

In East Palo Alto

New city manager at work

By Mary T. Fortney
Times Tribune staff

East Palo Alto hired a new city manager Thursday night, who immediately went to work helping the City Council deal with a financial crisis that may force temporary layoffs of city employees.

The new city manager is Stanley H. Hall, who is leaving a position as special assistant for government affairs at the Port of Oakland to take the East Palo Alto post.

Hall was selected just after the council went into a closed session at 11:15 p.m. to consider how to handle a "cash flow problem."

Hall participated actively during the closed session, even though he had been hired just minutes before. He will report for full-time work Aug. 19.

Few details about the financial crisis were available Thursday night. Councilman Warnell Coats said he didn't have specifics of the financial problems that caused "temporary layoffs" to be placed on the meeting agenda.

The city already has laid off about 20 part-time and temporary employees, imposed a hiring freeze and prohibited overtime except for

emergencies and for the police.

Mayor James Blakey said unexpected expenditures caused a cash flow problem but indicated it was only a temporary situation. He said the city will get a big chunk of money in December from property tax payments.

Insiders report that various city departments went on spending sprees during the time that James White served as acting city manager from Dec. 18 until he was put on administrative leave July 20 for allegedly giving himself two salary increases and for excessive use of city credit cards. White had charged more than \$3,000, mostly for staff lunches at Peninsula restaurants.

The City Council Thursday night suspended White without pay for 30 days.

A closed session of the City Council was scheduled for 5 p.m. today in council chambers, 2415 University Ave., to investigate White's alleged misconduct in office and to obtain further information on the city's cash flow problems.

The financial problems were uncovered about two weeks ago by

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city accountants, who called it to the attention of Russell Averhart, acting city manager in White's absence.

Council members indicated that the problem did not appear to be a misappropriation of funds, but rather that expenditures exceeded revenues.

Averhart said the city gets \$1.5 million from property taxes, with 45 percent being received in December and 45 percent in April. Two 5 percent payments are made at other times during the year.

Reporting on "the temporary problems regarding the city's financial position," Averhart told the council it is necessary to give permanent employees 30 days notice of termination.

The council met in closed session Monday to discuss the problem and adjourned that session to Thursday night, with the apparent intent of deciding which employees should receive lay-off notices.

Police Chief Dan Nelson said he had made contingency plans if the police force was cut back, but stressed that it would be "devastating" if there were sharp cuts.

Residents speaking during a community forum criticized the council for not monitoring expenditures more closely. It also was suggested the city could hold down costs by asking employees to take vacation days or reduce hours, rather than laying them off.

"If there's a fiscal impact, we need to reduce expenditures, but not go immediately to layoffs,"

Councilman John Bostic said. "That creates a people problem."

The layoffs of temporary workers already have created a problem, according to a resident, Tiambe Jama, who complained the temporary workers, mostly youths, were laid off with no warning.

"It would be a good move to write them and explain what happened," she told the council. "The youths needed money for school clothes and college."

Community Services Director Robert Hoover said the cuts in staff forced the department to close the city's swimming pools after 5 p.m. weekdays and on Saturday.

The new city manager, asked how he felt about walking into a problem situation, replied, "I don't see it that way."

"I see determined people taking control of their lives and the community," Hall said. "I'm a trained professional. This is a tremendous opportunity to meet challenges and an excellent opportunity to be part of the process."

Hall, 41, has been associated with the Port of Oakland for eight years. He previously was city manager in Seaside, Calif. for a year and a half, and before that, assistant to the city manager in Richmond for eight and a half years.

Hall is a native of Richmond and has a B.A. degree from San Francisco State University and an M.A. in Public Administration from Golden Gate University.

The city's new public works director also was on hand Thursday night to participate in the meeting. He is Charles McDonald, who served as public works director in Milpitas for 17 years.

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