



**SPECIAL AND REGULAR MEETING MINUTES**

**Date:** 6/11/2024  
**Time:** Special City Council Meeting 5:30 p.m.  
Regular City Council Meeting 6:00 p.m.  
**Locations:** Teleconference and  
City Council Chambers  
751 Laurel St., Menlo Park, CA 94025

**A. Call To Order**

Mayor Taylor called the meeting to order at 5:32 p.m.

**B. Roll Call**

**Present:** Combs, Doerr (Remote – Brown Act), Nash, Taylor, Wolosin  
**Absent:** None  
**Staff:** City Manager Justin I. C. Murphy, City Attorney Nira F. Doherty, Assistant to the City Manager/City Clerk Judi A. Herren

**C. Closed Session**

- C1. Conference with legal counsel – anticipated litigation  
Paragraph (2) of subdivision (d) of Gov. Code §54956.9  
Significant exposure to litigation: One case

**Call To Order**

Mayor Taylor called the regular meeting to order at 7:09 p.m.

**Roll Call**

**Present:** Combs, Doerr (Remote – Brown Act), Nash, Taylor, Wolosin  
**Absent:** None  
**Staff:** City Manager Justin I. C. Murphy, Assistant City Manager Stephen Stolte, City Attorney Nira F. Doherty, Assistant to the City Manager/City Clerk Judi A. Herren

**Report from Closed Session**

No reportable actions.

**D. Agenda Review**

**E. Presentations and Proclamations**

- E1. Presentation: RethinkWaste Trash to Art Contest Winner (Attachment)

Mayor Taylor introduced RethinkWaste Trash to Art Contest Winner Ananya Dash.

Ananya Dash made the presentation (Attachment).

E2. Proclamation: Gun Violence Awareness Day (Attachment)

Mayor Taylor introduced the proclamation (Attachment).

E3. Proclamation: Pride Month (Attachment)

Mayor Taylor introduced the proclamation (Attachment).

E4. Proclamation: Juneteenth (Attachment)

Mayor Taylor introduced the proclamation (Attachment).

**F. Public Comment**

- Aileen Lattmann spoke on concerns related to recreational vehicle (RV) parking on Campbell Avenue and Scott Drive.
- Gregg Spears spoke on concerns related to RV parking on Campbell Avenue and Scott Drive.
- Matt Henry spoke on the Belle Haven Community Campus and recognized the contributions from Meta.

**G. Consent Calendar**

G1. Accept the City Council meeting minutes for May 7 and 14, 2024 (Attachment)

G2. Adopt a resolution calling and giving notice of holding a General Municipal Election for two City Council seats in Districts 3 and 5, requesting that the City Council consolidate the election with the Presidential General Election to be held Nov. 5, 2024, and contracting with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for election services (Staff Report #24-109-CC)

City Councilmember Doerr stated they are not seeking reelection.

G3. Authorize the city manager to execute a maintenance agreement with Ecological Concerns Inc. for herbicide-free parks landscape maintenance services (Staff Report #24-099-CC)

G4. Authorize the city manager to execute a maintenance agreement with West Coast Arborist, Inc. for annual tree maintenance services (Staff Report #24-100-CC)

G5. Award a construction contract to VSS International, Inc. for the 2024 Pavement Slurry project, authorize the city manager to execute a funding agreement with the Town of Atherton and approve a transfer of funds (Staff Report #24-107-CC)

G6. Adopt a resolution approving the list of projects eligible for fiscal year 2024-25 funds from Senate Bill 1: The Road Repair and Accountability Act of 2017 (Staff Report #24-101-CC)

G7. Authorize the city manager to execute an amendment to the construction contract with Blue Flame Crew West, LLC for the Bedwell Bayfront Park landfill gas and leachate collection system

(Staff Report #24-102-CC)

- G8. Amend the agreement with APTIM Environmental and Infrastructure, LLC for the operation, maintenance and reporting of the Bedwell Bayfront Park Landfill gas and leachate collection systems (Staff Report #24-103-CC)
- G9. Adopt a resolution approving the preliminary engineer's report for the Menlo Park Landscaping Assessment District and adopt a resolution intending to order the levy and collection of assessments for the Landscaping Assessment District for fiscal year 2024-25 (Staff Report #24-110-CC)
- G10. Award a construction contract for on-call asphalt and concrete repair services with Cato's General Engineering, Inc. (Staff Report #24-104-CC)
- G11. Award an on-call construction contract to Chrisp Company for signage and striping services (Staff Report #24-105-CC)

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

## **H. Public Hearing**

- H1. Public hearing on proposed fiscal year 2024-25 budget and capital improvement plan (Staff Report #24-112-CC)

Assistant Administrative Services Director Jared Hansen made the presentation (Attachment).

Mayor Taylor opened the public hearing.

Mayor Taylor closed the public hearing.

The City Council received clarification on the current, proposed and future fiscal year budgets, use of reserves and strategies for controlled expenditures, implications to Environmental and Safety Elements and State budget deficit impacts to city.

The City Council discussed reducing service levels, revenue generating ballot measures, Kelly Field and Belle Haven Community Campus (BHCC) shade structures/fabrications, consideration for modernizing business license tax and a living wage for all employees.

- H2. Consider a resolution affirming a proposed in-lieu payment satisfies the requirement to provide community amenities for a proposed bonus-level development project of approximately 228,398 square feet in the LS-B (Life Science – Bonus) zoning district located at 985-1005 O'Brien Dr. and 1320 Willow Rd. (Staff Report #24-098-CC)

Senior Planner Chris Turner made the presentation (Attachment).

Mayor Taylor opened the public hearing.

- John Tarlton spoke in support of the in-lieu funding for the Belle Haven community and revenue

generating opportunities.

Mayor Taylor closed the public hearing.

The City Council received clarification on opportunities for the public to comment on the project.

**ACTION:** Motion and second (Nash/ Wolosin), to adopt a resolution affirming that the in-lieu payment satisfies the community amenity requirement for the proposed project with additional language “the City Council’s approval of the Project’s proposed community amenity is limited to approving the community amenity for a proposed bonus-level development project. Nothing in this resolution or the City Council’s approval of the Project’s community amenity shall be construed as requiring the City or its City Council to consider, act on, approve, conditionally approve, deny or take any other action on the Project applications,” passed unanimously.

## **I. Regular Business**

- I1. 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 2023 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 #24-106-CC)

Commander Lau made the presentation (Attachment).

The City Council received clarification on the reportable deployments/uses of the equipment in 2023.

**ACTION:** Motion and second (Wolosin/ Combs), 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 2023 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.

## **J. Informational Items**

- J1. City Council agenda topics: June – July 2024 (Staff Report #24-111-CC)
- J2. Update on the City Council Procedures Manual (Staff Report #24-108-CC)

## **K. City Manager Report**

City Manager Justin Murphy reported out on the Juneteenth event to be held June 15, the City July 4 event and summer concert series in July and August.

## **L. City Councilmember Reports**

City Councilmember Nash reported out on the Peninsula Clean Energy meeting.

City Councilmember Wolosin reported out on a meeting with CalTrain.

Vice Mayor Combs reported out on the reopening of the Burgess Park playground.

**M. Adjournment**

Mayor Taylor adjourned the meeting at 8:37 p.m.

Assistant to the City Manager/ City Clerk Judi Herren

These minutes were approved at the City Council meeting June 25, 2024.

Rethinkwaste Trash to Art contest

First Place – 3<sup>rd</sup> Grade

Ananya M., Laurel Elementary Upper Campus



# PROCLAMATION

## Recognizing National Gun Violence Awareness Day – June 7, 2024

**WHEREAS**, every day, 120 Americans are killed by gun violence and more than 200 are shot and wounded, with an average of nearly 18,000 gun homicides every year; and

**WHEREAS**, California has an average of 3,253 gun deaths every year, a crisis that costs the state \$1,060 per resident each year for a total of \$4 billion of which \$1 billion is paid by taxpayers; and

**WHEREAS**, cities across the nation, including in Menlo Park, are working to end the senseless violence with evidence-based solutions; and

**WHEREAS**, gun violence prevention is more important than ever as we see an increase in firearm homicides, and nonfatal shootings across the country, increased calls to domestic violence hotlines, and an increase in city gun violence; and

**WHEREAS**, in January 2013, Hadiya Pendleton was tragically shot and killed at age 15; and on June 2, 2024 to recognize the 27<sup>th</sup> birthday of Hadiya Pendleton (born: June 2, 1997), people across the United States will recognize National Gun Violence Awareness Day and wear orange in tribute to Hadiya Pendleton and other victims of gun violence, and the loved ones of those victims; and

**WHEREAS**, the idea was inspired by Hadiya's friends, who asked their classmates to commemorate her life by wearing orange because hunters wear orange to announce themselves to other hunters when out in the woods, symbolizing the value of human life; and

**WHEREAS**, by wearing orange June 7, Americans will raise awareness about gun violence and honor the lives of gun violence victims and survivors; and

**WHEREAS**, we renew our commitment to reduce gun violence and pledge to do all we can to keep firearms out of the hands of people who should not have access to them, and encourage responsible gun ownership to help keep our families and communities safe; and

**NOW, THEREFORE, BE IT PROCLAIMED** that I, Cecilia Taylor, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim the first Friday in June, June 7, to be National Gun Violence Awareness Day. I encourage all citizens to support their local communities' efforts to prevent the tragic effects of gun violence and to honor and value human lives.

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Cecilia Taylor, Mayor  
June 11, 2024

# PROCLAMATION

## Recognizing Pride Month – June 2024

**WHEREAS**, the City Council of Menlo Park recognizes and proclaims the month of June 2024 as Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) “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 LGBTQIA+ 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 LGBTQIA+ people in society; and

**WHEREAS**, all human beings are born free and equal in dignity and rights. LGBTQIA+ 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 LGBTQIA+ people in our diverse community; and

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

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

**WHEREAS**, the rainbow flag, raised June 3, recognizes and celebrates all LGBTQIA+ 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, Cecilia Taylor, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim the month of June 2024 as Pride Month in support of the LGBTQIA+ 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.

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Cecilia Taylor, Mayor  
June 11, 2024



# PROCLAMATION

## Recognizing Juneteenth – June 19, 2024

**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, Saturday, June 15, all are encouraged to join us for a Juneteenth celebration at Belle Haven Community Campus, to gather together, enjoy cultural entertainment, live music and delicious food and learn more about this most important day in the history of our Nation; and

**WHEREAS**, the Juneteenth flag, raised June 3, created in 1977 by activist Ben Haith and the colors and symbols on the flag are representative of freedom and the end of slavery; and

**NOW THEREFORE, BE IT PROCLAIMED** that I, Cecilia Taylor, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim June 2024 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.

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Cecilia Taylor, Mayor  
June 11, 2024



# FISCAL YEAR 2024-25 BUDGET PUBLIC HEARING

June 11, 2024





# AGENDA

- Budget team
- Fiscal year 2023-24 budget update
- City Council priorities
- Proposed fiscal year 2024-25 budget and assumptions
- Five-year General Fund forecast
- Capital Improvement Plan (CIP)
- Budget strategies
- Questions





## BUDGET TEAM

- Justin I.C. Murphy, City Manager
- Stephen Stolte, Assistant City Manager
- Nicole Nagaya, Deputy City Manager
- Brittany Mello, Administrative Services Director
- Jared Hansen, Assistant Administrative Services 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
- Administrative Services
  - Anna Peluffo, Sandy Pimentel
- Community Development
  - Deanna Chow, Vanh Malathong, Adam Patterson, Kyle Perata, Tim Wong
- Library and Community Services
  - Sean Reinhart, Nick Szegda, Ashley Walker
- Police
  - David Norris, Dani O'Connor
- Public Works
  - Azalea Mitch, Eren Romero



# FISCAL YEAR 2023-24 GENERAL FUND BUDGET UPDATE



## ECONOMIC OVERVIEW

- Economic trends do not indicate a recession, but higher interest rates will restrain growth throughout 2024
  - Real gross domestic product (GDP) increased at an annual rate of 1.3% in the first quarter of 2024 down from 3.4% in the fourth quarter of 2023
    - Primarily reflects an overall slowing of consumer spending
  - California’s GDP grew at a 3.8% compound annual rate from the first to the third quarter of 2023 (the latest data available), faster than the U.S.
  - Federal Reserve not expected to decrease rates until later in the year
    - Higher interest rates will restrain growth
    - Prices in the California housing market continue to rise despite higher rates
  - U.S. labor markets remain strong
  - Potential risk factors include a government shutdown, geopolitical events, and economic policy changes following presidential election

Source: Bureau of Economic Analysis, UCLA Anderson Forecast



## FISCAL YEAR 2023-24 GENERAL FUND YEAR-END PROJECTION

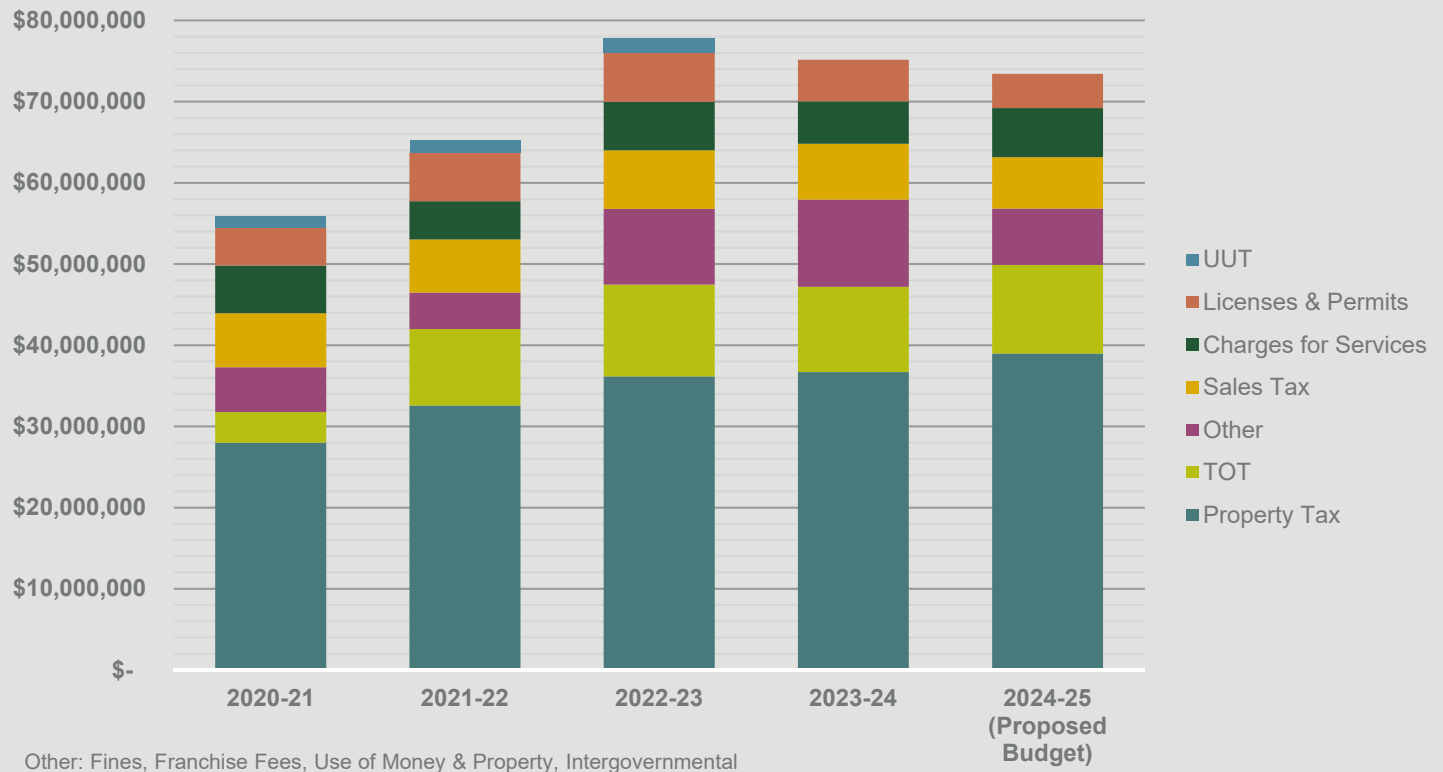
- Fiscal year 2023-24 is projected to have a surplus of \$3.1 million
  - Primarily due to savings from staff turnover and vacant positions
  - Slower spending due to reduced staff capacity

Fiscal year 2023-24 General Fund year-end projection	
Revenues	\$74,788,965
Expenditures	(71,656,264)
<b>Surplus/(Deficit)</b>	<b>\$3,132,701</b>



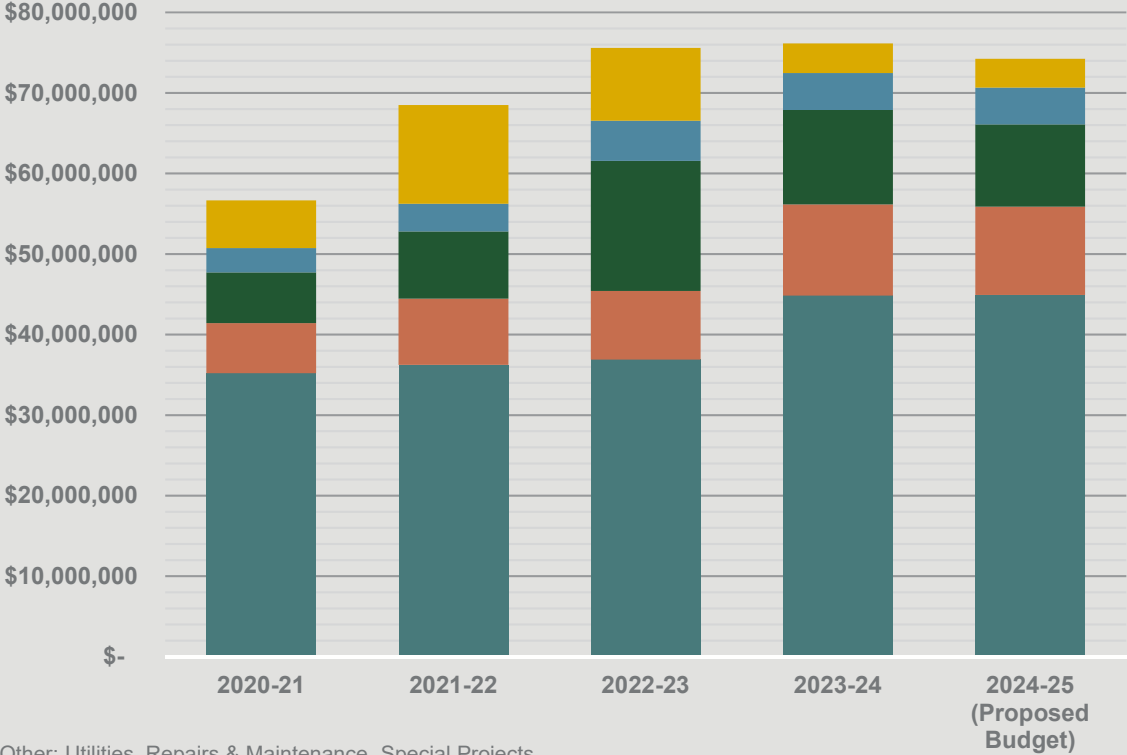


# GENERAL FUND REVENUE TRENDS





# GENERAL FUND EXPENDITURE TRENDS





# CITY COUNCIL PRIORITIES





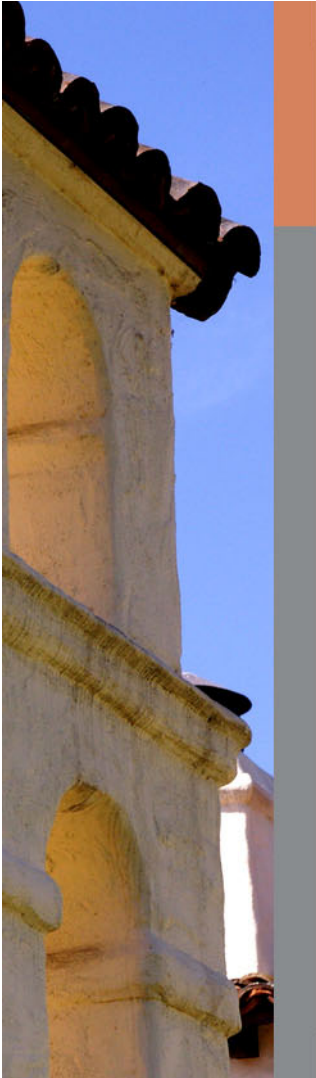
## CITY COUNCIL PRIORITIES

During the annual goal setting workshop on March 12, the City Council identified the following priorities:

- **Climate action – mitigation, adaptation and resilience**
  - Launching the communitywide home electrification program
  - Upgrading City facilities at no cost for solar installation
  - Waiving fees, providing credits, and vouchers for eligible projects
- **Emergency and disaster preparedness**
  - Hired an emergency preparedness coordinator
  - Established an emergency shelter location at Belle Haven Community Campus (BHCC)
  - Continuing partnerships with other agencies and community organizations
- **Housing**
  - Implementing Housing Element programs
  - Finalizing new Environmental Justice Element and updates to Safety Element
  - Continuing development of multiple affordable residential and mixed-use housing projects
- **Safe routes**
  - Adoption of Vision Zero Action Plan
  - Ongoing pavement maintenance with focus on incorporating safety upgrades
  - Collaborating with other agencies, especially local schools



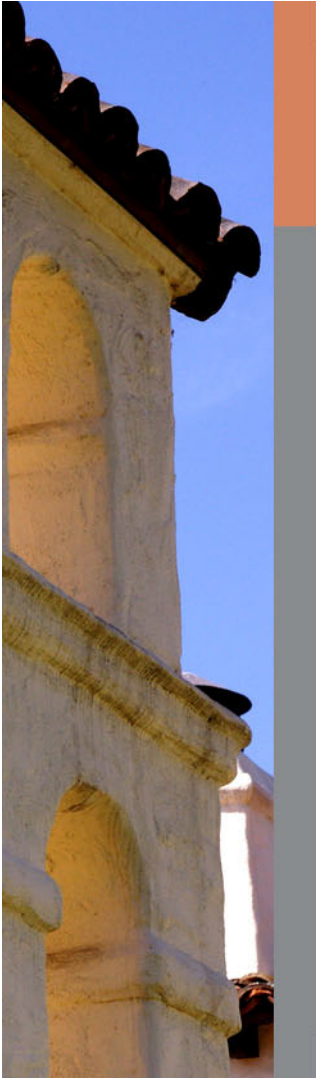
# PROPOSED BUDGET



## FISCAL YEAR 2024-25 OPERATING BUDGET: REVENUE



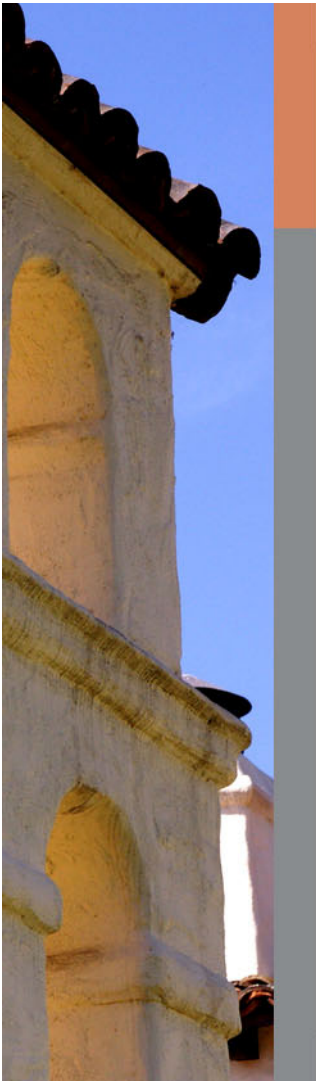
- Key revenue assumptions
  - American Rescue Plan Act (ARPA) funds were fully expended in fiscal year 2023-24, resulting in the loss of a \$3.7 million subsidy to the General Fund
  - Property Tax in Lieu of Vehicle License Fee (VLF) shortfall of \$2.0 million anticipated, which is approximately 2-3% of the General Fund
  - Utility Users Tax (UUT) annual revenue loss of \$1.7 million, which is approximately 2% of the General Fund
  - Sales Tax is \$0.5 million lower than the prior fiscal year budget due to the slowing of the economy and reallocation of prior year taxes
  - Development Agreements with Meta of \$1.45 million are now recorded separately in the Developer Special Revenue Fund per City Council direction
  - Planning and building permits are \$1.7 million lower due to less development activity, particularly in large development projects



## FISCAL YEAR 2024-25 OPERATING BUDGET: EXPENDITURES



- Key expenditure assumptions
  - Personnel
    - 292.5 full-time equivalent positions (FTEs)
    - General Fund supports an estimated 84% of City staff
    - Factored in a vacancy and turnover rate of 13%
  - Departments conducted a comprehensive review of their operating budgets to minimize expense growth while maintaining delivery of services.
    - Non-spendable operating factor of 10% added based on historical spending rates to account for lower staff capacity
    - Mid-year adjustments may be needed to accommodate expenditure levels
  - Transfer from the General Fund for the CIP of \$3.2 million
  - Additional CalPERS unfunded accrued liability (UAL) payment of \$1.1 million is needed to match the 15-year amortization schedule

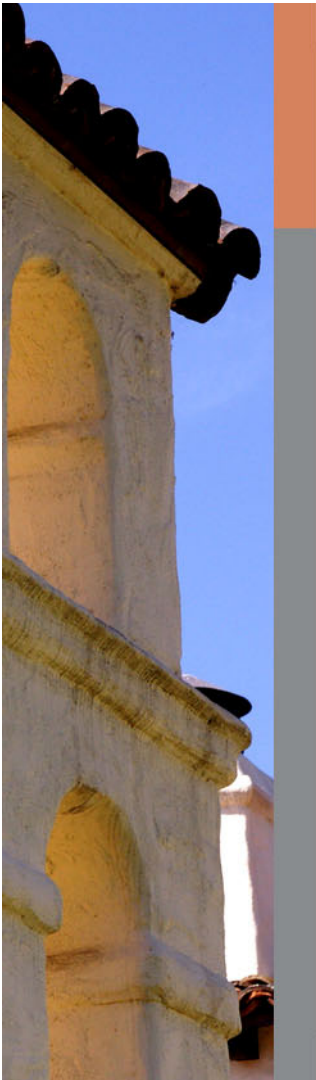


## FISCAL YEAR 2024-25 OPERATING BUDGET: RESULTS

- Proposed fiscal year 2024-25 General Fund budget results in a deficit of \$0.82 million achieving operational efficiency while minimizing the use of reserves
  - Balanced using \$0.82 million in unassigned fund balance

Proposed fiscal year 2024-25 budget		
	General Fund	All other funds
Revenues	\$73,412,487	\$98,155,055
Expenditures	(74,231,260)	(97,819,049)
<b>Surplus/(Deficit)</b>	<b>\$(818,773)</b>	<b>\$336,006</b>

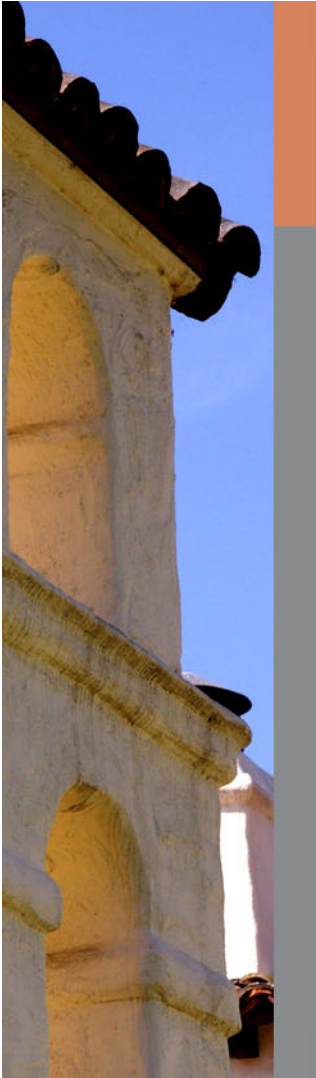




## FISCAL YEAR 2024-25 OPERATING BUDGET: RESERVES

- Projected General Fund Reserve Levels
  - Strategic pension: \$0.2 million
  - Emergency Contingency Reserve: \$11.1 million at 15% (meets policy minimum)
  - Economic Stabilization Reserve: \$14.8 million at 20% (meets policy minimum)
  - Unassigned: \$10.7 million

<b>Fund Balance</b>	<b>2023-24 ending fund balance</b>	<b>2024-25 proposed budget</b>	<b>2024-25 ending fund balance</b>
Strategic Pension Funding	\$1,326,164	\$(1,140,023)	\$186,141
Emergency Contingencies (15%)	\$11,307,250	\$(172,561)	\$11,134,689
Economic Stabilization (20%)	\$15,076,333	\$(230,081)	\$14,846,252
Unassigned	\$10,006,759	\$723,892	\$10,730,651
<b>Total Fund Balance</b>	<b>\$37,716,506</b>	<b>\$(818,773)</b>	<b>\$36,897,733</b>



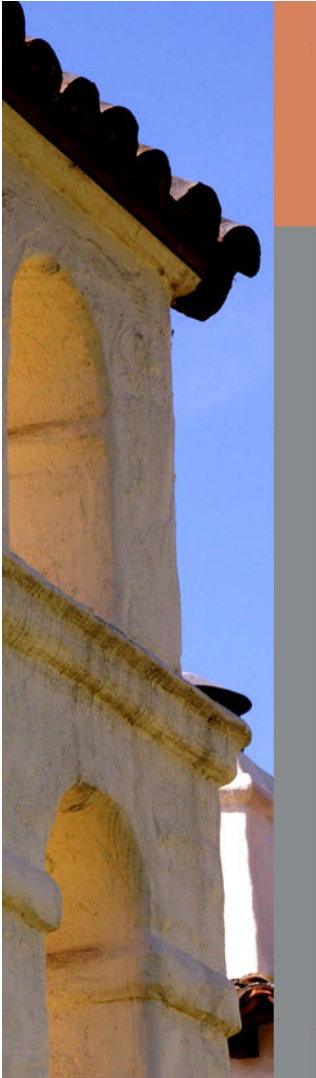
## SERVICE LEVEL ENHANCEMENTS

- Considering the challenges facing the General Fund, staff are proposing a limited number of service level enhancements:
  - Additional part-time benefited overnight parking enforcement position
    - Addition of 0.5 FTE
    - Annual recurring cost of \$40,013
  - Flock fixed license plate readers
    - Included based on City Council direction from May 7 study session
    - Annual recurring costs of \$112,500



# GENERAL FUND FIVE-YEAR FORECAST



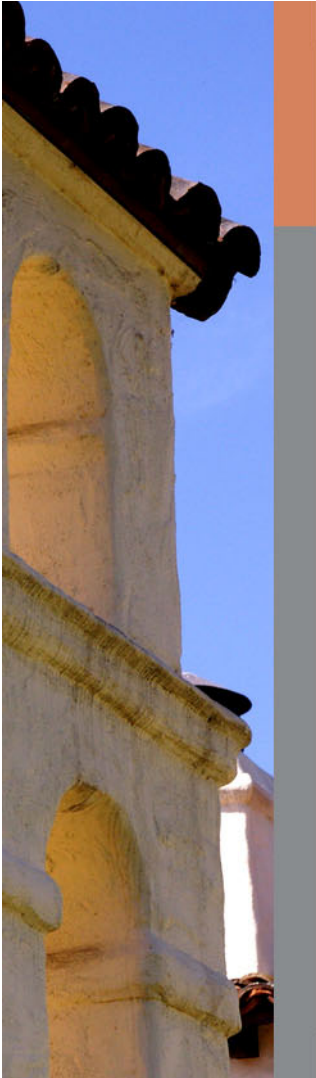


## GENERAL FUND FIVE-YEAR FORECAST



- Revenue assumptions – Property tax
  - Property Tax grows at an average of 4.5%
  - Assumes the shortfall from Property Tax in Lieu of Vehicle License Fee is repaid two years in arrears as historically has been the case
  - Educational Revenue Augmentation Fund (ERAF) rebate is held flat with the assumption that growth in the ERAF rebate will be used to pay the VLF
  - The State currently uses ERAF for its obligation to pay VLF to cities

Source: County of San Mateo, HdL Coren and Cone, Avenue Insights & Analytics

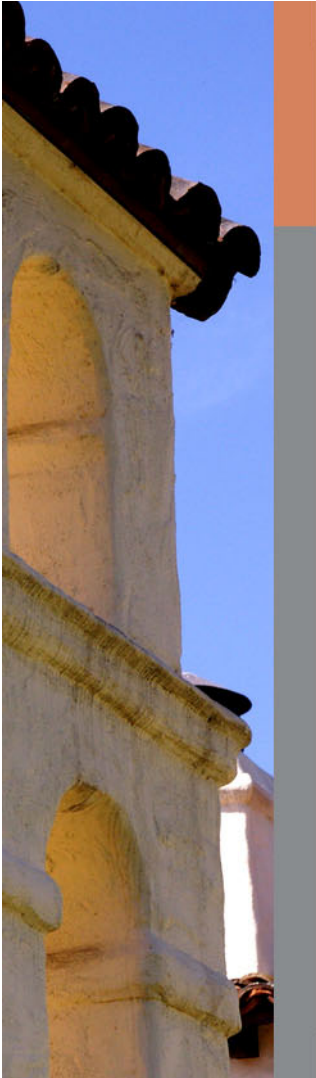


## GENERAL FUND FIVE-YEAR FORECAST



- Revenue assumptions – Other revenues
  - Transient Occupancy Tax grows at an average of 3.4%
  - Sales Tax grows at an average of 2.6%
  - Licenses & Permits increase an average of 3.0%, plus an additional \$0.5 million as development activity increases
  - Approximately \$1 million annual use of California Employers' Retiree Benefit Trust for retiree premiums
  - Transfers of \$1 million from the Developer Special Revenue Fund for BHCC operations for 5 years per City Council direction

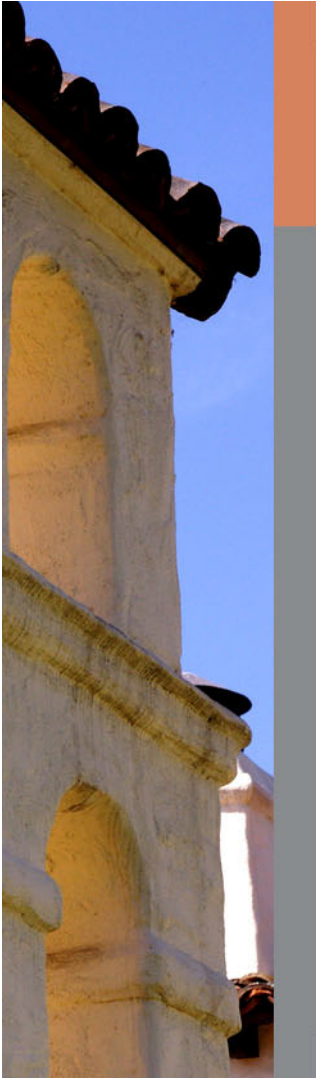
Source: County of San Mateo, HdL Coren and Cone, Avenue Insights & Analytics



## GENERAL FUND FIVE-YEAR FORECAST



- Expense assumptions
  - Personnel costs forecasted using CalPERS actuarial data
    - 242 FTE total full-time equivalents (FTEs)
    - Includes vacancy and turnover rate assumption
    - Other benefits anticipated average growth of 7% annually
  - Additional UAL payment is approximately \$0.95 million annually
    - Calculated annually based on the value of the future benefits members are projected to receive that are not covered by current plan assets
    - Occurs when past actuarial assumptions are not met
    - Early payments increase the amount of investment earnings available to pay benefits and reduce the total contributions required by the City
    - Pension reserve will be depleted by the end of fiscal year 2025-26
  - Transfer for the CIP of approximately \$3.2 million, increased by an inflationary factor of 5% every 5 years



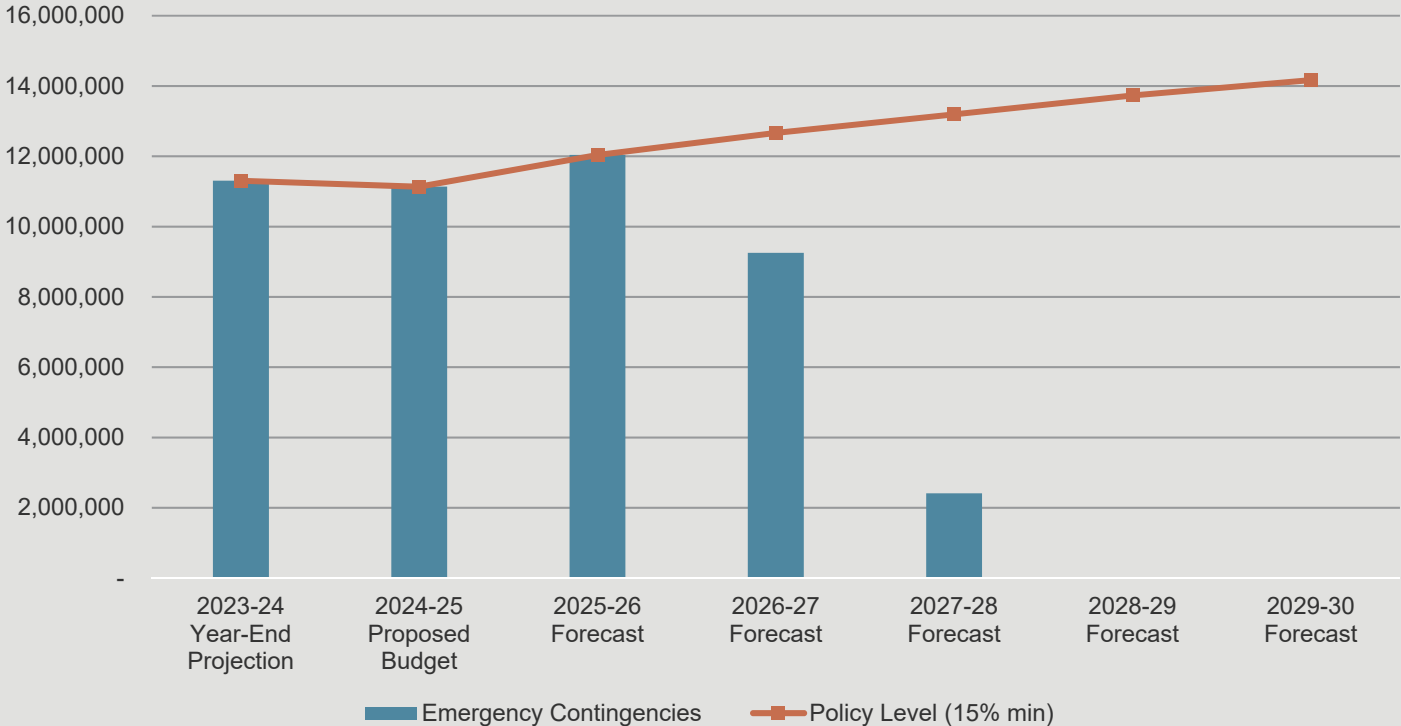
## GENERAL FUND FIVE-YEAR FORECAST



- Surplus/(Deficit) and Impacts to the Reserve
  - Total fund balance trends downward from \$36.9 million in the proposed fiscal year 2024-25 budget to \$6.8 million in fiscal year 2029-30 forecast
  - Emergency Contingency Reserve (15% minimum policy level)
    - Falls below the minimum in fiscal year 2026-27
    - No longer funded in fiscal year 2028-29
  - Economic Stabilization Reserve (20% minimum policy level)
    - Falls below the minimum in fiscal year 2028-29



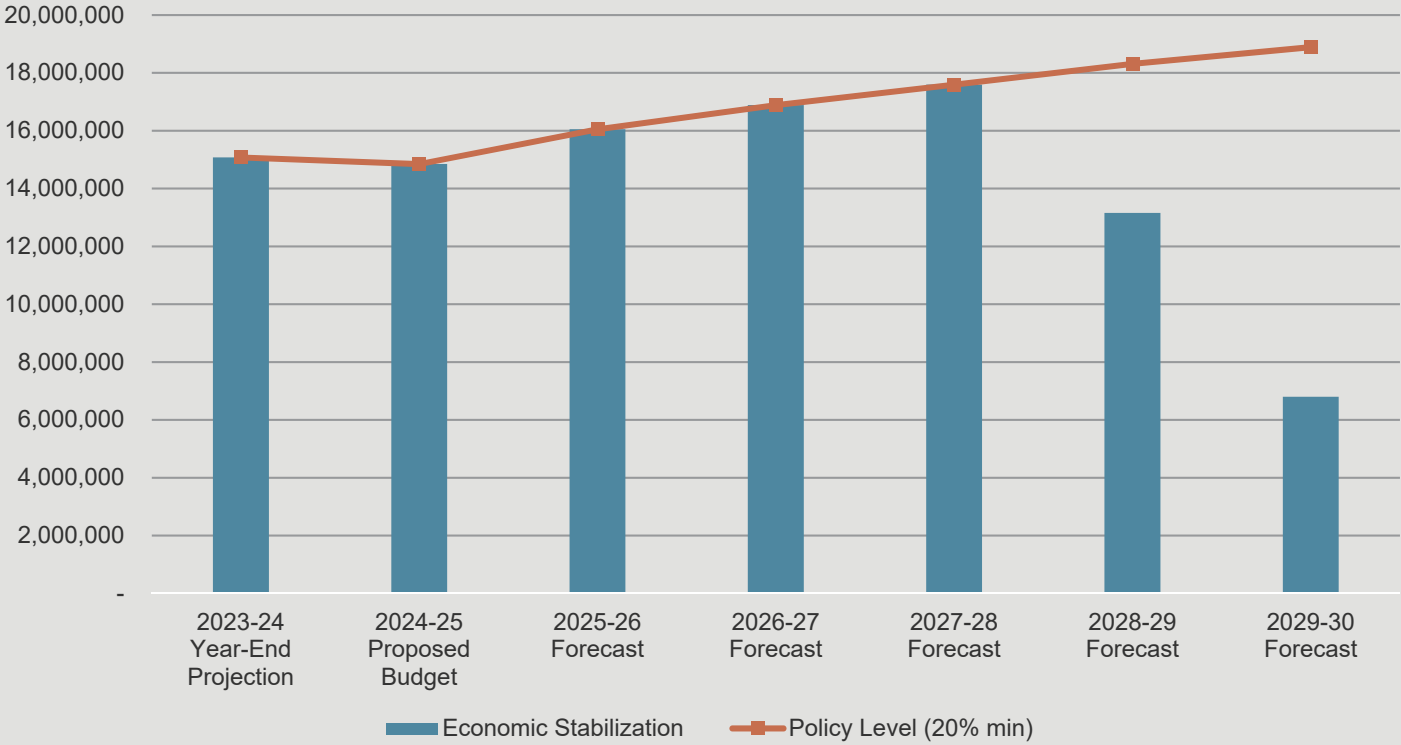
# GENERAL FUND RESERVE: EMERGENCY CONTINGENCY







# GENERAL FUND RESERVE: ECONOMIC STABILIZATION





# DEPARTMENT BUDGETS



# FISCAL YEAR 2024-25 GENERAL FUND DEPARTMENT BUDGETS



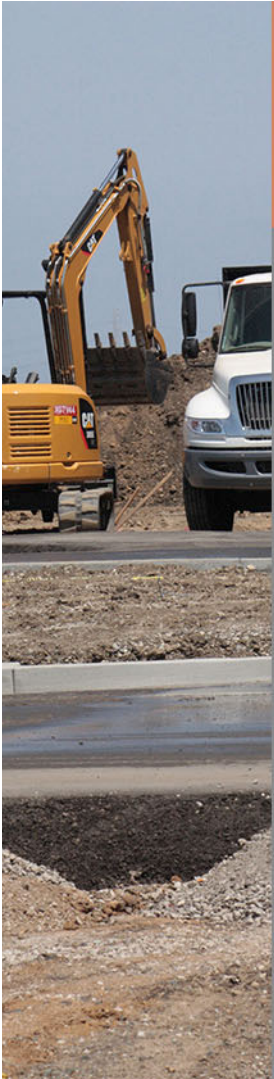
Department	Revenues	Expenditures	FTEs
Police	\$449,000	\$(25,386,758)	69.5
Public Works	\$1,155,700	\$(17,332,995)	47.74
Library and Community Services	\$4,248,500	\$(14,284,305)	55.25
Community Development	\$3,723,050	\$(11,109,082)	33.5
General Administration	\$300	\$(7,022,248)	17.36
Administrative Services	-	\$(5,438,280)	18.75
Non-Departmental*	\$63,835,937	\$6,342,408	-
<b>Total</b>	<b>\$73,412,487</b>	<b>\$(74,231,260)</b>	<b>242.1</b>

\*Non-Departmental includes items not attributable to a specific department. Revenues include taxes, franchise fees, business licenses, and investment income. Expenditures include the vacancy and turnover factor, operating factor, and transfers to other funds.



# CAPITAL IMPROVEMENT PLAN





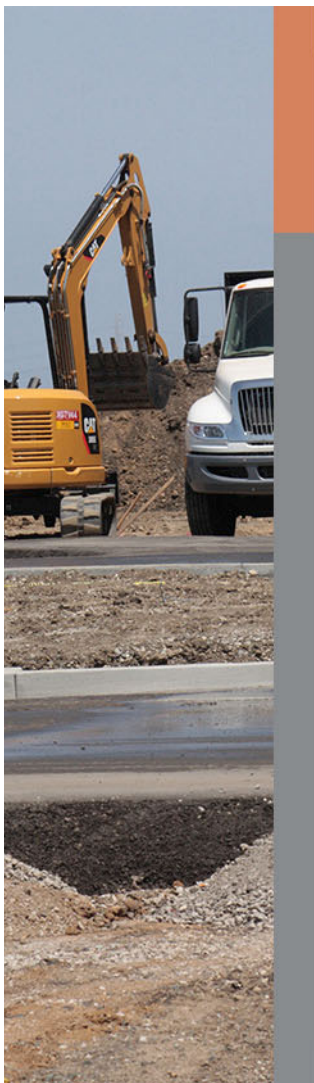
## CAPITAL IMPROVEMENT PLAN (CIP)

- \$97 million CIP budget for 64 projects in the following areas:
  - City buildings and systems: \$8.9 million
  - Environment: \$3.2 million
  - Parks and Recreation: \$9.5 million
    - Aquatic center maintenance and park improvements
    - Sport field renovations and court maintenance
  - Stormwater: \$12.4 million
  - Streets and sidewalks: \$16.7 million
    - Street resurfacing
  - Transportation: \$31.0 million
    - Traffic signal modifications
    - Transportation projects
  - Water: \$15.7 million
    - Water main replacement
    - Water system improvements



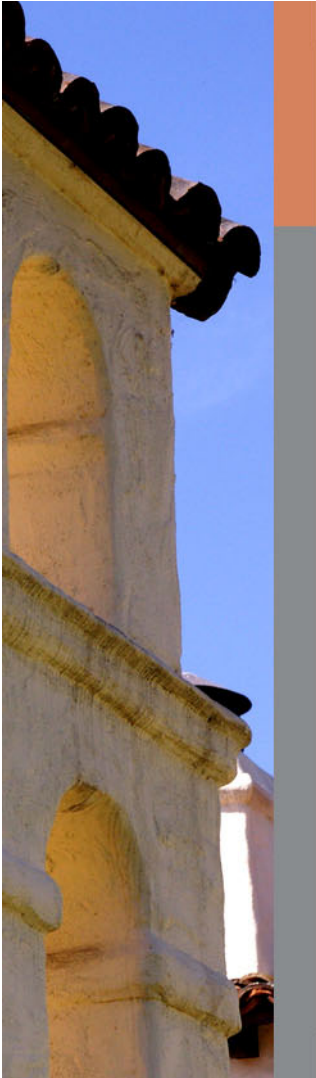
## CAPITAL IMPROVEMENT PLAN (CIP)

- Funding for the CIP comes from the following sources:
  - Special Revenue Funds: \$48.7 million
  - General Capital Projects Fund: \$32.6 million
    - Average annual transfer from the General Fund: \$4.7 million
  - City Municipal Water Fund: \$15.7 million
  - Grant Reimbursements
  
- \$11 million in ongoing needs each year
  - Streets, buildings, aquatics, water, traffic
  - Stormwater
    - \$67 million for the SAFER Bay project (2026-29)
  - Transportation
    - \$4 million quiet zone (2025-26)
    - \$17.5 million grade separation (2025-27)
  - Water
    - \$27 million for water storage (2026-27)





# NEXT STEPS



## FISCAL YEAR 2024-25 NEXT STEPS



- Staff requests direction from the City Council after considering the budget assumptions, the proposed budget including SLEs, and the five-year forecast
- Feedback received from the City Council will be incorporated into the proposed budget for adoption on June 25
- Proposed budget available on OpenGov: [menlopark.gov/budget](https://menlopark.gov/budget)





# QUESTIONS



# 1005 O'BRIEN PROJECT COMMUNITY AMENITIES SCREENING MEETING

June 11, 2024 Staff Presentation



## CONSIDER THE COMMUNITY AMENITIES PROPOSAL FOR 1005 O'BRIEN PROJECT

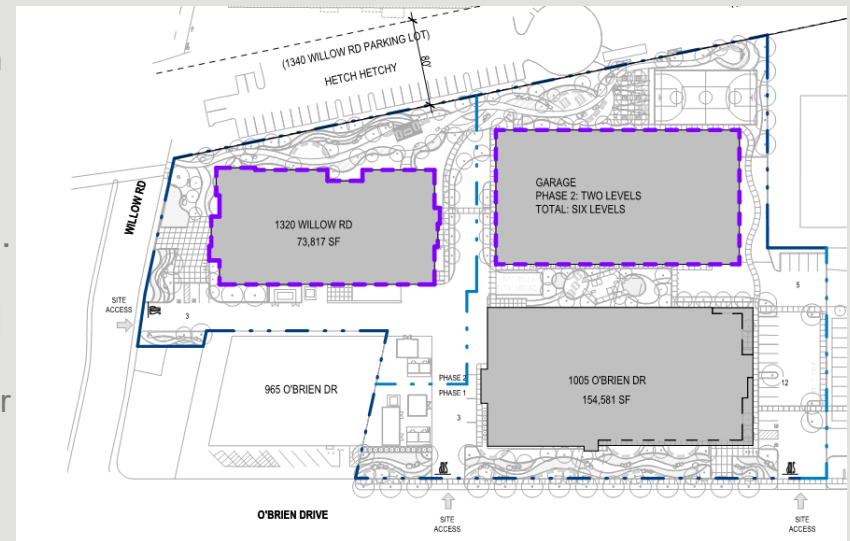


- City Council review of a proposal to provide an in-lieu payment to satisfy the community amenities requirement for a new bonus-level life science development.
- Draft resolution affirming community amenity is included as Attachment A to the staff report.



## PROPOSED PROJECT

- Project location
  - Three parcels on eastern side of Willow Road and north side of O'Brien Drive.
  - Near intersection of Willow Road and Ivy Drive.
- Demolish three existing buildings.
- Construct two R&D buildings and a parking structure.
  - Phase 1 – 154,381-sf building and four stories of parking.
  - Phase 2 – 73,617-sf building and two additional stories of parking.
  - Each building has an associated 200-sf chemical storage building.





## BONUS LEVEL DEVELOPMENT

- Increase in permitted height and floor area ratio (FAR) in return for community amenities
  - Maximum FAR increases from .55 to 1.25
  - Maximum allowed height and average height increase to 120 feet and 77.5 feet, respectively.
    - Includes 10-foot increase for properties in FEMA flood zone.
- Proposed height and average height are 101 feet and 74.1 feet, respectively

**Table 1: Proposed project floor area ratio**

	Existing	Proposed Project	Bonus level standards (maximum)	Base level standards (maximums)
R&D square footage	90,600	228,398	229,520	100,998
R&D floor area ratio	.49	1.24	1.25	.55



## COMMUNITY AMENITY APPRAISAL PROCESS



- Updates to the community amenity appraisal instructions and implementing regulations approved in August, 2023.
- Applicant submits appraisal analyzing the value of the bonus gross floor area (GFA).
- City conducts separate appraisal.
- Compare appraisals.
  - If appraised values are within 10% of lower appraisal, final appraised value is midpoint of the two values.
  - If more than 10% different than lower appraisal, applicant can amend their appraisal or conduct a third party appraisal.



## REQUIRED COMMUNITY AMENITY VALUE

- Applicant and City proposals differed more than 10% of the lower-valued appraisal (Applicant's appraisal).
- Applicant opted to amend their appraisal.
- Final appraised value of bonus GFA is \$29,877,000.
- Required amenity valued at 50% of the final appraised value (\$14,939,000).

**Table 2: Adjusted applicant community amenity appraisal**

	Value of base-level development	Value of bonus-level development	Difference (value of bonus GFA)
Applicant's adjusted appraisal	\$27,545,455	\$56,000,000	\$28,454,545
City's Appraisal	30,300,000	\$61,600,000	\$31,300,000



## COMMUNITY AMENITY PROPOSAL

- Applicant may satisfy the community amenity requirement with either of the following options:
  - Construct an on- or off-site amenity from the approved list of community amenities.
  - Provide a payment in-lieu of physical amenities.
    - Must be 110% of required value of the community amenity.
  
- Applicant proposes an in-lieu payment of \$16,432,900.
  - Proposed payment would satisfy the required community amenity value.
  - Funds would be deposited into dedicated community amenity fund.





## RECOMMENDATION

- Review and discuss the proposed community amenity.
- Determine if the proposed amenity bears a reasonable relationship to the increased intensity of the development.
  - Adopt a resolution affirming the proposed community amenity; or
  - Recommend modifications to the community amenity proposal.
- Action is not an endorsement of the project and does not indicate the City Council's approval or intent to approve the project.



## NEXT STEPS

- An environmental impact report (EIR) is being prepared for the project.
  - Draft EIR is anticipated to be published in summer 2024.
- Project anticipated to be brought forward for final actions in fall 2024 or winter 2024/25.



**THANK YOU**



# ASSEMBLY BILL 481 COMPLIANCE

W. Lau, 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 “F”)



# AB481: Review and Renew



- MPPD had one reportable deployments/uses of the equipment listed in Government Code 7070 in 2023.

## 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")