I am honored to present to you my first adopted budget as City Manager. The theme of this year’s budget, “dedicated to continuous improvement,” reflects the direction that I have provided to the City’s professional staff to make incremental improvements in our operations, internal and external communications, and public and employee engagement. I am confident that the spending plan outlined in this budget document provides the resources necessary for our dedicated employees, engaged residents, and forward-thinking City Council to execute on services that reflect our collective dedication to continuous improvement.

The City Council-approved budget principles set the bedrock for the development of this budget. The City Council originally introduced them in the fiscal year 2013–14 budget and have seen a number of updates since then. Between February and March 2019, the City Council iterated on and reaffirmed these important foundational principles.

- Promote the City’s long-term fiscal sustainability
- Enhance and maintain core City services and infrastructure
- Manage staff capacity to efficiently deliver services to the community
- Communicate the City’s financial position

It is imperative for city governments to use financial resources effectively and efficiently. City resources must be channeled to equitably meet the needs and interests of residents while also balancing investments in the future. Menlo Park has traditionally practiced prudent budgeting. The coming fiscal year will be no exception. I do not anticipate the need to look to reserves to balance this year’s budget and remain confident that, despite our increasing resource demands, revenues are sufficient to meet operational needs.

Achieving a balance between revenue and expenditures, an equitable distribution of ongoing service to the community and investment in the future, and remaining prepared for unknown structural changes presents a challenge for staff and the community when preparing any budget document. The adopted budget for fiscal year 2019–20 strives to strike that balance and keep the City on a stable financial footing both in the current year and looking forward. The adopted budget represents staff’s best estimate of revenue and expenditures using the information available at the time of preparation, incorporating uncertainty on the variety of factors influencing revenues as well as expenditures necessary to provide service to the community.

Starla Jerome-Robinson, City Manager
# City of Menlo Park at a Glance

<table>
<thead>
<tr>
<th>GENERAL DATA</th>
<th>INCORPORATION</th>
<th>POPULATION</th>
<th>AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOVEMBER 23, 1927</td>
<td>35,790</td>
<td>10.1 SQUARE MILES</td>
</tr>
</tbody>
</table>

CITY OF MENLO PARK FISCAL YEAR 2019–20 BUDGET IN BRIEF
PUBLIC WORKS:

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential water utility customers</td>
<td>3,602</td>
</tr>
<tr>
<td>Commercial water utility customers</td>
<td>475</td>
</tr>
<tr>
<td>Buildings maintained</td>
<td>29</td>
</tr>
<tr>
<td>Miles of streets swept</td>
<td>6,586</td>
</tr>
<tr>
<td>Trees trimmed</td>
<td>3,500</td>
</tr>
<tr>
<td>Acres of park and school turf mowed</td>
<td>1,557</td>
</tr>
</tbody>
</table>

PUBLIC SAFETY:

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sworn Officers</td>
<td>54</td>
</tr>
<tr>
<td>Dispatch calls for service</td>
<td>23,639</td>
</tr>
<tr>
<td>Patrol calls for service</td>
<td>18,392</td>
</tr>
<tr>
<td>911 emergency calls</td>
<td>11,110</td>
</tr>
</tbody>
</table>

PARKS AND RECREATION:

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of parks</td>
<td>17</td>
</tr>
<tr>
<td>Number of swimming pools</td>
<td>2</td>
</tr>
<tr>
<td>Number of playgrounds</td>
<td>11</td>
</tr>
<tr>
<td>Total annual participant hours</td>
<td>298,694</td>
</tr>
<tr>
<td>Total annual participants</td>
<td>31,314</td>
</tr>
</tbody>
</table>

NOTABLE EMPLOYERS:

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook, Inc</td>
<td>United Parcel Services</td>
</tr>
<tr>
<td>SRI International</td>
<td>SHR Hotel</td>
</tr>
<tr>
<td>E*Trade</td>
<td>Intersect Ent</td>
</tr>
<tr>
<td>Pacific Biosciences of California</td>
<td>City of Menlo Park</td>
</tr>
<tr>
<td>TE Corporation</td>
<td>Comcast of California</td>
</tr>
</tbody>
</table>
Budget Development Calendar and Community Engagement

JULY THROUGH SEPTEMBER

- Departments report on performance from prior fiscal year
- Encumbrances and project carryovers incorporated into budget
- Scoping meetings for the five-year Capital Improvement Plan (CIP)

OCTOBER THROUGH DECEMBER

- Five-year CIP drafted and prioritized
- Operating budget schedule developed

JANUARY THROUGH MARCH

- Budget schedule, directions, and budget guidance provided to departments
- Annual City Council Work Plan Session
- Annual midyear financial report presented to City Council
- Department operating budgets drafted and reviewed with City Manager

APRIL THROUGH JUNE

- Revenue projections finalized
- Ten-year forecast developed
- Annual budget workshop/study session
- Public hearing on budget and five-year Capital Improvement Plan
- Budget adoption
### 2019 City Council Priority Projects

<table>
<thead>
<tr>
<th>PRIORITY PROJECTS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Master Plan</td>
<td>The Transportation Master Plan (TMP) and Transportation Impact Fee (TIF) Program is the highest priority program following the adoption of the ConnectMenlo General Plan Land Use and Circulation Elements in November 2016. The Circulation Element has seven goals and 86 policies and programs that establish the framework for the City’s priorities related to multimodal transportation.</td>
</tr>
<tr>
<td>Chilco Street Improvement Project</td>
<td>Public Works is coordinating multimodal transportation and utility improvements along Chilco Street pursuant to the conditions of Facebook’s Campus Expansion development. The project will span from Bayfront Expressway to Hamilton Avenue and includes critical enhancements for public safety by implementing new infrastructure in the City right of way.</td>
</tr>
<tr>
<td>Middle Avenue Pedestrian and Bicycle Rail Crossing</td>
<td>The Middle Avenue Pedestrian and Bicycle Crossing Project will provide a grade separated crossing through the Caltrain Railway, from El Camino Real to Alma Street at Middle Avenue to create a pedestrian and bicycle connection between east and west Menlo Park.</td>
</tr>
<tr>
<td>Heritage Tree Ordinance Update</td>
<td>The City of Menlo Park is in the process of updating the Heritage Tree Ordinance. The ordinance regulates removal of trees on private and public property. Over the past several years, concerns arose with development-related appeals, unpermitted removals, and enforcement of tree replacements.</td>
</tr>
<tr>
<td>Belle Haven Branch Library*</td>
<td>The Belle Haven Branch Library project is the highest-priority component of the overall Library System Improvements Project which contains two major components:</td>
</tr>
<tr>
<td></td>
<td>- Priority 1: New Belle Haven Branch Library. Develop and implement a comprehensive plan to design, finance, construct, and operate a new public library facility to replace the Belle Haven Branch Library currently located on the Belle Haven School campus.</td>
</tr>
<tr>
<td></td>
<td>- Priority 2: Overall library system improvements. Identify any overall improvements to current library systems, facilities, services and operations to ensure the continuous provision of high-quality, modern and safe library facilities for Menlo Park residents pending the development of new facilities.</td>
</tr>
</tbody>
</table>

* Note - this project was placed on temporary hold pending Facebook’s proposed to build a new community center and library in the Belle Haven neighborhood.

2019 City Council Work Plan [menlopark.org/goalsetting](http://menlopark.org/goalsetting)
The City's financial information is organized by fund, with each fund being a separate and distinct entity. There are three types of funds: governmental, proprietary, and fiduciary. The General Fund, which is a governmental fund, is the City's main fund which accounts for a vast majority of the City's operations. Other types of governmental funds include special revenue funds and capital project funds which account for specific revenues and are used for specific purposes. Proprietary funds are used to account for funds that are financed and operated similar to private business and include enterprise funds and internal services. The City’s fiduciary funds are funds held on behalf of others and are not budgeted for.

The adopted fiscal year 2019–20 budget provides for a $171.50 million spending plan inclusive of operations, new capital improvement funding, and carryover capital improvement funding. Also included in this budget is 286.75 full time equivalent (FTE) personnel. The General Fund is the City’s single largest fund and provides for the vast majority of services to the public including planning, building, engineering, police, library and community services. In total, the General Fund has expenditures budgeted of $70.51 million for the 2019–20 fiscal year, a modest increase from the previous year.

The next largest group of expenditures is for Capital Improvements. The $59.19 million budgeted for capital expenditures is a cumulative total from a number of special revenue funds such as the General CIP Fund, Construction Impact Fee Fund, Library System Improvements Fund and more. Enterprise funds are the third largest expenditure with $26.53 million budgeted for the fiscal year 2019–20. The City’s two enterprise funds have a budget of $15.94 million and $10.59 million for Water Capital and Water Operations, respectively. The remaining $15.28 million in the Other category consists of special revenue funds with a focus on operations rather than capital expenditures.

Fiscal Year 2019–20 Adopted Budget By Fund Type

- General Fund: $70.51 million (41%)
- Capital Improvement Funds: $59.19 million (35%)
- Enterprise Funds: $26.53 million (15%)
- Other: $15.28 million (9%)

TOTAL CITY BUDGET $171.50
All numbers indicated are in $ millions
Service Level Enhancements

ADOPTED

The following items have been imbedded in the City’s fiscal year 2019–20 budget in order to continue to meet the goals outlined by City Council, meet new regulatory standards, and to meet the service expectations of the community.

**Unfunded pension liability reduction – $1.82 million**
The City is committing to a 10-year misc. plan and 15-year safety plan accelerated pension payment plan to save the City a total of $18.1 million.

**Contracted park ranger services for Bedwell Bayfront Park – $0.15 million**
As recommended in the Bedwell Bayfront Park master plan, staff is reassessing the reinstatement for park ranger services. Tasks will include daily patrol, surveillance, first aid, fire suppression, trail maintenance, litter collection, education and outreach.

**Flood and sea level rise resiliency agency membership – $0.04 million**
The City is partnering with San Mateo County and other agencies to address sea level rise, flooding, coastal erosion and large scale storm infrastructure improvements.

Additional Service Level Enhancements

- Mobile command vehicle for emergency operations – $0.45 million
- Capital improvement projects staff augmentation – $0.09 million
- Next-generation body cameras – $0.06 million
- Fire panel and sprinkler testing services – $0.05 million
- Peninsula bikeway alternative study – $0.05 million

FUTURE CONSIDERATIONS

In addition to the items that have were adopted with the budget, a $1.50 million contingency budget has been included in recognition that the City Council work plan may change early in the year and flexibility may be needed to accomplish their goals. The most notable items identified at this time were:

- Herbicide free program expansion – $1.30 million
- Library service level augmentation – $0.28 million
- Budget and financial transparency initiative – $0.19 million
- Fleet management staff augmentation – $0.12 million
- Programming enhancement pilot project – $0.04 million
- Next-generation Tasers – $0.02 million

More information on these items can be found in the City Manager’s Transmittal section of the budget document.
General Fund Revenues

Total Revenues = $70.61 million

PROPERTY TAXES
A number of categories related to property tax including the standard secured tax to transfers and unsecured taxes for those that have them.

CHARGES FOR SERVICES
Fees that are tied to a specific services provided by the City. These include encroachment fees, recreation classes fees, child care fees and planning fees.

TRANSIENT OCCUPANCY TAX
Often called the "Hotel Tax", it is charged on short-term rentals.

SALES TAXES
Sales and use tax from direct purchases within the City’s limits and a portion of those from within the County.

LICENSES AND PERMITS
Fees that are collected during business license applications and renewals as well as building permits related to construction.

MISCELLANEOUS
Money received from other governmental agencies, fines, interest income, and other miscellaneous revenues.

FRANCHISE FEES & USER UTILITY TAX
Fees from organizations to operate utilities within the City for Garbage, Electric, Gas, Water and Cable Television services. UUT is tax collected from users of utilities.

TRANSFERS AND RESERVES
Funds received for services performed for other funds such as landscape, tree, or sidewalk maintenance, and money that has been assigned from the City’s reserves.
General Fund Expenditures

Total Expenditures = $70.51 million

- **Police Department**: $21.13 million
  - Patrol: $13.31
  - Special Operations: 2.83
  - Communications and Administration: 4.99
  - **Total**: $21.13

- **Public Works**: $13.37 million
  - Transportation: $3.31
  - Maintenance: 8.01
  - Development Services: 1.49
  - Utilities: 0.57
  - **Total**: $13.37

- **Community Development**: $8.54 million
  - Planning: $4.15
  - Building: 3.94
  - Housing and Economic Development: 0.45
  - **Total**: $8.54

- **Community Services and Programs**: $14.14 million

- **Elected And Administration**: $13.34 million
  - Council: $0.68
  - City Manager and City Attorney’s Office: 3.29
  - Administrative Services: 3.61
  - Non-Departmental: 5.76
  - **Total**: $13.34

**Pie Chart**:
- Police Department: 30%
- Public Works: 19%
- Community Development: 12%
- Community Services and Programs: 20%
- Elected And Administration: 19%

**Total Expenditures** = $70.51 million

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**CITY OF MENLO PARK FISCAL YEAR 2019–20 BUDGET IN BRIEF**
The City of Menlo Park’s Capital Budget includes the General Capital Improvement Fund, Enterprise Funds, and a number of Special Revenue Funds. The Capital Improvement Plan budget is a multi-year plan to replace or extend the useful life of the City’s infrastructure such as roads, parks, buildings, and water mains. When City Council appropriates funds to pay for a Capital Improvement project, any unspent funds at the end of each fiscal year are rolled over to the next fiscal year so that progress can be continued on the project.

The Capital Improvement Plan (CIP) provides a long-term approach for prioritizing and selecting new projects in the City. The City’s Adopted 5-Year CIP includes 34 projects receiving new funding and a total of 84 projects. Additionally, these projects are ranked into tiers and organized into project categories. There are four tiers that projects can be broken into. Tier 1 indicates a project will receive the highest relative priority for resources. Tiers 2 and 3, respectively, indicates that a project will receive significant resources only after the higher tier projects have received the necessary resources. Tier N/A indicates that a project is not currently competing for resources. The CIP also includes seven project categories: City Buildings & Systems, Environment, Parks & Recreation, Stormwater, Streets & Sidewalks, Traffic & Transportation, and Water System.

In the FY 2019–20 Adopted Capital Budget there is $24.25 million of new project funding and an additional $48.31 million in project carryover. Of the projects receiving new funding in the current budget year, Traffic & Transportation, Streets & Sidewalks, and Stormwater are receiving the bulk of the resources. Listed below are a few of the major projects for the current fiscal year as well as the projects receiving the most resources during the planned 5-Year period.

### 2019–20 CIP New Funding by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Buildings &amp; Systems</td>
<td>$2.84 million</td>
</tr>
<tr>
<td>Environment</td>
<td>$0.47 million</td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td>$1.67 million</td>
</tr>
<tr>
<td>Stormwater</td>
<td>$5.00 million</td>
</tr>
<tr>
<td>Streets &amp; Sidewalks</td>
<td>$5.28 million</td>
</tr>
<tr>
<td>Traffic &amp; Transportation</td>
<td>$6.63 million</td>
</tr>
<tr>
<td>Water System</td>
<td>$2.37 million</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$24.25 million</strong></td>
</tr>
</tbody>
</table>
**FUNDED**

Major Projects in FY 2019–20

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>2019–20 FUNDING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chrysler Pump Station Improvements</td>
<td>$5.00 million</td>
</tr>
<tr>
<td>Middle Avenue Caltrain Crossing Study Design and Construction</td>
<td>5.00 million</td>
</tr>
<tr>
<td>Santa Cruz and Middle Avenues Resurfacing</td>
<td>2.30 million</td>
</tr>
<tr>
<td>Water Main Replacement Project</td>
<td>2.00 million</td>
</tr>
<tr>
<td>Street Resurfacing Project</td>
<td>1.50 million</td>
</tr>
</tbody>
</table>

**UNFUNDED**

Major Projects in 5-Year Plan

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>TOTAL 5-YEAR PROJECT COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ravenswood Caltrain Grade Separation</td>
<td>$25.30 million</td>
</tr>
<tr>
<td>Belle Haven Branch Library</td>
<td>17.25 million</td>
</tr>
<tr>
<td>Emergency Operations Center</td>
<td>15.15 million</td>
</tr>
<tr>
<td>Parks and Recreation Master Plan</td>
<td>15.00 million</td>
</tr>
<tr>
<td>Middle Avenue Caltrain Crossing Study and Design</td>
<td>14.90 million</td>
</tr>
</tbody>
</table>

*Includes carryover appropriations.*
Elected Officials

Ray Mueller*
Mayor

Catherine Carlton
City Councilmember

Drew Combs
City Councilmember

Betsy Nash
City Councilmember

Cecilia Taylor*
Mayor Pro Tem

* Note - The budget document was adopted on June 18, 2019; prior to the City Council’s 2019 mayoral rotation

Feedback

surveymonky.com/r/R9S9CYN

Learn more

menlopark.org/finance
menlopark.org/budget
City Organizational Chart

Residents
Population – 35,790*

Council Members
Ray Mueller, Mayor
Cecilia Taylor, Mayor Pro Tem
Catherine Carlton
Drew Combs
Betsy Nash

Advisory Boards, Commissions and Committees

City Attorney
William McClure
$0.83 million
1.0 FTEs

Assistant City Manager
Nick Pegueros

City Manager
Starla Jerome-Robinson
$3.15 million
10.0 FTEs
City Manager’s Office, City Clerk, Sustainability

Deputy City Manager
Justin Murphy

Administrative Services
Lenka Diaz
$17.27 million
23.0 FTEs
Finance, Human Resources, Information Technology, Non-Departmental

Police
Dave Bertini
$21.49 million
76.5 FTEs
Investigations, Patrol Services, Public Safety Dispatch

Community Development
Deanna Chow
$8.90 million
31.0 FTEs
Building, Planning, Housing and Economic Development

Library
Sean Reinhart
$3.94 million
18.5 FTEs
Access Services, Belle Haven Branch, Information Services, Youth Services

Community Services
Derek Schweigart
$10.20 million
52.25 FTEs
Child Care, Community Centers and Special Events, Sports and Recreation

Public Works
Nikki Nagaya
$105.05 million
69.5 FTEs
Engineering, Maintenance, Transportation

*Source: California Department of Finance, estimate 1/1/19