



REGULAR MEETING MINUTES

Date: 6/13/2023
Time: 6:00 p.m.
Locations: Teleconference and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Regular Session

A. Call To Order

Mayor Wolosin called the meeting to order at 6:01 p.m.

B. Roll Call

Present: Combs (remote – Brown Act), Doerr (remote – Brown Act and exited at 10:42 p.m.), Nash, Taylor, Wolosin
Absent: None
Staff: City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, Acting City Attorney Mary Wagner, Assistant to the City Manager/City Clerk Judi A. Herren

C. Agenda Review

None.

D. Report from Closed Session

No reportable actions.

E. Public Comment

- Jeffrey Shore spoke on concerns to the Pope Chaucer bridge improvements.
- Pam Jones spoke in support of the joint City Council and Planning Commission meeting on June 20.

The City Council reordered the agenda to allow for public comment on item M1.

M. Closed Session

M1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the Service Employees International Union Local 521 (SEIU), American Federation of State, County, and Municipal Employees Local 829 (AFSCME), and Confidential employees

Agency designated representatives: City Manager Justin I.C. Murphy, Administrative Services Director Brittany Mello, Assistant City Manager Stephen Stolte, City Attorney Nira Doherty, Special Counsel Charles Sakai

- Sokny Sy spoke in support of labor negotiations and on concerns related to the vacancy rate.
- Jom Sicat with donated time from Deborah Calvillo spoke in support of labor negotiations.
- CJ Shannon spoke in support of labor negotiations.
- Adam Patterson spoke in support of labor negotiations.

F. Presentations and Proclamations

F1. Proclamation: Recognizing Juneteenth Day (Attachment)

Mayor Wolosin introduced the proclamation (Attachment).

The City Council discussed the flag being displayed year round.

F2. Proclamation: Recognizing June 2023 as Pride Month (Attachment)

Mayor Wolosin read the proclamation (Attachment).

Director of the County of San Mateo LGBTQ Commission on the Status of Women Tanya Beat accepted the proclamation.

G. Consent Calendar

G1. Accept the City Council meeting minutes for April 25, 2023 (Attachment)

G2. Authorize the city manager to enter into a professional services agreement for investment advisory services (Staff Report #23-133-CC)

- James Pistorino spoke on the city's investment policy.

G3. Adopt a resolution approving the list of projects eligible for fiscal year 2023-24 funds from Senate Bill 1: The Road Repair and Accountability Act of 2017 (Staff Report #23-138-CC)

G4. Authorize the city manager to execute a construction contract to McGuire and Hester for the Haven Avenue Streetscape project (Staff Report #23-139-CC)

ACTION: Motion and second (Nash/ Doerr), to approved the consent calendar, passed unanimously.

H. Public Hearing

H1. Public hearing on proposed fiscal year 2023-24 budget and capital improvement plan (Staff Report #23-141-CC)

Administrative Services Director Brittany Mello and Assistant City Manager Stephen Stolte made a presentation (Attachment).

Mayor Wolosin opened the public hearing.

- James Pistorino spoke on engaging the public with Annual Comprehensive Financial Report (ACFR) and its attached 10-year forecast.

- Adina Levin spoke in support of a balanced budget and advancing capital improvement projects.
- Pam Jones requested that police overtime be included in the budget to understand the costs associated with mutual aid, concerns on air quality, funding for environmental justice programs, and in support of safe streets.
- Jenny Michel spoke in support of staff efforts, safe streets and an e-bike (electric) giveaway.
- Randy Avalos spoke on economic uncertainty and impacts to residents.
- Katherine Dumont spoke on challenges of new programs addressing past inequities.
- Sue Connelly spoke in support of seeking state and federal funding.
- Bryan Baskin spoke in support of safety as a priority.

Mayor Wolosin closed the public hearing.

The City Council received clarification on budget strategies and the five year forecast, Menlo Park Community Campus (MPCC) operating and staffing costs and funding, potential revenue-generating ballot measures, use of below market rate (BMR) funding, funding levels for diversity, equity, inclusion, and belonging initiatives, funding for programs identified in the Environmental Justice Element, Flock cameras, and classification titles for the library and community services department.

The City Council took a recess at 7:50 p.m.

The City Council reconvened at 7:57 p.m.

The City Council discussed utility users tax (UUT), transient occupancy tax (TOT), funding anti-displacement strategies, mental health programs, the Community Grant Funding Program, use of American Rescue Plan Act (ARPA) funds, master fee schedule amendments, reducing graffiti through an art project, reducing median landscaping and weeding and park maintenance, reserve policies update, and identifying legacy funds separately.

The City Council directed staff to return with a study session on Flock cameras, provide additional information about MPCC staffing including an option to operate MPCC with no new staff added, proceed with ARPA funding as recommended in the proposed budget, return with the master fee schedule later this year, retain landscaping and weeding and park maintenance, research TOT as a potential revenue generating measure, maintain current reserve policies, continue the same level of unfunded accrued liability contribution as the prior fiscal year, and return with more information on the one-time developer payments and amenities fund at a future meeting.

I. Regular Business

11. Adopt a resolution renewing Chapter 2.70 of the Menlo Park Municipal Code entitled military equipment use ordinance, Menlo Park Military Equipment Use Policy, and finding that the 2022 Menlo Park Police Department annual military equipment report complies with the standards of approval set forth in Menlo Park Police Department policy 708.7 and Government Code §7071(d) (Staff Report #23-135-CC)

Police Commander TJ Moffett made the presentation (Attachment).

The City Council received clarification on the 40-millimeter launchers.

ACTION: Motion and second (Wolosin/ Nash), to adopt a resolution renewing Chapter 2.70 of the Menlo Park Municipal Code entitled military equipment use ordinance, Menlo Park Military Equipment Use Policy, and finding that the 2022 Menlo Park Police Department annual military equipment report complies with the standards of approval set forth in Menlo Park Police Department policy 708.7 and Government Code §7071(d), passed unanimously.

12. Waive the first reading and introduce an ordinance adding Chapter 1.15 “Administrative Citations” and amending Chapter 8.04 “Nuisances” to add additional “Enumerated” nuisances to subsection 8.04.010 (Staff Report #23-136-CC)

Police Chief Dave Norris made the presentation (Attachment).

The City Council received clarification on enforcement abilities for compliance within the City Municipal Code, avoiding over policing, renter and owner responsibilities, and public outreach.

ACTION: Motion and second (Doerr/ Nash), to waive the first reading and introduce an ordinance adding Chapter 1.15 “Administrative Citations”, passed unanimously.

13. Waive the first reading and introduce an ordinance adding Menlo Park Municipal Code Chapter 8.05 to require the use of zero emission landscaping equipment (ZELE) (Staff Report #23-134-CC) (Informe de Personal #23-134-CC)

Sustainability Manager Rebecca Lucky made the presentation (Attachment).

- Leah Elkins spoke in support of the use of the ZELE ordinance.
- James Pistorino spoke on ZELE related costs compared to the proposed budget.
- Chair Nancy Larocca Hedley spoke on the Environmental Quality Commission (EQC) action on the ZELE ordinance.
- Amy Roleder spoke in support of the use of the ZELE ordinance.

The City Council received clarification on public outreach and enforcement implementation strategy.

The City Council discussed costs and funding to transition to electric gardening equipment, enforcement starting sooner than July 1, 2024 on enforcement for leaf blowers and string trimmers, and impacts to landscapers and gardeners.

The City Council directed additional outreach to begin as soon as possible to gardeners and community, reporting progress to the Environmental Quality Commission, and using hardship criteria for residents to qualify for the electric gardening equipment rebate program.

ACTION: Motion and second (Wolosin/ Nash), to waive the first reading and introduce an ordinance adding Menlo Park Municipal Code Chapter 8.05 (gasoline powered landscape equipment) to require use of zero emission landscaping equipment by a certain dates and repeal Chapter 8.07 (leaf blowers) and subsection (C) of §8.06.040 exceptions for gas powered leaf blowers, 3-2 (Combs and Taylor dissenting).

J. Informational Items

- J1. City Council agenda topics: June 20 – July 11 (Staff Report #23-140-CC)

- J2. Transmittal of city attorney billing (Staff Report #23-132-CC)
- J3. Police department quarterly update – Q1 January 2023 – March 2023 (Staff Report #23-137-CC)

K. City Manager Report's

City Manager Justin Murphy reported out on the Juneteenth event on June 17 from 11 a.m. to 2 p.m.

L. City Councilmember Reports

City Councilmember Combs reported out on updated office hours and provided an update on the San Francisquito Creek Pope Chaucer bridge replacement based on new information and observations gathered during the 2022-23 winter storms.

Vice Mayor Taylor reported out on the City Council Community Amenities Subcommittee meeting (Attachment) and requested the reopening of the MPCC naming survey.

City Councilmember Nash reported out on the Meta Local Community Local Fund, Peninsula Clean Energy (PCE) and Stanford Community Resource Group meetings and a PCE e-bike rebate program.

Mayor Wolosin reported out on Local Policy Makers Group workshop and an upcoming Commute.org meeting.

M. Closed Session

- M1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the Service Employees International Union Local 521 (SEIU), American Federation of State, County, and Municipal Employees Local 829 (AFSCME), and Confidential employees

Agency designated representatives: City Manager Justin I.C. Murphy, Administrative Services Director Brittany Mello, Assistant City Manager Stephen Stolte, City Attorney Nira Doherty, Special Counsel Charles Sakai

N. Adjournment

Mayor Wolosin adjourned to closed session at 10:42 p.m.

Mayor Wolosin adjourned the meeting at 11:16 p.m.

Judi A. Herren Assistant to the City Manager/City Clerk

These minutes were approved at the City Council meeting of June 27, 2023.

Proclamation

Recognizing Juneteenth on June 19, 2023

WHEREAS, during the Civil War, after the Union Army captured New Orleans in 1862, slave owners in Confederate states migrated to Texas with more than 150,000 enslaved Black persons, keeping them deprived of their freedom and basic dignity, even after President Abraham Lincoln issued the Emancipation Proclamation; and

WHEREAS, June 19, 1865, — nearly three years after President Lincoln declared all enslaved persons free — Major General Granger and Union Army troops marched to Galveston, Texas to enforce the Emancipation Proclamation and free the last enslaved Black Americans; and

WHEREAS, those who were freed from bondage celebrated their long-overdue emancipation June 19, and today, our Nation commemorates Juneteenth as a chance to celebrate human freedom, reflect on the grievous and ongoing legacy of slavery, and rededicate ourselves to rooting out the systemic racism that continues to plague our society as we strive to deliver the full promise of America to every American; and


WHEREAS, Juneteenth, recognized as a federal holiday in 2021 and celebrated in the Black community for over 150 years, commemorates African-American freedom, emphasizes education and achievement, symbolizes freedom, celebrates the abolishment of slavery, and reminds all of the significant contributions of African-Americans to our society; and

WHEREAS, this year, on Juneteenth, we recognize the power and resilience of Black Americans, who have endured generations of oppression in the ongoing journey toward equal justice, equal dignity, equal rights, and equal opportunity in America and pay tribute to those, then and now, who fought so long and worked so hard to make the dream of equality a reality; and

WHEREAS, this year, on Saturday, June 17, 2023, all are encouraged to join us for a Juneteenth celebration at Karl E. Clark Park, to gather together, enjoy live music and delicious food, and learn more about this most important day in the history of our Nation; and

NOW THEREFORE, BE IT PROCLAIMED that I, Jen Wolosin, Mayor of the City of Menlo Park, do hereby proclaim June 2023 as the month to celebrate Juneteenth Day in Menlo Park, California, and urge all people to become more aware and continually educated on the significance of this celebration in Black History and in the heritage of our nation.




Jen Wolosin, Mayor
June 13, 2023

Proclamation

Pride Month – June 2023

WHEREAS, the City Council of Menlo Park recognizes and proclaims the month of June 2023 as Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) “Pride Month” throughout the City of Menlo Park; and

WHEREAS, Menlo Park joins the County of San Mateo to observe Pride Month, honor the history of the LGBTQ+ liberation movement, and to support the rights of all residents to experience equality and freedom from discrimination; and

WHEREAS, the rainbow flag is widely recognized as a symbol of pride, inclusion, and support for social movements that advocate for LGBTQ+ people in society; and

WHEREAS, all human beings are born free and equal in dignity and rights. LGBTQ+ individuals have had immeasurable impact to the cultural, civic and economic successes of our country; and

WHEREAS, the City of Menlo Park is committed to supporting visibility, dignity and equality for LGBTQ+ people in our diverse community; and


WHEREAS, while society at large increasingly supports LGBTQ+ equality, it is essential to acknowledge that the need for education and awareness remains vital to end discrimination, prejudice and violence against the LGBTQ+ community; and

WHEREAS, celebrating Pride Month influences awareness and provides support and advocacy for San Mateo County’s LGBTQ+ community, and is an opportunity to take action and engage in dialogue to strengthen alliances, build acceptance and advance equal rights; and

NOW, THEREFORE BE IT RESOLVED, that the rainbow flag, raised on June 1, recognizes and celebrates all LGBTQ+ residents whose influential and lasting contributions to our neighborhoods make Menlo Park a vibrant community in which to live, work and visit; and

NOW, THEREFORE, BE IT PROCLAIMED that I, Jen Wolosin, Mayor of the City of Menlo Park, on behalf of the City Council and City, hereby proclaim the month of June 2023 as Pride Month in support of the LGBTQ+ community and call upon members of the Menlo Park community to strive to eliminate prejudice and to embrace the beautiful rainbow of human experience that encompasses all people everywhere.




Jen Wolosin, Mayor
June 13, 2023



FISCAL YEAR 2023-24 BUDGET PUBLIC HEARING

June 13, 2023



AGENDA

- Budget team
- General Fund pandemic impacts
- City Council Priorities
- Proposed budget and assumptions
- Five-year General Fund forecast
- Capital Improvement Plan
- Budget strategies
- Comments and questions





BUDGET TEAM

- Stephen Stolte, Assistant City Manager
- Nicole Nagaya, Deputy City Manager
- Brittany Mello, Administrative Services Director
- Marvin Davis, Interim Finance Director
- Rani Singh, Interim Finance and Budget Manager
- Ying Chen, Senior Accountant
- Adrian Patino, Management Analyst II



BUDGET CONTRIBUTORS

- General Administration
 - Nicole Casados, Judi Herren, Rebecca Lucky
- Administrative Services
 - Sandy Pimentel
- Community Development
 - Deanna Chow, Charles Andrews, Vanh Malathong, Adam Patterson, Eren Romero, Kyle Perata
- Library and Community Services
 - Sean Reinhart, Nick Szegda
- Police
 - David Norris, Tony Dixon, TJ Moffett, Dani O'Connor
- Public Works
 - Eren Romero, Adali Arroyo, Tanisha Werner, Hugh Louch



GENERAL FUND PANDEMIC IMPACTS (FY 2018-19 THRU FY 2023-24)

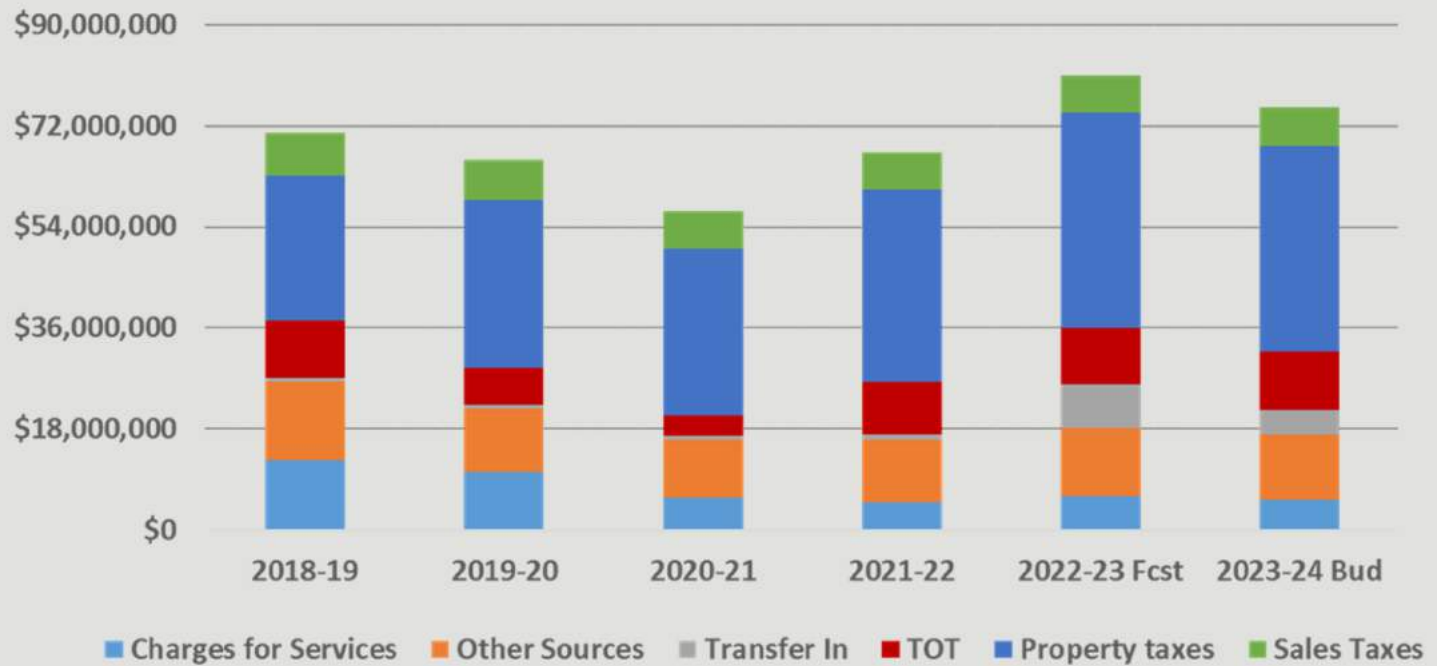


- Estimated revenue losses
 - Transient Occupancy Tax: - \$11.3 million
 - Charges for Services: - \$14.9 million
 - Sales Taxes: - \$8.6 million

- Expense changes over pandemic
 - Full-time equivalent (FTE) reduction of 44
 - Rebound from pandemic: FTE growth of 54 by FY 2023-24
 - Budget increase by \$21.2 million or 36% over 5-year period
 - General Fund supports an estimated 84% of City's FTEs

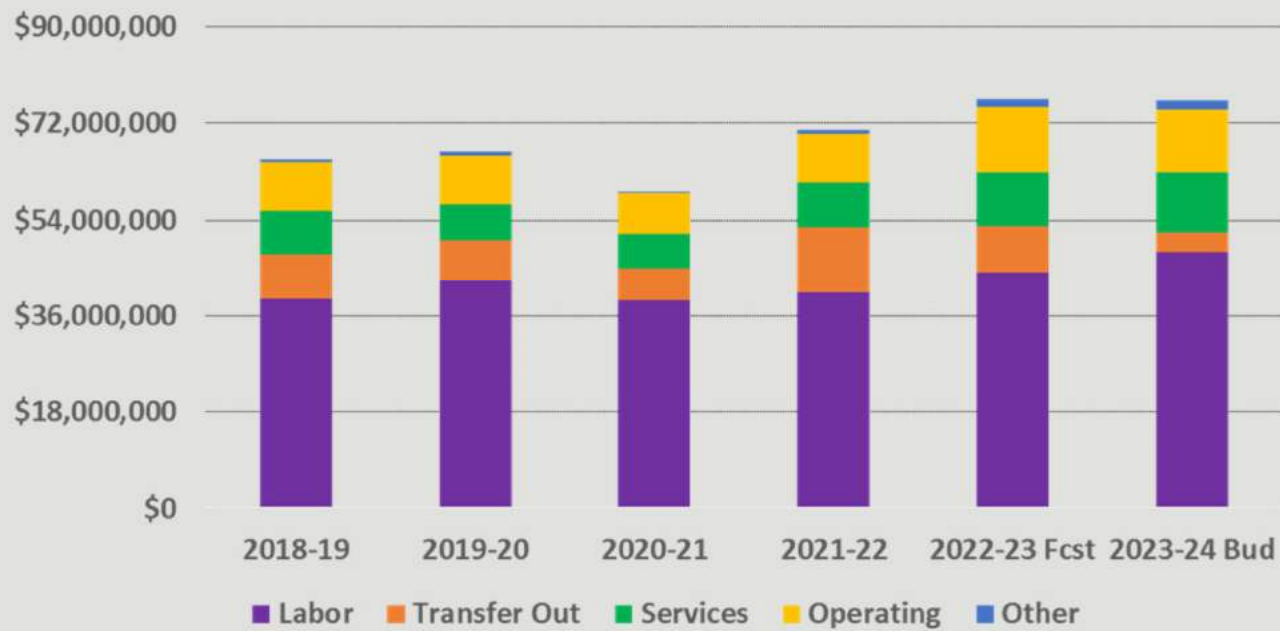


GENERAL FUND REVENUE TRENDS





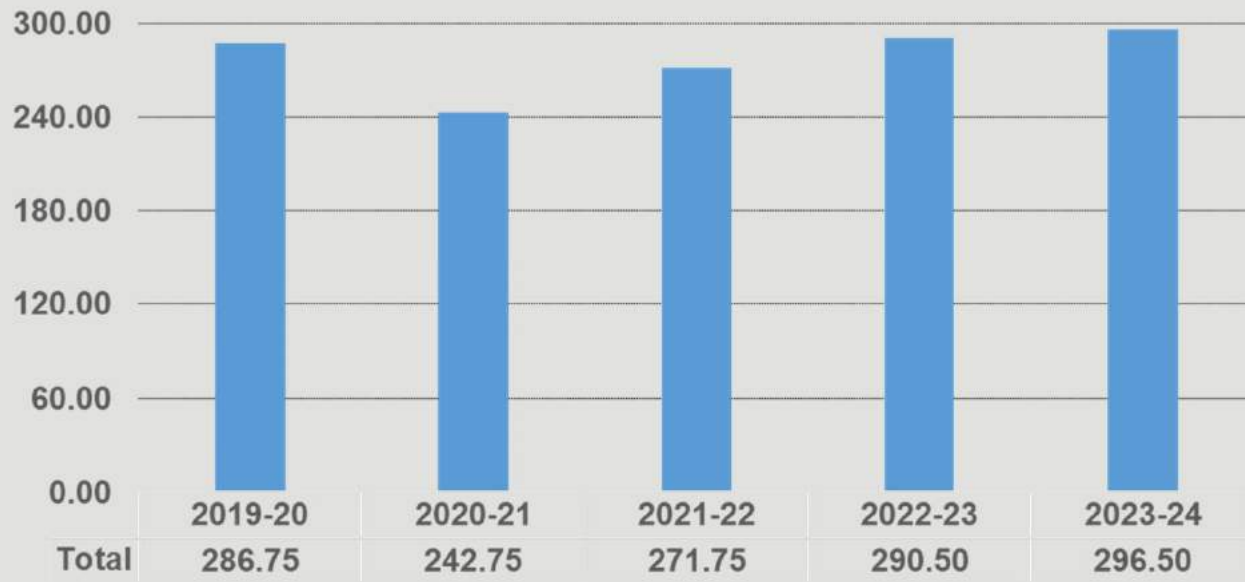
GENERAL FUND EXPENSE TRENDS



Other: Special Equipment, Community Programs, Misc. Projects



CITYWIDE STAFFING LEVELS



The background of the slide features a close-up photograph of green leaves and a single yellow fruit, possibly a lemon or lime, on a branch. The image is partially obscured by a blue vertical bar on the left and a horizontal orange bar that contains the title text.

CITY COUNCIL PRIORITIES



CITY COUNCIL PRIORITIES

The City Council held its annual priority and goal setting workshop on March 18, 2023, to provide direction to the city manager on aligning resources and work plans for the next year.

The City Council identified the following priorities:

- Housing
- Emergency Preparedness
- Climate Action Plan
- Activating Downtown
- Safe Streets

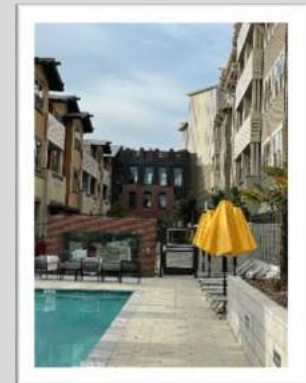


CITY COUNCIL PRIORITY: HOUSING



Housing is supported by ongoing activities and proposed enhancements:

- Initiate Housing Element programs, such as tenant/landlord education
- Continued outreach and development for 2023-2031 Housing Element components – Safety Element and Environmental Justice
- Multiple residential and mixed-use projects in development pipeline with market rate and below market rate units
- Streamlined permitting process using 24/7 online portal





CITY COUNCIL PRIORITY: EMERGENCY PREPAREDNESS



Emergency Preparedness is supported by ongoing activities and proposed enhancements:

- Recruitment plan for Emergency Preparedness Coordinator (1 FTE)
- Continued coordination with Menlo Park Fire Protection District
- Partnership with community organizations to strengthen resilience at neighborhood level



CITY COUNCIL PRIORITY: CLIMATE ACTION PLAN



Climate Action Plan is supported by ongoing activities and proposed enhancements:

- \$4.5 million of State grant funds for communitywide electrification (over two years)
- Robust staffing devoted to sustainability efforts (3 FTEs)
- Continue to electrify City facilities, including Burgess Pool heating equipment, and expand electric vehicle charging for City vehicle fleet
- Zero emissions landscaping equipment program and outreach
- Awarded FEMA BRIC grant to implement SAFER Bay sea level rise protection plan for 2/3 of Menlo Park shoreline
- Support Environmental Quality Commission meetings
- And much more!



CITY COUNCIL PRIORITY: ACTIVATING DOWNTOWN



Activating Downtown is supported by ongoing activities and proposed enhancements:

- Interim Economic Development Manager starting June 2023 while recruitment plan developed for permanent position
- Implementing the Streetaries outdoor dining program
- Enhanced public outreach promoting businesses and events downtown



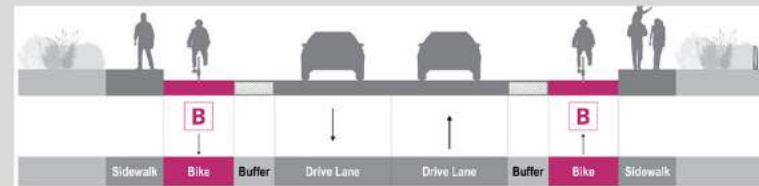


CITY COUNCIL PRIORITY: SAFE STREETS



Safe Streets is supported by ongoing activities and proposed enhancements:

- Completion of the local road safety plan/vision zero action plan to address most significant safety challenges in collaboration with Police
- Ongoing maintenance (current pavement condition index is 76 “good to excellent”) with focus on incorporating safety upgrades into maintenance projects; 5-year resurfacing plan to be developed fall 2023
- Deliver Transportation Master Plan projects with focus on connected, multimodal networks with \$28M for projects in the CIP
- Continue enforcement and education efforts in collaboration with Menlo Park schools, School Resource Officer, safe routes to schools program, and traffic enforcement unit
- Coordination with Complete Streets Commission efforts



The background of the slide is a photograph of a building with a tiled roof and several arches. The building is light-colored, possibly stucco, and the arches are dark. The sky is a clear, bright blue. A teal banner with the text "PROPOSED BUDGET" is overlaid on the center of the image. To the left of the banner, there are two vertical purple bars of different shades.

PROPOSED BUDGET



FY 2023-24 OPERATING BUDGET: REVENUE



- Key Revenue Assumptions
 - Property taxes, TOT, Sales, other reviewed under 5 year forecast
 - *Vehicle License Fee updated; increased \$1.8 million since June 1*
 - Excludes UUT of \$1.6 million
 - \$1.3 million Meta (Facebook) development agreements in separate Fund 111
 - Non-operating revenues:
 - \$24.4 million for community amenities in Fund 369
 - Measure T Bond Assessments - \$2.4 million



FY 2023-24 OPERATING BUDGET: EXPENSE



- Key Expense Assumptions
 - 296.5 FTEs, including 6 proposed for Menlo Park Community Campus (MPCC) operations
 - Vacancy rate of 10% equates to 23.85 FTEs, supported by start date analysis
 - \$3 million transfer for Capital Improvement Program (CIP)
 - \$3.7 million in ARPA, must be spent by December 2024
- Non-operating expenses:
 - Measure T Bond Service - \$2.4 million debt service
 - Measure T Bonds - \$8.8 million MPCC, \$3.1 million Willow Oaks, \$0.7M Burgess Park playground
 - Internal Service Fund budgets (allocated by FTEs)



FY 2023-24 OPERATING BUDGET RESULTS

- The proposed Fiscal Year 2023-24 budget results in a deficit of \$0.96 million
 - Deficit revised based on latest Vehicle License Fee revenue since public workshop

- Reserve Levels
 - Non-spendable: \$0.44 million
 - Project related: \$0.54 million
 - Strategic pension: \$2.28 million
 - Emergency Contingency Reserve: \$11.4 million at 15% (meets policy minimum)
 - Economic Stabilization Reserve: \$15.3 million at 20% (meets policy minimum)
 - Unassigned: \$6.3 million



SERVICE LEVEL ENHANCEMENTS



- Menlo Park Community Campus Operations
 - Annual operating expenses and staffing level restorations and increases - \$1.2 million

- Public Safety Technology Enhancements (multi-year programs)
 - Flock Cameras - \$536,400
 - Axon Fleet (In-Car Cameras) - \$403,944
 - Voice Logging Equipment - \$104,120

- Community Wellness and Crisis Response Team (CWCRT) –
Mental health clinician - \$80,000

- Equipment for zero emission landscaping ordinance (ZELE) - \$200,000

- Electric landscaping equipment rebate program - \$35,000

- Diversity, Equity, Inclusion, and Belonging Initiatives - \$51,000

A photograph of a street scene in Menlo Park. In the foreground, there are green plants with red flowers. A dark metal railing runs across the middle ground. In the background, a street with buildings and signs is visible. A prominent sign reads "harvest" in a brown oval. Another sign reads "TABAC" in a red circle. A red sign with a white "V" is also visible. The scene is bright and sunny. A large orange and blue graphic is overlaid on the image, containing the text "DEPARTMENT BUDGETS".

DEPARTMENT BUDGETS



DEPARTMENTAL GENERAL FUND OVERVIEW



Department	General Fund Expenses	General Fund Revenues	FTEs*
Police	\$23,732,441	\$449,000	69.5
Public Works	\$17,801,801	\$1,282,394	43.61
Library and Community Services	\$13,431,174	\$3,074,500	57.25
Community Development	\$10,958,077	\$4,258,050	33.5
General Administration	\$6,637,385	-	18.36
Administrative Services	\$4,629,137	\$50,000	17.75
Non-Departmental	\$(868,917)	\$66,241,008	0
Total	\$76,321,098	\$75,354,951	239.97

*includes MPCC SLE

A photograph of a street scene in Menlo Park. In the foreground, there are green plants with red flowers. In the background, a building has a brown oval sign that says "harvest" and a red circular sign that says "TABAC". There are also some outdoor chairs on the sidewalk.

FIVE-YEAR GENERAL FUND FORECAST



GENERAL FUND FIVE-YEAR FORECAST

- Revenue assumptions
 - Property Taxes: 4.6% growth (HdL) *updated*
 - *Vehicle License Fee: Updated by \$1.5 million per year*
 - Transient Occupancy Tax: 5% growth (includes citizenM)
 - Sales Tax: 4% growth (MuniServices)
 - Licenses & Permits: 4% growth
 - Excludes \$1.6 million in UUT annually (\$8 million loss over 5-year period)

- Additional Information
 - Approximately \$1 million annual use of California Employers' Retiree Benefit Trust (CERBT) for retiree premiums
 - \$3.7 million in ARPA funds



GENERAL FUND FIVE-YEAR FORECAST



- Expense assumptions
 - 239.97 FTE total full-time equivalents (FTEs)
 - Placeholder wage adjustments **subject to labor negotiations*
 - 4% CPI across standard benefits
 - Vacancy rate of 10% (equal to 24.0 FTEs) gradually reduces down to 7% (equal to 16.80 FTEs) by year 4 of forecast
 - Unfunded Accrued Liability (UAL) additional payment, suspended first 2 years, resumes at \$500,000 throughout remainder
 - Reduce transfer for CIP to \$1 million starting FY 2024-25
 - Estimated UUT refund of \$4.5 million in FY 2024-25



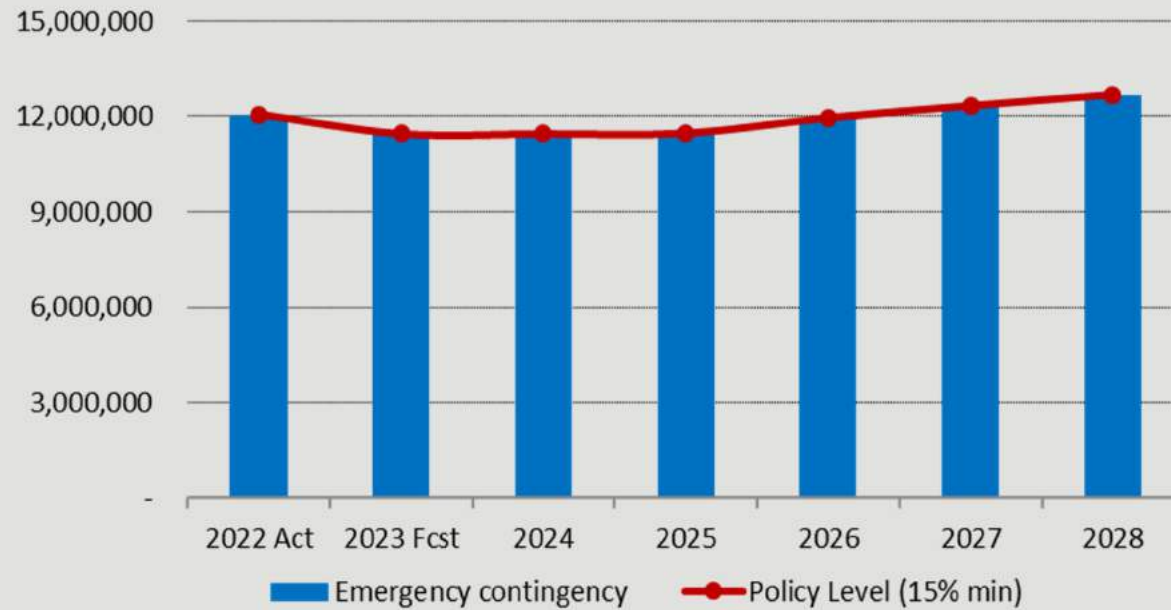
GENERAL FUND FIVE-YEAR FORECAST



- Surplus/Deficit & Reserve Impacts
 - Total Reserve balance trends downward from \$36.3 million to \$25.1 million over the five-year period
 - Total deficit over five-year period: \$12.2 million
 - Uncertainty surrounding City's vehicle license fee allocation from the State
 - Emergency Contingency Reserve: Maintained at minimum policy level of 15%
 - Economic Stabilization Reserve: Falls below minimum policy level of 20% beginning in FY 2024-25 due to UUT refund
 - Reaches low of 12% in FY 2027-28
 - Unassigned Fund Balance: Decreases to \$0.25 million beginning in FY 2024-25 to maintain necessary liquidity for cash flow



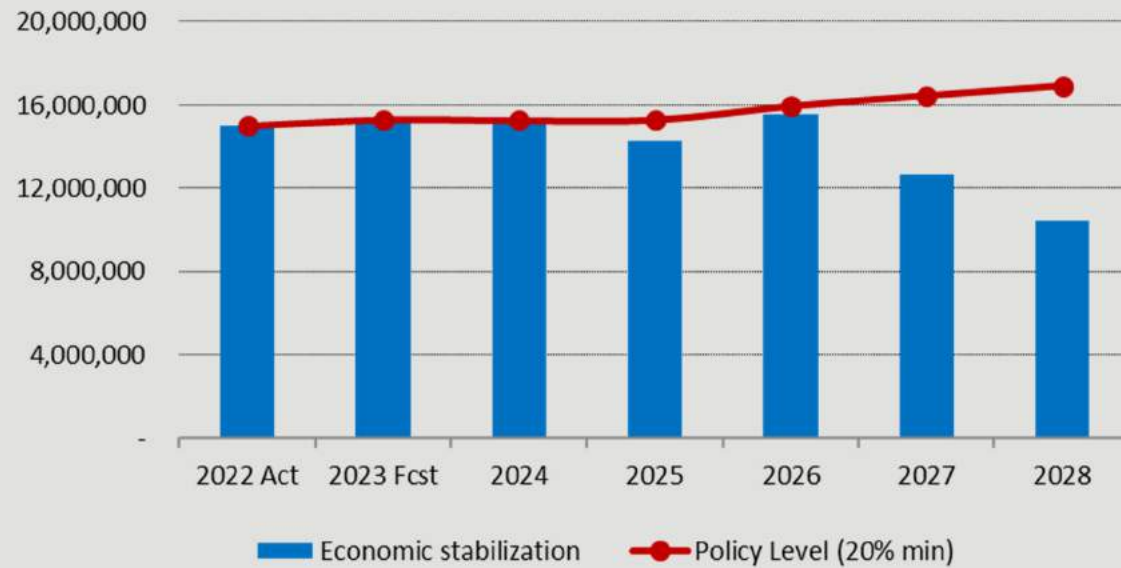
GENERAL FUND: EMERGENCY CONTINGENCY RESERVE



- The Emergency Contingency Reserve was established by resolution in 2011 and updated in 2014 with a policy goal of maintain 15-20% of the General Fund's annual operating budget
- Use of the reserve is limited to declared emergencies
- The City forecasts that this reserve will be maintained at the minimum policy level



GENERAL FUND: ECONOMIC STABILIZATION RESERVE



- The Economic Stabilization Reserve was established by resolution in 2011 and updated in 2014 with a policy goal of maintain 20-25% of the General Fund's annual operating budget
- The reserve can be used for severe operational budget deficits or to mitigate effects from unforeseen changes in revenues and/or expenditures
- The forecast uses reserves to cover projected deficits and the reserve trends down to 12% minimum in FY 2027-28; Council may consider alternative strategies to structurally balance



CAPITAL IMPROVEMENT PROGRAM





CAPITAL IMPROVEMENT PROGRAM

- 81 funded and carryover projects with 8 new projects
- 27 proposed for new funding in FY 2023-24
- 7 categories
 - Buildings and systems
 - Environment
 - Parks and recreation
 - Stormwater
 - Streets and sidewalks
 - Traffic and transportation
 - Water system
- 13 programmatic categories: Parks (minor), Sports field renovations, traffic signal modifications, etc.





COMPLETED PROJECTS

- Bayfront Canal and Atherton Channel flood protection and habitat restoration project
- Chilco streetscape and sidewalk installation
- El Camino Real Median Trees Improvements
- Facilities inventory and maintenance plan
- Park pathway repairs at Sharon and Nealon Parks
- Ravenswood Avenue/Laurel Street intersection modifications
- Resurfacing of streets underway
- Sharon Road sidewalks
- Suburban Park/Flood Triangle neighborhood street light replacement and series circuit project
- Water main replacement on Haven Avenue



NEW PROJECTS

- Automated Waterline Blowoffs at Deadend Locations
- Belle Haven Child Development Center Zero Net Energy Retrofit
- Belle Haven Park Improvements
- Burgess Campus Microgrid & Electrification
- Building Exterior Improvements (solar-ready)
- Sharon Heights Pump Station Variable Frequency Drives
- Smart Irrigation Infrastructure Project
- Urban Forest Master Plan

The main visual of the slide is a photograph of green leaves and a light green fruit, likely an apple, in focus. A semi-transparent orange banner is overlaid across the middle of the image, containing the text "BUDGET STRATEGIES" in white, bold, uppercase letters. To the left of the banner, there are vertical bars in shades of blue and grey, and a grey bar is visible on the far left edge of the slide.

BUDGET STRATEGIES



BUDGET STRATEGIES



- Staff requests City Council direction on strategies to balance General Fund without depleting reserves

- Loss of Utility Users Tax, estimated \$4.5 million refund in fiscal year 2024-25, growing demand for City services, and rising costs all place additional strain on the General Fund

- Proposed General Fund budget for FY 2023-24 uses:
 - \$0.96 million reserves
 - \$3.7 million ARPA funds



BUDGET STRATEGIES



- American Rescue Plan Act (ARPA)
 - \$3.7 million recorded as revenue in proposed FY 2023-24 budget
 - \$880,000 in eligible expenses since 2020

- General Fund contribution to the Capital Improvement Program (CIP)
 - FY 2023-24 budget: \$3 million contribution
 - Five-year forecast assumes \$1 million annually after
 - City would need to rely more on restricted funds, grants
 - Potential impact: \$2 million annually; may increase longer-term deferred maintenance costs



BUDGET STRATEGIES



- Additional Unfunded Accrued Liability (UAL) payment
 - FY 2023-24: suspend
 - Five-year forecast suspends for 2 years; \$0.5 million for last 3 years
 - Potential Impact: \$3.5 million over five years; increases amortization schedule

- One-time, Bayfront mitigation, Downtown Public Amenity and In-Lieu Community Amenities Funds
 - May be used to maintain General Fund expenditures, capital projects
 - Example: One-Time Developer Payments Fund to maintain service levels and staffing at MPCC
 - Potential Impact: varies – each fund has its own spending goals and restrictions

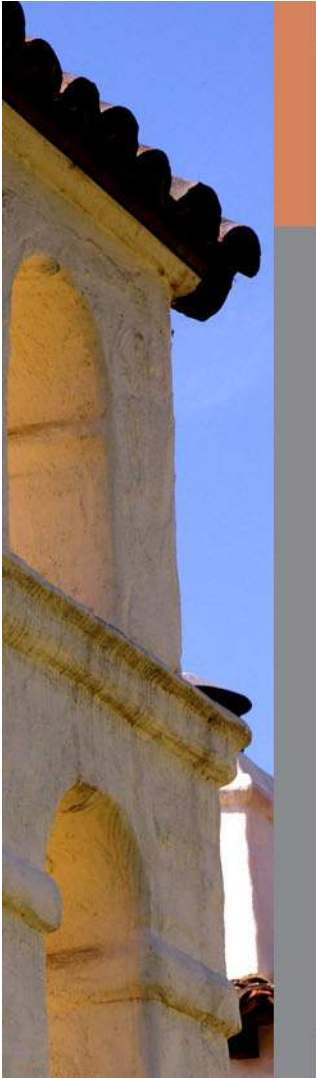


BUDGET STRATEGIES



- Adjust master fee schedule
 - Agenda item for 2023
 - Potential impact: 3% CPI increase may result in \$180,000 annually

- Potential contract service level reductions
 - Reduced median landscaping; up to 20% reduction, or \$115K savings
 - Reduced weeding and park maintenance; 20% reduction, or about \$90K savings
 - Transportation on-call support contract reduction incorporated into proposed budget; \$34K savings
 - Potential Impact: varies – possible impacts (aesthetics, etc.)



BUDGET STRATEGIES



- Reserve policies
 - Current reserves:
 - Emergency Contingency Reserve: 15-20%
 - Economic Stabilization Reserve: 20-25%
 - Strategic Pension Funding Reserve
 - Reserves are a component of maintaining the City's AAA bond rating
 - City Council directed staff to research reserve policies of neighboring cities



BUDGET STRATEGIES



- Potential revenue-generating ballot measures
 - Transient Occupancy Tax (TOT) increase of 1-3.5%: \$0.875 million to \$3 million annually
 - A new Utility Users Tax (UUT) adhering to former tax rate structure: \$1.8 million to \$5.8 million annually
 - Sales Tax increase by 0.25% or 0.50%:
 - Current sales tax: 9.375%
 - Approximately \$2 million to \$4 million annually
 - Business License Tax: additional analysis needed to estimate revisions



SUMMARY OF BUDGET STRATEGIES

Strategy	Notes	Council Direction
ARPA	\$3.7 million built into proposed budget; must use by Dec. 2024	• FY 2023-24
CIP General Fund contribution	Reduce contribution, rely more on restricted funding and grants	• Starting FY 2024-25
Unfunded Accrued Liability (UAL) contribution	Suspend \$1 million in first two years; reduce to \$500K annually after	• Starting FY 2023-24
One-Time Developer Payments and Amenities Funds	Ex. One-time developer payments towards MPCC operations	• Starting FY 2023-24
Master fee schedule	Update to align with current cost structure (last update was 2015)	• Planned August 2023
Service level reductions	Identify contract services where reductions are possible with minimized impact to residents	• Explore future reductions pending contract terms
Potential revenue-generating measures	TOT, new UUT, Sales Tax, Business License Tax	• Identify top 2 measures at June 27 meeting
Reserve policies	Initial research based on SMC cities	• Research further



NEXT STEPS





FISCAL YEAR 2023-24 NEXT STEPS



- Staff will incorporate feedback received from the City Council into the proposed budget for adoption at the June 27 meeting
- Staff will update the General Fund five-year forecast
- Proposed budget available on OpenGov: menlopark.gov/budget



QUESTIONS, COMMENTS



ASSEMBLY BILL 481 COMPLIANCE

T.J. Moffett, Commander, Menlo Park Police Department



AB481: Review and Renew



- On September 30, 2021, California AB 481 was signed into law
- Pursuant to AB481, on May 10, 2022, the City Council adopted Ordinance No. 1089, adding Chapter 2.70 to Menlo Park Municipal Code, which approved a military equipment use policy for police services, and included an inventory of the City’s military equipment
- AB 481 requires the governing body to annually review the ordinance for consideration to be renewed
- Requires the completion of an annual “Military Equipment Report”



AB481: Review and Renew



- California Government Code Section 7070 provides a list of types of equipment that are to be considered “Military Equipment” for purposes of compliance with AB 481 and the Government Code
- MPPD does **NOT** possess any tactical equipment that it has obtained from the military, nor does it possess any equipment that was designed uniquely for military use
- MPPD does have some types of equipment listed in Section 7070 (Staff Report - Attachment “D”)
- Additionally, MPPD participates in a regional Special Weapons and Tactics (SWAT) team, which possesses and utilizes additional types of equipment that qualify as “Military Equipment” according to the Government Code (Staff Report – Attachment “E”)



AB481: Review and Renew



- MPPD had no reportable deployments/uses of the equipment listed in Government Code 7070 in 2022

RECOMMENDATION

- MPPD requests that City Council adopt a resolution to approve the annual MPPD Military Equipment Report and renew City of Menlo Park Military Equipment Use Ordinance and Policy (Staff Report - Attachment "A")



ADMINISTRATIVE CITATION ORDINANCE



RECOMMENDATION:

- Waive first reading and introduce Ordinance
 - Adds Chapter 1.15 Administrative Citations
 - Amends Chapter 8.04 “Nuisances”
 - 8.04.010 Additional “Enumerated Nuisances”:
 - Accumulation of vegetation and similar matter visible from streets.
 - Accumulation of junk, trash or debris.
 - Dilapidated and failing fences.
 - Any condition which is declared to be a public nuisance by the municipal code.
 - Any violation of the zoning ordinance.

IMPORTANT

Nothing changes our priority of a community policing approach and working towards voluntary compliance in every case.

A photograph of a grassy field with a wooden fence in the foreground. Two people are visible in the distance on a path. The sky is overcast.

PROPOSED GARDENING EQUIPMENT RULES AND LOCAL INCENTIVE PROGRAM

Rebecca Lucky, Sustainability Manager



AGENDA

- Recommendation
- Proposed rules
- Performance of electric gardening equipment
- Outreach results
- Case study of professional gardener transition
- Potential Menlo Park rebate program
- Next steps





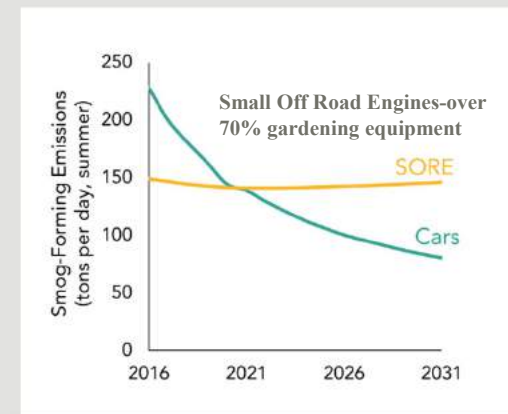
STAFF RECOMMENDATION

- City Council waive the first reading and introduce an ordinance adding Menlo Park Municipal Code Chapter 8.05 (gasoline powered landscape equipment) to require use of zero emission landscaping equipment (ZELE) as proposed
- Direction on the development of an electric landscaping equipment rebate program that can be brought back for approval on June 27
- The EQC advises the City Council to adopt the proposed rules and consider an incentive program to purchase electric landscaping equipment



CONSIDERATIONS FOR DEVELOPING PROPOSED RULES

- Environmental Quality Commission recommended prohibiting gas-powered leaf blowers (September 2021)
- City Council directed drafting rules for five types of gas gardening equipment to consider for adoption in 2023 and focus on direct outreach to gardeners (October 2022)
- The California Air Resources Board will prohibit the sale (not use) of new gas-powered gardening equipment starting January 1, 2024

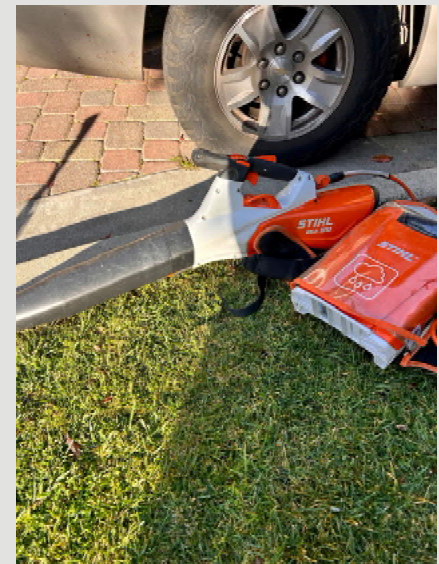


Source – California Air Resources Board



PROPOSED MENLO PARK RULES

- **July 1, 2024:** gas-powered **leaf blowers** and **string trimmers** would be prohibited
- **January 1, 2029:** gas-powered **walk behind lawnmowers**, **hedge trimmers** and **chainsaws** would be prohibited
- Hours of allowable operation would remain the same for electric powered equipment
- Violations would be tied to the property owner





GAS AND ELECTRIC PERFORMANCE

- For private use, electric gardening equipment generally performs similar to gas-powered equipment
- Professional gardeners will have further investment and time considerations:
 - Efficient use of equipment
 - May require extra batteries
 - Electric panel upgrades and dedicated circuits



CASE STUDY: ENVIROVIEWS

- 80% of equipment is electric and used by all crews
- Transition involved:
 - Retrained employees to use equipment more efficiently
 - No additional labor was required to complete jobs
 - One batter per piece of equipment was sufficient
 - Electric panel upgrade, wiring, and power management systems
- Customer rates increased 10% for ongoing training and investment in batteries and electric equipment
- Did save on operational costs:
 - \$1,600 per crew per month in gasoline costs
 - \$275 per month in electricity costs for ALL crews
- Return on investment was 2 years





OUTREACH METHODS TO GARDENERS

- Active canvassing on bike and in vehicles a few times a week from November 2022 to February 2023
- Two live webinars in English and Spanish
- 250+ letters, emails, and text messages
- Online survey
- Two Saturday events at Soleska Market
- Promoted electric gardening equipment event in Atherton
- Community volunteers have been a big help!





PROFESSIONAL GARDENER RESULTS

- Many already have electric equipment because they work in other communities with rules, but still avoid using the equipment where possible due to:
 - Battery life is short- 20 minutes if used on turbo speed
 - Purchasing multiple batteries is expensive and require replacement every few years
 - Electric equipment is less powerful and takes longer to complete a job
- Managing customers expectations on the cost to transition
- Ability to effectively enforce rules to maintain competitive pricing
- Unaware of the discount electric equipment program
- Aware that they will need to transition at some point in the future
- 12 gardeners responded to the online survey, and majority did agree with enforcement starting on July 1, 2024 for leaf blowers and string trimmers, but did not support regulating chainsaws, lawnmowers, and hedge trimmers in 2029



COMMUNITY SURVEY RESULTS

- 311 responses

- Majority of respondents:
 - Use hired gardening services
 - Supported regulating leaf blowers and string trimmers July 2024
 - Willing to pay more for gardening services
 - Shared the discount electric equipment informational flyer

- Half of the respondents supported regulating lawnmowers, hedge trimmers, and chainsaws in 2029






- Requested a local incentive program to purchase electric gardening equipment





ELECTRIC EQUIPMENT DISCOUNT PROGRAM

- \$24 million in incentives for professional gardeners only
 - Started November 2022
 - \$10 million left as of June 2023
 - Californiacore.org or menlopark.gov/zele

 <p>EGO Backpack Blower Kit – 800 CFM (2*6Ah battery, CH2800D charger, 1*Nozzle)</p>	<p>Regular Price <u>Precio regular</u> \$699.99</p> <p>Discounted price <u>Precio descontado</u> \$299.99</p>	 <p>Stihl BGA 300 CORDLESS BACKPACK BLOWER/ UNIT ONLY</p>	<p>Regular Price <u>Precio regular</u> \$699.99</p> <p>Discounted price <u>Precio descontado</u> \$299.99</p>	 <p>EGO 600CFM Blower</p>	<p>Regular Price <u>Precio regular</u> \$429.99</p> <p>Discount Price <u>Precio descontado</u> \$129.99</p>
 <p>Stihl BGA 200 CORDLESS HANDHELD BLOWER/ UNIT ONLY</p>	<p>Regular Price <u>Precio regular</u> \$449.99</p> <p>Discounted price <u>Precio descontado</u> \$149.99</p>	 <p>Pellenc America Securion</p>	<p>Regular Price <u>Precio regular</u> \$6,000</p> <p>Discounted price <u>Precio descontado</u> \$1,800</p>		



POTENTIAL MENLO PARK INCENTIVE

Category of Rebate	Amount
Commercial gardeners working in Menlo park	Up to \$1,000 for new purchase of covered electric gardening equipment, extra batteries, or power management systems
Menlo Park residents and non-gardening businesses	Up to \$250 per address per year for newly purchased electric gardening equipment regulated under the proposed rules



IMPACT OF REBATES TO SUPPORT TRANSITION



- For gardeners, up to \$1,000 would help cover:
 - 23% to 60% of costs for electric leaf blowers and string trimmers required by July 2024
 - Many gardeners already have an electric leaf blower
 - The rebate could motivate transitioning other equipment sooner
- For residents and businesses, the rebate would cover 80% to 100% of the cost of electric leaf blowers and string trimmers
- Rebate program could run for three years
 - Equipment costs are expected to decrease due to economies of a scale as a result of the state's requirement



NEXT STEPS

- Second reading to adopt ordinance and approve rebate program on June 27
- Inform and support gardeners about the new rule and how to transition prior to enforcement beginning



The Pollinator Habitat sign is placed in the garden bed and ground cover that support wildlife and require no mowing or raking. (Photo: Hercules Society / Matthew Shepherd)





THANK YOU

Council Community Amenities Subcommittee – Background Information

In **2016**, City Council Resolution No. 6360 established the community amenities list which was developed through the ConnectMenlo process. Revising Resolution No. 6360 requires City Council action.

- *11/29/2016 Adopted community amenities list.*
https://menlopark.gov/files/sharedassets/public/community-development/documents/6360-fb-community-amenities_201906111131255112.pdf

On **October 6, 2020**, City Council received a recommendation from Vice Mayor Taylor (Mayor at the time) and Councilmember Nash (City Councilmember at the time) to form a City Council ad hoc subcommittee to review the ConnectMenlo community amenities list and suggest revisions for consideration by the City Council. That evening, City Council formed the Subcommittee to: 1) update the adopted community amenities list to more appropriately serve existing and future residents, 2) inventory existing, proposed and potential citywide development (amount and type) and 3) maintain the amenities list data. Staff in the city manager's office was assigned to work with the subcommittee.

- *10/6/2020 City Council Initiated Items: E1. Refocus City Council 2020-21 priorities and direct specific land use planning work.*
 - Staff report: <https://menlopark.org/DocumentCenter/View/26283/E1-20201006-CC-City-Council-priorities>
 - Councilmember presentation: https://menlopark.org/AgendaCenter/ViewFile/Minutes/_10062020-3511#page=18
 - Minutes: https://menlopark.org/AgendaCenter/ViewFile/Minutes/_10062020-3511

On **April 20, 2021**, the Subcommittee presented their work at a Council Study Session – see [Attachment A: Council Community Amenities Subcommittee report #1](#). That attachment contained the Subcommittee's recommendations to revise the ConnectMenlo community amenities list, implement the in-lieu fee envisioned in ConnectMenlo, and establish greater clarity over the community amenities process.

- *4/20/2021 Study Session: D2. ConnectMenlo community amenities.*
 - Staff report: <https://www.menlopark.org/DocumentCenter/View/27938/D2-20210420-CC-ConnectMenlo-community-amenities?bidId=>
 - Staff presentation: <https://www.menlopark.org/DocumentCenter/View/27962/D2--ConnectMenlo-Community-Amenities-study-session-intro-v2?bidId=>
 - Minutes: https://menlopark.org/AgendaCenter/ViewFile/Minutes/_04202021-3605

On **May 10, 2021**, the Planning Commission recommended the Zoning Ordinance be modified to establish the in-lieu fee payment and to authorize use of a development agreement for community amenities.

- *5/10/2021 Public Hearing: F3. Consider and recommend on the Zoning Ordinance amendment associated with community amenities and bonus level development in the O (Office), LS (Life Science) and R-MU (Residential Mixed-Use) zoning districts.*
 - Staff report: https://www.menlopark.org/DocumentCenter/View/28033/F3_Community-Amenities?bidId=
 - Minutes: <https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/planning-commission/2021-meetings/20210510-planning-commission-minutes.pdf>

On **June 8, 2021**, and **June 22, 2021**, the City Council established an in-lieu fee payment for the provision of community amenities and authorized applicants to propose community amenities not on the community amenities list through negotiation of a development agreement. The Council also provided direction on preparing a revised community amenities list and community amenity review procedures and regulations.

Council Community Amenities Subcommittee – Background Information

- *6/8/2021 Public Hearing: M2. 1) Introduce and waive first reading of zoning Ordinance No. 1077 amendment associated with community amenities and bonus level development in the Office, Life Sciences and Residential Mixed Use zoning districts to establish an in-lieu fee payment for the provision of community amenities and authorize applicants to propose community amenities not on the community amenities list through negotiation of a development agreement, and 2) provide direction on preparing a revised community amenities list and community amenity review procedures and regulations.*
 - Staff report: <https://www.menlopark.org/DocumentCenter/View/28317/M2-20210608-CC-Community-amenity-in-lieu-fees-ord?bidId=>
 - Staff presentation: <https://www.menlopark.org/DocumentCenter/View/28341/M2-Community-amenities-presentation-6-8-21-DRAFT?bidId=>
 - Minutes: <https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2021-meetings/minutes/20210608-city-council-minutes.pdf>

- *6/22/2021 Consent Calendar: K3. Waive the second reading and adopt zoning Ordinance No. 1077 amendment associated with community amenities and bonus level development in the Office, Life Sciences and Residential Mixed Use zoning districts to establish an in-lieu fee payment for the provision of community amenities and authorize applicants to propose community amenities not on the community amenities list through negotiation of a development agreement.*
 - Staff report: <https://www.menlopark.org/DocumentCenter/View/28410/K3-20210622-CC-Community-amenity-in-lieu-fees-ord>
 - Minutes: <https://menlopark.org/AgendaCenter/ViewFile/Minutes/06222021-3633>

On **June 28, 2022**, the City Council received the Subcommittee's [Attachment A: DRAFT Community Amenities Proposal](#) as an information item to provide community members, advisory body members, City Councilmembers, and others with an opportunity to review it and provide feedback.

- *6/28/2022 Informational Item: H4. ConnectMenlo Community Amenities Ad Hoc Subcommittee update.*
 - Staff report: <https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2022-meetings/agendas/20220628-city-council-agenda-packet.pdf#page=340>
 - Minutes: <https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/city-council/2022-meetings/minutes/20220628-city-council-minutes.pdf>

On **October 6, 2022**, the Subcommittee held a District 1 Community Meeting that included a presentation and discussion of the proposed Community Amenities.

On **June 5, 2023**, the Planning Commission received the Zoning Ordinance Amendments and the Community Amenities Update, and approved the amendments.

- *6/5/2023 Public Hearing: F4. Zoning Ordinance Amendments and Community Amenities Update.*
 - Staff report: <https://menlopark.gov/files/sharedassets/public/agendas-and-minutes/planning-commission/2023-meetings/agendas/20230605-planning-commission-agenda-packet.pdf#page=291>
 - Minutes: *tba*

In addition to the foregoing public meetings, since 2020, the Subcommittee has met many times with residents, developers, and staff, in various contexts, to review and discuss the community amenities list and process.