



# CITY OF MENLO PARK

## BUDGET IN BRIEF

### FISCAL YEAR 2024–25



Photo credit: Chris Cooper / ArchExplorer





## Introduction

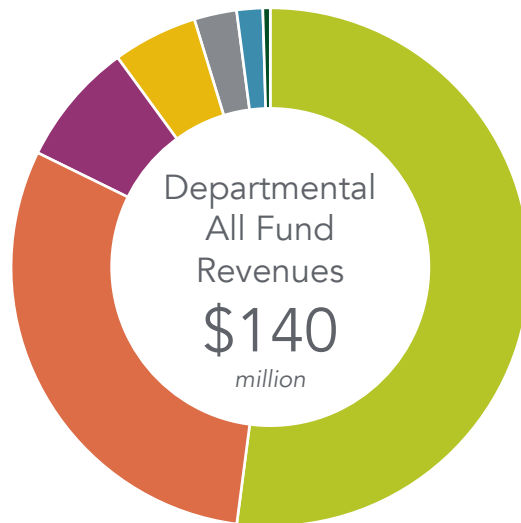
The City of Menlo Park developed the fiscal year 2024-25 adopted budget to support top-tier programs and services that contribute to our community's high standards for quality of life. Our budget is also influenced by larger economic conditions, and costs for providing services have grown. This Budget in Brief document is intended to provide a general overview of the City's budget.

We are committed to collaborating with the Menlo Park community to provide services that meet local needs. Through extensive community input, the City Council has identified four priorities for the upcoming fiscal year: climate action - mitigation, adaptation, and resilience; emergency and disaster preparedness; housing; and safe routes. These priorities aim to address pressing challenges, prepare us for the future, and create a safer, more equitable Menlo Park, as reflected in the budget and capital improvement plan.

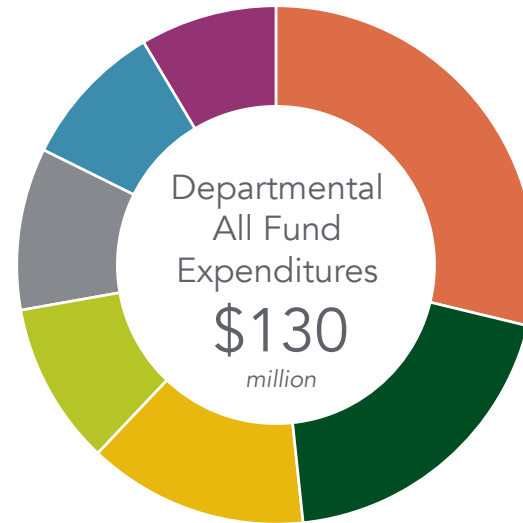
Looking ahead, the City will focus on long-term financial sustainability, operational efficiency, and maintaining Menlo Park's high quality of life. For more details, visit [menlopark.gov/budget](https://menlopark.gov/budget).

# Revenues and Expenditures

The City's total revenue for fiscal year 2024-25 is \$140,146,863. Revenues represent available resources across all funds, which include the General Fund as well as operating, capital, and special revenue fund. The City's total budgeted expenditures for fiscal year 2024-25 are \$130,364,607, broken down by department to fund essential services, capital improvements, and operational needs across all City functions.



|                                |              |
|--------------------------------|--------------|
| Non-Departmental               | \$72,971,937 |
| Public Works                   | \$42,322,547 |
| Administrative Services        | \$10,800,551 |
| Library and Community Services | \$7,410,693  |
| Community Development          | \$3,723,050  |
| General Administration         | \$2,918,085  |
| Police                         | \$645,785    |

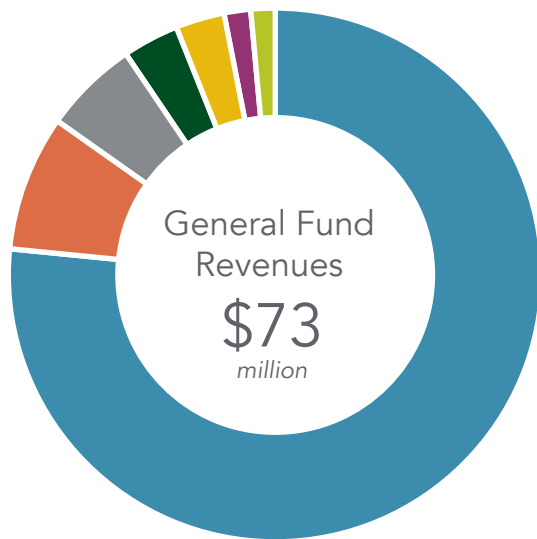


|                                |              |
|--------------------------------|--------------|
| Public Works                   | \$37,514,041 |
| Police                         | \$25,486,758 |
| Library and Community Services | \$17,907,089 |
| Non-Departmental               | \$13,224,045 |
| Community Development          | \$13,173,023 |
| General Administration         | \$11,929,084 |
| Administrative Services        | \$11,130,567 |

*\*Non-Departmental is defined as revenues and expenditures that are not directly associated with any specific department. These accounts capture costs or revenues that benefit multiple departments or are considered general government expenses.*

# General Fund Top Revenues

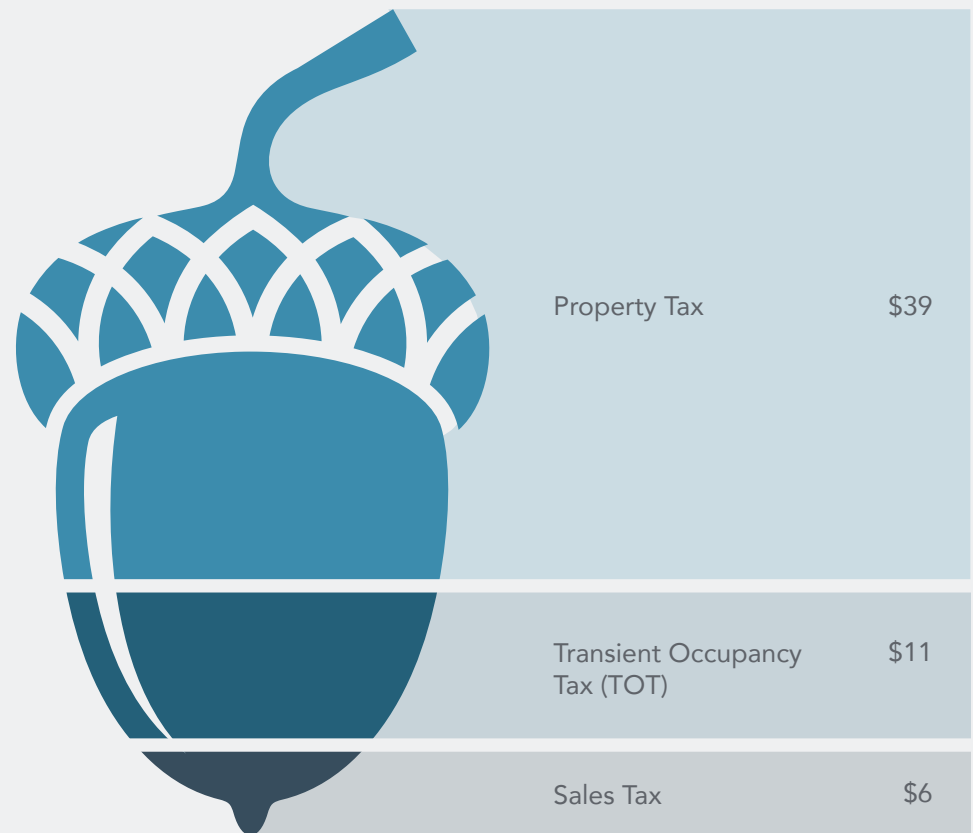
The largest and most active of the City's funds, the General Fund, represents the most discretionary of the available revenues and expenditures. For fiscal year 2024-25, the General Fund's budget revenues total \$73,412,487, supporting a wide range of services, from public safety to recreation programs. \$56 million or 77% of the General Fund revenue comes from taxes, including property tax, transient occupancy tax, and sales tax.



All numbers indicated below are in \$ millions.

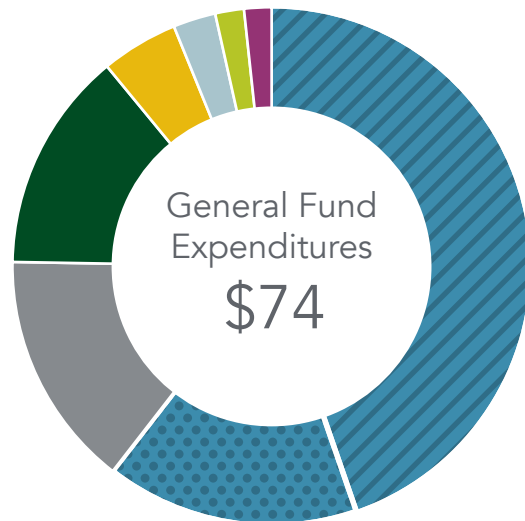
|                                    |      |
|------------------------------------|------|
| Taxes                              | \$56 |
| Charges for Service                | \$6  |
| Licenses & Permits                 | \$4  |
| Franchise Fees                     | \$3  |
| Interest & Rental Income           | \$2  |
| Other Revenue, Fines & Forfeitures | \$1  |
| Other Financing Sources            | \$1  |

## Top 3 Tax Revenue Sources for the General Fund



# General Fund Top Expenditures

The General Fund for fiscal year 2024-25 includes budgeted expenditures of \$74,231,260. Personnel costs, inclusive of wages and fringe benefits, represent 60.5% of the General Fund. The City workforce is the most essential element in delivering high-quality services to the community.

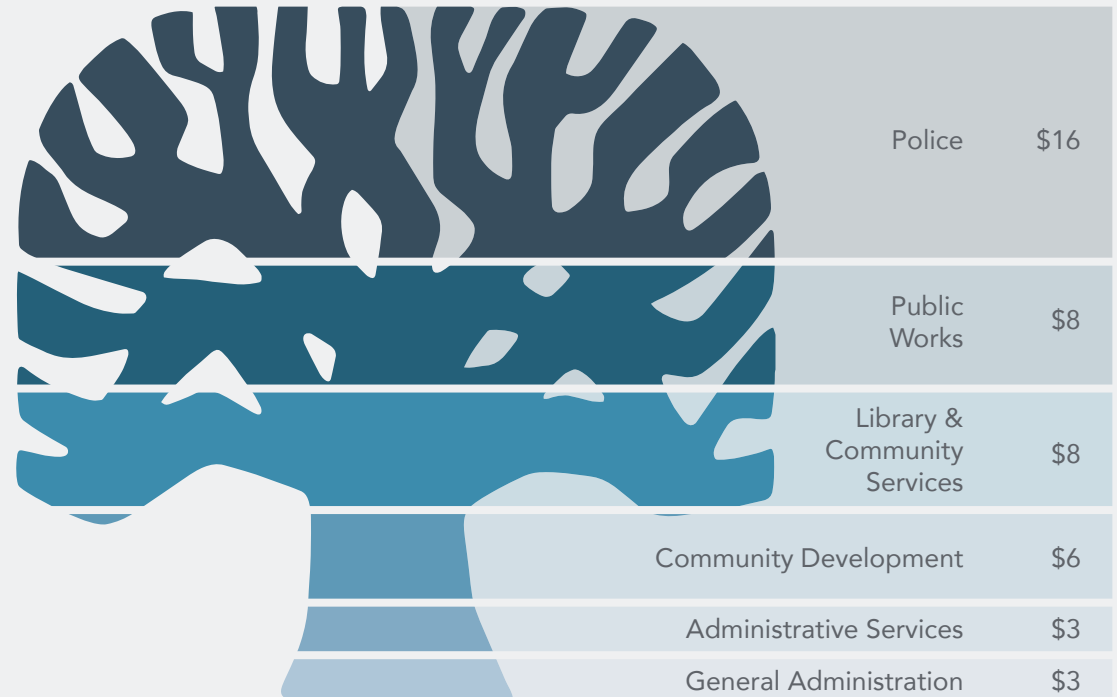


All numbers indicated below are in \$ millions.

|                                     |      |
|-------------------------------------|------|
| Salaries & Wages                    | \$33 |
| Fringe Benefits                     | \$12 |
| Professional & Contractual Services | \$11 |
| Operating Expenses                  | \$10 |
| Transfers to Other Funds            | \$4  |
| Utilities                           | \$2  |
| Other*                              | \$1  |
| Repairs & Maintenance               | \$1  |

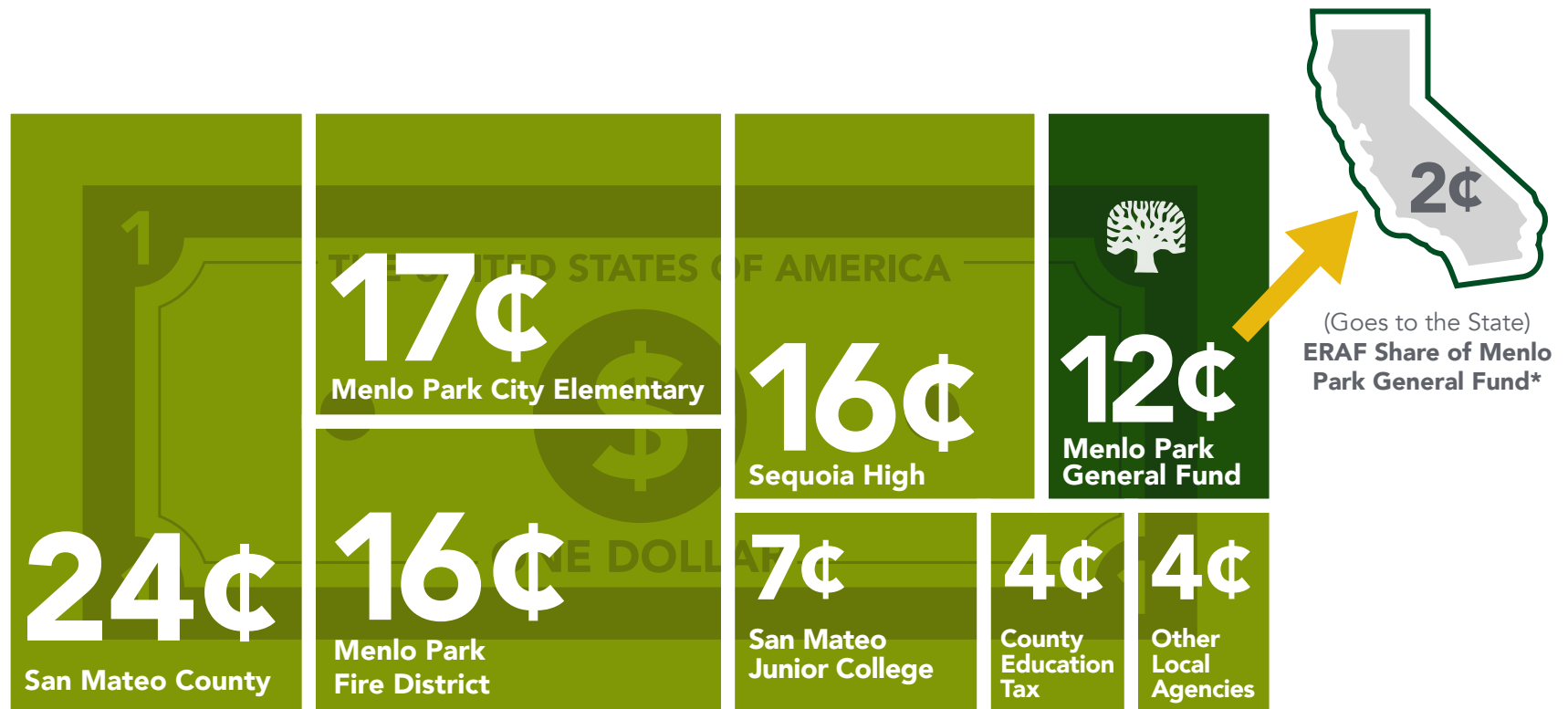
\*Other consists of: Fixed Assets & Capital Outlay, Special Projects, Travel, and Rental of Land & Buildings.

## \$44 million of General Fund Expenditures Goes to Salaries, Wages, and Fringe Benefits



# Property Tax Breakdown

Property taxes are the City's largest source of General Fund revenue, but the City only receives a portion of the total collected by the County. Each property tax dollar is shared among various local agencies, with the City only receiving 12 cents per dollar. The breakdown for all recipients is shown below.

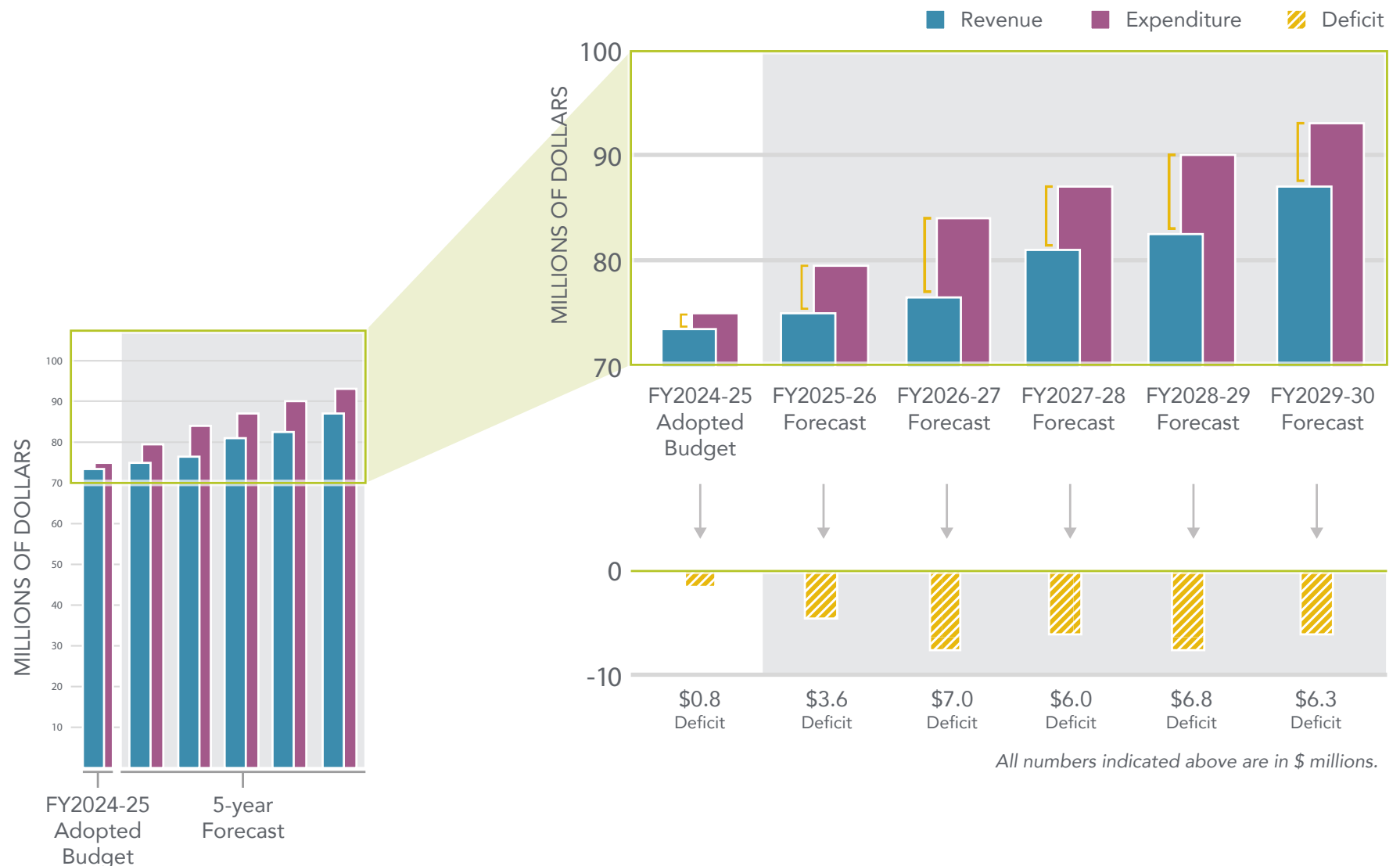


\*The State's obligation to pay the in-lieu Vehicle License Fee (VLF) to cities originates from the VLF "Swap," a key component of the 2004 Budget compromise. Under this compromise, the State permanently reduced the annual VLF rate, leading to a significant decline in revenues for counties and cities. The State also shifted property tax revenue away from counties and cities to fulfill its education obligations through the Educational Revenue Augmentation Fund (ERAF). After the State's mandated distribution to schools, the State uses excess ERAF and property tax to pay the total in-lieu VLF payment it owes to cities; however, there is a shortfall in funding in San Mateo. Historically, the State reimbursed any in-lieu VLF shortfalls through a special budget appropriation. In recent years, VLF payments from the State to cities have become more uncertain. The City continues to advocate for a sustainable solution to in-lieu VLF.



# Fiscal Outlook

Over the long-term, the City continues to project a structural imbalance for the General Fund with forecasted expenditures outpacing revenues. Many cities in our region face a similar financial outlook. In fiscal year 2024-25, the City has already implemented expenditure reduction strategies, including limits on both service level enhancements and staffing growth, to minimize budget impacts on reserves. However, the City will need to employ a mix of budget strategies in future years.



# Grant Revenues

Grants continue to play an essential role in the City's overall budget strategy to ensure a high quality of life for our community. These active grants, sourced from county, state, and federal levels, span multiple fiscal years and are designated for specific purposes. The total grant revenue for all City departments in fiscal year 2024-25 is \$85.75 million. A few key grants are highlighted below.



## *Grant Highlight*

### **Chrysler Pump Station**

**\$5 million**

This project involves the design and construction of a new Chrysler Stormwater Pump Station. The existing facility was originally built in 1958 and has reached the end of its useful life. The improved facility will provide flood protection to sections of the Bayfront area, which include the Menlo Gateway buildings and a part of the Meta Campus. The City was awarded a grant from the Federal Emergency Management Agency, which would reimburse the City for \$5 million towards the general capital fund. The pump station is currently under construction.



## *Grant Highlight*

### **Belle Haven Child Development Center**

**\$2.3 million**

The City provides licensed, affordable preschool education and child care for income-qualified families at Belle Haven Child Development Center (BHCDC). Enrollment fees are reduced on a sliding scale, enabling working families to access affordable child care, in some cases at no cost to the family. The City receives formula grant funding (\$2.3 million) from California Department of Education to subsidize enrollment fees for working families and help support BHCDC's ongoing operations.



## *Grant Highlight*

### **SAFER Bay**

**\$50 million**

The Strategy to Advance Flood Protection, Ecosystems and Recreation along San Francisco Bay (SAFER Bay) Project is a multi-jurisdictional and public-private collaboration to protect communities and critical infrastructure from the 100-year flood event, in addition to 3.5 feet of sea-level rise in the cities of Menlo Park and East Palo Alto. The regional project consists of a 7.5-mile levee alignment along the shoreline, including the 3.7-mile segment within Menlo Park. In 2022, the City was awarded a \$50 million Federal Emergency Management Agency Building Resilient Infrastructure and Communities (BRIC) grant to help partially fund the effort with the local match provided by PG&E (\$10 million) and Meta (\$7.808 million) for a total of \$67.808 million. The project is currently in design.



## *Grant Highlight*

### **Haven Avenue**

**\$1 million**

The Haven Avenue Street Improvement Project will install new landscaping, sidewalks, ramps, traffic signals, paving, signing and striping along Haven Avenue from Marsh Road to the Atherton Channel. The scope of work also includes a bridge for pedestrian and bicycle access. The City was awarded a \$600,000 grant from State Parks and Recreation and a \$170,000 grant from the San Mateo County Transportation Authority for construction. In addition, the project also includes a \$300,000 funding contribution from Caltrans. The project is currently in construction with an anticipated completion date in early 2025.



# Capital Improvement Plan

The City invests in the future of our community by funding the Capital Improvement Plan (CIP). These capital projects are long-term investments in City infrastructure covering a range of categories and initiatives, all intended to serve the City for years to come.



CITY BUILDINGS AND SYSTEMS

\$2,875,000



ENVIRONMENT

\$1,239,000



PARKS AND RECREATION

\$2,250,000



STORMWATER

\$2,706,702



STREETS AND SIDEWALKS

\$6,860,000



WATER

\$4,359,000

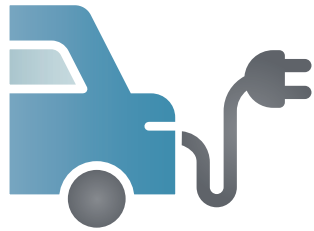


TRAFFIC AND TRANSPORTATION

\$22,396,000

**Total Capital Improvement Projects Planned for the Community: \$42,685,702**

## Council Priorities



### **CLIMATE ACTION – MITIGATION, ADAPTATION AND RESILIENCE:**

The City has made significant progress toward carbon neutrality and climate resiliency since updating the Climate Action Plan and adopting the City's first Environmental Justice Element in 2024. A transformative \$4.5 million State grant is enabling a program to electrify income eligible homes in Belle Haven that will continue through 2026. The City provides permit fee waivers for existing building electrification projects, public electric vehicle charging stations, and vouchers for zero emission landscaping equipment. To lead by example in City operations, advancements include fleet electrification, upgraded water heaters, preparation of facilities for solar installation, and the development of a microgrid at the Belle Haven Community Campus. The Environmental Quality Commission helps inform this work, ensuring diverse community voices shape climate policies that address current impacts while building resilience for the future.



### **HOUSING:**

The City prioritizes housing to make Menlo Park an equitable, safe, and sustainable place to live and work. The 6th Cycle 2023-2031 Housing Element provides goals, policies, and programs to address housing needs at all income levels in the community and affirmatively further fair housing. The City is pursuing many efforts to implement the Housing Element, including the development of an anti-displacement strategy and the prioritization of affordable housing development on City-owned parking lots in Downtown. The City also ensures housing projects adhere to the Below Market Rate (BMR) Housing Program and supports affordable housing projects like MidPen Housing's development at 795 Willow Road and Habitat for Humanity's project at 335 Pierce Road. The Housing Commission and Planning Commission contribute to Housing Element implementation through their review of housing development projects and input on housing programs.



### EMERGENCY AND DISASTER PREPAREDNESS:

The City actively plans and trains for emergencies and disasters to prepare staff as Disaster Service Workers, ensure City procedures are updated and understood, and maintain the Emergency Operations Center in a constant state of readiness to respond. Planning is collaborative among City departments, partner agencies like the Menlo Park Fire Protection District, and community groups that create a regionally integrated approach. As weather impacts have increased, the City has expanded communication to the community about emergency and disaster preparedness topics, particularly leading up to and through a weather event, through multiple communication channels. The City also provides additional resources to the community such as sandbag stations in advance of the winter storm season. In addition, the new Belle Haven Community Campus was structurally designed to serve as an emergency shelter.



### SAFE ROUTES:

Creating safe routes for all community members who walk, bike, and travel to work, school, and activities in Menlo Park is a priority reflected in a multitude of policies, programs, and capital improvement projects. The Vision Zero Action Plan created a blueprint to eliminate all traffic fatalities and serious injuries by 2040. The City continues to construct safer streets and multimodal corridors through traffic calming measures, pedestrian and bicycle improvements, speed limit reductions, and more. These capital improvement projects compliment ongoing safety and traffic enforcement and education partnerships, such as the well-established Safe Routes to School (SRTS) program. SRTS supports school-led events, organizes citywide events such as Bike to the Library and develops resources including a Pedestrian and Bicyclist Safety Handbook. The Complete Streets Commission provides input on the development and implementation of these programs, as well as recommendations regarding transportation impacts of major development projects.

