
<td>Website maintenance</td>
<td>Menlo Perk initiatives</td>
</tr>
<tr>
<td>Housing Element/Update</td>
<td>Zoning Compliance Letters</td>
<td>City teams</td>
</tr>
<tr>
<td>Code updates for compliance with State law</td>
<td>Business license review</td>
<td>(Communications Team, Branding Team, Employee Recognition)</td>
</tr>
<tr>
<td>Sign Permit review</td>
<td>Code enforcement assistance</td>
<td>Specific Plan revisions</td>
</tr>
<tr>
<td>Special Events permit review</td>
<td>Development Review Team (DRT)/pre-application</td>
<td>General Plan revisions</td>
</tr>
<tr>
<td>PRAs</td>
<td></td>
<td>Professional development</td>
</tr>
</tbody>
</table>

The PLANNING DIVISION includes mandated, baseline, and flexible activities.
2020 COMMUNITY DEVELOPMENT PROJECTS

- Carryover projects
  - El Camino Real/ Downtown Specific Plan update
  - Single-family residential design review
  - Implementation of the new land management system
  - Zero waste ordinance implementation
  - Energy reach codes implementation
  - Heritage tree ordinance implementation

- New projects
  - Belle Haven Community Center and Library project support
  - ConnectMenlo community amenities list update
  - Secondary dwelling units ordinance update
  - 2022 Housing Element, zoning code update and related work
CHALLENGES IN 2020

- Too many or unclear City Council priorities
- Lack of transparency in ad hoc requests submitted to staff
- Inconsistent expectations of advisory bodies
- Employee retention
NEXT STEPS

- January 28
  - City Council acceptance of the BHCCL proposal
  - Staff report, published 1/23

- January 30
  - Goal-setting session
  - Staff report, published 1/23

- February 25
  - Adopt 2020 City Council priorities and work plan
  - Adopt 2020-21 budget principles
THANK YOU