



REGULAR MEETING MINUTES

Date: 6/10/2025
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 Combs called the meeting to order at 6:05 p.m.

B. Roll Call

Present: Combs, Nash, Schmidt, Taylor, Wise
Absent: None
Staff: City Manager Justin Murphy, City Attorney Nira Doherty, Assistant City Manager Stephen Stolte, Assistant to the City Manager/City Clerk Judi A. Herren

C. Agenda Review

The City Council pulled item F3. for comment.

D. Public Comment

- John McKenna spoke in opposition of Assembly Bill 306 (AB 306) and requested the city formally oppose the bill.
- Marjory Ruiz provided an introduction as the new point of contact for PG&E.
- Emma Stanford spoke in support of challenging the Federal Administration's executive order of withdrawing funding from sanctuary cities.
- Arlene Navarro requested City Council and City support of the Belle Haven pool.
- Elizabeth Watson-Simmons spoke on concerns of swim-access at both pools and in support of additional budget for Belle Haven pool.
- Cherie Kabba spoke in support a city sponsored Belle Haven pool.
- Peter Colby spoke on costs associated with the El Camino Real and Ravenswood Avenue Crossing Improvement project.
- Galaxy spoke in support of sustaining aquatic services.

E. Presentations and Proclamations

E1. Proclamation: Pride Month (Attachment)

Mayor Combs introduced the proclamation (Attachment).

LGBTQIA+ Commissioner, San Mateo County PRIDE Initiative Co-Chair, Lead Organizer of San Mateo County Pride Celebration and CoastPride Board Member Dana Johnson accepted the

proclamation.

E2. Proclamation: Juneteenth (Attachment)

Mayor Combs introduced the proclamation (Attachment).

Library and Community Services Manager Natalya Jones accepted the proclamation.

E3. Proclamation: Gun Violence Awareness Day (Attachment)

Mayor Combs introduced the proclamation (Attachment).

Police Chief Dave Norris accepted the proclamation.

F. Consent Calendar

F1. Accept the City Council meeting minutes for May 13, 2025 (Attachment)

F2. Consider and adopt a resolution approving the list of projects eligible for fiscal year 2025-26 funds from Senate Bill 1: The Road Repair and Accountability Act of 2017 (Staff Report #25-086-CC)

F3. Authorize the city manager to execute an agreement for fiscal year 2025-26 with Tripepi Smith for communications support services (Staff Report #25-087-CC)

- Mary Seaton spoke in opposition of the agreement and on housing on the Downtown parking plazas.

The City Council received clarification on the scope of services included in the agreement for ongoing public engagement and communications support such as newsletters and social media, increased engagement through utilization of consultant, history of consultant's work since 2023. The City Council also received confirmation that consultant did not work on ballot measures for the City and will not in the future.

The City Council discussed bidding future communication contracts.

F4. Award a construction contract to Zara Construction, Inc. for the El Camino Real and Ravenswood Avenue Crossing Improvement project (Staff Report #25-089-CC)

F5. Receive and file the single audit report for the fiscal year 2023-24 and the independent accountants' report on the calculation of the appropriations limit for fiscal year 2024-25 (Staff Report #25-091-CC)

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

G. Public Hearing

G1. Public hearing on the proposed fiscal year 2025-26 budget and capital improvement plan (Staff Report #25-093-CC)

Finance and Budget Manager Jared Hansen and Administrative Services Director Brittany Mello made a presentation (Attachment).

Service Employees International Union (SEIU) representatives Jom Sicat, Kaila Jones and Sokny Sy made a presentation (Attachment).

Mayor Combs opened the public hearing.

- David Wuertele spoke in support of including the Caltrain Quiet Zone project in the capital improvement plan (CIP) budget.
- Marcy Abramowitz spoke in support of including quiet zones in the CIP budget.
- Maggi Smeal spoke in support of providing resources and financial support for Team Sheeper for pool services.
- Kim Freitas spoke in support of providing resources and financial support for Team Sheeper for pool services.
- Dana S. Hayse spoke in support of sustaining the Belle Haven pool and providing resources and financial support for Team Sheeper for pool services.
- Tim Sheeper provided history of pool operations in Menlo Park.
- Carol Hayworth provided suggestions to balance the cost for the Belle Haven pool operation with Team Sheeper.
- Judith Wilson spoke in support of providing resources and financial support for Team Sheeper for pool services.
- Judith Schwartz spoke in support of providing resources and financial support for Team Sheeper for pool services.
- Mike Fero spoke in support of providing resources and financial support for Team Sheeper for pool services.
- Elliot Krane spoke in support of including quiet zones in the CIP budget.
- Matthew Norrington spoke in support of including quiet zones in the CIP budget.
- Adam Tobin spoke in support of including quiet zones in the CIP budget.
- Lynne Bramlett spoke in support of including quiet zones in the CIP budget.
- Kayla Altenloh spoke in support of including quiet zones in the CIP budget.
- Diane Walter spoke in support of including quiet zones in the CIP budget.
- Pam D. Jones spoke in support of staff earning living wages and consideration of expenditures by district.
- Melissa Mills spoke in support of including quiet zones in the CIP budget.
- Justin Liu spoke in support of including quiet zones in the CIP budget.

Mayor Combs closed the public hearing.

The City Council received clarification on quiet zone funding and project status, salary comparison studies, staff responsibilities for filling vacancies, frequency of employee surveys and CalPERS unfunded accrued liability (UAL) payments and the City Council's repayment policy and options.

The City Council discussed livable wages for all employees related to area median income (AMI), the County of San Mateo's approach to compensation, fully or partially funding quiet zones, adding funding to the CIP, options for the Belle Haven pool and additional funds for the library.

The City Council directed staff to allocate fiscal year 2024-25 projected year-end surplus funds as a transfer to the General CIP Fund.

The City Council took a recess at 9:45 p.m.

The City Council reconvened at 9:56 p.m.

H. Regular Business

- H1. Consider and adopt a resolution to repeal the closure of Santa Cruz Avenue, between Curtis and Doyle Streets, to eastbound vehicular traffic (Staff Report #25-090-CC)

Assistant City Manager Stephen Stolte made the presentation (Attachment).

- Julianne Hanson spoke in support of maintaining the current street closure.
- Cherie Zaslawsky spoke in support of maintaining the current street closure.
- Trish Mitchell spoke in support of reopening Santa Cruz Avenue.
- Kevin Rennie spoke in support of maintaining the current street closure.

The City Council received clarification on a future study session, connection to the downtown vibrancy priority and Ryans Lane reopening.

The City Council discussed community space, retaining the current closure, reviewing signage and creating a public parklet.

The City Council directed staff to proceed with a future study session to discuss options for the current closure.

No action.

I. City Council Initiated Items

- I1. Request by City Councilmember Taylor for a future agenda topic (Staff Report #25-088-CC)

City Councilmember Taylor introduced the item.

- Mike Fero offered to provide documentation to assist with future discussions on aquatics.

The City Council discussed the scope of a future item, serving the neighborhood, working group meetings, neighboring jurisdictions pools and pools operational hours.

The City Council directed staff to schedule a special meeting if pool hours decrease below the minimums identified in the agreement and schedule a study session item for August 2025.

No action.

ACTION: By acclamation, the City Council extended the meeting past 11 p.m.

J. Informational Items

- J1. City Council agenda topics: June – July 2025 (Staff Report #25-092-CC)

K. City Manager Report

None.

L. City Councilmember Reports

L1. City Councilmember Taylor reports (Attachment)

Vice Mayor Nash reported out on a Peninsula Clean Energy (PCE) tour at California Independent System Operator (CAISO).

City Councilmember Schmidt reported on proposing a future item to discuss City Council positions on legislation.

M. Adjournment

Mayor Combs adjourned the meeting at 11:27 p.m.

Assistant to the City Manager/ City Clerk Judi Herren

These minutes were approved at the City Council meeting July 8, 2025.

Proclamation

PRIDE MONTH MONTH JUNE 2025

WHEREAS, every June Menlo Park joins the County of San Mateo and the greater Bay Area in observance of Pride Month, to honor the history of the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) liberation movement, and to support the rights of all residents to experience equality and freedom from discrimination; and

WHEREAS, all human beings are born free and equal in dignity and rights and the City of Menlo Park is committed to supporting visibility, dignity and equality for LGBTQIA+ people in our diverse community, while also recognizing that LGBTQIA+ individuals have had an immeasurable impact to the cultural, civic and economic successes of our country; 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 our local 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, widely recognized as a symbol of pride and raised at City Hall for the month of June, 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

WHEREAS, the theme for San Francisco Pride this year, “Queer Joy is Resistance,” is an important reminder that the struggle for LGBTQ+ rights is ongoing, and that our community must remain vigilant, engaged and united in its pursuit of justice and equality; and

NOW, THEREFORE, BE IT PROCLAIMED, that I, Drew Combs, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim and celebrate June 2025 as Pride Month in Menlo Park.

Drew Combs, Mayor
June 10, 2025

Proclamation

JUNETEENTH – JUNE 19, 2025

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, on June 14, all are encouraged to join us for a Juneteenth celebration at Kelly Park, to gather together, enjoy cultural entertainment, live music, a local tribute, family activities, delicious food and more, all while learning more about this important day; and

WHEREAS, the Juneteenth flag, raised at City Hall in the month of June, was 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, Drew Combs, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim and celebrate June 19, 2025, as Juneteenth in Menlo Park.

Drew Combs, Mayor
June 10, 2025

Proclamation

GUN VIOLENCE AWARENESS DAY – JUNE 6, 2025

WHEREAS, every day 125 Americans are killed by gun violence and more than 200 are shot and wounded, with an average of nearly 47,000 gun homicides every year; and

WHEREAS, an estimated 4.6 million American children live in a home where at least one gun is kept loaded and unlocked; and

WHEREAS, in January 2013, Hadiya Pendleton was tragically shot and killed at age 15. To recognize her birthday in June, people across the United States have annually recognized the first Friday in June as National Gun Violence Awareness Day by wearing orange in tribute to Hadiya Pendleton and other victims of gun violence and the loved ones of these victims; and

WHEREAS, the idea was inspired by a group of Hadiya's friends, who asked their classmates to commemorate her life by wearing orange. They chose this color because hunters wear orange to announce themselves to other hunters when out in the woods, and orange is a color that symbolizes the value of human life; and

WHEREAS, by wearing orange on June 6, 2025, Americans raise awareness about gun violence, honor the lives of gun violence victims and survivors, renew commitments to reduce gun violence, pledge to keep firearms out of the wrong hands and encourage responsible gun ownership; and

WHEREAS, gun violence touches every segment of our society and impacts people of all ages, increases the probability of death in incidents of domestic violence, raises the likelihood of fatality by those who intend to injure others and among those who attempt suicide, places children and young people at increased risk of physical harm and injury and disproportionately affects communities of color; and

WHEREAS, in our observance of Gun Violence Awareness Day, we honor those whose lives are cut short each year by gun violence, and the countless survivors whose lives are forever altered; and

NOW, THEREFORE, BE IT PROCLAIMED, that I, Drew Combs, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim and celebrate June 6, 2025, as Gun Violence Awareness Day in Menlo Park.

Drew Combs, Mayor
June 10, 2025



Fiscal Year 2025-26 Budget Public Hearing

June 10, 2025

Agenda

- Budget team
- Fiscal year 2024-25 budget update
- City Council priorities
- Proposed fiscal year 2025-26 budget
- Five-year General Fund forecast
- Capital Improvement Plan (CIP)
- City workforce vacancies, recruitment and retention trends
- Next steps



Budget Team

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



Budget Contributors

- General Administration
 - Nicole Casados, Judi Herren
- Administrative Services
 - Anna Peluffo, Danny Daniels
- 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, Madelinne Godinez



Economic Overview

Economic Overview

- Economic trends do not indicate a recession, though uncertainty persists at the federal level
 - Real gross domestic product (GDP) decreased at an annual rate of 0.2% in the first quarter of 2025 down from 2.4% in the fourth quarter of 2024
 - Primarily reflects an overall slowing of consumer spending
 - California's GDP grew at a 6% compound annual rate in 2024, 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 trade policy, fiscal policy, geopolitical events



Fiscal Year 2024-25 General Fund Budget Update

Fiscal Year 2024-25 General Fund Year-End Projection



- Fiscal year 2024-25 is projected to have a surplus of approximately \$3.0 million
 - Result of higher revenues of \$77.5 million (\$1.4 million above budget) and lower expenditures of \$74.4 million (\$2.2 million below budget)
 - The City Council may consider using the projected surplus for a one-time transfer to the General CIP Fund for capital projects, a contribution to the strategic pension reserve, or a combination of transfers





City Council Priorities

City Council Priorities



During the annual priority-setting workshop on March 22, the City Council identified the following priorities:

- Climate action - mitigation, adaptation and resilience
 - Expanding the State-funded communitywide electrification initiative
 - Implementing the Environmental Justice Element by partnering with community-based organizations
 - Waiving fees, providing credits and vouchers for eligible projects
- Downtown vibrancy (*new*)
 - Recruit for full-time Economic Development Manager
 - Providing a full range of support to businesses in Menlo Park
 - Processing Streetary applications, use of public streets, and more
- Emergency and disaster preparedness
 - Coordinating with community-based and volunteer organizations
 - Training and exercises for City staff, including roles in the Emergency Operations Center
 - Acquiring essential supplies to sustain long-term disaster response and recovery efforts by the City



City Council Priorities

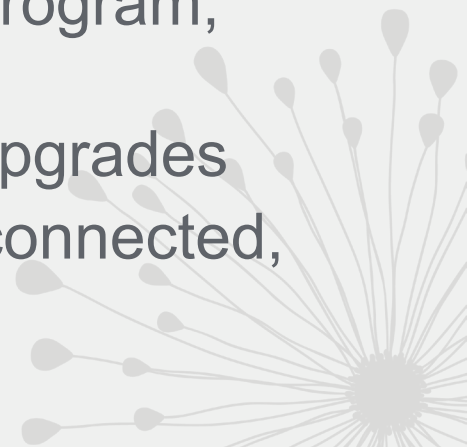


■ Housing

- Implementing the 2023-2031 Housing Element
- Finalizing the anti-displacement strategy
- Preparing a nexus and feasibility study to update the Below Market Rate (BMR) Program

■ Safe routes

- Enforcement and education efforts in collaboration with Menlo Park schools, school resource officer, Safe Routes to Schools program, traffic enforcement unit
- Improving roadways with a focus on incorporating safety upgrades
- Delivering on the Vision Zero Action Plan with a focus on connected, multimodal networks





Proposed Fiscal Year 2025-26 Budget

Proposed Fiscal Year 2025-26 Budget

- Proposed budget includes revenues and expenditures across all funds

Fund Types	Description
General Fund	City's primary operating fund, reserve policy, unrestricted revenue sources
Special Revenue Funds	Revenues restricted to a specific purpose
Capital Project Funds	Revenues restricted to acquire or construct capital facilities
Enterprise Funds	Revenues from charges to users for services provided; similar to a private business
Internal Service Funds	Tracks good or services provided to other departments for reimbursement and allocates overhead and shared items.
Debt Service Funds	Revenues collected to pay for debt payments
Fiduciary Fund	City acts as fiduciary on behalf of other

Proposed Fiscal Year 2025-26 Budget



- The City has over 55 funds with a proposed expenditure budget of \$207.9 million
 - General Fund: \$78.3 million
 - All other funds: \$49.7 million
 - Capital Improvement Program (CIP):
 - \$19.5 million new funding
 - \$60.4 million in estimated carry-over funding
- The proposed fiscal year 2025-26 budget includes General Fund expenditures of \$78.3 million and revenues of \$78.5 million, with a surplus of \$0.2 million



Fiscal year 2025-26 Operating Budget: Revenue



The proposed budget anticipates revenues of \$78.6 million compared to \$76.1 million in the fiscal year 2024-25 amended budget

Key revenue assumptions:

- Total Property Taxes of \$38.4 million
 - Property Tax in Lieu of Vehicle License Fee (VLF): Anticipated shortfall of \$4.3 million
- Transient Occupancy Tax (TOT): \$15.5 million
 - Increase of \$1.9 million from the prior fiscal year driven by higher tax rate from success of Measure CC in November 2024
- Sales Tax: \$6.5 million
 - Growth of 2% from the prior fiscal year



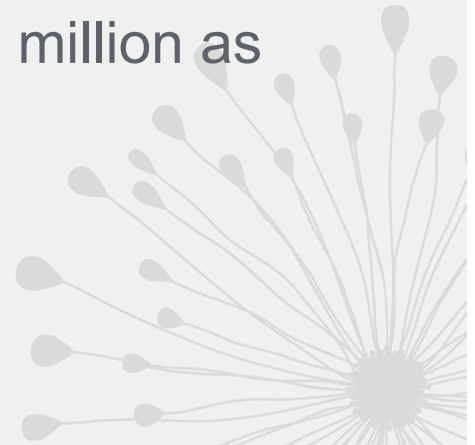
Fiscal year 2025-26 Operating Budget: Expenditure



The proposed General Fund budget anticipates expenditures of \$78.3 million compared to \$76.6 million in the fiscal year 2024-25 amended budget

Key expenditure assumptions:

- Personnel
 - 296 full-time equivalent positions (FTEs)
 - Includes service level enhancement of 3 additional FTEs for non-sworn police personnel
 - General Fund supports an estimated 84% of City staff
 - Vacancy and turnover rate of 13%
- Transfer to General Capital Improvement Fund increased to \$4.862 million as directed by City Council following May 13 study session
- Additional CalPERS unfunded accrued liability (UAL) payment of \$1 million is needed to match the 15-year amortization schedule



Fiscal year 2025-26 Operating Budget: Reserves



- Projected reserve levels
 - Strategic pension: \$0.66 million
 - Emergency Contingency Reserve: \$11.8 million at 15% (meets policy minimum)
 - Economic Stabilization Reserve: \$15.7 million at 20% (meets policy minimum)



Service Level Enhancements

Service level enhancements are intended to restore and/or improve services provided to the community

The proposed budget includes a total of \$0.38 million for:

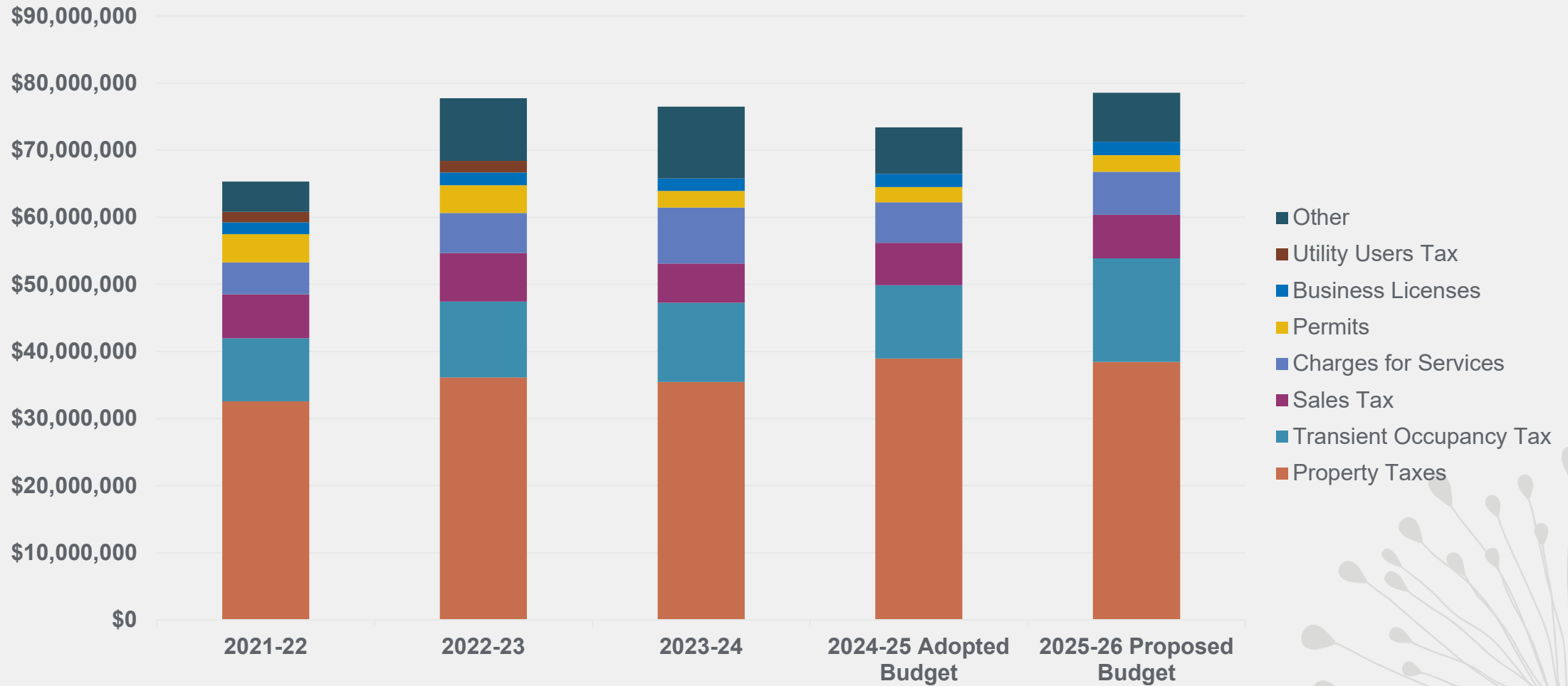
- 2.0 FTEs for two Parking Enforcement Officers
- 1.0 FTE for a Police Records Specialist
- 2 mobile closed-circuit television (CCTV) cameras
 - Partially supported by the Bayfront Mitigation Fund





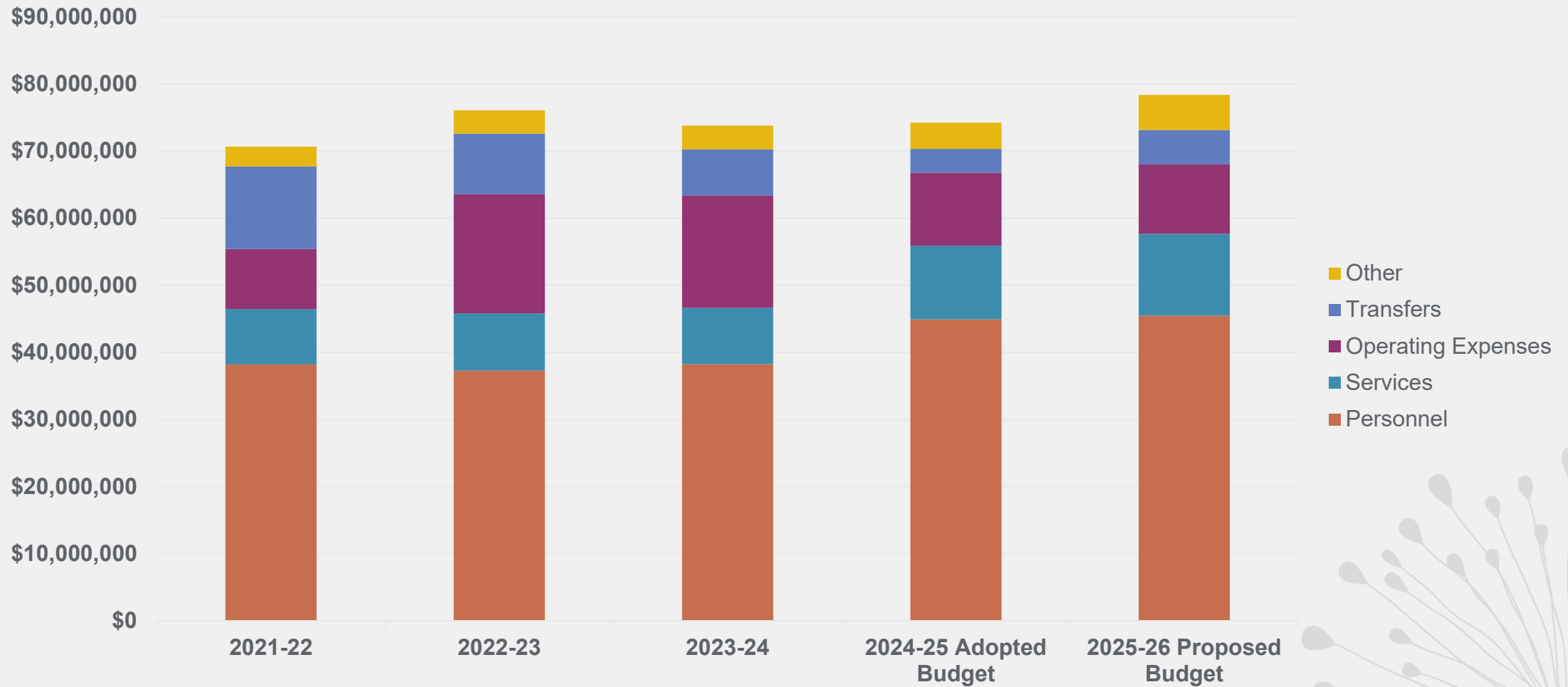
General Fund Revenue and Expenditure Trends

General Fund Revenue Trends



Other: Fines and Forfeitures, Franchise Fees, Use of Money & Property, Intergovernmental

General Fund Expenditure Trends



Other: Utilities, Repairs & Maintenance, Special Projects

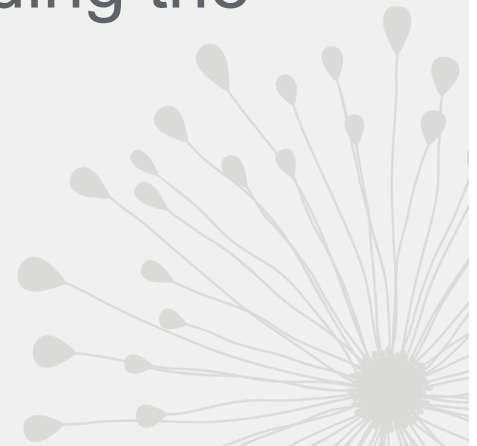


General Fund Five-Year Forecast

Background



- Five-year forecast provides financial outlook of revenues and expenditures for the General Fund
- Serves as a planning tool to support long-range decision-making
- Based upon current policies, economic trends and known future obligations
- Developed with input from a variety of sources, including the executive team and expert consultants



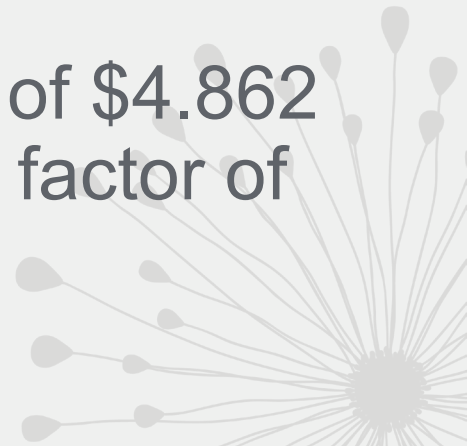
Revenue assumptions

- Property taxes: average annual growth of 4.3%
- Transient Occupancy Tax (TOT):
 - Uses 14% tax rate beginning Jan. 1, 2025
 - Increases to 15.5% tax rate from Jan. 1, 2026 onwards
- Sales tax: average annual growth of 2.4%
- Licenses and permits: increase to historical baseline, grow at annual rate of 3% beginning 2026-27
- \$1 million annual transfer from Developer Special Revenue fund through fiscal year 2028-29
 - Used for Belle Haven Community Campus (BHCC) operations
- Grant revenues reduced to reflect current funding levels



Expenditure assumptions

- Salaries and wages forecast using CalPERS actuarial data
 - Includes vacancy and turnover rate assumption
- Non-retirement benefits: average annual growth of 4.5%
- Retirement benefits and additional accrued liability (UAL) payment forecast using most recent CalPERS actuarial data
- Services and operating expenses: annual growth of 3%
 - Includes non-spendable operating assumption
- Transfer to the General CIP Fund for capital projects of \$4.862 million in 2025-26; adjusted by an annual inflationary factor of 3% each subsequent year



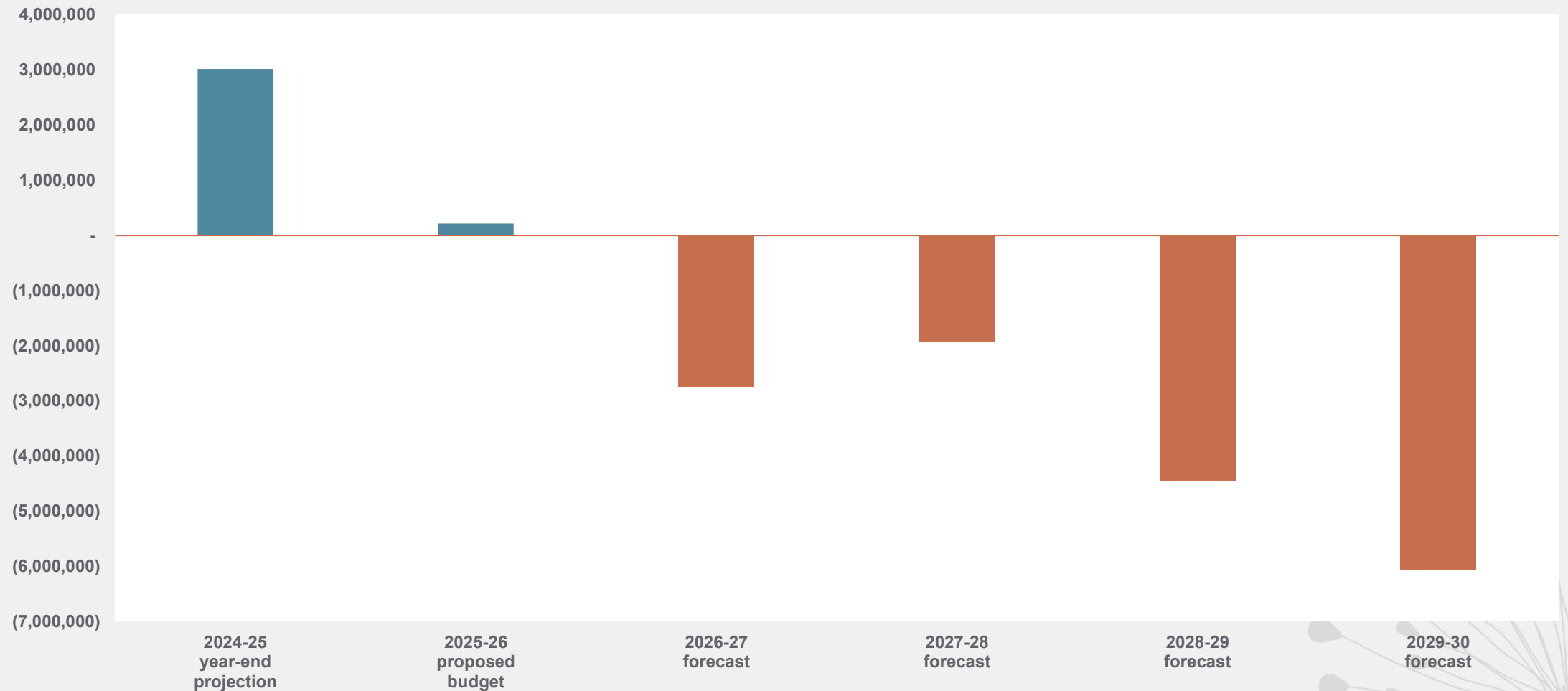
Five-year General Fund forecast

Projected total fund balance would decrease from \$40.3 million to \$25.3 million over the five-year period

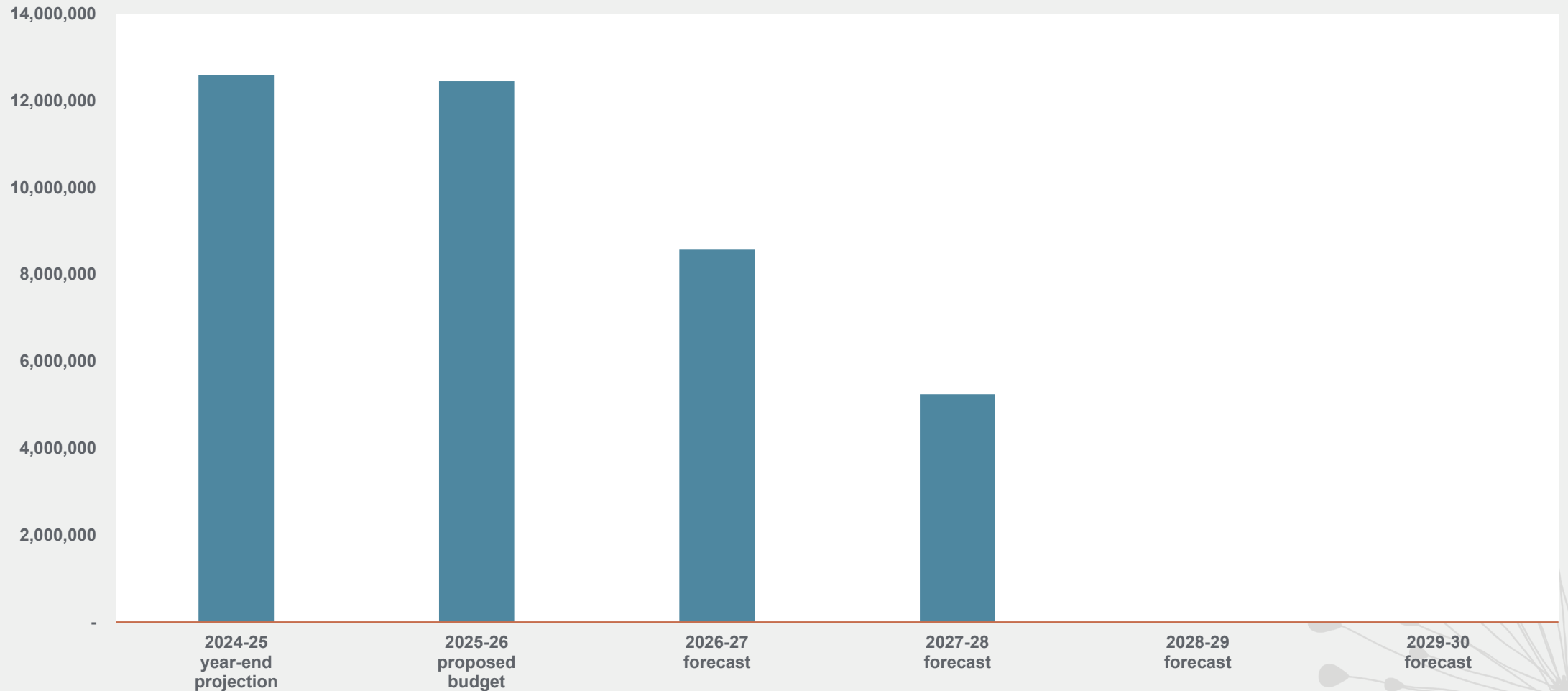
- Economic Stabilization Reserve maintained at the minimum policy level throughout
- Emergency Contingency Reserve would no longer be fully funded beginning in fiscal year 2028-29



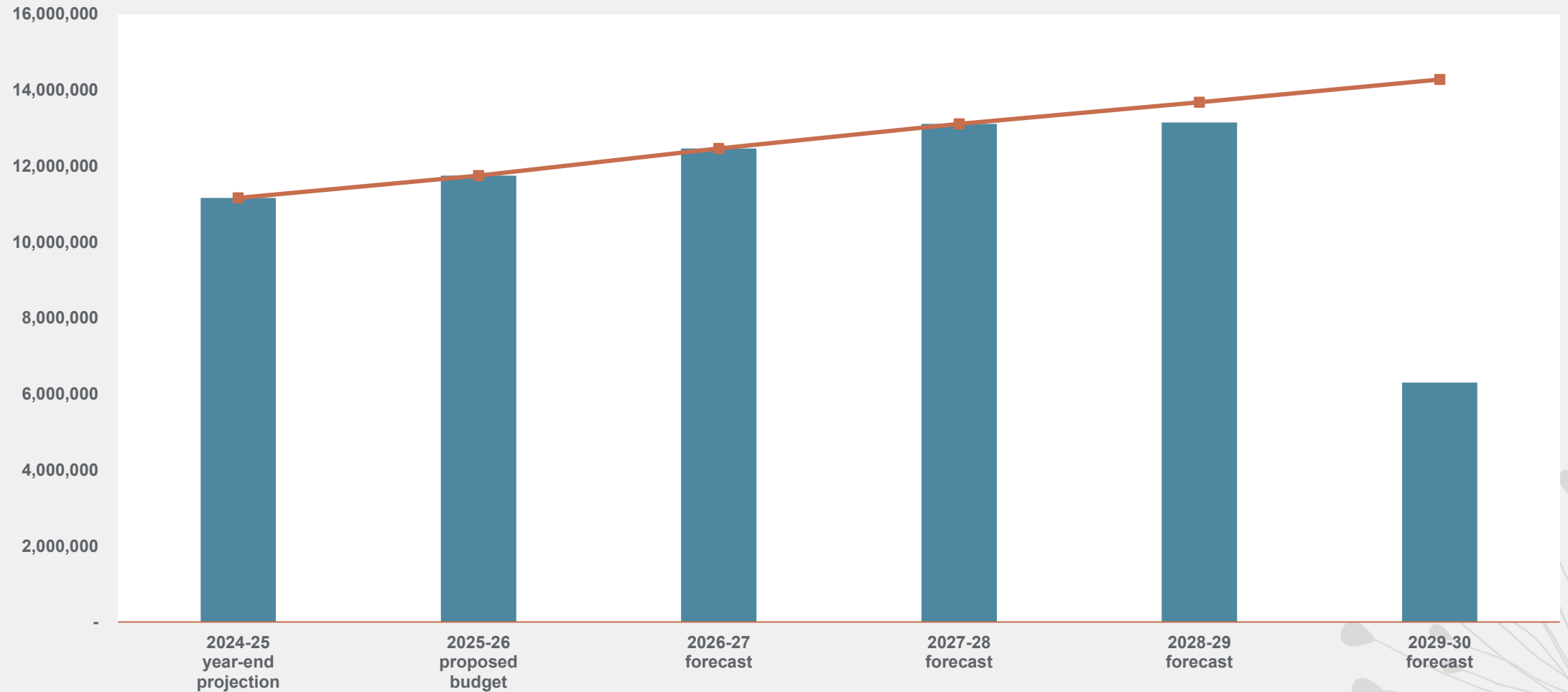
Operating Surplus/(Deficit)



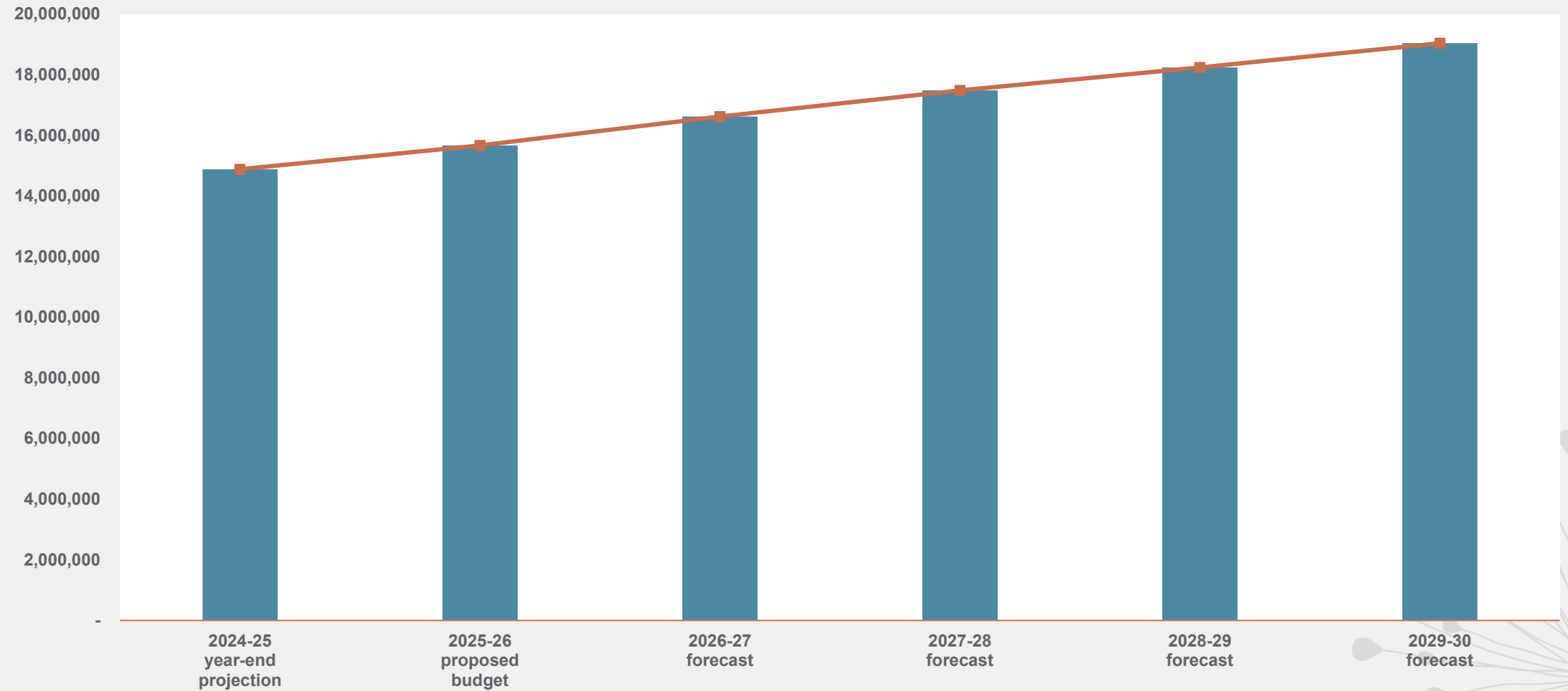
Unassigned Fund Balance



Emergency Contingency Reserve



Economic Stabilization Reserve



Department Budgets

Fiscal Year 2025-26 General Fund: Department Budgets



Department	Revenues	Expenditures	FTEs
Police	\$524,000	(\$27,340,313)	73.00
Public Works	\$1,314,480	(\$18,185,345)	48.24
Library and Community Services	\$4,609,600	(\$15,368,121)	54.25
Community Development	\$4,009,050	(\$10,653,199)	33.50
General Administration	\$50,300	(\$6,854,453)	17.36
Administrative Services	-	(\$5,681,119)	18.22
Non-Departmental*	\$68,056,300	\$5,734,660	0.00
Total	\$78,563,730	(\$78,347,890)	244.57

*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 Program

Capital Improvement Program (CIP)

Seven project categories and ongoing programs:

- City buildings and systems
 - City buildings minor
- Environment
- Parks and Recreation
 - Aquatic center maintenance
 - Parks improvement minor
 - Sport field renovations
 - Sport court maintenance
- Stormwater
- Streets and sidewalks
 - Street resurfacing
- Transportation
 - Traffic signal modifications
 - Transportation projects
- Water
 - Water main replacement
 - Water system improvements



Funding the CIP

- General Fund
 - Average transfer of \$4.9 million (2017-18 through 2024-25)
- Water Enterprise Fund
- Grants
- Special Revenue Funds
 - Highway Users Tax (Gas Tax)
 - Road Maintenance and Rehabilitation (SB1)
 - Transportation Impact Fees
 - Construction Impact Fee
 - Landfill Post-Closure
 - Recreation In-Lieu
- Downtown Public Amenity Fund
- In-lieu Payment for Community Amenities
- Heritage Tree
- Landscape/Tree Assessment and Sidewalk Assessment Districts
- Downtown Parking Permits
- Measure T
 - Recreation general obligation (GO) bonds
- Measure A & Measure W
 - San Mateo County ½ cent sales tax for transit and traffic congestion relief projects



Funding the CIP

Summary of capital project requests for fiscal year 2025-26 by category

Category	Funding requested	Percent of total requests	Amount of General CIP requests	Percent of General CIP funds
City buildings and systems	\$2,700,000	14%	\$1,820,000	53%
Environment	\$1,000,000	5%	\$1,000,000	29%
Parks and recreation	\$1,500,000	8%	\$0	0%
Stormwater	\$1,850,000	6%	\$250,000	7%
Streets and sidewalks	\$4,045,000	22%	\$375,000	11%
Traffic and transportation	\$3,281,000	18%	\$0	0%
Water	\$5,100,000	27%	\$0	0%
Total	\$19,476,000	100%	\$3,445,000	100%

Vacancies, recruitment and retention trends

AB 2561 Overview

- Assembly Bill (AB) 2561 requires public agencies to:
 - Present the status of vacancies and recruitment and retention efforts during a public hearing at least once per fiscal year, before the annual budget is adopted
 - Identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process
- Additional reporting requirements apply if the vacancy rate meets or exceeds 20% in a bargaining unit
- Labor groups entitled to make a presentation



Vacancy Rates by Labor Group

Employee group	Budgeted FTEs	Vacant FTEs	Vacancy rate
SEIU	153.25	22.75	14.85%
AFSCME	52.75	10	18.96%
POA	35	5	14.29%
PSA	9	0	0%
Confidential (Unrepresented)	8	2	25%
Management (Unrepresented)	30	3	10%
City Council	5	0	0%
Total vacancies	293	42.75	14.59%

Vacancy Rates by Department

Department	Budgeted FTEs	Vacant FTEs	Vacancy rate
Administrative Services	29.48	6	20.35%
Community Development	35	10	28.57%
General Administration	18	1	5.56%
Library and Community Services	68.25	3.75	5.49%
Police	70	10	14.29%
Public Works	72.27	12	16.60%
Total vacancies	293	42.75	14.59%

Human Resources



- 6 budgeted FTEs and 1 temporary employee
 - 2 vacant FTE positions
- Currently, 1.0 FTE and part-time temporary employee focused primarily on recruitment efforts
 - Once fully staffed, equivalent to 2.0 FTEs will focus on recruitments



Recruitment and Retention Trends

- For the period of July 1, 2024 – April 30, 2025:
 - 24 total FTE recruitments (does not include 4 continuous recruitments or 7 temporary employee recruitments)

Methodology	Total
New hires	27
Promotions	15
Advancements in a flexibly-staffed job series	4
Total positions filled	46

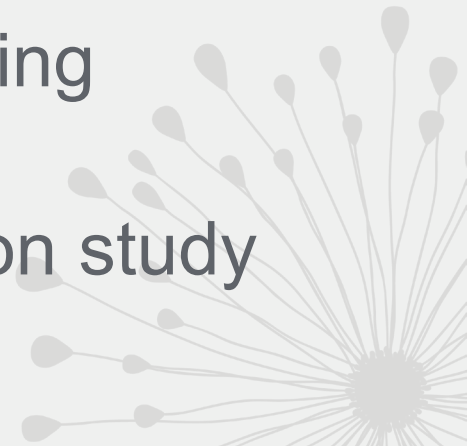
- Employee Turnover Rate: 14.58%
 - Employee Retention Rate: 87.33%
 - The average tenure of employees is 8.43 years; the median tenure is 6 years
- Additional information in the staff report and Attachment H



Planned and Ongoing Recruitment and Retention Efforts



- Developing incentives for classifications facing recruitment and retention challenges
 - Examples may include employee referral program, hiring bonuses and/or relocation assistance, and retention incentives
 - Developing hiring incentives for lateral police officers and policy academy graduates
 - Incentives designed to be cost neutral, using salary savings from vacant positions to fund the incentives.
- Developing new/revised classifications to meet evolving operational needs
- Conducting a citywide classification and compensation study





Next Steps

Fiscal Year 2025-26 Next Steps

- Staff requests direction from the City Council:
 - Provide direction on the fiscal year 2025-26 proposed budget
 - Provide direction on one-time transfers using the fiscal year 2024-25 General Fund surplus of approximately \$3 million:
 - General CIP Fund contribution for capital projects
 - Strategic pension funding reserve contribution for the additional UAL payments to match the 15-year amortization schedule
 - A combination thereof
- Consider information related to vacancies, recruitment and retention trends in compliance with AB 2561



Next Steps

- Proposed budget available online: menlopark.gov/budget
- June 24 City Council meeting agenda items:
 - Adopt the fiscal year 2025-26 budget that incorporates any direction provided this evening
 - Amend the fiscal year 2024-25 budget to appropriate surplus funds





Questions

SEIU 521 Unit

City of Menlo Park Public Hearing, June 2025



SEIU Unit Overview

- Staff in each department
 - Administrative Services
 - Community Development
 - Library and Community Services
 - Police
 - Public Works
- 155.25 budgeted positions, 22.75 vacancies, 14.65% vacancy rate



SEIU Vacancies by Department

Department	Vacancy Rate
Administrative Services	18%
Community Development	30%
Library & Community Services	7%
Police	24%
Public Works	13%



SEIU Turnover & Retention

- The median length of employment is 5 years, average 6.7
- Compare to Redwood City, median tenure is 8 years
- 21% of employees with less than 1 year tenure



SEIU Unit

Why employees leave

- Low-income threshold in San Mateo County
 - Family of 4: \$156,650
 - Individual: \$109,700
 - *Source: 2025 San Mateo County Income Limits provided by State of California Department of Housing and Community Development*
- Workload & burnout
 - On-call requirements
 - Vacation time denials due to staffing



Impact to City of Menlo Park

- Loss of experience and institutional knowledge
- Delays in permit processing
- Cost of rehiring
 - City spends manager time hiring and training
 - City typically wastes 2x or 3x salary on hiring, onboarding, training
 - City pays for certs then employees leave
- Need for contracting out and extra help
 - More expensive to city
 - Lower quality
 - Short term
 - Unsustainable



Financial health

"The City's net position, an indicator of its overall financial state, increased by \$34.3 million to \$597.3 million, a 6.1% increase from the prior year. Of this amount, \$35.9 million is unrestricted net position which can be used to meet ongoing obligations."

Source: 2023-24 City of Menlo Park ACFR



How do we fix this?

- Become above average city: Palo Alto goes to 75% percentile market
- Housing incentives: Employees who live in Menlo Park will stay
 - Create more housing to expand access for City Employees. Priority placement on waiting list.
- Childcare provision: Redwood City offers employees subsidized childcare and first shot at slots
- Path to permanency for Extra Help Employees
- Improve and enhance paths to promotion
 - Additional certification pay and increased tuition reimbursement to foster employee upskilling and growth
- Expedite job postings for priority divisions
- Conduct an employee feedback survey. The last one was conducted in 2016.



Closure of Santa Cruz Avenue between Curtis and Doyle Streets

Stephen Stolte, Assistant City Manager

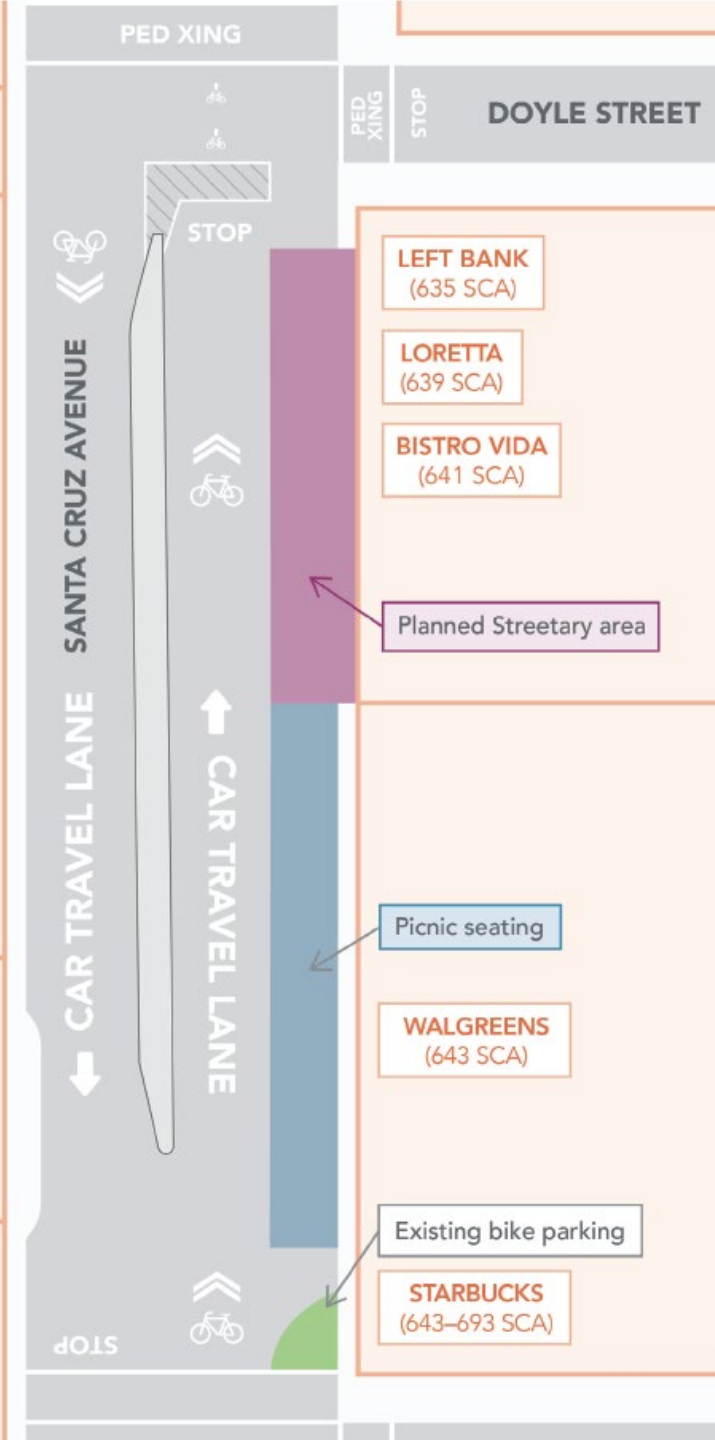
Santa Cruz Avenue closure

- Aug. 29, 2023: City Council closed portion of Santa Cruz Avenue to eastbound vehicular traffic to allow for enhanced communal space and outdoor dining
- March 22: City Council discussed downtown street closures at the annual priority-setting workshop; directed staff to return with agenda items
- Staff continue to process Streetary applications for Left Bank, Loretta, and Bistro Vida



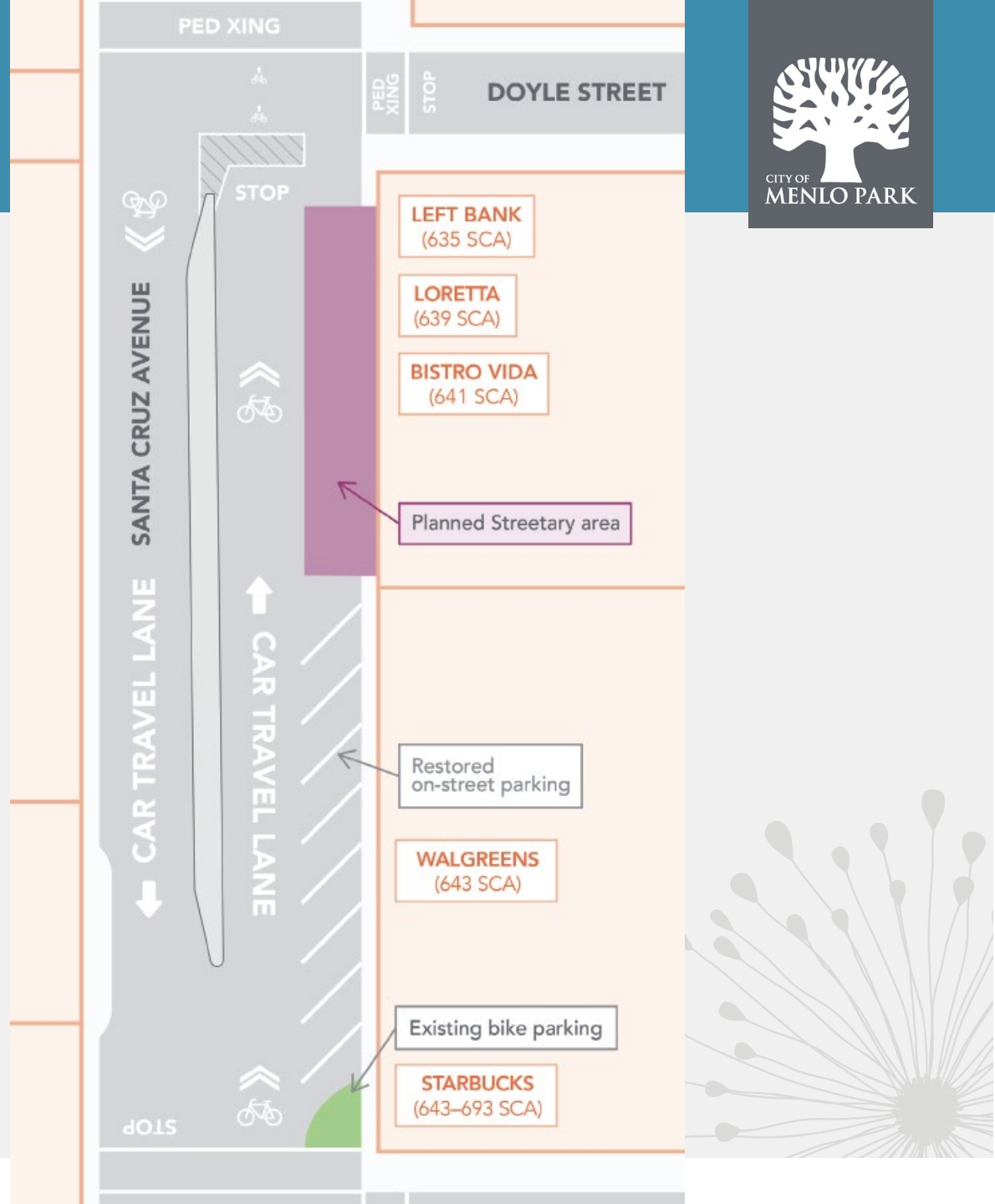
Option 1

- Lane reopened to vehicles
- Planned Streetary area with reduced footprint
- Picnic seating area maintained over parking spaces



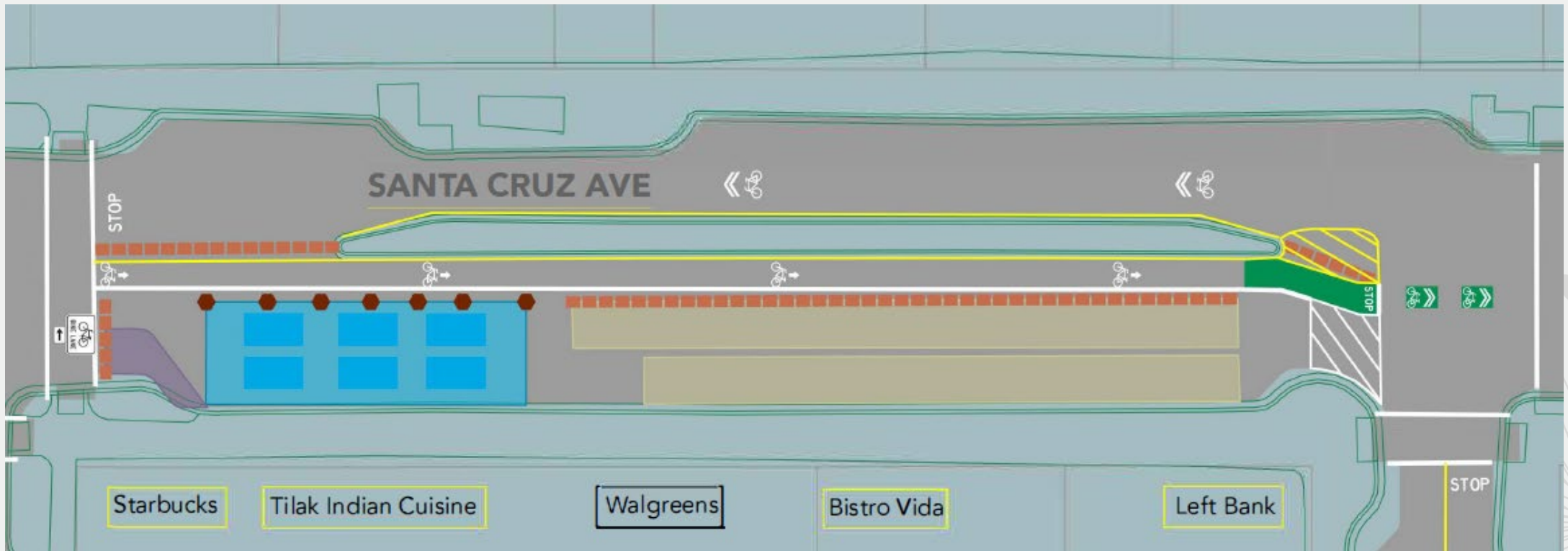
Option 2

- Lane reopened to vehicles
- Planned Streetary area with reduced footprint
- Current picnic seating removed; parking spaces restored



Option 3

- Maintain ongoing street closure
- City Council maintains discretion to reopen the street in the future



City Council direction and next steps

Reopen:

- Overall process would take a minimum of three months
- Staff would coordinate with businesses, schedule striping contractor, remove barriers, upgrade outdoor picnic seating

Maintain closure:

- Study session to discuss overall layout including outdoor picnic seating

PUBLIC PARKLET

WHILE YOU ARE NOT REQUIRED
TO MAKE A PURCHASE TO
ENJOY THIS PUBLIC SPACE,
YOU ARE REQUIRED TO BE
RESPECTFUL, FOLLOW THE
RULES, AND MOST
IMPORTANTLY, HAVE FUN!

TO REPORT CONCERNS PLEASE
CALL: (562) 570-5160

