



**CITY OF MENLO PARK
ADOPTED BUDGET
FISCAL YEAR 2014–15**



BUDGET MESSAGE

Budget Message

Honorable Mayor Mueller and Members of the City Council:

I am pleased to present the fiscal year 2014–15 Adopted Budget. This budget, which represents a total spending plan of \$72.1 million, provides for core services while funding the City Council’s adopted goals. The General Fund (which funds most core services) is balanced and reflects a small anticipated operating surplus. While financial stability has not quite been fully achieved, we remain cautiously optimistic about the future.

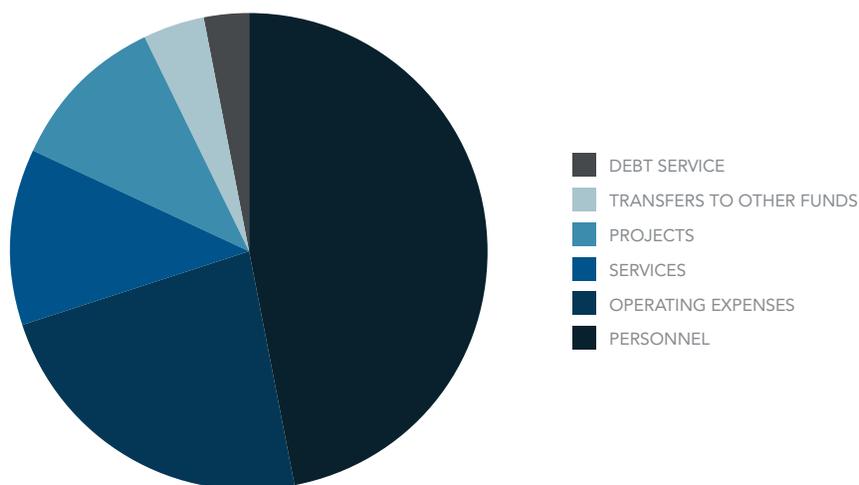
As we emerge from the Great Recession, Menlo Park finds itself at an interesting crossroads – with an economy afire and revenues generally reflecting this, we also need to be cautious as we organizationally shift to reflect this new economy. For example, development activity is at an all-time high and we struggle to keep up. This budget takes the necessary steps to match our actual needs to our actual resources.

Important and exciting changes in this year’s budget document help the reader better understand the complex manner in which the City Council receives and appropriates funds. This new document is just one of a number of initiatives underway to move our organization into the 21st Century.

2014–15 ADOPTED OVERALL BUDGET

The City’s \$72.1 million spending plan is balanced, maintains baseline services and fully funds the City Council’s 2014 adopted goals. As adopted, it represents a \$4.3 million decrease from the fiscal year 2013–14 adopted budget for all funds; however, that reduction is due to a decrease in non-recurring project expenditures. Greater budget detail can be found in the budget document. The City’s overall spending plan is summarized in the chart below.

CITYWIDE ADOPTED BUDGET
2014–15



As with any plan, it anticipates the availability of certain resources to fund these activities and essential services. Quarterly check-ins with the City Council provide the opportunity to adjust course, if necessary.

Budget Principles and City Council Goals

The development of the budget was guided by the City Council's adopted budget principles. These principles, which were first introduced for fiscal year 2013–14, were further refined by this City Council in January 2014:

1. Invest in baseline City services.
2. Invest in programs, services, and capital to promote long-term prosperity.
3. Look for opportunities to leverage existing resources and consolidate services within and across government agencies.
4. Move toward recovering the full cost of any fee-based service except where the City Council sees a clear public interest in providing a subsidy.
5. Seek operational efficiencies and revenue enhancement opportunities.
6. Invest in employee performance and/or production.
7. Maintain existing infrastructure and invest in proven technologies to support the organization.
8. Invest in the implementation of the City Council's adopted plans and strategies.
9. Evaluate one-time revenues for highest and best investment and/or use.
10. Align and adjust the work program with staff capacity.
11. Develop a budget format that is more useful for public consumption and internal control.

Using this guidance and benefitting from an economy that continues to improve and drive revenue increases, the fiscal year 2014–15 Adopted Budget accomplishes a number of things. First, service levels have been maintained, and in some cases slightly enhanced. Secondly, all of the City Council's priorities, which were established at its goal-setting meeting in January, have been recommended for funding in fiscal year 2014–15. These goals include:

- Continue to work on the General Plan Update.
- Enhance economic development efforts.
- Process and/or complete major development projects such as Facebook, Stanford, Greenheart, Bohannon.
- Explore modifying parking in the downtown.
- Evaluate the City's water policy, including sources, uses, and conservation.
- Enhance citywide public safety, including the Belle Haven neighborhood.
- Improve traffic flow on El Camino Real.
- Improve public communications.
- Strengthen internal administrative systems.
- Conduct more community events.
- Maintain positive employee-employer relations.
- Explore shared services with other agencies.
- Make gains in our climate action plan, reducing greenhouse gas emissions.

And finally, the fiscal year 2014–15 Adopted Budget incorporates either currently effective or assumed compensation increases, including increases to the City's pension contribution rates, for all represented and non-represented employees.

Personnel

Menlo Park is a service organization that relies on a professional and skilled workforce to provide the services expected from our businesses and residents. Through the Great Recession, the City was able to pare down

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the workforce from a high of 244 to 231. We accomplished this through a variety of service reductions, service eliminations and outsourcing/privatization.

The total number of full-time equivalent (FTE) personnel in this budget has increased by a net of 6.75, to a total of 237.5, since the fiscal year 2013–14 budget was adopted. This includes the addition of 9.75 positions and the elimination of 3 vacant positions. The three positions eliminated do not represent an actual reduction in services, as this work is now being contracted out, including median landscaping. All 9.75 positions added support the City Council's goals and include:

- 1.25 FTE in the Police Department to staff the new Belle Haven Neighborhood Service Center (1 officer funded by Facebook) and to provide for a full-time red light enforcement position. Both of these positions were added to the budget by City Council action during fiscal year 2013–14.
- 5.0 FTE in Community Development and 2.0 FTE in Public Works to support the current high level of development activity and work on the General Plan Update.
- 1.0 FTE in Public Works to support and enhance Climate Action Plan initiatives.
- 0.5 FTE in the City Manager's Office to support economic development initiatives.

It is important to note that the five positions added to support development activity and work on the General Plan are limited term and are phased out of the 10-year Forecast over the next three years as development activity returns to a more sustainable baseline level. Ultimately, these positions will only exist to the extent there are development-related revenues to support them.

It is also important to note that the additional personnel will need to be housed in the City Hall facility. In February 2013, City Council authorized the investment of \$300,000 to develop a modest remodel of the City Hall facility to accomplish two key objectives:

1. Create professional space to accommodate the new staff, and
2. Create synergy and efficiencies in the workplace.

This past spring, staff presented several options to accomplish these objectives. City Council sent the options back to staff for additional information. With the budget now adopted, staff is preparing to bring back its final recommendation to accommodate the new positions.

CalPERS

Like all other public agencies in California, there is no question that the pensions provided to our employees remain a budget vulnerability. We continue to watch the actions by the CalPERS Board very carefully since its decisions have a significant impact on our operational budget. Like so much with CalPERS, there is good news and bad news.

The good news is that a number of reforms have taken place, including implementation of less robust pension plans. Over time, this will reduce our pension costs compared to what they would have been. The bad news is that the pension costs are very expensive and will continue to increase for a number of years.

Interestingly, it appears that the reforms may be working. If you study the City's 10-year Forecast, you will see the rise and then slight decrease in CalPERS rates (and therefore costs) over that time period. It is estimated that such a decline will only continue as the CalPERS reforms remain implemented. It took us a decade to get into this CalPERS mess; it will take a decade to get out of it.

However, the City Council still expressed concerns for what has been described by some as "CalPERS uncertainty." To that end, when setting this year's budget principles, the City Council wisely created one additional principle:

#12 – Annually review the unfunded long-term liability of the CalPERS retirement plan and the reserve intended to help balance the annual financial obligation.

As the City closes its financial books for 2013–14, the City Council has asked that staff dedicate funds from any operating surplus into a CalPERS reserve.

General Fund

The General Fund, which not only funds the vast majority of core city services but also the funding source for many of the City Council goals, is balanced for fiscal year 2014–15. As demonstrated by the following table, both revenues and expenditures are expected to be approximately \$46.5 million, leaving an estimated operating surplus of just over \$27,000.

General Fund expenditures in fiscal year 2014–15 are above both the fiscal year 2013–14 adjusted budget and estimated actuals. This increase is predominantly driven by the heavy development activity currently underway, and requires significant enhancements to existing staffing in planning, permitting, and engineering. These enhancements come in the form of increased staffing, which was previously discussed, as well as additional contract services.

A remaining unanswered question is the potential impact on development activity of the recently-filed ballot initiative during this budget period. Staff will move cautiously in filling these new positions, ensuring this impact is understood and incorporated into the plan going forward.

Another important component of the General Fund's budget, which is closely related to the additional expenditures for development activity, is the use of the \$1.5 million assigned fund balance. Robust development-related revenues are expected to exceed development-related expenditures by \$1.5 million in fiscal year 2013–14. This is due to development-related revenues being collected in advance of services being provided. Based on activity underway, this will result in revenues collected in fiscal year 2013–14 that will need to be assigned for use in fiscal year 2014–15. This is reflected in the General Fund.

General Fund Balance/Reserves

Based on estimates for final revenues and expenditures in 2013–14, fund balance in the General Fund is expected to be \$25.7 million at the end of the fiscal year. This is a \$3.3 million increase over the ending fund balance in fiscal year 2012–13; however, it is important to note that \$1.5 million of that amount is assigned for development-related activity spending and is programmed for appropriation in fiscal year 2014–15. As such, the resulting fund balance is effectively \$24.2 million. Based on expected revenues and expenditures in fiscal year 2014–15, it is projected to remain at that amount when that fiscal year closes.

Budget Challenges and Opportunities – 10-year Forecast

Developing a 10-year Forecast for a city like Menlo Park is as much art as it is science. Each year as the budget is developed, staff carefully make assumptions about revenues and expenditures. As we project further out in time, the assumptions become broader, as we possess less certainty further into the future. Our assumptions are critical in determining the future financial picture. For example, utilizing a worst case scenario model can cause unnecessary service level reductions in the near term; on the other hand, presenting a scenario that is too optimistic can lead to unsustainable service level increases. The fiscal year 2014–15 Adopted Budget and 10-year Forecast attempts to present the most realistic scenario based on the information available at the time of budget development. With that said, there are a number of budget challenges and opportunities that can impact the 10-year Forecast going forward.

Budget Message

	PRIOR YEARS		CURRENT YEAR		ADOPTED
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Year End	2014-15 Budget
REVENUES					
Property Tax	\$13,239,856	\$15,731,889	\$14,715,000	\$14,785,000	\$14,698,775
Sales Tax	5,938,310	6,043,870	6,136,400	6,547,670	6,618,595
Transient Occupancy Tax	2,939,475	3,468,256	4,100,000	4,100,000	4,390,000
Utility Users Tax	1,080,435	1,095,256	1,135,000	1,127,602	1,129,632
Franchise Fees	1,758,705	1,765,216	1,812,300	1,812,300	1,863,110
Licenses and Permits	3,685,556	4,447,630	6,559,465	6,335,528	4,880,128
Intergovernmental	1,158,010	866,287	841,717	794,903	716,268
Fines and Forfeitures	1,067,327	998,259	1,149,980	1,230,358	1,319,980
Interest and Rent Income	761,326	568,051	627,712	627,712	715,004
Charges for Services	6,743,126	7,088,160	7,595,222	7,506,391	8,212,908
Transfers and Other	721,676	1,386,961	1,201,266	1,192,666	440,155
Use of Assigned Fund Balance	0	0	0	0	1,500,000
TOTAL REVENUES	\$39,093,802	\$43,459,835	\$45,874,062	\$46,060,130	\$46,484,555
EXPENDITURES					
Salaries and Wages	\$19,419,238	\$19,721,764	\$21,212,632	\$21,174,613	\$21,895,069
Benefits	7,146,560	7,628,902	8,128,296	7,809,516	8,676,104
Operating	2,510,955	2,518,236	3,111,997	2,937,847	3,494,024
Utilities	1,001,911	1,055,685	1,197,111	1,223,000	1,282,671
Services	3,364,926	4,318,165	6,029,472	4,886,823	6,419,689
Fixed Assets and Capital Outlay	238,532	344,245	589,614	603,244	371,311
Travel and Training	144,836	193,326	226,902	249,058	259,205
Repairs and Maintenance	755,252	753,494	858,305	880,144	938,174
Special Projects	241,730	337,853	393,500	413,500	472,700
Transfers Out	2,377,800	5,494,225	2,554,600	2,554,600	2,648,200
TOTAL EXPENDITURES	\$37,201,740	\$42,365,895	\$44,302,429	\$42,732,345	\$46,457,147
ASSIGNED FOR DEVELOPMENT	\$0	\$0	\$0	\$1,500,000	\$0
SURPLUS/(DEFICIT)	\$1,892,062	\$1,093,940	\$1,571,633	\$1,827,785	\$27,408

As far as budget challenges go, I want to address four areas of vulnerability:

1. **Revenue Growth** – One main concern is with the slow growth of some of our major revenue sources and how that impacts the General Fund’s long-term viability. Two key sources are sales tax and utility users tax (UUT).

Sales tax revenues fluctuate greatly with economic cycles, but real growth over time does not suggest the City should expect gains in sales tax revenues to keep up with increases in expenditures.

Growth rates for UUT are of greater concern, as several components of the UUT are expected to actually decline based on industry trends. Further, the components that are expected to generate growth for this revenue source will only minimally offset the declines in the other components. Growth rate assumptions for these two revenues sources, as well as all major General Fund revenue sources, are discussed in the Budget Summary section of this document.

2. **Excess ERAF** – Excess Educational Revenue Augmentation Funds (ERAF), which is also described in more detail in the Budget Summary section, has been a constant source of revenue to the City for the past ten years, but remains vulnerable to State action. As such, only a 50% share has been forecast for the next three fiscal years, with no revenue forecast past fiscal year 2017–18. Should this actually come to fruition, other adjustments will be required to ensure sustainability over the period of the 10-year Forecast.
3. **Employee Compensation Costs** – The dilemma the City faces with respect to employee compensation costs is keeping these costs at a sustainable level while maintaining competitiveness for talented employees. The 10-year Forecast contains modest assumptions for salary and medical benefit increases, as well as the estimated increases in CalPERS contribution rates, as developed by a consulting actuary. One subsection of compensation cost lies with the federal Affordable Care Act and its unknown effect on employee costs. We are carefully monitoring the regulations as they are released from Washington, DC, and will comply appropriately.
4. **Fund Degradation** – The City has several separate funds that cover ongoing maintenance for parks and open space, the most significant of which is the maintenance of Bedwell-Bayfront Park. Each of these funds is not generating any material revenue in the form of interest income to offset expenditures, and as such, the fund balance of these funds is declining annually. Without an additional source of revenue, these funds will only remain viable for the next four to six years, at which point the General Fund will have to take over as the source of funding, or service levels will have to decline.

The conservative approach would be to stop with a description of the challenges, but it is equally important to note the opportunities, particularly related to development activity, that could materially increase revenues and provide capacity to increase service levels. The fiscal year 2014–15 Adopted Budget and 10-year Forecast capture the expected impact of development activity that is far enough along in the process, such as the Facebook West campus and the Marriott Residence Inn, such that those additional revenues can be reasonably projected and added.

There are a number of other large-scale projects currently in the early stages, including the voter-approved Menlo Gateway project, that would result in significant additional revenues to the General Fund that are currently not incorporated into the 10-year Forecast. To the extent that these projects come to fruition, the increase in revenues can be utilized to offset the negative impact of some of the challenges previously discussed and/or increase service levels. Both the challenges and the opportunities will continue to be monitored closely, with changes affecting the fiscal year 2014–15 Adopted Budget and 10-year Forecast brought forward as needed.

Alternate Service Delivery Model

Culturally, there continues to be a heightened focus on our employee count in Menlo Park. There are concerns that as employee costs continue to escalate the City’s future revenues may be insufficient to fund them. To that end, an important goal of the City Council this year is to explore various alternatives to not just the services we deliver for the public, but how we deliver these services. The City has extensive experience in outsourcing, insourcing, privatizing

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and collaborating with other agencies in delivering the services our residents expect. Staff developed a list of services that could be discretely described, costed and potentially sourced.

The industry rule of thumb is if it can be done as effectively with a 20% cost savings, then it should be further studied. Also, some of these would require a willing and sustainable partnership with other public agencies. These partnerships might necessarily start small and grow over time as trust and reliability are secured. And, as with all service shifts, the details need to be carefully understood and articulated.

Here are the services we would like to present to the City Council for consideration.

- **Community Services – Gymnastic Center** – this is a discrete, fee-supported service operated in a new facility. The opportunity to explore a model similar to the aquatics program where a private vendor provides the service within a city-owned facility may prove beneficial.
- **Administrative Services – Shared Services** – as the City invests in automation of several internal services (e.g., Finance), the opportunity to extend our services to other public agencies could be explored.
- **Police Services** – As we strengthen our Police force, we could explore opportunities to insource certain discrete police services for neighboring communities such as Atherton.
- **Public Works** – There are services within Public Works that could be contracted out to private providers as occurred with the recently implemented contract for median landscape maintenance or a shared services type approach with neighboring agencies.

Depending on the City Council's priority and given our limited staff capacity, we have reserved limited funds to retain a consultant to undertake one or two of these studies. We would also need to work with the various labor groups to make this possible.

GUIDE TO THE NEW BUDGET DOCUMENT

The City Council set a goal to make the fiscal year 2014–15 Adopted Budget more understandable and usable for City Council, the community, staff and others. To that end, we completely overhauled the document, with almost all of the content being entirely new. With such a significant change, I wanted to provide a brief overview of the new document to ease navigation. The document is divided into eight distinct sections:

1. **Budget Message** – Contains the City Manager's budget overview.
2. **City Overview** – Contains general information about the city such as a profile and demographic information, as well as an overview of this year's budget process.
3. **Financial Trends** – Provides a historical look at key budgetary information such as major revenue sources, fund balance, and debt service and provides excellent context for the current year's budget request.
4. **Budget Summary** – Details the fiscal year 2014–15 Adopted Budget, both citywide and for the General Fund. Included in this section are the 10-year Forecast and detailed budgetary assumptions.
5. **Department Information** – Includes a narrative and financial summary for each city department.
6. **Fund Information** – Provides a financial overview of the City's other funds.
7. **Capital Improvement Plan** – Includes the 5-year CIP document.
8. **Appendix** – Contains documentation such as the budget resolution and the appropriations limit.

I am very pleased with the results of the budget document overhaul, as I believe this document does a much better job presenting the City's financial information and communicating priorities, initiatives, and other information about city services. Over time, we will continue to refine the document to meet our readers' needs.

CONCLUDING REMARKS

In my first budget with the City of Menlo Park, I stressed the theme of financial stabilization, as the City, like almost all other local jurisdictions throughout the country, was just starting to see some relief from the effects of the Great Recession. Last year's theme was based on turning the corner and looking toward the future, as the strategic actions City Council took during difficult economic times positioned the organization for strength when recovery took hold. That has come to fruition, and the future is now. The budget is balanced; City Council goals are funded; the challenges we face are manageable; and the opportunities are abundant.

Delivery of the budget to the City Council, both during good economic times and bad, is the culmination of months of work from staff throughout the organization. This year's process included the complete overhaul and redesign of the document, which added to time required for production. I can say, however, that the end result was well worth the effort. While we will continue to refine and improve this document going forward, I think the fiscal year 2014-15 budget goes a very long way toward achieving our goal of developing a budget format that is more clear and meaningful to users.

Developing the budget is a team effort. This year, however, we truly stretched the team in completely reorganizing the budget document. I want to thank the City Council for its leadership in challenging us to better communicate our financial message to our residents, my Executive Team for their willingness to adapt to our new system, and particularly the City's new Finance Director, Drew Corbett, who rebuilt our financial structure to help to tell the budget story. Drew was ably supported by his staff, Geoffrey Buchheim and Stephen Green.

Finally, a special thanks to Assistant to the City Manager, Clay Curtin, who spent countless hours shepherding the final document by drafting, editing and proofing the words that support the story we are trying to tell.

Respectfully submitted,



Alex D. McIntyre
City Manager

CITY OVERVIEW

Menlo Park City Profile

THE COMMUNITY

Menlo Park is a city of beautiful, tree-lined neighborhoods and active commercial districts. Located conveniently between the major metropolitan areas of San Francisco and San Jose, Menlo Park is home to a little over 32,000 residents in its 19 square miles. The stunning natural surroundings of the city afford views of the San Francisco Bay to the east and the Pacific Coastal Range to the west. Menlo Park's climate is moderate to warm, with an average of 265 sunny days a year.

Menlo Park's residents reflect a range of backgrounds and interests who tend to be well-educated and actively engaged in community life. Its many young families are served by excellent public and private schools, while residents of all ages enjoy the numerous city parks and recreational facilities. The city's close proximity to Stanford University and Menlo College provide a multitude of academic, cultural, and athletic event opportunities. The arts and leisure activities of the major urban areas of San Francisco and San Jose are close by. These and many other amenities contribute to Menlo Park's outstanding quality of life.

Located in the heart of Menlo Park is a downtown featuring unique and upscale shops and restaurants. Set in a pleasant, pedestrian-oriented atmosphere, Menlo Park's downtown area attracts locals and visitors alike. Known worldwide as the "Capital of Venture Capital," Menlo Park is well-situated to benefit from and help shape new technologies and markets originating from the Silicon Valley. The city hosts such notable employers as SRI, Sunset Publishing, the US Geological Survey, OfficeMax Regional Distribution Center, TE Connectivity, Facebook and Pacific Biosciences.

CITY GOVERNMENT

Menlo Park is a general law city under the State of California, and operates under the council-manager form of government. The City Council appoints the City Manager and City Attorney as well as members of a variety of commissions and committees.

City departments that report to the City Manager include the City Clerk/City Manager's Office,

Community Development, Community Services, Finance, Human Resources, Library, Police, and Public Works.

In addition to its many attributes, Menlo Park has one of the most beautiful civic center campuses in the Bay Area. The City Hall Administration Building is surrounded by lush landscaping including heritage trees, a running fountain, and a duck pond. The campus also includes a nine-acre park, recreation facilities, and the main Menlo Park library. These civic amenities make the campus a noted destination for residents, local employees and visitors alike. Conveniently located, the campus is a short walk to the Caltrain station and Menlo Park's downtown retail district.

The City of Menlo Park website at www.menlopark.org is the source for information about services, programs, projects, events, meetings, policies and volunteer opportunities.

CITY COUNCIL

The City Council is the City's five-member governing body. Its members are elected at-large to four-year overlapping terms in general municipal elections. The Mayor and Mayor Pro Tem are selected to one-year terms by the City Council at its first meeting in December of each year. The Mayor, who represents the City of Menlo Park at ceremonial and public events, also serves as the presiding officer of the City Council. The Menlo Park City Council meetings are generally Tuesdays at 7:00 PM in the City Council Chambers located at 701 Laurel Street. Menlo Park's Councilmembers serve part-time, retaining their positions in private industry, personal enterprise, business or the professions.



CITY COMMISSIONS AND COMMITTEES

Menlo Park welcomes and encourages residents' active participation by serving on the commissions and committees that act as advisors to the elected City Council. Commission members are appointed by the City Council and each commission's primary role is to advise the City Council on policy matters, review specific subjects and carry out assignments as directed by the City Council or as prescribed by law. The City currently has seven active commissions: Bicycle, Environmental Quality, Housing, Library, Parks and Recreation, Planning, and Transportation. In addition, the City has instituted a Finance and Audit Subcommittee and other ad hoc subcommittees are appointed as needed.

Top 10 Employers, 2012-2013

Facebook, Inc	17.00%
SRI International	8.00%
TE Corporation	4.00%
SHR Hotel, LLC	3.00%
E*Trade Financial Corporation	2.00%
Evalue, Inc	2.00%
Pacific Biosciences of California	2.00%
Safeway Stores Inc	2.00%
United Parcel Service	1.00%
City of Menlo Park	1.00%

Budget Process

ANNUAL BUDGET CALENDAR

Like any complex organization with an annual budget of over \$70 million, the process to develop and produce the budget is continuous throughout the fiscal year, which runs from July 1 to June 30:

July Through September

- Departments report on indicator performance from prior fiscal year
- Encumbrances and project carryovers incorporated into budget
- Scoping meetings for the 5-year Capital Improvement Plan (CIP)

October Through December

- 5-year CIP drafted and sent to city commissions for review and input
- Budget schedule developed

January Through March

- Budget schedule, directions, and budget guidance provided to departments
- Annual City Council goal setting session
- City Council adopts budget principles
- Annual mid-year financial report presented to City Council
- Department operating budgets drafted and reviewed with City Manager

April Through June

- Revenue projections finalized
- Master Fee Schedule approved by City Council
- 10-year Forecast developed
- Annual budget workshop/study session
- Public hearing on budget and 5-year CIP
- Budget adopted

FISCAL YEAR 2014–15 BUDGET PREPARATION PROCESS

This year, the development of the fiscal year 2014–15 budget began with a critical examination of our budget structure and the budget document itself. For many years, the budget was organized by program and service as opposed to department and division. The program/service budget structure allocates resources

to specific services provided by the City, which ideally allows users of the budget to understand what services the City provides and how much it spends on them. While this can be a great way to present budget information, from a practical perspective, it has made the City of Menlo Park's budget difficult to understand. With 30 distinct programs and over 110 services, the fiscal year 2013–14 budget was so finely parsed that the answers to typical budget-related questions such as "How much does it cost to run the Police Department?" or "How many employees are there in Public Works?" were very difficult to provide. Further, the number of programs and services made budget management difficult and time-consuming, taking away from other tasks.

Given the City's goal of improving transparency and communication, a small team from the City Manager's Office and the Finance Department set out to restructure the way the City presents its budgetary information into a more traditional department/division structure, as well as re-invent the budget document itself to make it more usable and meaningful.

The first step in the process was working with the individual departments to transition from the program/service model into the more traditional department and division structure. Once that was accomplished and prior years' financial information was mapped into the new structure, the departments began developing their fiscal year 2014–15 budget proposals. Initial direction to the departments was to develop a baseline budget that maintained existing service and staffing levels, with any requests for service enhancements to be addressed at budget reviews with the City Manager. The City Council held its annual goal setting meeting in January, which provided additional direction on priorities for additions to the base budget.

Development of departmental operating budgets continued into February, while the Finance Department worked to prepare the annual mid-year report and update to the 10-year Forecast, which was presented to the City Council in early March. With preliminary revenue estimates developed and base operating budgets entered into the budget system, reviews with the City Manager commenced in March and focused on three things: establishing each department's base

budget, identifying department-initiated requests for service-level enhancements, and quantifying increases required to support the recently-identified City Council goals and objectives. Revenue projections, particularly those related to the City's most significant revenue sources, continued to be updated and refined as more information became available.

As the revenue picture became clearer in April, the budget process turned toward establishing what service level increases could be accommodated in fiscal year 2014–15 and updating the 10-year Forecast. As the numbers were finalized, attention was then turned towards the design and creation of the new budget document. This was a significant undertaking, as the fiscal year 2014–15 budget is almost entirely new content.

SIGNIFICANT BUDGET CHANGES

Organizational Structure

For the most part, the organizational structure of the city operations did not change significantly from fiscal year 2013–14 to 2014–15. The changes that were made, which are discussed in more detail below, were primarily done to support the new department/division budgetary structure. One of the most significant of these changes was to better align the City's employees, also referred to as FTEs (Full Time Equivalents), with their respective departments. In the previous budget structure, if an employee planned to do work outside of his/her home department, it would be budgeted in the appropriate program. While this made sense under the program/service budget structure, it also created a situation in which the number of FTEs in particular departments, which is a commonly requested piece of information, was very difficult to determine and required a number of qualifications. In the new budget structure, FTEs are all fully accounted for in their home department. Another organizational structure change being implemented as a part of the fiscal year 2014–15 budget is to break the major functions that had previously been identified as the Administrative Services Department into separate departments. Thus, the fiscal year 2014–15 budget will reflect the following new departments: City Manager's Office,

City Attorney's Office, Finance, and Human Resources. Further, while not technically a department, City Council expenditures will be separated out from the budget of the City Manager's Office.

While these two organizational changes were made to support the overall transition to a department/division budgetary structure, they also create some challenges to presenting revenue and expenditure data prior to fiscal year 2014–15. While significant effort has been put into restating historical financial data into the new structure so that year-over-year comparisons are applicable, there remain some areas where year-over-year comparisons will be difficult to make over the next several years. One example of this is with Community Development and Public Works. Previously, certain work done by Public Works staff related to development permitting was charged in the Community Development budget. Starting in fiscal year 2014–15, that work will be budgeted in and charged to Public Works, resulting in a reduction in the base budget for Community Development and an increase for Public Works. Similarly, under the previous program/service structure, the program that contained the City Council expenditures also contained a significant amount of staff time for support functions. As the City Manager's Office has now been separated from the City Council under the new structure, the fiscal year 2014–15 budgeted amounts reflect expenditures specifically related to each function, but a comparison to prior years is not applicable.

Vacancy Factor

Over the course of the fiscal year, an organization the size of the City of Menlo Park has natural employee attrition, which leads to temporarily vacant positions. In prior years, all authorized positions were fully budgeted and did not take into consideration organizational attrition. While this led to annual budgetary savings, it also represented an opportunity cost, as more resources were allocated to staffing than were necessary. In an attempt to account for the attrition that occurs, personnel costs for the fiscal year 2014–15 budget assume that 2% of positions will remain vacant throughout the fiscal year. This lowered overall personnel costs in comparison to prior years' methodology for budgeting personnel, which

Budget Process

allows resources to be allocated to other priorities. However, it also removes an inherent “safety net” from departmental operations in that there is less room to absorb unexpected expenditures that occur over the course of the year. This means departments will have to take this vacancy factor into consideration when attrition occurs and manage their budgets accordingly. With that said, the impact of the vacancy factor will be monitored citywide, and by policy, the City Manager has the ability to administratively move funds amongst departments within the General Fund as long as it does not increase the General Fund’s total appropriation. Should this vacancy factor have an impact beyond a department’s control, such as if there are no vacancies throughout the year, the City Manager may opt to address this by shifting funds from other departments to cover potential shortfalls.

Budget Document

With the exception of the Budget Message and the inclusion of the Five-Year Capital Improvement Plan, the fiscal year 2014–15 budget document consists of almost entirely new content. The goal of the new budget document is to make budget information easier to access and understand for elected officials, residents, staff, and others. Some of the highlights of the new document include budget information being organized by department, detailed narratives on departmental operations, a new section on financial trends, and more detail about the City’s other funds besides the General Fund. This information should not only enhance users’ ability to navigate the document easily, but it will also make the City’s budget document an excellent communications device on not just the budget, but also on the organization in general.

BUDGET POLICIES AND PRACTICES

Budget Management and Appropriations Control

The City Manager has responsibility for management of the overall City budget and maintenance of appropriations control. The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Appropriations, which become effective each July 1,

lapse at the end of the fiscal year, with the exception of appropriations for capital improvement projects. Due to the nature of these projects, which often span multiple fiscal years, unexpended capital improvement project funds are automatically carried forward to the following fiscal year.

Fund Accounting

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 that accounts for the vast majority of city operations, including but not limited to: police services, recreation, planning, building inspection, library, engineering, parks maintenance, street maintenance, and general administration. Other types of governmental funds include special revenue funds and capital projects funds, which, unlike the General Fund, account for specific revenues and are used for specific purposes. Proprietary funds are used to account for city operations that are financed and operated in a manner similar to private business enterprises and include enterprise funds (water operations and capital) and internal services. The City’s fiduciary funds are agency funds that are used to account for certain assets held on behalf of others, and the City’s role in these funds is strictly custodial in nature. The City does not budget its fiduciary funds. More information on the City’s various funds can be found in the “Fund Information” section of this document.

Basis of Budgeting

Basis of budgeting refers to the method used to recognize revenues and expenditures in the budget, and in Menlo Park, the basis of budgeting is the same as the basis for accounting. For governmental and fiduciary funds, the modified accrual basis is followed. Under the modified accrual basis, revenues are recognized only when they become susceptible to accrual, which means when they become both measureable and available. Revenue is measureable when the amount of the transaction can be determined, and it is available when it is collectible in a manner that allows it to be used to pay for liabilities in the current

period. Governments normally define an availability period for revenue recognition, and the City of Menlo Park considers revenues related to a particular fiscal year available if they are collected within 60 days after that fiscal year's end. 60 days is a common revenue recognition period. Expenditures are typically recorded when the liability is incurred, with the exception of debt service expenditures. Debt service expenditures are recorded when payment is due.

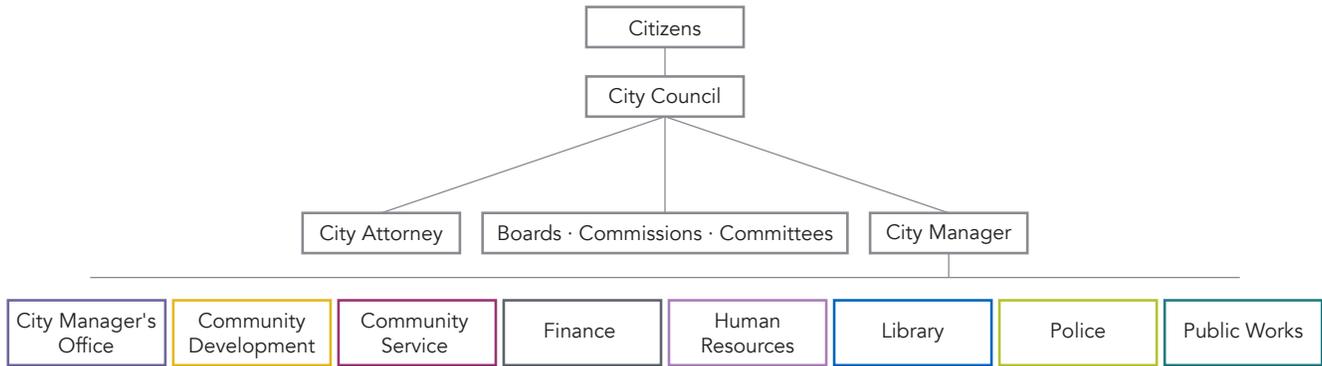
The accrual basis is used for the proprietary funds, which includes the enterprise funds and the internal service funds. Under the accrual basis, revenues are recognized when they are earned, and expenses are recognized when the related liability is incurred.

CITY COUNCIL GOALS

The Menlo Park City Council held a Special City Council Meeting on Monday, January 27, 2014, to discuss overarching goals for the future, and determine objectives for the Fiscal Year 2014–15 budget. Through the budget process, they prioritize and appropriate funds for the achievement of these goals. After extensive discussion, the City Council identified the following priorities:

1. Continue work on the General Plan update with a focus on the M-2 Area Plan including zoning ordinances, consideration for traffic circulation and multi-modal services, and a streamlined development review process.
2. Enhance economic development efforts, particularly in the downtown and industrial areas.
3. Process and/or complete development projects, including: Facebook, El Camino Real projects, SRI modernization, residential housing projects, and others.
4. Explore parking modification in the downtown.
5. Evaluate the City's water policy, including sources, uses, and conservation.
6. Enhance citywide public safety.
7. Improve traffic flow on El Camino Real.
8. Improve public relations and communications.
9. Strengthen internal administrative systems to improve efficiency and effectiveness.
10. Conduct more community events.
11. Maintain positive employee-employer relations.
12. Explore shared services with other agencies.
13. Make gains in our climate action plan and reduce greenhouse gas emissions.

Organizational Chart



City Council

Ray Mueller
Mayor

Catherine Carlton
Mayor Pro Tem

Richard Cline
Councilmember

Kirsten Keith
Councilmember

Peter Ohtaki
Councilmember

William McClure
City Attorney

Alex D. McIntyre
City Manager

Department Heads

Starla Jerome-Robinson
Assistant City Manager

Arlinda Heineck
Community Development Director

Cherise Brandell
Community Services Director

Drew Corbett
Finance Director

Gina Donnelly
Human Resources Director

Susan Holmer
Library Director

Robert Jonsen
Police Chief

Charles Taylor
Public Works Director

Demographics

2010 U.S. CENSUS OF POPULATION AND HOUSING DATA

Population	
Male	48.40%
Female	51.60%
2000 to 2010 change in population	4.00%
1990 to 2010 change in population	14.40%
1980 to 2010 change in population	21.50%
Total Population	32,026

Median household income (2008–2012)	\$113,774
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Number of Households	
Family Households	7,573
Non-Family Households	4,774
Total Households	12,347
Average Household Size	2.53

Age	
0–17 years	23.00%
18–24 years	5.70%
25–44 years	31.50%
45–64 years	26.10%
65+ years	13.70%
Median Age	38.9

Total Housing Units	
Owner Occupied Units	6,927
Renter Occupied Units	5,420
Total Occupied Housing Units	12,347

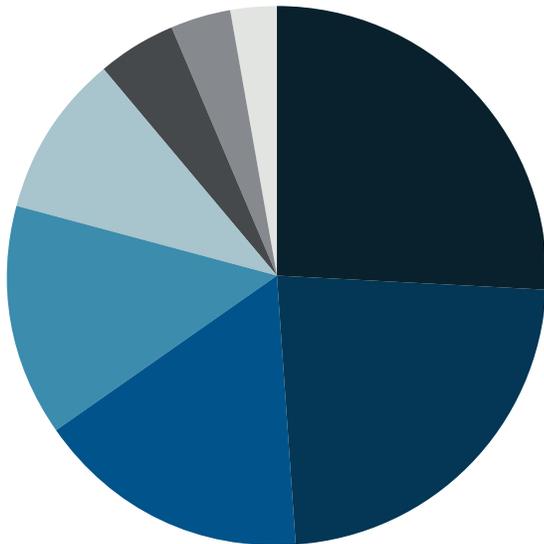
2010 U.S. CENSUS OF POPULATION AND HOUSING DATA

Ethnicity	
White	70.20%
Asian	9.90%
Other	8.70%
Black or African American	4.80%
Two or more races	4.50%
Pacific Islander	1.40%
American Indian and Alaska Native	0.50%
Total	100.00%
Hispanic (all races)	18.40%

FINANCIAL TRENDS

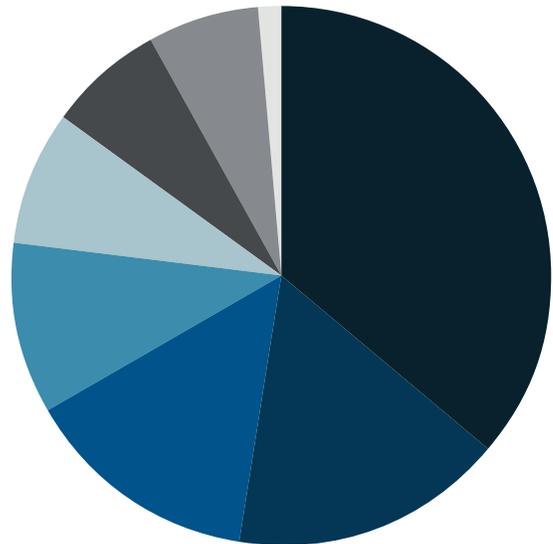
General Fund Resources

GENERAL FUND REVENUES
2003–04



- INTEREST AND RENTAL INCOME
- TRANSIENT OCCUPANCY TAX
- OTHER TAXES AND FRANCHISE FEES
- LICENSES AND PERMITS
- OTHER REVENUE SOURCES
- CHARGES FOR SERVICES
- SALES TAX
- PROPERTY TAXES

GENERAL FUND REVENUES
2012–13



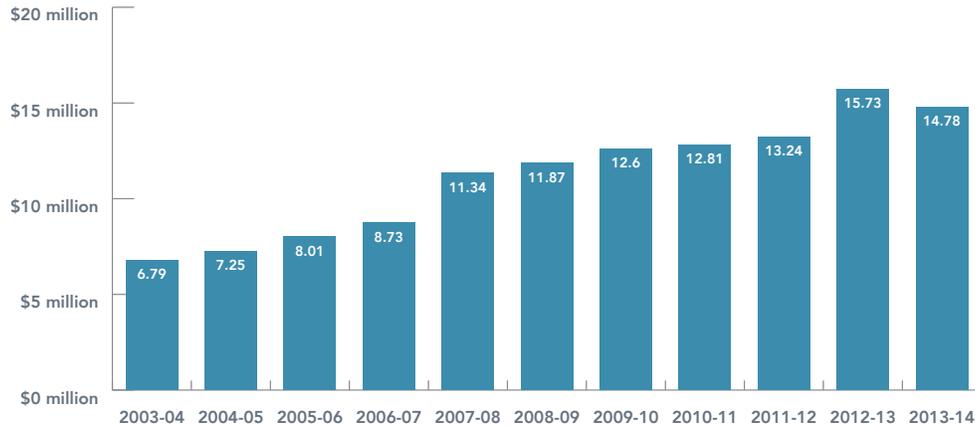
- INTEREST AND RENTAL INCOME
- TRANSIENT OCCUPANCY TAX
- OTHER TAXES AND FRANCHISE FEES
- LICENSES AND PERMITS
- OTHER REVENUE SOURCES
- CHARGES FOR SERVICES
- SALES TAX
- PROPERTY TAXES

GENERAL FUND RESOURCES

These two pie charts depict General Fund revenue sources in 2003–04 and in 2012–13. Over this 10-year period, there has been a significant shift in the sources of funding for the General Fund. In 2003–04, property tax and sales tax were each approximately one-quarter of total revenues. With steadily increasing assessed values, as well as legislative changes that have shifted more property tax dollars to local agencies (the vehicle license fee shift), property tax is now by far the General Fund’s largest revenue source, while sales tax is a much smaller portion than it was 10 years ago. Other significant shifts include a much larger proportionate share of revenues coming from the transient occupancy tax, largely due to a new hotel that opened during this 10-year period, and the addition of the utility users tax, which was implemented in 2007.

Major General Fund Tax Revenues

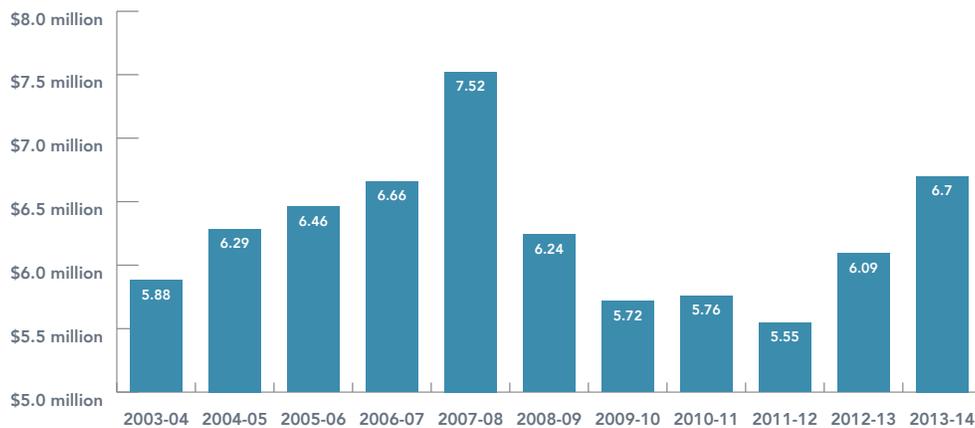
PROPERTY TAX HISTORY 2004–14



PROPERTY TAX

Property tax is the General Fund’s largest and most stable revenue source. From 2003–04 to 2012–13, property tax revenues have increased annually, despite the impact of the Great Recession, which took a severe toll on the City’s sales tax revenues. The drop between 2012–13 and 2013–14 is a function of one-time revenues received in 2012–13 related to the dissolution of the City’s former Community Development Agency. Actual assessed valuation grew between 2012–13 and 2013–14, which is a better indicator of the overall health of this revenue source.

SALES TAX HISTORY 2004–14



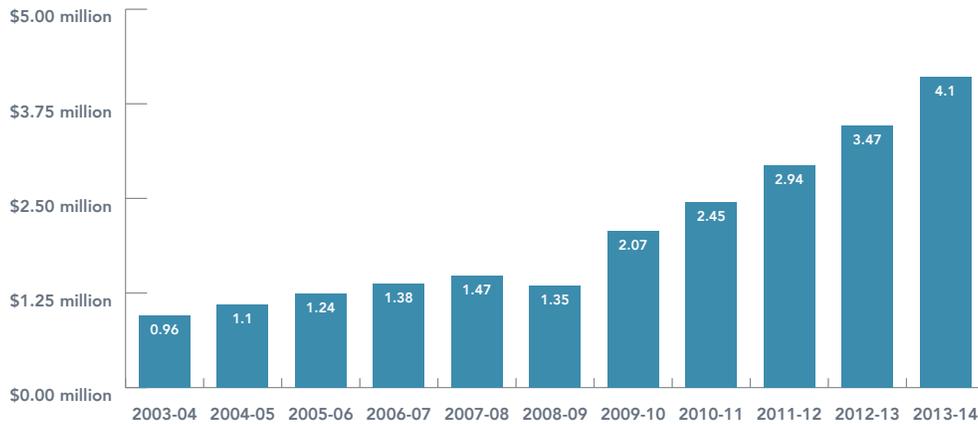
SALES TAX

As demonstrated by this chart, sales tax revenues over the past 10 years have been highly volatile, peaking at over \$7.5 million in 2007–08 and then dropping to \$5.7 million just two years later. Primarily as a result of the Great Recession and the impact it had on sales tax revenues between 2009–10 and 2011–12, the trend over the past 10 years is one of decline for this revenue source. With the economy continuing to improve, however, the forecast for sales tax, which is discussed in detail later in this document, projects modest growth going forward.

*To keep revenue on the same basis, this chart considers the City’s 1% local share of sales tax and does not incorporate the impact of the Triple Flip.

Major General Fund Tax Revenues

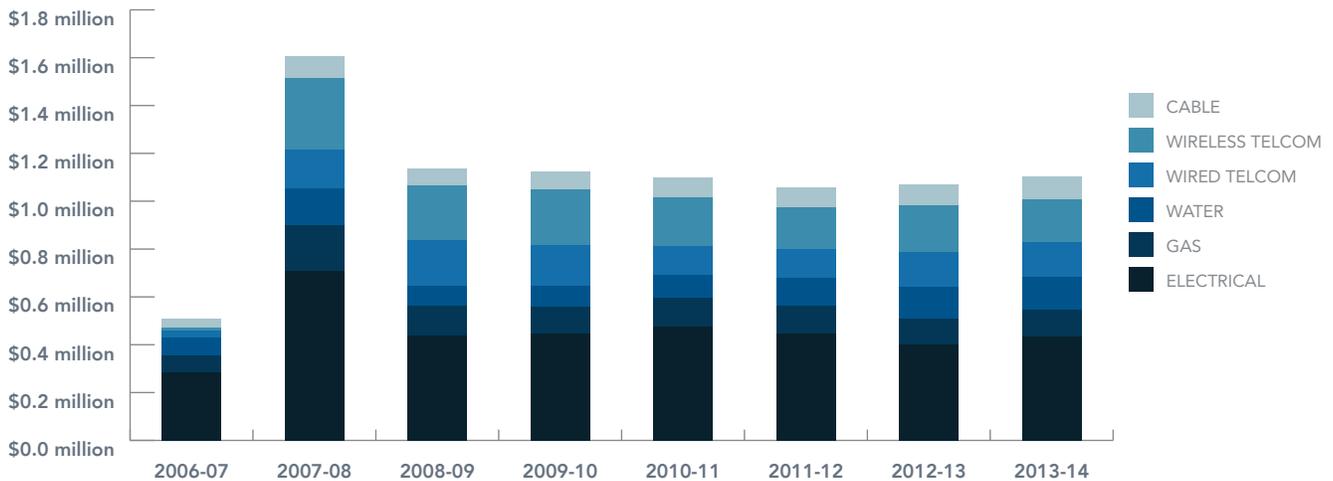
TRANSIENT OCCUPANCY TAX HISTORY 2004–14



TRANSIENT OCCUPANCY TAX

Like sales tax, transient occupancy tax is largely dependent on the overall health of the economy. Also, like sales tax, revenues declined in 2008–09 at the onset of the Great Recession. Revenues rebounded in 2009–10, not due to an improved economy, but instead due to the completion of a new hotel. This revenue source has also grown more recently due to an increase to the tax rate from 10% to 12%, which became effective January 1, 2013.

UTILITY USERS TAX HISTORY 2006–14



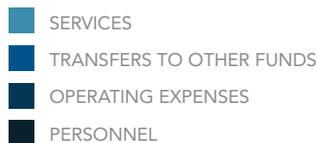
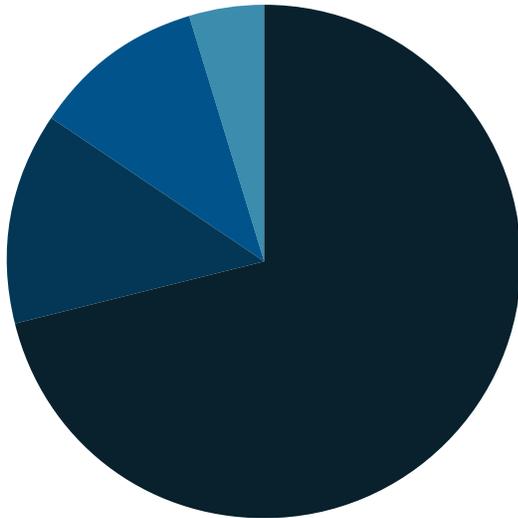
UTILITY USERS TAX

The utility users tax was approved by the voters in November 2006 and became effective on April 1, 2007. From April 1, 2007 to September 30, 2007, the rate was 3.5% for gas, electrical, and water and 2.5% for cable, wired telecom, and wireless telecom. On October 1, 2007, the rate became 1% for all components.

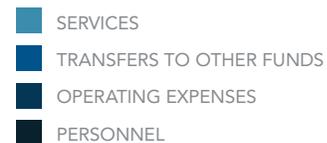
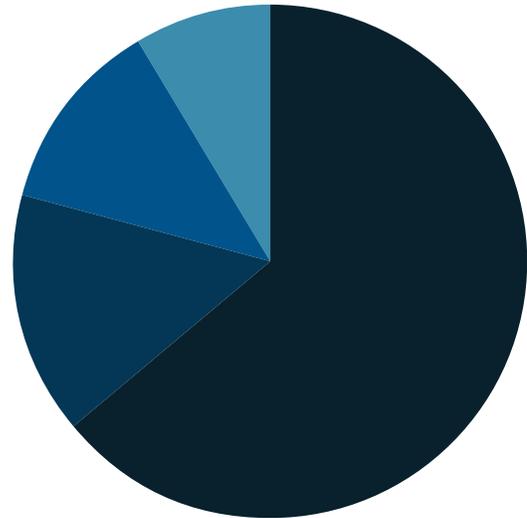
As the historical graph demonstrates, UUT is not a growing source of revenue, as changes in certain industries, notably the telecom and cable industries, are causing erosion in those revenue sources.

General Fund Requirements

GENERAL FUND EXPENDITURES
2003–04



GENERAL FUND EXPENDITURES
2012–13

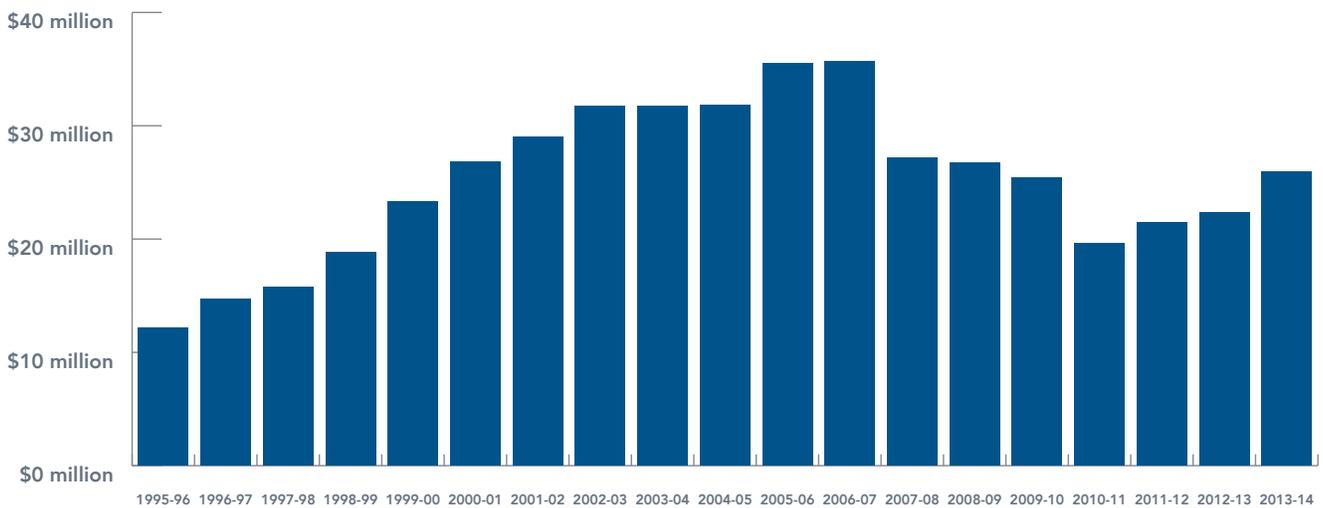


GENERAL FUND EXPENDITURES

These two pie charts show the different categories of General Fund expenditures and their proportionate share of total General Fund expenditures in 2003–04 and 2012–13. While the “Transfers to other funds” category is a larger share of the total than it normally would be in 2012–13 due to several one-time transactions, these charts demonstrate an interesting trend in how the City spends its General Fund resources. Personnel costs as a percentage of the total are actually going down, while expenditures on services have become a larger percentage of the total. As personnel costs have increased over the years, the City has looked to mitigate these increases by adopting alternative service deliveries where possible. As these graphs indicate, this strategy has worked to limit the impact of compensation increases on the City’s ability to provide services.

General Fund Ending Fund Balance

GENERAL FUND ENDING BALANCE



GENERAL FUND ENDING FUND BALANCE

This graph depicts the ending fund balance for the General Fund and demonstrates that the City's fund balance policies are working as anticipated. The fluctuation in the fund balance generally corresponds with the overall health of the economy. During periods of economic expansion, fund balance is growing, as instead of adding services at an unsustainable level, the City is setting the funds aside to be able to maintain service levels when economic conditions are less favorable. This is demonstrated by the draw on fund balance during the Great Recession, and then the subsequent replenishment of fund balance during the economic recovery that followed.

Bonded Indebtedness

BONDED INDEBTEDNESS

General obligation bonds are used to finance public capital and infrastructure projects, and for local governments in California, these bonds require approval of two-thirds of the voters. The City of Menlo Park has four outstanding general obligation bonds:

	Interest Rates	Issued Date	Maturity Date	Principal Issued	Principal Outstanding at 6/30/14	2014–15 Debt service	Bond Rating	Payment Source
Series 1996 Library - Refunding	3.75–5.00%	2/1/1996	8/1/2016	4,630,000	835,000	436,625	AAA	Property taxes
Series 2009A Measure T/Parks	6.82–7.02%	7/1/2009	8/1/2039	1,080,000	895,000	108,125	AAA	Property taxes
Series 2009B Measure T/Parks (Build America Bonds) ¹	6.82–7.02%	7/1/2009	8/1/2039	9,360,000	9,360,000	451,042	AAA	Property taxes
Series 2012 Measure T/Parks - Refunding	3.75%	1/1/2012	1/1/2033	9,830,000	9,310,000	874,094	AAA	Property taxes
Total				24,900,000	20,400,000	1,869,866		

¹ The City receives a 31% rebate from the federal government from the Build America Bonds program.

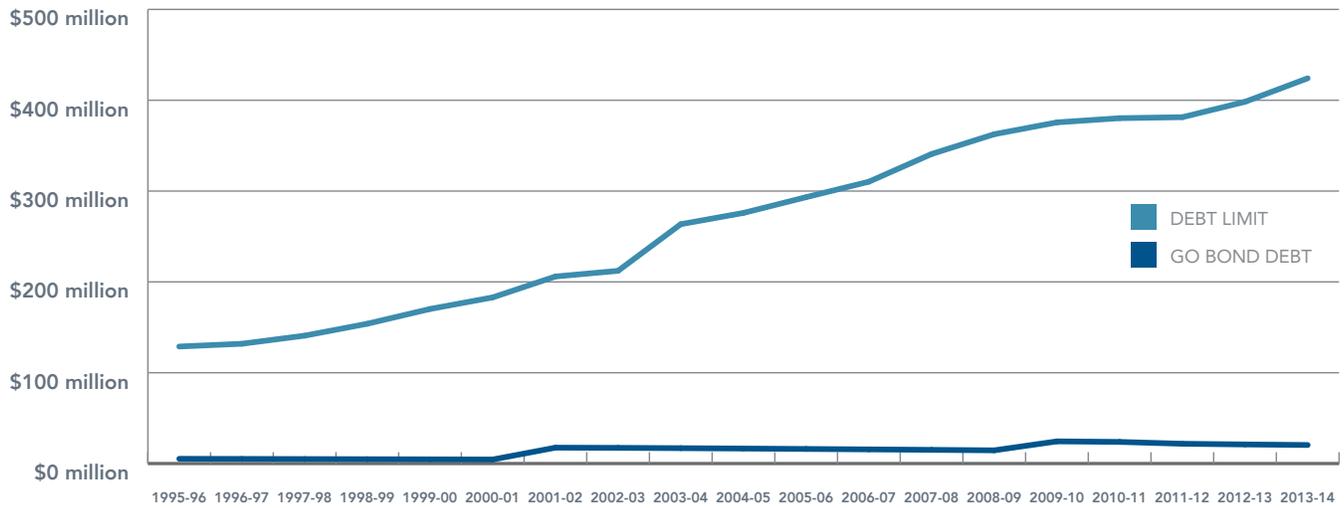
Three of these bonds are for recreation facilities, and the fourth, which is due to be fully paid off in 2016, is for library improvement projects. The debt service on each of these bonds is paid from special assessments to property owners within the City. The schedule below shows the future repayment schedule, in total, for these four general obligation bonds.

SCHEDULE OF FUTURE PRINCIPAL & INTEREST PAYMENTS DUE

Year Ending June 30	Principal Payable	Interest Payable	Total
2015	\$1,005,000	\$864,886	\$ 1,869,886
2016	\$1,050,000	\$1,034,998	\$2,084,998
2017	\$425,000	\$1,000,185	\$1,425,185
2018	\$440,000	\$983,373	\$1,423,373
2019	\$455,000	\$965,935	\$1,420,935
2020–2024	\$2,580,000	\$4,543,488	\$7,123,488
2025–2029	\$3,130,000	\$3,976,794	\$7,106,794
2030–2034	\$4,015,000	\$3,248,218	\$7,263,218
2035–2039	\$5,945,000	\$1,765,179	\$7,710,179
2040	\$1,355,000	\$95,121	\$1,450,121
Total	\$20,400,000	\$18,478,175	\$38,878,175

Bonded Indebtedness

GENERAL OBLIGATION BONDED INDEBTEDNESS



GENERAL OBLIGATION BONDED INDEBTEDNESS

The final graph is related to the City's bonded indebtedness and compares the City's general obligation debt against the debt limit. The City's debt limit is based on a percentage of total assessed property value in the City. When the conversion percentage and the debt service limit percentage are applied, the City can take on debt in the amount equivalent to 3.75% of total assessed value.

As this graph indicates, the City's general obligation debt has remained well below the debt limit, which is a contributing factor to the AAA bond rating that each of these issuances has earned.

3-Year FTE History

The table below shows citywide staffing over the past three years by department. Staffing is listed by “Full Time Equivalents” (FTE) and considers full-time and part-time staffing. It does not, however, include temporary staff, which are typically seasonal employees that work during certain times of year or don’t have a regular work schedule.

FULL TIME EQUIVALENTS			
	2011-12 FTEs	2012-13 FTEs	2013-14 FTEs
City Attorney	1	1	1
City Council	5	5	5
City Manager's Office	10	10	11
Community Development	15	16	16.75
Community Services	48.25	48.25	48.5
Finance	8	8	8
Human Resources	3.5	3.5	3.5
Library	13.75	13.75	13.75
Police Department	69.75	69.75	68.75
Public Works	55.5	54.5	54.5
Total Citywide	229.75	229.75	230.75

BUDGET SUMMARY

Budget Summary

FISCAL YEAR 2014–15 ADOPTED BUDGET

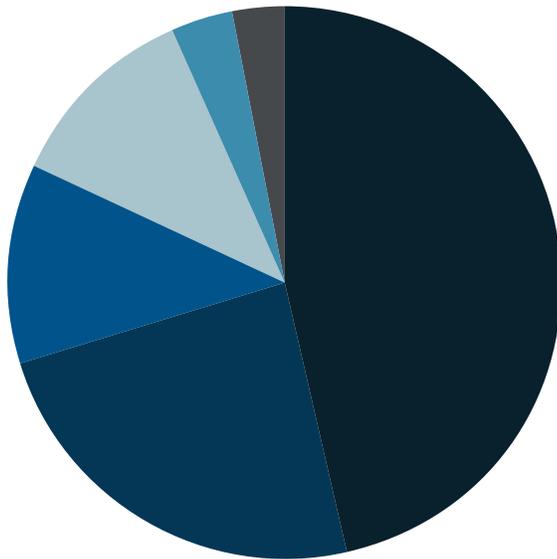
Resources	
Charges For Services	\$22,985,167
Property Tax	14,698,775
Sales Tax	6,618,595
Transient Occupancy Tax	4,390,000
Inter-Governmental Revenue	3,020,379
Special Assessments	2,922,573
Building Permits	2,316,663
Franchise Fees	1,863,110
Business Licenses	1,615,000
Fines	1,319,980
Utility Users Tax	1,129,632
Interest and Rent Income	987,199
Measure A	840,000
Gas Tax	820,359
Other Permits	808,000
Other Resources	515,465
Donations and Miscellaneous	173,000
Subtotal Revenues by Source	\$67,023,897
Transfers In	2,648,200
Department In Lieu Payments	418,655
Use of Assigned Fund Balance - Development Permitting	1,500,000
Use of Other Fund Balance	551,017
Total Resources	\$72,141,769

FISCAL YEAR 2014–15 ADOPTED BUDGET

Requirements	
Public Works	\$18,752,086
Police	15,516,359
Community Services	7,890,432
Community Development	4,774,695
Finance	3,505,561
City Manager's Office	3,215,844
Library	2,624,753
Human Resources	1,978,363
City Attorney	489,724
Council	392,849
Operating By Department	\$59,140,665
Projects	8,273,925
Debt Service	2,078,979
Transfers Out	2,648,200
Total Requirements	\$72,141,769

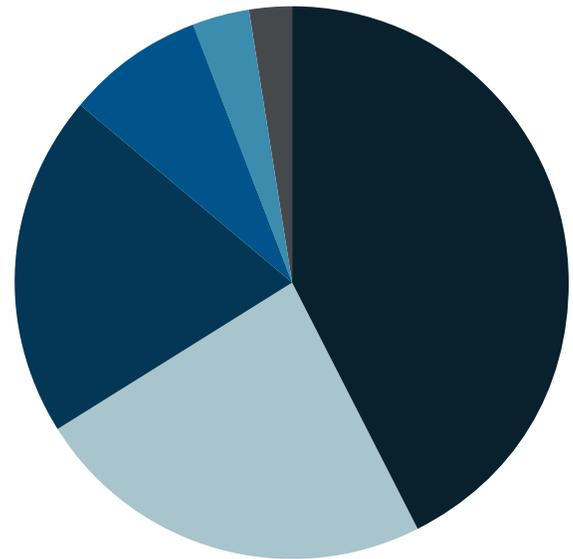
Budget Summary

ADOPTED BUDGET
2014–15



- DEBT SERVICE
- TRANSFERS TO OTHER FUNDS
- SERVICES
- OPERATING EXPENSES
- PROJECTS
- PERSONNEL

ADOPTED BUDGET
2013–14



- DEBT SERVICE
- TRANSFERS TO OTHER FUNDS
- SERVICES
- OPERATING EXPENSES
- PROJECTS
- PERSONNEL

The total budget for the City of Menlo Park for fiscal year 2014–15 is \$72.1 million. This is a decrease of \$4.3 million, or nearly 6 percent, from the fiscal year 2013–14 adopted budget. This reduction is related to non-recurring project expenditures, which went from \$18 million in fiscal year 2013-14 to \$8.3 million in fiscal year 2014–15. Excluding projects, the fiscal year 2014–15 budget is 9 percent higher than the fiscal year 2013–14 adopted budget. Much of this increase is due to increases in the Services category, which is up nearly 37% over last fiscal year. This increase is largely the result of the significant amount of services that are needed to supplement staffing for development-related planning, permitting, and engineering.

General Fund Revenues

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
REVENUES					
Property Tax	\$13,239,856	\$15,731,889	\$14,715,000	\$14,785,000	\$14,698,775
Sales Tax	5,938,310	6,043,870	6,136,400	6,547,670	6,618,595
Transient Occupancy Tax	2,939,475	3,468,256	4,100,000	4,100,000	4,390,000
Utility Users Tax	1,080,435	1,095,256	1,135,000	1,127,602	1,129,632
Franchise Fees	1,758,705	1,765,216	1,812,300	1,812,300	1,863,110
Licenses and Permits	3,685,556	4,447,630	6,559,465	6,335,528	4,880,128
Intergovernmental	1,158,010	866,287	841,717	794,903	716,268
Fines and Forfeitures	1,067,327	998,259	1,149,980	1,230,358	1,319,980
Interest and Rent Income	761,326	568,051	627,712	627,712	715,004
Charges for Services	6,743,126	7,088,160	7,595,222	7,506,391	8,212,908
Transfers and Other	721,676	1,386,961	1,201,266	1,192,666	440,155
Use of Assigned Fund Balance	0	0	0	0	1,500,000
TOTAL REVENUES	\$39,093,802	\$43,459,835	\$45,874,062	\$46,060,130	\$46,484,555

The table above shows General Fund revenues by major category. Property tax is the largest category, making up nearly 32 percent of total revenues in fiscal year 2014-15. The next largest category in fiscal year 2014-15 is charges for services, which are predominantly fees related to Community Services programs and development-related charges from Community Development and Public Works.

On the following page are two General Fund expenditure tables. The first table shows expenditures by department. While Public Works has the largest total budget when all City funds are included, the Police Department takes up the largest portion of the General Fund budget at nearly 34 percent of the total. The second table shows expenditures by type, the largest of which being personnel costs (salaries and benefits). These two categories make up approximately 66% of planned General Fund expenditures in fiscal year 2014-15. The second largest category is for services, which includes a wide variety of areas such as plan checking, legal, financial audit, and street sweeping, just to name a few.

The tables also show the surplus for each of the applicable years. For fiscal year 2014-15, revenues are projected to exceed expenditures, leaving a surplus of \$27,408.

General Fund Expenditures

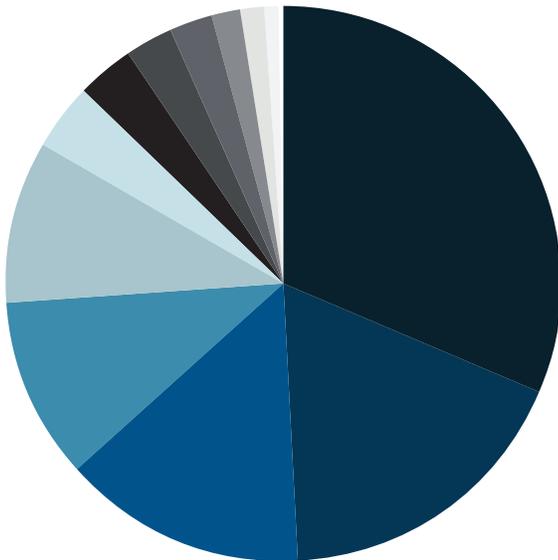
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
EXPENDITURES BY DEPARTMENT					
City Council	\$830,870	\$981,619	\$1,549,630	\$1,546,436	\$392,849
City Attorney	300,649	375,294	349,169	312,721	346,353
Community Development	3,566,807	2,774,031	4,614,041	3,802,778	4,774,695
Community Services	6,491,705	7,104,442	7,720,025	7,721,081	7,808,232
Finance	1,202,994	1,422,104	1,625,634	1,536,437	1,540,456
Human Resources	795,275	778,589	978,391	915,176	1,063,179
City Manager's Office	1,306,382	1,463,349	2,088,508	1,844,610	3,215,844
Library	1,871,632	2,011,144	2,114,569	2,129,018	2,268,284
Police	13,975,240	13,809,282	15,065,189	14,906,034	15,394,959
Public Works	4,482,386	5,100,811	5,642,673	5,463,454	7,004,095
Non-Departmental	2,377,800	6,545,230	2,554,600	2,554,600	2,648,200
TOTAL EXPENDITURES	\$37,201,740	\$42,365,895	\$44,302,429	\$42,732,345	\$46,457,147
EXPENDITURES BY TYPE					
Salaries and Wages	\$19,419,238	\$19,721,764	\$21,212,632	\$21,174,613	\$21,895,069
Benefits	7,146,560	7,628,902	8,128,296	7,809,516	8,676,104
Operating	2,510,955	2,518,236	3,111,997	2,937,847	3,494,024
Utilities	1,001,911	1,055,685	1,197,111	1,223,000	1,282,671
Services	3,364,926	4,318,165	6,029,472	4,886,823	6,419,689
Fixed Assets and Capital Outlay	238,532	344,245	589,614	603,244	371,311
Travel and Training	144,836	193,326	226,902	249,058	259,205
Repairs and Maintenance	755,252	753,494	858,305	880,144	938,174
Special Projects	241,730	337,853	393,500	413,500	472,700
Transfers Out	2,377,800	5,494,225	2,554,600	2,554,600	2,648,200
TOTAL EXPENDITURES	\$37,201,740	\$42,365,895	\$44,302,429	\$42,732,345	\$46,457,147
ASSIGNED FOR DEVELOPMENT	0	0	0	1,500,000	0
SURPLUS/(DEFICIT)	\$1,892,062	\$1,093,940	\$1,571,633	\$1,827,785	\$27,408

Budget Summary

GENERAL FUND REVENUES BY TYPE

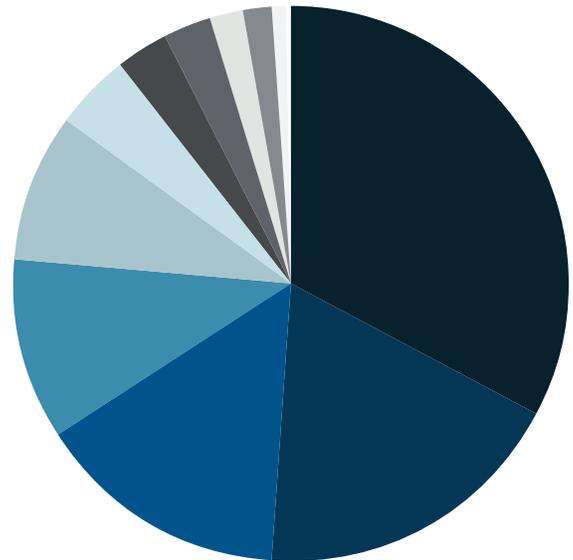
Total General Fund revenues for the fiscal year 2014–15 budget are up \$3.9 million, or 9 percent, over the adopted fiscal year 2013–14 budget. This is driven by increases in many of the General Fund’s major revenues, including property tax, sales tax, transient occupancy tax, and charges for services. In addition to the revenue increases, the use of \$1.5 million of assigned fund balance is included in the fiscal year 2014–15 budget. This assigned fund balance is from permitting and service charge revenue received in fiscal year 2013–14 for services that will be provided in fiscal year 2014–15. In terms of the distribution of General Fund resources, it remains relatively constant between fiscal years 2013–14 and 2014–15. Property tax remains the largest General Fund resource by far, with service charges, sales tax, license and permit revenue, and transient occupancy tax making up a significant portion of the remainder of the General Fund.

FISCAL YEAR 2014–15
ADOPTED



- DONATIONS/MISC
- TRANSFER IN
- INTEREST AND RENT INCOME
- INTERGOVERNMENTAL
- UTILITY USERS TAX
- FINES AND FORFEITURES
- USE OF ASSIGNED FUND BALANCE
- FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- LICENSE AND PERMIT
- SALES TAX
- CHARGES FOR SERVICES
- PROPERTY TAX

FISCAL YEAR 2013–14
ADOPTED



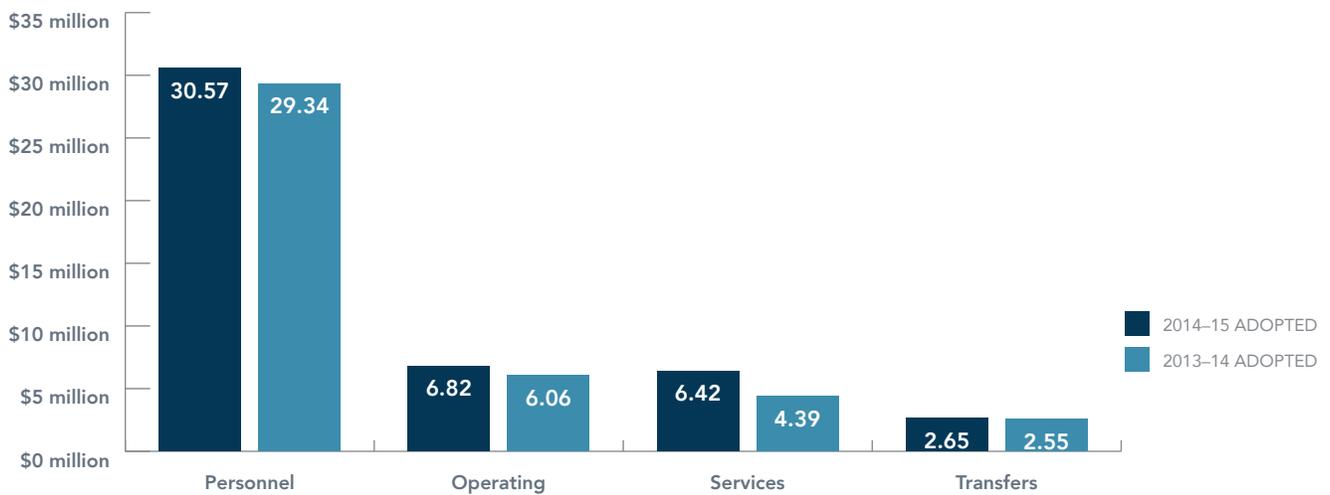
- DONATIONS/MISC
- OTHER FINANCING SOURCES
- INTERGOVERNMENTAL
- INTEREST AND RENT INCOME
- UTILITY USERS TAX
- FINES AND FORFEITURES
- FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- LICENSE AND PERMIT
- SALES TAX
- CHARGES FOR SERVICES
- PROPERTY TAX

Budget Summary

GENERAL FUND EXPENDITURES

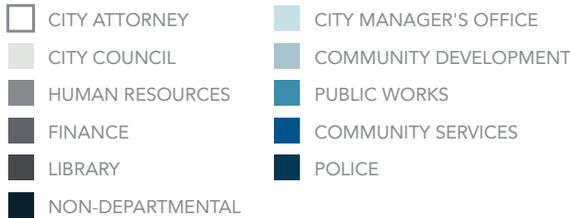
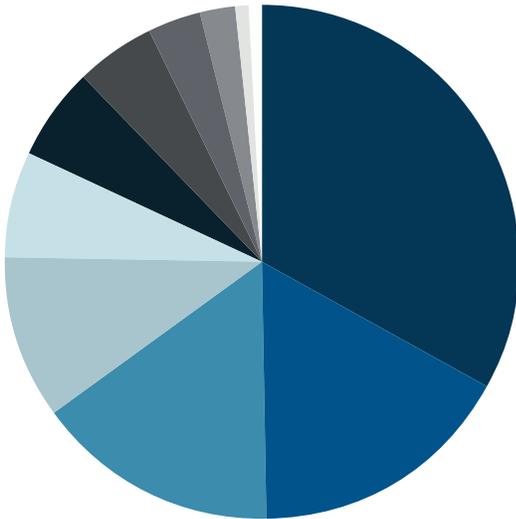
Total General Fund expenditures for the fiscal year 2014–15 budget are \$46.5 million, which is up \$4.1 million, or nearly 10 percent, over the adopted fiscal year 2013–14 budget. Nearly half of the increase is attributable to the Services category. This increase is predominantly related to the extra resources needed to supplement staffing for development-related planning, permitting, and engineering. Total personnel costs in the budget are up \$1.2 million, or 4.2%, and reflect contractual agreements with the bargaining units or assumptions about the anticipated result of ongoing negotiations.

GENERAL FUND EXPENDITURES

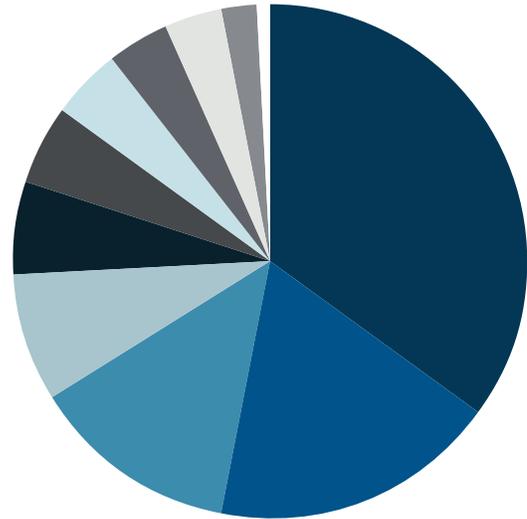


Budget Summary

GENERAL FUND EXPENDITURES BY DEPARTMENT 2014–15



GENERAL FUND EXPENDITURES BY DEPARTMENT 2013–14



As noted on the prior page, total General Fund expenditures for the 2014–15 budget are up nearly 10 percent over the adopted fiscal year 2013–14 budget. At the departmental level, much of this is attributable to increased expenditures in Community Development and Public Works to provide resources for development-related activity. Other significant shifts are more related to the restructure of the budget, which moved staff support that had previously been in the City Council’s budget into the City Manager’s budget. This resulted in the City Council’s budget being reduced from 4% of the total General Fund in fiscal year 2013–14 to 1% in fiscal year 2014–15, while the City Manager’s Office increased from 4% of the total to 7% of the total.

Full Time Equivalent (FTE) Personnel

Adopted 2014–15 FTEs by Department

	General Fund	All Funds
City Attorney	0.92	1
City Council	5	5
City Manager's Office	11.5	11.5
Community Development	19.35	21.75
Community Services	47.5	47.5
Finance	6.69	8
Human Resources	2.88	3.5
Library	12.25	13.75
Police	70	70
Public Works	31.38	55.5
Total	207.46	237.5

10-year Forecast

	2013-14 Adjusted Budget	2013-14 Estimated Actuals	2014-15 Adopted Budget	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast
Revenues						
Property Tax	\$14,715,000	\$14,785,000	\$14,698,775	\$15,308,009	\$16,088,464	\$16,220,008
Sales Tax	6,136,400	6,547,670	6,618,595	6,470,491	6,787,352	6,676,000
Transient Occupancy Tax	4,100,000	4,100,000	4,390,000	4,631,661	4,772,024	4,948,969
Utility Users Tax	1,135,000	1,127,602	1,129,632	1,130,952	1,132,439	1,135,402
Franchise Fees	1,812,300	1,812,300	1,863,110	1,903,553	1,938,506	1,975,047
License and Permit	6,559,465	6,335,528	4,880,128	5,388,560	5,068,303	4,903,542
Intergovernmental	841,717	794,903	716,268	729,993	743,993	758,273
Fines and Forfeitures	1,149,980	1,230,358	1,319,980	1,346,380	1,373,307	1,400,773
Interest and Rent Income	627,712	627,712	715,004	748,104	781,366	889,793
Charges for Services	7,595,222	7,506,391	8,212,908	8,451,605	8,118,419	7,953,726
Donations/Miscellaneous	31,050	22,450	35,000	35,000	35,000	35,000
Other Financing Sources	1,170,216	1,170,216	1,905,155	408,601	418,102	428,636
TOTAL REVENUES	\$45,874,062	\$46,060,130	\$46,484,555	\$46,552,909	\$47,257,276	\$47,325,170
Expenditures						
Salaries and Wages	\$21,212,632	\$21,174,613	\$21,895,069	\$22,019,263	\$22,270,099	\$22,617,464
Benefits	8,128,296	7,809,516	8,676,104	8,811,916	9,277,959	9,725,447
Operating	3,111,997	2,937,847	3,494,024	3,563,904	3,635,183	3,707,886
Utilities	1,197,111	1,223,000	1,282,671	1,321,151	1,347,574	1,374,526
Services	6,029,472	4,886,823	6,419,689	5,891,043	5,658,864	5,447,041
Fixed Assets and Capital Outlay	589,614	603,244	371,311	378,737	386,312	394,038
Travel and Training	226,902	249,058	259,205	264,389	269,677	275,070
Repairs and Maintenance	858,305	880,144	938,174	966,319	995,309	1,025,168
Special Projects	393,500	413,500	472,700	482,154	491,797	501,633
Transfers Out	2,554,600	2,554,600	2,648,200	2,754,128	2,864,293	2,978,865
TOTAL EXPENDITURES	\$44,302,429	\$42,732,345	\$46,457,147	\$46,453,004	\$47,197,066	\$48,047,138
GROSS SURPLUS (DEFICIT)	1,571,633	3,327,785	27,408	99,905	60,210	-721,968
ASSIGNED FOR DEVELOPMENT	0	1,500,000	0	0	0	0
NET SURPLUS/(DEFICIT)	\$1,571,633	\$1,827,785	\$27,408	\$99,905	\$60,210	-\$721,968

10-year Forecast

2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
\$16,953,355	\$17,611,227	\$18,294,994	\$19,005,682	\$19,744,357	\$20,512,125	\$21,310,140
6,809,520	6,945,711	7,084,625	7,226,317	7,370,844	7,518,260	7,668,626
5,132,236	5,322,044	5,481,706	5,646,157	5,815,541	5,990,008	6,169,708
1,149,197	1,163,796	1,179,222	1,195,501	1,212,659	1,230,722	1,249,720
2,013,226	2,053,094	2,094,707	2,138,120	2,183,394	2,230,590	2,279,773
4,999,217	5,084,655	5,172,497	5,272,196	5,374,314	5,579,354	5,690,812
772,839	787,695	802,849	818,306	834,072	850,154	866,557
1,428,789	1,457,365	1,486,512	1,516,242	1,546,567	1,577,498	1,609,048
998,389	1,019,157	1,040,340	1,061,947	1,083,986	1,106,466	1,129,395
8,170,654	8,133,722	8,315,472	8,532,999	8,757,681	8,989,683	9,240,018
35,000	35,000	35,000	35,000	35,000	35,000	35,000
441,268	451,526	462,118	475,128	488,489	502,308	517,337
\$48,903,690	\$50,064,992	\$51,450,043	\$52,923,596	\$54,446,903	\$56,122,168	\$57,766,134
\$23,063,440	\$23,381,393	\$23,842,439	\$24,547,839	\$25,274,401	\$26,022,760	\$26,804,550
10,232,653	10,688,733	11,026,911	11,303,147	11,584,789	11,879,149	12,231,368
3,782,044	3,857,685	3,934,839	4,013,535	4,093,806	4,175,682	4,259,196
1,402,016	1,430,056	1,458,658	1,487,831	1,517,587	1,547,939	1,578,898
5,555,982	5,667,101	5,780,443	5,896,052	6,013,973	6,134,253	6,256,938
401,919	409,957	418,156	426,520	435,050	443,751	452,626
280,572	286,183	291,907	297,745	303,700	309,774	315,969
1,055,923	1,087,601	1,120,229	1,153,836	1,188,451	1,224,104	1,260,827
511,666	521,899	532,337	542,984	553,843	564,920	576,219
3,098,019	3,221,940	3,350,818	3,484,851	3,624,245	3,769,214	3,919,983
\$49,384,234	\$50,552,550	\$51,756,737	\$53,154,339	\$54,589,845	\$56,071,546	\$57,656,573
-480,544	-487,558	-306,694	-230,743	-142,942	50,622	109,560
0	0	0	0	0	0	0
-\$480,544	-\$487,558	-\$306,694	-\$230,743	-\$142,942	\$50,622	\$109,560

Budget Summary Revenue and Expenditure Assumptions

REVENUE AND EXPENDITURE ASSUMPTIONS – 2014–15 BUDGET AND 10-YEAR FORECAST

Revenues and expenditures in the fiscal year 2014–15 budget and corresponding 10-year Forecast are based on assumptions about the major factors that impact each major revenue and expenditure category. For revenues, assumptions are largely based on economic or other conditions outside the City’s control. Assumptions for expenditures differ, however, in that in many cases the assumptions are predominantly under the City’s control. A detailed discussion of the projection methodologies and major assumptions made for the fiscal year 2014–15 budget and corresponding 10-year Forecast are discussed in detail below.

GENERAL FUND REVENUES

Revenue Estimation Methodology

All revenue assumptions and projections are reviewed and revised each fiscal year. Considerable analysis identifying the key elements impacting major revenue sources ensures the projection methodology is as reliable as possible over the long term. Historical data demonstrate that significant swings in revenues can occur due to economic cycles, as these cycles have produced very different revenues in a number of major categories. Projecting revenues based on the high point of the economic cycle overstates the City’s financial position significantly for future years and could result in spending patterns that cannot be sustained. Conversely, projecting revenues from the lowest point of the economic cycle understates the long-term financial position of the City and can cause unnecessary service reductions.

Property Tax

The City’s property tax revenue includes several main categories:

- Secured tax, which represents the vast majority of the overall property tax, is the tax on real property and the structures on that real property.
- Unsecured tax represents the tax on appurtenances such as furniture, machinery, and equipment.

- Supplemental tax is the result of reassessing the value of real property when there is a change of ownership or new construction is completed after the official lien date.
- Documentary transfer tax is a tax imposed on documents exchanged in the transfer of interest in real estate and is based on the value of the real estate.

Fiscal year 2014–15 property tax revenues are expected to be nearly \$14.7 million, which is down slightly when compared to fiscal year 2013–14. This expected decrease is the result of the City only estimating to receive a 50% share of Excess ERAF, which has been the City’s ongoing policy due to the very uncertain nature of that revenue source. ERAF is the Educational Revenue Augmentation Fund, and when local property tax dollars shifted into ERAF exceed what is necessary to fund the schools, those excess funds are returned to the local taxing entities via Excess ERAF revenue. The ERAF shift initially began in 1992, and the City of Menlo Park has been receiving revenue in the form of Excess ERAF since 2004.

Top 10 Principal Property Tax Payers June 30, 2013

CPLF-Sand Hill Commons LP	1.40%
Stanford Research Institute	1.26%
Kilroy Realty LP	1.26%
Wilson Menlo Park Campus LLC	1.17%
Tyco Electronics Corp	0.86%
Menlo Business Park LLC	0.83%
AMB Property LP	0.80%
Quadrus Sand Hill LLC	0.78%
Leland Stanford JR University	0.71%
Sharon Land Company	0.57%

*Percentage to the City’s Total Assessed Valuation

Budget Summary Revenue and Expenditure Assumptions

Otherwise, the outlook for property tax is positive, with expectations of increased assessed valuations in both the residential and commercial sectors driving revenue growth. In fact, total property tax revenues, net of Excess ERAF, are expected to grow over 5% between fiscal year 2013–14 and fiscal year 2014–15.

Secured tax is projected to increase 5.5% in fiscal year 2014–15. This projection is based on the County Assessor's assessed value for fiscal year 2014–15 as of mid-April 2014. The secured tax revenue projection for the 10-year Forecast factors in general growth in assessed value based on estimated California Consumer Price Index (CPI) growth and turnover in both residential and commercial properties, the loss of Excess ERAF in fiscal year 2016–17, and the impact of a number of large-scale development projects that are currently in process. Based on these different factors, the annual growth factor for secured tax ranges from 0.7% to 5.3% and averages nearly 4%.

Three other important elements of property tax revenue are the unsecured property tax, supplemental property tax, and the document transfer tax. Based on an analysis of historical revenues, unsecured property tax for fiscal year 2014–15 has been set at its historical average, growing 2% annually throughout the remainder of the 10-year Forecast.

The supplemental property tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher or lower value on the property immediately by using a floating lien date, and the added or reduced assessed value is placed on a separate property tax bill. Revenue from the supplemental roll is dependent strictly upon timing of sales and thus is difficult to forecast. Another factor that makes this revenue source difficult to forecast is the fact that it is a pooled revenue at the County level. Therefore, all supplemental property tax collected by the County is allocated to the cities based on a formula and not on transactions within each jurisdiction. As such, the turnover in property that generates supplemental property tax represents activity countywide, not Menlo Park-specific activity. Thus, projections for future revenues take into

account broader assumptions since local activity is not necessarily an indicator of revenue trends. For fiscal year 2014–15, supplemental property tax is projected to grow 3%, or nearly \$7,000, over fiscal year 2013–14. This growth rate is maintained throughout the 10-year Forecast and reflects the expectation for steady growth in this revenue source as properties continue to be sold or transferred.

The document transfer tax is specific to Menlo Park and has fluctuated greatly over the past 10 years, from a high of nearly \$700,000 in fiscal year 2005–06 to a low of \$310,000 just three years later. The fiscal year 2014–15 projection is \$458,000 and is based on the average revenue over the past five years. This was considered to be the most applicable time period to set the revenue baseline, not including years that were thought to be unsustainably high or abnormally low. The growth rate utilized throughout the 10-year Forecast is 3% annually, and, like the supplemental tax projections, is based on expected steady growth as properties are transferred.

Sales and Use Tax

The sales tax revenue estimate for fiscal year 2014–15 is \$6.6 million, which is a 1% increase over the revised estimate for fiscal year 2013–14. This modest increase is primarily due to the fact that fiscal year 2013–14 revenues are expected to be artificially high due to several significant one-time revenues being received. The \$6.6 million estimate for fiscal year 2014–15 is also expected to be unsustainably high, predominantly due to the additional revenue expected from the development of the Facebook West Campus. As a part of that development agreement, any qualifying construction contract over \$5 million can have a sub-permit issued by the State Board of Equalization to allow for the purchases of construction materials to be recorded as originating in Menlo Park, ensuring the City receives that sales tax revenue. This additional sales tax is expected to be \$300,000 in fiscal year 2014–15. Past 2014–15, projections reset to what is expected to be a more sustainable baseline, with modest annual growth (2%) projected throughout the 10-year Forecast. There is one additional non-recurring revenue that is included in the projection, which is the approximately \$250,000

Budget Summary Revenue and Expenditure Assumptions

true-up payment the City is estimated to receive in fiscal year 2016–17 when the Triple Flip mechanism finally ends. The Triple Flip is a mechanism used to repay State of California fiscal recovery bonds and results in the City having 25% of its sales tax diverted to the State and replaced with an equivalent amount of property tax.

The primary reason for the conservative nature of the sales tax projection in the 10-year Forecast is the volatility of this revenue source. Over the past 10 years, sales tax revenues have fluctuated greatly, peaking at \$7.5 million in fiscal year 2007–08 before dropping 24%, to \$5.7 million, just two years later. While the economy has rebounded well since then and sales tax revenues are again on the rise, it is important to consider the historical volatility when developing projections for the 10-year Forecast. Instead of attempting to project the next downturn and its impact on sales tax, the forecast instead attempts to establish a sustainable baseline revenue amount and then grow it modestly throughout the 10-year period.

Further complicating the forecasting process for sales tax, as well as increasing the overall uncertainty for this revenue source, is the increasing amount of sales tax received from the County pool. Pooled revenues are expected to continue to be a significant portion of the City’s overall sales tax revenue as e-commerce continues to become a larger part of the economy. When transactions occur online for sales tax-eligible purchases, the 1% share received by cities instead goes into a County pool for distribution. For example, if someone goes to the Staples in Menlo Park and purchases a computer, the City receives 1% of the sale price in sales tax revenue. If that same person buys that computer via Staples’ website, the 1% of the sale price instead goes to the County pool for distribution to all agencies, as the revenue from online purchases is tracked to the county where the customer is located rather than to a more precise location due to the lack of detail in the seller’s tax return. The County pool is distributed based on each jurisdiction’s share of total taxable sales. For the last reporting period, Menlo Park’s share of the pool was 4.9%. This trend not only makes sales tax revenue increasingly difficult to project,

but it also means that a larger part of this significant revenue source has little to do with activity in Menlo Park. The impact of e-commerce on Menlo Park’s sales tax revenue will continue to be monitored closely, with the 10-year Forecast updated accordingly should conditions change.

Top 25 Sales Tax Generators (Alphabetical)
Acclarent
ALS Roofing Supply
Automatic Rain Company
Beltramos Wine & Liquor
C S Bio
Café Borrone
Chevron Service Stations
CVS/Pharmacy
DM Figley Company
Draegers Supermarkets
Flegel's Home Furnishings
Forte Bio
OfficeMax
Pacific Biosciences
Safeway Stores
Sand Hill Resort & Hotel
Sharon Heights Golf Country Club
Shell Service Stations
Stanford Park Hotel and Restaurant
Staples Office Superstore
Tesla Motors
Trader Joe's
Triplepoint Capital
Walgreens Pharmacy
Willow Cove Service Station

Budget Summary Revenue and Expenditure Assumptions

Transient Occupancy Tax

Transient occupancy tax (TOT) is expected to continue to remain strong in the near term, with fiscal year 2014–15 base revenue expected to be 3% above final estimates for fiscal year 2013–14. In addition, fiscal year 2014–15 incorporates additional revenue over the base from the new Marriott hotel.

Hotel	Rooms
Stanford Park Hotel	163
Rosewood Hotel	131
Mermaid Inn	39
Best Western	37
Menlo Park Inn	30
Red Cottage Inn	28
Stanford Inn	14

Fiscal year 2014–15 estimates assume the new Marriott will be open by January 1, 2015, with full operational capacity reached by fiscal year 2017–18. Projections for the remainder of the 10-year Forecast consider a number of factors; however, they are predominantly based on assumptions related to room and occupancy rates, with room rates projected to increase 3% annually and occupancy held flat at 72%.

In addition, there is the possibility that another new hotel could be added in Menlo Park as a part of the Menlo Gateway development. Should that hotel come to fruition, another significant increase in the City's TOT revenue will occur; however, that additional revenue is not currently incorporated into this version of the 10-year Forecast. Revenue from a new hotel will not be included in the 10-year Forecast until that development project is further along in the process and the specifics of a new hotel are confirmed.

Utility Users Tax

The City's utility users tax (UUT) became effective April 1, 2007, imposing the voter-approved maximum 3.5% tax on gas, electrical, and water usage, and the

maximum 2.5% tax on cable, telephone, and wireless services. On July 19, 2007, the City Council approved a reduction in the tax rate on all utilities to 1%, which became effective on October 1, 2007, and remains in place today. Additionally, there is a cap of \$12,000 on the combined annual amount that a user can pay for electric, gas, and water.

UUT is projected to be approximately \$1.13 million in fiscal year 2014–15, which is essentially flat to final fiscal year 2013–14 estimates. For the 10-year Forecast, each individual component of UUT was analyzed separately to determine the appropriate growth or decline rate to use. Staff's projections, especially in the early years of the forecast, were heavily based on the projections from a consulting firm who specializes in assisting client cities with UUT compliance activities, legal and legislative issues related to UUT, and UUT revenue forecasting.

Utility Users Tax Revenue Sources by Industry	
Electric	40%
Telecom	28%
Water	14%
Gas	10%
Cable	8%

Budget Summary Revenue and Expenditure Assumptions

The single largest component of UUT is based on electrical usage, which makes up 40% of all revenue from this source. Based on projected rate increases and usage rates, this component of UUT is estimated to increase 3% annually through fiscal year 2015–16 and then 2% annually for the remainder of the forecast. This is the same projection made for the gas component, which comprises 10% of all UUT revenue. Water-related UUT revenue is projected to grow at a rate of 5% annually. While water conservation efforts are expected to continue, general growth from development, as well as increased water rates, are expected to support this annual growth factor.

While the news is generally positive for UUT related to electricity, gas, and water, the remaining three areas are of concern, as revenues are projected to decline. For traditional wired telecommunications, there are a number of trends that are driving the expected decline in UUT revenues. Some of the major trends include a move by businesses to lower-cost Voice Over Internet Protocol communications services, a shift of personal telephone use to wireless, and an overall increase in competition in the wired telecommunications industry. As a result of these trends, wired telecom-related UUT revenues are projected to decline 6% annually through fiscal year 2015–16, 5% annually for the next two years, and then 2% annually for the remainder of the forecast. While wireless telecommunication usage continues to grow, there are also several trends in that industry causing concern. Industry competition and greater price sophistication from consumers have led to more creative wireless plans from the providers, which have lowered costs and, in some cases, limited the components included in the UUT calculation. For these reasons, the projections for wireless UUT revenues follow the same assumptions as wired telecom for declining revenue for the duration of the forecast. Competition and an increase in alternatives to paid cable television are expected to cause a decline in cable subscriptions, and this decline in subscriptions is not expected to be offset by increasing subscription rates. As such, the forecast for cable television-related

UUT revenue is expected to decline between 2% and 5% annually throughout the 10-year Forecast.

Overall, the three growth components are expected to outpace the three components that are declining, leading to a projected average annual increase in UUT revenues of approximately 1% throughout the 10-year Forecast. This lack of growth is of concern, as this revenue source, which makes up approximately 2.5% of General Fund revenues, is not keeping up with expenditure growth or the growth in other tax revenues. As such, if this expected lack of growth comes to fruition, it will put greater pressure on the budget and its ability to remain balanced.

Franchise Fees

The City receives franchise payments from companies providing garbage, electric, gas, water, and cable television services. Total franchise fee revenue is projected to be nearly \$1.9 million in fiscal year 2014–15, which is a 2.8% increase over final estimates made for fiscal year 2013–14. For the 10-year Forecast, each individual category was analyzed to determine the rate of growth or decline. For the most part, modest growth was projected for each category; however, in one area, cable television, a 2% annual decline was projected. This is based on the projected decline in utilization of traditional cable television services, which was previously discussed.

Franchise Fee Revenue Sources by Industry	
Garbage	29%
Electric	28%
Cable	23%
Water	13%
Gas	7%

Licenses and Permits

This category of revenues mainly consists of development-related permitting, including revenue from the Facebook development agreements, and the business license tax. Fiscal year 2014–15 revenues

Budget Summary Revenue and Expenditure Assumptions

are projected to be nearly \$4.9 million, which is a 23% decrease over final estimates for fiscal year 2013–14. This is predominantly related to the high level of development activity currently underway, which is driving a significant (and unsustainable) increase in building permitting revenues in fiscal year 2013–14. This above average level of activity is expected to taper off over the next several years and return to a more sustainable baseline by fiscal year 2017–18.

Revenue growth for the remainder of the 10-year Forecast is based on a baseline level of activity and increases to permitting fees to keep up with projected increases in personnel costs.

Per the development agreement for the Facebook East Campus, \$800,000 in revenue is programmed in fiscal year 2014–15. This amount continues annually through fiscal year 2016–17, increasing to \$900,000 from fiscal year 2017–18 through fiscal year 2021–22. On July 1, 2022, the payment increases to \$1 million annually and stays at that amount for the remainder of the 10-year Forecast. Revenue from the development agreement for the Facebook West Campus is also included, with \$150,000 annually programmed starting in fiscal year 2015–16. This assumes that Facebook will be able to occupy its West Campus on schedule during the latter portion of fiscal year 2014–15.

Intergovernmental

Intergovernmental revenues are predominantly grants from other governmental entities, including the federal and state government. Total intergovernmental revenue for fiscal year 2014–15 is expected to be \$716,000, which is a nearly 10% decrease from final fiscal year 2013–14 estimates. This is not unexpected, as certain grant revenues are one-time in nature or will fluctuate year-over-year. Each year, grant revenues are evaluated to determine if they are expected to be ongoing, and if they are, they are incorporated into the 10-year Forecast. The majority of the City's grant revenue is for the Belle Haven Child Development Center and is expected to be ongoing, and as such, it is reflected in the 10-year Forecast.

Fines and Forfeitures

This revenue category consists of traffic-related fines, and projections for fiscal year 2014–15 reflect expected revenues based on a fully operational traffic enforcement program. This program was not fully operational until well into the 2013–14 fiscal year, but now that it is, revenues are expected to be \$1.3 million in fiscal year 2014–15. This revenue source is projected to grow 2% annually for the duration of the 10-year Forecast. This growth rate factors in activity and expected increases in fine amounts over the years.

Interest and Rent Income

This category of revenue consists of the proceeds the City receives from the properties it leases, as well as earnings from the City's investment portfolio. With respect to rental income, projections for fiscal year 2014–15 (\$405,000) and beyond reflect the contractual terms of the various leases. For interest earnings, the fiscal year 2014–2015 projection of \$310,000, net of investment advisory fees, reflects the expectation that the yield on the City's investment portfolio will continue to be minimal in the short-term. Going forward, the 10-year Forecast reflects a slow and modest rise in investment yield, hitting 3% in fiscal year 2018–19 and then increasing slightly from there on an annual basis.

Net Annualized Investment Return	
2013	.53%
2012	.64%
2011	1.22%
2010	1.57%
2009	1.62%
2008	3.92%
2007	5.13%
2006	4.16%

*As of June 30th of each year

Budget Summary Revenue and Expenditure Assumptions

Charges for Services

This category includes revenue collections from fees charged for services provided by City operations. The majority of revenue in this category projected for fiscal year 2014–15 comes from Community Services (59%) and from development-related charges from Community Development and Public Works (27%). Service charge revenue is projected to be \$8.2 million in fiscal year 2014–15, which is a 9% increase over final estimates for fiscal year 2013–14. This increase is primarily a function of the high level of development activity currently underway, which is driving above average revenues for Community Development and Public Works. Going forward, the above average development activity is expected to taper off over the next several years, which is expected to bring development-related revenues back down to a more sustainable baseline level by fiscal year 2017–18.

For the most part, the growth factor for service charges in the 10-year Forecast is aligned with the expected increases in personnel costs to ensure cost recovery targets are maintained as personnel costs increase over time.

This category of revenues also includes the reimbursement the City receives from Facebook to cover the cost of one police officer. Because this agreement is for five years, the 10-year Forecast only reflects the \$220,000 reimbursement maximum through fiscal year 2018–19. It is important to note, however, that the expenditure forecast for this position also only runs through fiscal year 2018–19.

Other Revenues

The remaining revenues consist primarily of funds transferred into the General Fund from other City funds to pay for the cost of citywide administration, including the cost of the Finance and Human Resources departments, and the City Manager's Office. The fiscal year 2014–15 transfer amount was set based on the percentage increase in staffing costs for the applicable departments. The 10-year Forecast reflects a similar methodology, with the transfer anticipated to increase based on projected increases in staffing costs.

One significant additional item in this category in fiscal year 2014–15 is the inclusion of \$1.5 million in assigned fund balance to fund additional staffing and contract services costs in Community Development and Public Works. Final estimates made for fiscal year 2013–14 projected that development-related revenues would exceed development-related expenditures by \$1.5 million. This is predominantly the result of certain development-related expenditures, particularly permitting fees, coming in advance of the work being completed. These additional revenues have been "assigned" for use in fiscal year 2014–15 to cover the cost of that work.

GENERAL FUND EXPENDITURES

Expenditure Estimation Methodology

Similar to the revenue assumptions, expenditure assumptions and projections are reviewed and revised each fiscal year. Unlike revenues, especially tax revenues, General Fund expenditures are largely under the control of the City. Because of that, assumptions for expenditure growth are generally able to be aligned with revenue growth where possible. In cases where an expenditure category is not under control of the City, as is the case for CalPERS pension expenses, the projected increases are treated as non-discretionary and take precedence in terms of the allocation of resources, limiting the City's flexibility to prioritize where funds are expended. Assumptions for each of the General Fund's expenditure categories are discussed in detail below.

Personnel Costs

Personnel costs represent approximately 66% of total General Fund expenditures, and total \$30.6 million for fiscal year 2014–15. To best reflect the cost of this significant expenditure category, the 10-year Forecast splits personnel costs into two categories: salaries and fringe benefits. This allows assumptions for cost increases in the two categories to move independently from one another. Assumptions for the major categories of personnel expenditures are discussed in the detail below.

Increases for salaries and salary-related costs such as

Budget Summary Revenue and Expenditure Assumptions

overtime are initially based on existing contractual agreements or assumptions about the outcome of ongoing negotiations. Beyond those contractual assumptions, salary increases were set in the 10-year Forecast based on available resources. What this means is that after the cost for employee pensions was established and inflationary factors were set for non-personnel items, remaining resources were utilized to assume modest salary increases through the forecast period. It is important to note, however, that these assumptions for salary increases are just that and do not necessarily reflect the actual salary adjustments that will be made in the future. There are a number of factors that have to be considered related to salary increases in the future, including the City's economic condition, the amount of unassigned fund balance in the General Fund, and our ability to compete in the market for employees.

As previously noted, the cost to the City for its CalPERS pension expense is not something it has control over the way it does over other expenditures. As a result, the 10-year Forecast contains projected increases in the City's contribution rate that were developed by a consulting actuary. These contribution rates, which have been adjusted to consider the employees' share of the City's contribution rate, factor in the recent actuarial and demographic assumption changes that will cause the City's contribution rates to continue to rise in the near term. These rates also factor in assumptions related to turnover of city employees and the fact that new employees will come in under lower pension formulas.

Specifically, the City's contribution rate, not including the employee share portion, is expected to increase incrementally over the next seven years, peaking at 27.6% of pay for Miscellaneous employees and 37.8% for Safety employees. In year eight, the projected employer contribution rates start to slowly decline as much more of the workforce is anticipated to be on the lower pension formulas. Assuming the current employee share agreements remain in place, these contribution rates will be partially offset by the employees covering a portion of this cost.

Medical insurance is the third main category of personnel costs, and like salaries, the initial projections in the forecast are based on existing contractual agreements or assumptions about the outcome of ongoing negotiations. Beyond that, the inflation factor for increases in medical insurance is set at 3% annually, which is not expected to keep pace with actual increases in premiums. As such, the 10-year Forecast assumes that based on available resources, the City will only be able to cover a portion of the increase in premiums, with the remainder covered by employees. Whether this actually comes to fruition is a function of the same factors related to potential salary increases that were previously discussed.

Non-Personnel Costs

The remaining 34%, or \$15.9 million, of the General Fund's expenditures consists of non-personnel costs. For the purpose of the 10-year Forecast, non-personnel expenditures were broken down into a number of distinct categories: operating, utilities, services, fixed assets and capital outlay, travel, repairs and maintenance, special projects, and transfers out. A brief description of the types of expenditures in each category and the growth assumption is provided below.

Operating – Operating expenditures, which total \$3.5 million in fiscal year 2014–15, include spending on a wide variety of supplies, materials, and other items related to the operation of the City. Some of the largest expenditure categories include \$830,000 for the General Fund's share of the City's General Liability Internal Service Fund and \$225,000 for credit card fees (the fees the City is charged for accepting credit card payments). For the duration of the 10-year Forecast, operating costs are projected to increase at a rate of 2% annually to factor in general price inflation.

Utilities – Utilities expenditures, which total nearly \$1.3 million in fiscal year 2014–15, are for City utilities costs, including gas, electricity, water, and telecommunications. Of the total, 56% goes toward gas and electricity, 35% goes toward water, and the remaining 9% is for telecommunications. For the 10-year Forecast, the annual inflationary increase follows the assumptions made for gas and electric UUT, which

Budget Summary Revenue and Expenditure Assumptions

is set at 3% in fiscal year 2015–16 and then drops to 2% for the remainder of the 10-year Forecast.

Services – Budgeted expenditures in this category total \$6.4 million in fiscal year 2014–15 and cover a wide variety of service areas, including plan checking services, legal services, the annual financial audit, consultants for special studies, the median landscaping contract, and street sweeping, just to name a few. The \$6.4 million total in fiscal year 2014–15 is well above the normal baseline for service expenditures due to additional funds being added for plan checking services and contract planners to address the heavy development activity currently underway. Over the next several years, expenditures for services in this area are projected to drop to a sustainable baseline level. Other services are estimated to increase annually at 2% for the duration of the 10-year Forecast.

Fixed Assets and Capital Outlay – Budgeted expenditures for fiscal year 2014–15 are \$371,000 and consist of purchases of items such as office equipment and computers, as well as other specialized equipment required by the operating departments. Expenditures in this category are inflated 2% annually throughout the 10-year Forecast.

Travel and Training – The travel and training category, budgeted at nearly \$260,000 in fiscal year 2014–15, consists predominantly of travel costs related to attending meetings and seminars, including the cost for mileage reimbursements, as well as any employee training expenditures. Expenditures in this category are inflated 2% annually throughout the 10-year Forecast.

Repairs and Maintenance – This category has budgeted expenditures of nearly \$940,000 in fiscal year 2014–15, which covers a wide variety of repair and maintenance activity. The largest expenditure in this category is gasoline and oil for the City's vehicle fleet (\$202,000). Other significant expenditures include maintenance on the City's communications equipment, vehicle maintenance, and building repairs. Because gasoline is such a large portion of this category, and prices for gasoline are more volatile and not within the City's control, a 3% annual inflation factor has been utilized for the 10-year Forecast.

Special Projects – Expenditures in this category, nearly \$473,000 in fiscal year 2014–15, are primarily for the General Fund's contributions to the Vehicle Replacement Internal Service Fund, as well as to provide funding for various outside groups providing programs for the community. Expenditures in this category are inflated 2% annually throughout the 10-year Forecast.

Transfers Out – This category of funding, totaling \$2,648,200 in fiscal year 2014–15, is primarily the annual General Fund transfer to the CIP Fund to maintain the City's infrastructure (streets, sidewalks, buildings, etc.) in its current condition, thereby preventing the more costly repairs and upgrades needed when maintenance is deferred. This transfer is inflated annually at 4% over the course of the 10-year Forecast, which maintains consistency with the amount this transfer has been increased over the past several years.

Surplus/(Deficit)

In fiscal year 2014–15, projected revenues are expected to exceed budgeted expenditures by \$27,408. This small projected surplus is no small accomplishment given the total requirements added to the 2014–15 budget, including funding all of the City Council's priority goals. Modest surpluses are projected in fiscal years 2015–16 and 2016–17, as both total revenues and total expenditures grow at a very low rate to account for the expected tapering off of development activity to a more sustainable baseline level. As this tapering occurs, both revenues and expenditures in this area are expected to drop, partially offsetting revenue and expenditure increases in other areas.

Beginning in fiscal year 2017–18, deficits are projected annually through fiscal year 2022–23. These deficits are primarily the result of a couple of factors. The primary reason for the deficit is the assumption that Excess ERAF will go away completely in fiscal year 2017–18. By making this assumption, the revenue estimate for the 10-year Forecast drops by \$700,000 annually starting that fiscal year. This is a very uncertain assumption, as staff currently has no indication on the future of Excess ERAF. The County of San Mateo, which administers Excess ERAF, keeps the cities updated as to the status

Budget Summary Revenue and Expenditure Assumptions

of this revenue source but has been unable to provide definitive guidance on how the cities should project it going forward other than to indicate it is somewhat risky to forecast it as an ongoing source of funds. This general guidance drove the City of Menlo Park's strategy to budget 50% of Excess ERAF through fiscal year 2016–17, which creates the deficit when the revenue is forecast to go away in fiscal year 2017–18.

Exacerbating the projected deficit are the increases in the City's CalPERS pension contribution rates. These rate increases, which are the result of changes in actuarial and demographic assumptions determined by CalPERS, cause the City's contribution rates to increase incrementally over the next seven years, peaking at 27.6% of pay for Miscellaneous employees and 37.8% for Safety employees. In year eight, the projected employer contribution rates start to slowly decline as much more of the workforce is anticipated to be on the lower pension formulas. Assuming the current employee cost share agreements remain in place, these contribution rates will be partially offset by the employees covering a portion of this cost. Factoring in this employee contribution and the rate of growth in the employer contribution rate, as well as projected growth rates for revenues, the deficit actually peaks in the first year it appears, fiscal year 2017–18, at nearly \$722,000. Over the next five years, as the rate of employer contribution increases flattens out before it actually starts to decline, the annual deficit is reduced each fiscal year, dropping to \$143,000 in fiscal year 2022–23 before becoming positive again the next year.

While projected deficits should serve as an early warning system to start bringing expenditures in line with revenues, it is important to note that the deficits presented in this 10-year Forecast do not warrant a course correction at this time. As emphasized before, the main cause of the deficit is an assumption about a revenue source going away. Should that not come to fruition, no course correction will be needed. Further, there are potential revenues from development activity that are not contemplated in the forecast. One major example is the Menlo Gateway project. The fiscal impact analysis of that project, which was conducted by an outside consulting firm, estimated a net positive

fiscal impact of over \$1.6 million annually to the General Fund. That impact is not reflected in the 10-year Forecast. And finally, should Excess ERAF be eliminated and the development projects being contemplated not move forward, the City Council still has significant control over its expenditures that would allow it to bring expenditures in line with revenues, should that be necessary, without causing material impacts in service levels.



DEPARTMENT INFORMATION

City Council

OVERVIEW

The Menlo Park City Council consists of a Mayor, Mayor Pro Tem and three Councilmembers who are elected at large and serve staggered four-year terms. At least two Councilmembers are up for election every two years.

The City Council defines goals and sets objectives for the City by establishing policies, priorities and appropriating resources. This department's budget includes the basic operating expenses of the Mayor and City Council in the conduct of their duties as elected officials.

2013–14 HIGHLIGHTS

- Adopted a Reusable Bag Ordinance as proposed by San Mateo County, and as adopted by cities throughout the County for consistent expectations and enforcement.
- Initiated implementation programs of the adopted Housing Element (2007-2014) and participated in the San Mateo County Sub Region Regional Housing Needs Allocation process for the 2014- 2022 Housing Element Planning Period.
- Initiated the Belle Haven Visioning process and approved an implementation plan based on community needs and input.
- Approved contracts with the Police Sergeant Association and the American Federation of State, County and Municipal Employees.
- Initiated the General Plan Update.
- Adopted the updated 2013 California Building Standards Code.
- Approved contracted Median Island and Right-of-Way landscaping maintenance services.
- Reviewed and reaffirmed the Downtown/El Camino

SUMMARY

FTEs	5
Budget	\$392,849
Funding Sources	General Fund

Specific Plan.

- Approved a loan of up to \$2.86 million of Below Market Rate funding for a 60 unit project at 605 Willow Road being developed by CORE Housing.
- Issued the first Notice of Funds Availability for up to \$3.2 million in Below Market Rate funding.
- Approved a joint agreement for Emergency Preparedness Services with the Menlo Park Fire Protection District.

2014–15 BUDGET

The City Council budget maintains its current level of requirements and includes slight annual adjustments to the Mayor and City Council stipends for health care costs. This year's budget shifts costs for City Council support staff to the City Manager's office budget.

The City Council's budget also reflects the further centralization of grants given to the Community. In 2013–14 the City Council increased community funding from \$113,000 to \$133,333.

CITY COUNCIL WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
City Council meetings	35	30	30
City ordinances adopted	9	18	7
City resolutions adopted	73	69	43

CITY COUNCIL EXPENDITURES					
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$324,179	\$391,138	\$457,796	\$444,177	\$36,507
Salaries Part Time	39,014	38,707	0	39,876	0
Overtime	282	1,217	0	3,137	0
Temporary Staff	31,321	23,696	55,000	14,664	0
Vacation Cashout	11,280	5,672	15,200	28,922	0
Other Pays	13,575	22,505	418,800	454,015	0
Salaries and Wages Subtotal	419,651	482,935	946,796	984,791	36,507
Retirement and OPEB	67,316	83,700	95,399	95,148	8,326
Medical and Dental	138,391	131,274	163,140	104,559	89,263
Workers' Compensation	4,413	4,451	4,553	4,554	4,632
Other Fringe Benefits	25,352	13,502	22,224	13,384	0
Fringe Benefits Subtotal	235,472	232,927	285,316	217,645	102,221
TOTAL PERSONNEL COSTS	655,123	715,862	1,232,112	1,202,436	138,727
Printing and Postage	27	91	3,000	600	0
Memberships	37,123	43,275	41,965	49,000	47,000
Travel and Training	8,745	23,771	26,000	31,700	10,000
Utilities	9,182	9,642	9,060	8,730	0
Fixed Assets and Capital Outlay	-435	12,748	4,500	2,000	0
Other Operating Costs	12,113	13,618	21,743	34,220	9,122
Contract Services	1,000	25,222	12,500	22,000	29,000
Legal Services	0	0	0	0	0
Other Services	2,742	3,391	4,500	1,500	0
Software License and Application	0	0	2,500	2,500	0
TOTAL NON-PERSONNEL COSTS	70,497	131,758	125,768	152,250	95,122
TOTAL OPERATING BUDGET	\$725,620	\$847,619	\$1,357,880	\$1,354,686	\$233,849
Special Projects Expenditures	105,250	134,000	191,750	191,750	159,000
TOTAL	\$830,870	\$981,619	\$1,549,630	\$1,546,436	\$392,849
Sources Of Funding, By Fund					
General Fund	830,870	981,619	1,549,630	1,546,436	392,849
TOTAL SOURCES OF FUNDING	\$830,870	\$981,619	\$1,549,630	\$1,546,436	\$392,849

City Attorney's Office

OVERVIEW

The City Attorney is the chief legal officer of the City and performs duties outlined in the municipal code as well as other responsibilities required by the City Council. Pursuant to this authority, the City Attorney's Office is responsible for all legal matters involving the City and also oversees the efforts of outside counsel for insured tort defense cases and matters requiring specialized legal expertise.

The City Attorney's Office provides legal advice and representation to the City Council, the City Manager, staff and the various boards and commissions in all areas, including municipal law, land use, public contracting, public records, public meetings, code enforcement, tort liability, and municipal finance. The City Attorney provides advice at public meetings, including legislative and quasi-judicial hearings of the City Council.

The City Attorney's office prepares legal opinions, contracts, intergovernmental agreements, ordinances and resolutions, and handles real property transactions.

2013-14 HIGHLIGHTS

- Assisted in the development and implementation of the Housing Element Update.
- Assisted in the tri-party construction agreement for the new Belle Haven Neighborhood Service Center.
- Assisted in resolving complex land use matters.
- Provided assistance and guidance on election matters.

SUMMARY

FTEs	1
Budget	\$489,724
Funding Sources	General Fund Internal Service Fund

2014-15 BUDGET

The City Attorney's budget reflects the department maintaining its current level of service. This budget does not capture all legal costs for development review and specific projects, as those are contained in various project funds. Additionally, certain human resources and certain labor negotiation costs are also not included here.

In total, the fiscal year 2014-15 budget contains nearly \$580,000 for outside legal services. Approximately \$334,000 of this amount is in the City Attorney's budget, with the remaining amount distributed between other departments, including Community Development (\$150,000) and Human Resources (\$75,000).

FUTURE GOALS & INITIATIVES

- Provide legal support for the General Plan and all City Council Goals.
- Assist in interpreting the code to efficiently process development projects.
- Work with staff on the Below Market Rate developments.
- Maintain positive employer-employee relationships.
- Assist in the policy development, to be reflected in City Ordinances, of the determination regarding check cashing establishments.

CITY ATTORNEY WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
City Contracts reviewed	177	179	147
City Council meetings attended	35	30	30
City ordinances reviewed and adopted	9	18	7
City resolutions reviewed and adopted	73	69	43

City Attorney's Office

CITY ATTORNEY'S OFFICE EXPENDITURES

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$108,000	\$108,000	\$108,000	\$108,000	\$105,867
Salaries Part Time	0	0	0	0	0
Overtime	0	0	0	0	0
Temporary Staff	0	0	0	0	0
Vacation Cashout	0	0	500	0	299
Other Pays	0	0	0	0	0
Salaries and Wages Subtotal	108,000	108,000	108,500	108,000	106,166
Retirement and OPEB	17,232	19,719	19,117	18,482	24,100
Medical and Dental	31,234	33,307	33,397	19,452	22,008
Workers' Compensation	506	530	514	515	908
Other Fringe Benefits	1,595	1,595	1,668	10,709	1,643
Fringe Benefits Subtotal	50,567	55,151	54,696	49,158	48,659
TOTAL PERSONNEL COSTS	158,567	163,151	163,196	157,158	154,825
Printing and Postage	0	0	0	0	0
Memberships	0	0	0	0	0
Travel and Training	0	0	0	0	0
Utilities	0	0	0	0	0
Fixed Assets and Capital Outlay	0	0	0	0	0
Other Operating Costs	1,003	1,093	1,047	1,047	1,224
Contract Services	0	0	0	0	0
Legal Services	396,451	347,664	198,000	154,325	333,675
Other Services	0	0	0	40,000	0
Software License and Application	0	0	0	0	0
TOTAL NON-PERSONNEL COSTS	397,454	348,757	199,047	195,372	334,899
TOTAL OPERATING BUDGET	\$556,020	\$511,908	\$362,243	\$352,530	\$489,724
Special projects expenditures	0	0	0	0	0
TOTAL	\$556,020	\$511,908	\$362,243	\$352,530	\$489,724
Sources Of Funding, By Fund					
General Fund	300,649	375,294	349,169	312,721	346,353
Internal Service Fund	206,426	136,614	13,074	39,808	143,371
Redevelopment Services Agreement	48,945	0	0	0	0
TOTAL SOURCES OF FUNDING	\$556,020	\$511,908	\$362,243	\$352,530	\$489,724

City Manager's Office

OVERVIEW

The City Manager is the chief administrative officer of the city and is appointed by the City Council to enact its decisions and policies.

The City Manager's Office includes Administration, City Clerk's Office, Information Technology, and the Office of Economic Development.

Administration

The City Manager implements the City Council's plans and priorities by enforcing City laws and applying City Council policies. The City Manager coordinates the work of all departments and employees, with the exception of the City Attorney.

The City Manager's Office is charged with providing comprehensive, unbiased expertise and assistance to the City Council in terms of thorough staff reports, thoughtful and strategic recommendations, and effective presentations. This includes responsibility for identifying community needs and expectations, clearly linking them to the City's funding priorities and service levels, and supplying helpful information and referrals to residents with questions, comments and concerns. The City Manager's Office supports citywide efforts to improve program and operational effectiveness and efficiency, conducts studies for organizational improvements, designs and develops performance measures, analyzes proposed and adopted policy, assists in budget development, responds to citizen issues and coordinates special projects.

City Clerk's Office

The City Clerk's Office is responsible for the coordination, production, and posting of the City Council's agendas and packets. This includes the information and materials reviewed by City Council in preparation for public meetings. The City Clerk ensures the public has access to agenda materials and are informed of the process for making public comments and participating in public meetings.

The City Clerk is also the custodian of a wide range of official documents and permanent City records, including contracts, agreements, recorded documents, minutes, resolutions and ordinances. The City Clerk

SUMMARY

FTEs	11.5
Budget	\$3.2 million
Funding Sources	General Fund Capital Projects Fund Special Revenue Fund Trust and Agency Fund

is responsible for responding to requests for public information under the California Public Records Act. The City Clerk is also the primary liaison to the City Council-appointed Commissions/Committees who serve as advisory bodies to the City Council. Additionally, the City Clerk is the local Elections Official, responsible for posting legal notices and processing candidate filings, campaign reports, and financial disclosures.

Information Technology

The Information Technology Division is responsible for the hardware, software, and communication equipment needs of the entire City organization, supporting operations with effective and secure information technology including computers, servers, telephone system, and electronic data management system. This division provides support for the City's network environment, operating systems, office automation programs, telecommunication systems, and audio/video services.

Office of Economic Development (OED)

This division ensures that the City of Menlo Park addresses the needs of our businesses and provides opportunities for their success. This includes identifying new businesses that will enhance the community and the City's overall economic health. OED acts as a business concierge, assisting with expeditious, thorough and effective development approvals. OED regularly conducts outreach to local businesses to offer assistance through referrals to State and Federal programs, strategic planning for expansion approval, and marketing/networking opportunities. OED partners with a number of economic development associations, community-based organizations, and state and federal resources to market Menlo Park as an attractive business location for businesses.

City Manager's Office

2013–14 HIGHLIGHTS

- Oversaw and developed the annual budget and Capital Improvement Program.
- Produced a weekly Digest for the City Council and the public.
- Redesigned and launched a new City website to improve information access and efficiency.
- Implemented a new web-based public records request system to efficiently track and respond to inquiries.
- Replacement of the telephone system with a Voice Over Internet Protocol system
- Responsibility for the Print Shop shifted from Information Services to the City Clerk's Office.
- Replacement and upgrade of the 911 Communications equipment.
- Hired a new I.T. Manager
- Substantial efforts were dedicated to support the Police Department's new technology tools, including body camera's, Automated License Plate Readers, and two new tablet applications.
- Developed and distributed a quarterly economic development newsletter.
- Initiated outreach to industrial property owners on the upcoming General Plan update.

2014–15 BUDGET

The budget presentation has been changed to provide more clearly defined information regarding City operations, specifically compartmentalized by departments and divisions. Funding for improving public communications has been included in the City Manager's budget. Print shop operations have been shifted from Information Technology to the City Clerk, however, the associated 0.5 FTE was retained in the I.T. budget. The Economic Development budget has been enhanced starting in 2014-15 to support City Council goals, including new community events to generate foot traffic to Menlo Park businesses and coordinating with other departments on the implementation of certain elements of the El Camino Real/Downtown Specific Plan. To support and accomplish these initiatives, a 0.5 FTE is being added to the OED budget.



FUTURE GOALS & INITIATIVES

- Emphasize quality community outreach efforts and improve public communication.
- Identify opportunities to economize and enhance quality public services through innovation and shared services with other agencies.
- Continue to build the senior management team.
- Encourage professional development and training at all levels of the organization.
- Continue systems improvements to reduce overhead and increase efficiency.
- Continue to improve information backup processes and enhance network security.
- Initiate the I.T. Master Plan.
- Implement software for electronic filing of the Form 700 – Statement of Economic Interest.
- Streamline staff report and agenda formats.
- Continue to attract revenue-producing businesses.
- Complete the Economic Development Strategic Plan.

City Manager's Office

CITY MANAGER'S OFFICE WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
Administration			
City Council Digests published	13	39	48
City Council Council meetings attended	35	30	30
City Clerk's Office			
Board and Commissioner appointments/orientations	5	16	27
City Council agenda items posted	203	212	196
City Council agendas published	35	30	30
City Council commendations and proclamations processed	71	35	537
City ordinances adopted	9	18	7
City resolutions adopted	73	69	43
Public Records Act requests	56	159	106
Economic Development			
Business attraction leads	N/a	11	21
Business retention visits	N/a	32	60
Economic Development community events	N/A	0	3
Economic Development quarterly newsletters	N/A	2	4
New business welcome letters	N/a	35	50
Information Technology			
City facilities networked	14	14	14
Computer workstations supported	270	285	300
Emergency services mobile and fixed computers supported	30	30	30
Monthly average of completed Helpdesk tickets	156	126	175
Telephones supported	280	285	300

CITY MANAGER'S OFFICE EXPENDITURES

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$478,160	\$550,994	\$638,059	\$493,588	\$1,190,875
Salaries Part Time	59	371	74,340	22,571	35,738
Overtime	2,289	6,946	0	5,769	5,000
Temporary Staff	84,791	26,924	25,000	28,790	34,200
Vacation Cashout	86,572	11,718	29,000	23,227	34,868
Other Pays	9,631	21,163	18,478	44,920	46,185
Salaries and Wages Subtotal	661,501	618,116	784,877	618,865	1,346,866
Retirement and OPEB	89,591	105,665	148,305	112,330	258,627
Medical and Dental	48,783	73,192	98,213	57,402	162,890
Workers' Compensation	4,179	3,916	4,025	4,024	11,116
Other Fringe Benefits	16,211	18,470	31,942	18,877	54,004
Fringe Benefits Subtotal	158,763	201,243	282,485	192,633	486,637
TOTAL PERSONNEL COSTS	820,264	819,359	1,067,362	811,498	1,833,503
Printing and Postage	42,312	37,811	33,000	33,010	55,500
Memberships	6,630	26,760	7,300	13,000	43,350
Travel and Training	6,237	6,958	23,300	29,912	48,825
Utilities	20,588	18,696	27,820	27,870	40,055
Fixed Assets and Capital Outlay	65,061	73,768	79,575	77,575	124,000
Other Operating Costs	237,964	226,176	344,588	300,151	432,512
Contract Services	3,343	54,634	284,930	335,275	347,400
Legal Services	0	0	0	0	0
Other Services	9,903	15,721	16,500	11,319	51,700
Software License and Application	154,873	185,238	204,133	205,000	239,000
TOTAL NON-PERSONNEL COSTS	546,911	645,761	1,021,146	1,033,112	1,382,342
TOTAL OPERATING BUDGET	\$1,367,175	\$1,465,120	\$2,088,508	\$1,844,610	\$3,215,844
SPECIAL PROJECTS EXPENDITURES	5,301,919	0	0	0	0
TOTAL	\$6,669,094	\$1,465,120	\$2,088,508	\$1,844,610	\$3,213,844

Sources Of Funding, By Fund

General Fund	1,306,382	1,463,349	2,088,508	1,844,610	3,215,844
Capital Projects Fund	2,593,335	0	0	0	0
Special Revenue Fund	2,769,376	0	0	0	0
Trust and Agency Fund	0	1,772	0	0	0
TOTAL SOURCES OF FUNDING	\$6,669,094	\$1,465,120	\$2,088,508	\$1,844,610	\$3,215,844

Community Development

OVERVIEW

The Community Development Department is responsible for ensuring a sustainable and vibrant community that supports economic well-being and a high quality of life for its residents, businesses and visitors.

This Department is comprised of the Planning and Building Divisions. Core services performed by the Department include:

Long Range Planning

The key focus of long range planning is to develop, monitor, update and integrate various land use, economic, transportation and environmental policies to enable achievement of citywide goals and improve the physical and economic environment of the community. This is accomplished primarily through the General Plan and other related planning documents that establish goals, policies and implementation strategies to guide future City decisions leading to an enhanced quality of life.

Current Planning

Current planning is comprised of a set of comprehensive services for people to obtain information and assistance with required approvals for land use development projects in an efficient manner and in compliance with established regulations. This includes providing potential project applicants and interested parties with timely and accurate information regarding City policies, ordinances, regulations and guidelines and other requirements related to land use development.

Additionally, this division provides timely, thorough and structured review of proposed development projects, including environmental review, fiscal impact analysis, historic review and other technical analyses, that evaluates the merits of a project leading to a decision.

Building Permitting and Inspection Services

The primary purpose of building permitting and inspection is to protect the health, safety and welfare of the public. This function includes providing information on the building permit process, interpreting the California Building Standards Code and City municipal

SUMMARY

FTEs	21.75
Budget	\$4.7 million
Funding Sources	General Fund
Advisory Commission	Planning



codes, as well as maintaining historical property records.

Additionally, this division coordinates interdepartmental and inter-agency review of project plans, conducts review of construction plans and supporting documentation for compliance with all State and City codes relating to structural, mechanical, plumbing, electrical and grading work, collects all appropriate fees and issues building permits.

Inspections are completed throughout the construction phase of projects to ensure they are built in accordance with approved plans and all relevant codes. All mitigation measures and conditions of approval must be met.

2013–14 HIGHLIGHTS

- Completed the Housing Element Update for the 2015–2023 planning period; the first city in the San Francisco Bay Area to do so.
- Completed the one-year review of the El Camino Real/Downtown Specific Plan with widespread support for the document's standards and guidelines for public and private enhancements.

Community Development



- Implemented Android based tablets for electronic field-based building inspection reporting.
- Completed a review of the entire development review process, as the first step in a broader effort to improve and streamline the planning and building submittal experience.
- Embarked on a multi-year long range planning effort to update the Land Use and Circulation Elements of the General Plan, with a focus on the eastern area known as the M-2 zoning area.
- Processing an unprecedented number of large-scale development projects, including Commonwealth Corporate Center, SRI Campus Modernization, mixed use office and residential projects at 500 and 1300 El Camino Real, and the Anton Menlo (Haven Avenue), Greenheart (Hamilton Avenue) and Greystar (Haven Avenue) housing projects.
- Continuous management of the Facebook West Campus project construction, including daily inspection services, creative problem-solving and compliance monitoring, and enforcement of all conditions of approval.
- Managing the construction of major projects, including the renovation of Beechwood School, a new Marriott Residence Inn hotel, and the 389 and 1460 El Camino Real projects, both serving to infill previously vacant parcels along El Camino Real.

2014-15 BUDGET

This Department is seeing an unprecedented level of development interest driven primarily by an improving economy, adoption of the El Camino Real/Downtown Specific Plan, and adoption of the 2007-2014 Housing Element.

Simultaneously, the Department is embarking on an update of the General Plan, a comprehensive, multi-year, long range planning project that will require a shift of existing staff resources to the work effort as well as the use of consulting services.

The budget reflects higher than average revenues as a result of the increased number of development projects and a corresponding increase in personnel resources, reflected in salaries and benefits for the limited term positions and in contract services. Of note is a past reduction in plan check resources from a 1.0 FTE to a 0.75 FTE during the recession with the understanding that the position would ultimately be returned to a full time position when warranted. The reinstatement of the position to full time will be considered during the fiscal year 2015-16 budget.

Much of current planning, building permitting, and inspection is self-supported through the collection of fees set to recover the costs of the services. However, not all services are fully cost recovered. Non-personnel related expenditures remain largely unchanged from 2013-14.



Community Development

FUTURE GOALS & INITIATIVES

- Working with the selected consultant team, embark on the first stages of the General Plan update, including a visioning effort that involves an educational speaker series, stakeholder interviews and community workshops, and data collection and analysis. Additional work efforts will be undertaken as defined in the approved work program.
- Implement various housing programs as outlined in the adopted 2015-2023 Housing Element.
- Align staff resources and contract services necessary to continue the timely processing of small-, mid- and large-scale development projects.
- Based on the review process flowcharting work, establish an interdepartmental team to identify and implement changes that can increase efficiencies and further streamline the review process.
- Implement new technologies to increase self-help options and increase operational efficiencies, including use of tablets at the Development Services counter to expedite building permit applications, use of online permit applications, and use of a voice recognition system for building inspection request.



COMMUNITY DEVELOPMENT WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
Administrative permits reviewed	3	2	1
City Council reports	24	35	28
Commercial building permits issued	231	228	197
Community workshops and meetings supported or staffed	N/A	N/A	N/A
Development review team meetings	50	27	26
Environmental documents prepared	7	8	11
Inspections conducted	9,893	10,447	9,951
Land use applications received	90	110	97
Planning Commission reports	102	110	105
Public notices mailed	28,588	64,699	86,229
Public notices prepared	306	441	508
Residential building permits issued	652	727	735
Sign applications reviewed	31	25	22
Zoning compliance letters prepared	5	3	19

Community Development

COMMUNITY DEVELOPMENT EXPENDITURES					
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$1,546,080	\$1,418,776	\$1,396,468	\$1,457,376	\$1,634,377
Salaries Part Time	77,696	83,525	78,125	63,967	81,640
Overtime	44,754	12,152	21,100	15,692	22,000
Temporary Staff	15,615	613	10,000	15,792	10,000
Vacation Cashout	24,387	19,582	25,000	79,621	14,960
Other Pays	27,812	28,309	24,877	38,984	28,367
Salaries and Wages Subtotal	1,736,344	1,562,958	1,555,570	1,671,431	1,791,345
Retirement and OPEB	305,693	283,770	288,935	297,159	350,522
Medical and Dental	257,132	259,659	238,859	249,011	265,886
Workers' Compensation	8,155	10,715	9,873	9,873	12,764
Other Fringe Benefits	44,452	35,271	39,519	39,169	47,407
Fringe Benefits Subtotal	615,433	589,415	577,186	595,211	676,580
TOTAL PERSONNEL COSTS	2,351,777	2,152,373	2,132,756	2,266,643	2,467,926
Printing and Postage	9,138	1,610	3,500	3,500	3,500
Memberships	2,137	2,493	4,500	4,000	4,500
Travel and Training	5,516	6,873	10,600	10,600	21,600
Utilities	13,000	14,453	15,675	15,675	15,675
Fixed Assets and Capital Outlay	5,588	11,036	18,451	18,187	18,500
Other Operating Costs	65,320	71,493	103,560	89,738	92,994
Contract Services	379,551	26,531	489,357	430,828	890,000
Legal Services	467,766	107,085	100,000	80,252	100,000
Other Services	267,015	376,085	1,731,642	879,255	1,135,000
Software License and Application	0	0	0	100	0
TOTAL NON-PERSONNEL COSTS	1,215,030	617,659	2,477,285	1,532,135	2,281,769
TOTAL OPERATING BUDGET	\$3,566,806	\$2,770,032	\$4,610,041	\$3,798,778	\$4,749,695
Special Projects Expenditures	0	4,000	4,000	4,000	25,000
TOTAL	\$3,566,806	\$2,774,032	\$4,614,041	\$3,802,778	\$4,774,695
Sources Of Funding, By Fund					
General Fund	3,566,806	2,774,032	4,614,041	3,802,778	4,774,695
TOTAL SOURCES OF FUNDING	\$3,566,806	\$2,774,032	\$4,614,041	\$3,802,778	\$4,774,695

Community Services

OVERVIEW

The Community Services Department provides recreation programs, services and facilities that enrich the lives of our residents. These opportunities enable individuals to stay healthy, learn new things, and connect with one another as a community. This department oversees activities in 10 different facilities totaling 130,000 square feet, including a state-of-the-art gymnastics center, an award-winning gymnasium, two recreation centers, two child-care centers, two after-school programs, two community pools, and a senior center. Additionally, this department hosts community-wide special events, a summer concert series, and programs at the local performing arts center.

Operationally, this department provides the following services:

Recreation

There are a wide variety of recreational opportunities for all ages.

Adult sports include men’s basketball leagues, softball leagues, and volleyball classes. There are also drop-in sports programs, including basketball, volleyball and badminton, as well as specialty programming such as Team Fitness and Menlo Swim and Sport Fitness and Bootcamp.

Youth sports include basketball leagues, a girls’ volleyball league, and the Kids Love Soccer program. The department also sponsors AAU basketball tournaments and provides contract classes including basketball, golf, tennis, and winter sports clinics.

Menlo Park Gymnastics provides very popular gymnastics programs, including both boys and girls competitive teams. The Gymnastics Center also offers special needs gymnastics classes, circus arts classes and rentals for yoga, spinning, adult aikido, and gymnastics birthday parties.

Classes at our two recreation centers include youth and adult enrichment classes in health and fitness, dance, martial arts, cooking, art, music, performing arts, crafts, horseback riding, sports (including ice skating, hockey, soccer, tennis, basketball, and baseball), computer skills, English as a Second Language (ESL) and more.

SUMMARY

FTEs	47.5
Budget	\$7.9 million
Funding Sources	Capital Projects Fund Enterprise Fund Expendable Trust Fund General Fund Special Revenue Fund Trust Agency Fund
Advisory Commission	Parks & Recreation



Aquatics programming is provided through a contract and lease agreement with Menlo Swim and Sport and includes year-round programming at both the Burgess Pool and Belle Haven Pool.

Other recreation facilities include tennis courts, a skate park, picnic areas, sports fields, two dog parks, and Bedwell-Bayfront Park, a 160-acre open space area with walking paths along San Francisco Bay.

Childcare & Teen Activities

The Belle Haven Child Development Center provides licensed, subsidized child development services for income-qualified children ages 3–5 and is partially funded through State grants. This program includes a nutritional component.

The Menlo Children’s Center provides daily licensed child care for ages 18 months through 5 ½ years old, as well as after-school care for school-aged children. A full-day summer camp program is also provided and all care includes a nutritional component, academic support, and transportation from local schools.

Community Services



The Belle Haven Youth Center houses the Belle Haven After-School Program, providing licensed, subsidized child care for income-qualified school-aged children, as well as a full-day summer camp program. A nutritional component, homework program, and transportation from local schools are included.

Senior Services

The Menlo Park Senior Center offers classes, social services, special events, recreation and social activities, for older adults and residents over age 55. Programs include Healthy Choices – a nutrition and exercise program for older adults, arts and crafts, peer counseling, a men’s social hour, insurance counseling, ESL courses, dance and fitness classes. Daily meals are also offered.

Special Events

Seven major community events are held each year, as well as an eight-week summer concert series. These events include Kite Day, 4th of July Parade and Celebration, Annual Downtown Block Party, Movies in the Park, Halloween Hoopla Costume Parade, Breakfast with Santa, Holiday Tree Lighting, and Egg Hunt.

The Community Services Department also programs the Menlo-Atherton Performing Arts Center for a total of 55 days per year with a combination of rentals and

city-sponsored programs, including the Music at Menlo Summer Festival, Kepler’s Arts and Lectures, children’s concerts and sing-alongs, movie nights, and local performing arts groups.

Housing

The City’s affordable housing programs include maintenance of a Purchase Assistance Loan portfolio and administration of a below market rate (BMR) housing program, which is managed through an area nonprofit. There are currently 66 BMR units occupied with 200 households on the BMR wait list. Additionally, two new affordable housing developments, which are supported by City BMR funds, are in the planning stage and will add over 150 affordable rental units in the near future.

2013–14 HIGHLIGHTS

- Established the “Arrillaga Standard” for customer service and program quality to match high quality new facilities.
- Began year-round operations at the Belle Haven Pool including scholarships for a girls’ water polo program with former Olympian Brenda Villa.
- Opened the City’s second artificial turf field at Hillview School.
- Completed the Belle Haven Visioning Process and began implementation of the Belle Haven Neighborhood Action Plan.
- The Arrillaga Family Gymnasium and Recreation Center were recognized by the California Parks and Recreation Society and received awards of excellence.
- Recognized by the Bay Communities Joint Powers Insurance Association for best practices in safety and risk management.
- Achieved a fourth consecutive year of improvements to cost recovery and customer satisfaction. Total cost recovery department-wide is now 82%.
- Expected to reach a new high of 1.7 million participant hours.
- Achieved record attendance at community special events in 2013–14.

Community Services

2014–15 BUDGET

The Community Services Department budget remains largely unchanged from 2013–14, at \$7.9 million. Staffing changes include the elimination of the Belle Haven Community Program Manager, as this service was transferred to the Ravenswood City School District. The budget includes a \$30,000 contribution for this position, and work continues through contracted services to provide outreach and community-building programs in the Belle Haven neighborhood. Service additions reflected in the budget include the addition of the new Movies in the Park series and elimination of a contract for meals at the senior center.

FUTURE GOALS & INITIATIVES

- Continue refining programs and customer service in support of achieving the “Arrillaga Standard” of highest quality facilities, programs and services.
- Support the Belle Haven neighborhood in implementation of their Action Plan.
- Complete business plans for all 100% cost-recovery programs.
- Continually improve registration and customer support systems.
- Refine performance measures and standardize customer survey processes.

- Standardize Safety and Risk Management policies and procedures across Community Services programs.
- Continually improve resource maintenance by identifying threats to the “Arrillaga Standard,” addressing maintenance issues quickly, and implementing a preventive maintenance schedule.
- Develop the initial community engagement plan for possible new phase of Measure T bonds in 2015–16.
- Continue supporting innovation as a value across Community Services programs, including recognition of employee excellence, regular staff training, and ongoing review of customer feedback.



COMMUNITY SERVICES WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
Attendance at special events and performing arts programs	10,800	12,335	14,340
Department cost recovery level	76.00%	80.00%	82%
Number of recreation programs conducted	12,570	13,970	18,060
Percentage of field usage	66% ³	82% ³	80% ³
Programs within the City Council cost recovery target	10 of 14	12 of 14	14 of 14
Total annual participant hours	37,964	1,662,457 ²	1,750,000
Total annual participants	88,032	706,830 ¹	725,000
Total facilities square feet	119,200	128,580	208,580

1. Total annual participants was changed in 2012–13 to count every visit a person made, for example, a child care participant went from counting as 1 for the year to counting as 1x the number of days enrolled.
2. Total annual participant hours were changed in 2012–13 to count every hour a participant was in a facility or program.
3. Peak hours / 45% of total hours

COMMUNITY SERVICES EXPENDITURES

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$2,498,342	\$2,358,081	\$2,335,299	\$2,345,483	\$2,266,721
Salaries Part Time	351,732	324,671	533,243	380,444	521,081
Overtime	28,205	19,744	26,250	34,266	29,300
Temporary Staff	744,706	806,833	862,600	933,323	908,250
Vacation Cashout	82,284	58,498	90,500	149,536	54,155
Other Pays	73,856	88,758	48,091	95,647	49,296
Salaries and Wages Subtotal	3,779,126	3,656,585	3,895,983	3,938,699	3,828,804
Retirement and OPEB	534,692	527,226	559,035	523,910	581,773
Medical and Dental	697,820	739,929	784,943	762,527	846,918
Workers' Compensation	71,634	69,247	80,319	80,319	63,772
Other Fringe Benefits	107,049	125,325	143,361	135,956	145,127
Fringe Benefits Subtotal	1,411,195	1,461,727	1,567,658	1,502,712	1,637,590
TOTAL PERSONNEL COSTS	5,190,320	5,118,312	5,463,641	5,441,411	5,466,394
Printing and Postage	18,657	46,746	68,830	66,030	78,315
Memberships	22,333	6,070	23,650	23,820	15,525
Travel and Training	17,579	16,931	24,850	30,138	32,225
Utilities	309,902	311,622	367,420	349,450	339,735
Fixed Assets and Capital Outlay	752,075	651,017	187,654	223,002	98,700
Other Operating Costs	511,963	608,025	637,119	646,421	634,589
Contract Services	675,633	878,696	1,037,687	947,374	998,700
Legal Services	66,438	50,511	9,000	2,255	9,000
Other Services	47,485	108,934	40,280	37,616	49,500
Software License and Application	15,626	9,128	10,550	12,550	10,550
TOTAL NON-PERSONNEL COSTS	2,437,691	2,687,679	2,407,040	2,338,656	2,266,839
TOTAL OPERATING BUDGET	\$7,628,011	\$7,805,992	\$7,870,681	\$7,780,067	\$7,733,232
Special Projects Expenditures	1,721,452	1,702,929	20,000	37,200	157,200
TOTAL	\$9,349,463	\$9,508,921	\$7,890,681	\$7,817,267	\$7,890,432

Sources Of Funding, By Fund

Capital Projects Fund	664,959	0	0	0	0
Enterprise Fund	1,366,606	0	0	0	0
Expendable Trust	700	700	700	700	700
General Fund	6,491,705	7,104,442	7,720,025	7,721,081	7,808,232
Special Revenue Fund	825,477	861,323	169,956	95,486	81,500
Trust Agency Fund	16	1,542,456	0	0	0
TOTAL SOURCES OF FUNDING	\$9,349,463	\$9,508,921	\$7,890,681	\$7,817,267	\$7,890,432

Finance Department

OVERVIEW

The Finance Department is responsible for the overall financial management of the City. The Department's core function is to maintain a strong and secure financial position for the City by providing comprehensive financial and analytical services to the City Council, City management and staff, and the public.

Operationally, this department provides the following services:

Accounting and Financial Reporting

Performing the accounting for all of the City's financial transactions and preparation of the annual Comprehensive Annual Financial Report and all other required annual financial statements.

Budget

Coordinating the annual operating budget development process and providing departments with reports and analysis to ensure expenditures are maintained within budgeted appropriations.

Treasury

Managing the City's cash flow, in conjunction with an investment advisor, to meet cash requirements and generate investment return while maintaining the safety and liquidity of the City's funds.

Revenue Management

Establishing and administering the rate structure necessary to ensure full cost recovery for water and solid waste services, collecting the business license tax, and monitoring collections of other revenue sources.

Purchasing and Accounts Payable

Administering the purchasing program to ensure purchases are made in compliance with established policies and vendors are paid on time and accurately.

Risk Management

Administering the comprehensive risk management and mitigation function by working with the Bay Cities Joint Powers Insurance Authority to investigate and defend claims, provide safety trainings, and proactively seek ways to reduce the City's overall exposure to liability.

SUMMARY

FTEs	8
Budget	\$3.5 million
Funding Sources	Enterprise Fund General Fund Internal Service Fund Special Revenue Fund
Advisory Commission	Finance and Audit Committee

Debt Service

Managing the City's debt portfolio to ensure adequate funds are available to make principal, interest, and other debt-related payments in a timely manner.

Payroll

Processing bi-weekly payroll for all of the City's full-time, part-time, and temporary employees.

2013-14 HIGHLIGHTS

- City staff, acting as the administrative staff for the former redevelopment agency's Successor Agency, drove the successful sale of the former agency's final asset, a property in the project area, and renegotiated better terms on the agency's letter of credit related to its outstanding debt. Both actions had a positive fiscal impact on all of the affected taxing entities.
- The Comprehensive Annual Financial Report for fiscal year 2011-12 was recognized by the Government Finance Officers Association, which awarded the City a Certificate of Excellence. The City applies for and strives to receive this recognition every year.
- The Finance Department, in conjunction with the Human Resources Department and the City Manager's Office, successfully completed the first phase of the payroll upgrade project, which was the transition from the outdated desktop application onto the more dynamic cloud-based solution. Phase two, which is the implementation of electronic timecards, is currently underway and is expected to be fully implemented by the end of 2014.
- The City completed a successful request for proposals process for a new external auditor, Badawi & Associates. The contract is for four years with the option for up to two one-year extensions.

Finance Department

- The Finance Department and the City Manager's Office led a major redesign of the City's budget document. In addition to transitioning from a program/service structure to a department/division structure, the budget document is now designed to provide more useful and easy to find information for the City Council, staff, residents, and other interested parties.

2014–15 BUDGET

The Finance Department's budget remains largely unchanged from 2013–14, as there are no material service-level changes. Staffing remains at eight employees. Non-personnel expenditures were adjusted to consider historical spending and known changes to requirements. The one significant increase in this area is for credit card fees. With more and more business license customers opting to pay with credit cards, as well as the expectation that a new online business license application and renewal module will be implemented during 2014, the budget for credit card fees has been increased significantly to account for the anticipated increase in costs.



FUTURE GOALS & INITIATIVES

- Finalize successful transition to electronic timecard reporting.
- Finalize successful transition to new external auditors.
- Implement new business license tax software that will allow for electronic submission of applications and renewals.
- Develop and implement a solution for billing for developer fees.
- Update purchasing policy and provide training.

FINANCE WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
Annual regulatory reports/audits completed and submitted to the appropriate agency	10	8	8
Business license renewals	N/A	N/A	4,350
New business license applications	829	811	800
Payroll checks/direct deposits	11,155	10,844	10,977
Separate funds included in annual financial statements	50	43	43
Vendor payments	4,358	4,402	4,450

Finance Department



FINANCE DEPARTMENT EXPENDITURES

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$736,581	\$708,098	\$802,359	\$780,503	\$733,248
Salaries Part Time	0	0	25,975	0	0
Overtime	279	6,056	0	7,705	5,000
Temporary Staff	2,784	43,544	0	47,215	6,000
Vacation Cashout	28,076	112,685	24,500	36,170	16,146
Other Pays	14,377	13,978	11,506	15,756	9,425
Salaries and Wages Subtotal	782,097	884,361	864,340	887,349	769,818
Retirement and OPEB	137,469	136,094	165,489	151,264	153,785
Medical and Dental	125,339	139,940	159,121	144,472	169,272
Workers' Compensation	4,322	5,171	5,023	5,022	7,392
Other Fringe Benefits	20,297	25,710	25,954	22,493	23,337
Fringe Benefits Subtotal	287,427	306,916	355,587	323,251	353,786
TOTAL PERSONNEL COSTS	1,069,524	1,191,276	1,219,927	1,210,600	1,123,604
Printing and Postage	7,220	2,898	8,600	2,700	3,500
Memberships	675	760	820	0	820
Travel and Training	27,084	27,618	34,700	27,650	29,700
Utilities	5,392	8,049	3,550	8,194	4,900
Fixed Assets and Capital Outlay	3,426	59	6,800	3,700	4,000
Other Operating Costs	1,883,774	1,860,172	1,505,174	1,461,233	1,571,603
Contract Services	750	36,114	163,084	133,785	90,000
Legal Services	60,017	13,648	12,000	0	10,000
Other Services	307,263	297,986	524,305	356,500	434,000
Software License and Application	0	0	0	0	0
TOTAL NON-PERSONNEL COSTS	2,295,602	2,247,302	2,259,033	1,993,762	2,148,523
TOTAL OPERATING BUDGET	\$3,592,700	\$3,662,731	\$3,708,492	\$3,433,894	\$3,505,561
Special Projects Expenditures	227,574	224,153	229,532	229,532	233,434
TOTAL	\$3,592,700	\$3,662,731	\$3,708,492	\$3,433,894	\$3,505,561
Sources Of Funding, By Fund					
Enterprise Fund	505,689	504,794	598,472	596,871	633,596
General Fund	1,202,994	1,422,104	1,625,634	1,536,437	1,540,456
Internal Service Fund	1,769,405	1,678,263	1,424,563	1,247,967	1,278,561
Special Revenue Fund	114,613	57,570	59,823	52,618	52,948
TOTAL SOURCES OF FUNDING	\$3,592,700	\$3,662,731	\$3,708,492	\$3,433,894	\$3,505,561

Human Resources Department

OVERVIEW

The Human Resources Department delivers innovative and timely human resources services and leadership to enable the City, its departments, and employees to provide outstanding municipal services to our diverse community. The Human Resources Department is responsible for the recruitment, development, and retention of a diverse, well-qualified and professional workforce that reflects the high standards of the community we serve, and leading City departments in positive employee relations, talent management, succession planning and employee engagement. Human Resources also implements any and all Federal, State and local mandates and requirements related to employment.

Operationally, this department provides the following services:

Employee Total Compensation

Administration of salaries, healthcare, retirement and other benefits.

Employee Relations

Encouragement of effective employer-employee relations by supporting a positive, productive, and respectful work environment, and enhancing the City's ability to deliver efficient, quality customer service through employee consultation, training and performance management.

Labor Relations

Guidance for managers and employees to enhance performance, maintain a positive work environment, and provide effective problem-solving of complaints and grievances. Additionally, this function facilitates labor contract negotiations, administration and interpretation.

Organizational and Employee Development

Identification and implementation of training and employee development opportunities to support employee skill enhancement, innovation and leadership.

Talent Management

Recruitment, selection, and onboarding of new employees who have a passion for public service,

SUMMARY

FTEs	3.5
Budget	\$2.0 million
Funding Sources	General Fund Internal Service Fund

excellent skills and the ability to take on increasingly complex roles in their assignments.

Safety, Workers' Compensation and Return-to-Work

Workplace safety and active risk management to prevent and reduce injuries and other potential liabilities.

2013–14 HIGHLIGHTS

- Organized two employee recognition events.
- Conducted recruitment and selection processes for 25 regular positions resulting in 12 promotions and 13 new hires.
- Managed annual employee benefits open enrollment process.
- Through the effective use of technology, revised and refined benefit and retirement reporting practices to CalPERS.
- Coordinated and scheduled various trainings on a range of employment topics.
- Actively managed and participated in labor negotiations for four successor memoranda of understandings.
- Published and implemented two new MOUs between the City and the bargaining groups (PSA & AFSCME).
- Continued to post job descriptions, memoranda of understandings, and employment opportunities on the City's website, providing transparency to the public.
- Responded to numerous Public Records Act requests for employment-related records.

2014–15 BUDGET

The Human Resources Department's budget remains largely unchanged from fiscal year 2013–14. The one significant increase arises from efforts to update, modernize and improve the overall service delivery

Human Resources Department

to our customers. Human Resources is in the process of reviewing and changing many of its standard operations while simultaneously building the necessary infrastructure to support the entire organization in service optimization.

Significant staff turn-over coupled with the emerging new “ways of doing business” within Human Resources has provided the opportunity to analyze the allocation of job duties and responsibilities in relation to the existing budgeted positions.

In order to staff Human Resources with an incumbent possessing the appropriate analytical as well as technical skills and the ability to exercise independent judgment in complex problem-solving scenarios, the existing vacant full-time Human Resources Assistant position is being deleted and a full-time Human Resources Analyst position is being added for 2014–15. The additional cost of this change is approximately \$34,000 annually.

FUTURE GOALS & INITIATIVES

- Complete a transition to an automated Human Resources Information System (HRIS).
- Create and maintain an electronic Master City Policy Manual.
- Re-vamp City’s New Employees Orientation process.
- Establish new supervisor training for all newly hired/ promoted supervisors.
- Address the impact of the Affordable Care Act (ACA), as the City will be required to offer enrollment for qualified medical benefit plans to eligible employees.



Human Resources Department

HUMAN RESOURCES WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
Employee trainings	28	28	30
New hires	15	15	13
New/active administrative investigations	N/A	5	4
New/active employee discipline cases	N/A	6	5
New/active Fair Employment inquiries	N/A	7	8
New/active grievances filed	N/A	4	5
New/active Meet & Confer requests from bargaining units	N/A	12	15
Open successor MOU negotiations	4	2	4
Open Workers' Compensation claims	5	7	16
Recruitments	13	31	25



Human Resources Department

HUMAN RESOURCES DEPARTMENT EXPENDITURES

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$169,521	\$241,685	\$246,942	\$240,479	\$325,025
Salaries Part Time	0	0	0	0	27,164
Overtime	12,379	925	0	1,433	1,000
Temporary Staff	53,578	4,292	15,000	12,771	15,000
Vacation Cashout	6,978	3,517	16,000	10,089	9,574
Other Pays	5,327	10,168	97,705	97,370	99,972
Salaries and Wages Subtotal	247,783	260,587	375,647	362,143	477,735
Retirement and OPEB	26,985	47,303	52,452	48,260	74,639
Medical and Dental	534,727	587,708	421,555	436,067	600,687
Workers' Compensation	1,744	1,234	1,199	1,199	4,029
Other Fringe Benefits	173,302	187,417	205,083	228,527	14,739
Fringe Benefits Subtotal	736,758	823,663	680,289	714,053	694,095
TOTAL PERSONNEL COSTS	984,540	1,084,250	1,055,936	1,076,196	1,171,830
Printing and Postage	92	154	150	150	150
Memberships	917	768	4,500	2,550	4,500
Travel and Training	19,469	20,625	12,505	29,600	19,655
Utilities	2,638	5,025	4,650	5,400	4,650
Fixed Assets and Capital Outlay	3,108	4,234	2,000	1,250	2,000
Other Operating Costs	23,788	19,503	54,092	13,530	226,339
Contract Services	60,020	10,148	52,650	60,000	108,355
Legal Services	102,569	75,545	75,000	75,000	75,000
Other Services	89,310	107,307	100,908	56,500	97,000
Software License and Application	0	0	0	0	0
TOTAL NON-PERSONNEL COSTS	301,911	243,310	306,455	243,980	537,649
TOTAL OPERATING BUDGET	\$1,286,451	\$1,327,560	\$1,362,391	\$1,320,176	\$1,709,479
Special Projects Expenditures	64,033	90,574	231,540	231,540	268,884
TOTAL	\$1,350,484	\$1,418,134	\$1,593,931	\$1,551,716	\$1,978,363
Sources Of Funding, By Fund					
General Fund	795,275	778,589	978,391	915,176	1,063,179
Internal Service Fund	555,209	639,544	615,540	636,540	915,185
TOTAL SOURCES OF FUNDING	\$1,350,484	\$1,418,134	\$1,593,931	\$1,551,716	\$1,978,363

Library

OVERVIEW

The Menlo Park Library is committed to serving a progressive and diverse community by inspiring lifelong learning through services, materials and activities that meet the informational, cultural and entertainment needs of the community.

The library includes a main central library, the Belle Haven branch library, and a robust virtual library available 24/7 through the library's website. The library provides borrower services, public information, and specialized services for children, teens, adults, and recent immigrants.

The Menlo Park Library is in the top 6% for circulation per capita among all 182 public libraries in California.

Operationally, this department provides the following services:

Adult Services

Selection and management of adult fiction and non-fiction materials in print and electronic format; periodicals, audio books, music CDs, movies and documentaries; reference and reader advisory services; and access to information through the development of the library webpage, online indices, pathfinders and other advisory aids.

Project Read, the adult literacy program, teaches adult learners to read and write in English. The program holds regular training sessions to train the volunteers who provide one-on-one tutoring of students.

Youth Services

Programs for children from infant through high school including story times, craft programs, special guest enrichment programs (like musical events, parent education events, and author visits), school visits, a summer reading club, reference and reader advisory services, and the teen advisory group.

Circulation

Lending and return of library materials; assistance with the use of the self-check terminals, orderly management of the library's collections, and issuance of library cards.

SUMMARY

FTEs	13.75
Budget	\$2.6 million
Funding Sources	Library Bond Fund Expendable Trust Fund General Fund Special Revenue Fund
Advisory Commission	Library



Technical Services

Physical and electronic cataloging, labeling, packaging, and inventory of all items in the Library's collection and preparation of new items for circulation.

Library

2013–14 HIGHLIGHTS

- Doubled our collection of e-books over the number available in FY 2012–13.
- Began a “Quick Picks” collection to address the long wait for popular books and DVDs.
- Automated check-out and returns for 95% of all items at the Main Library.
- Initiated a subscription to Zinio online e-magazine collection with 94 of the most popular titles available.
- Increased internet bandwidth at the Main Library from 20 MB to 1 GB and from 10 MB to 1 GB at the Belle Haven Branch Library.
- Library volunteers contributed time equivalent to 1.67 FTE.
- Story Time popularity grew to 27,533 attendees and 541 programs during the year.

FUTURE GOALS & INITIATIVES

- Complete staff training in the use of Sierra, the library’s new integrated library system.
- Work with the Public Works Department in the renovation of the Automated Materials Sorting Room and library exterior landscape.
- Work with the consultant in the library internal audit.

2014–15 BUDGET

The Library’s budget has remained largely unchanged for several years. Staffing remains at 13.75 FTE permanent staff (19 individuals) and 34 temporary staff. To meet the growing demand for youth programming and increased library use, the budget for temporary staff has been increased.

Non-personnel expenditures were adjusted to consider historical spending and known changes to requirements. A change in the cost allocation formula for the shared Peninsula Library System computer catalog will increase Menlo Park’s portion due to high use by library patrons. Other cost increases include maintenance for the automated self check-in and return equipment, as well as the Automated Materials Handling System, both of which are in their first full year of non-warranty service.

LIBRARY WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
Main Library			
Audio/visual circulation	224,066	225,426	223,305
Book circulation	400,603	437,518	425,515
Children's program attendance	25,095	27,349	27,533
Internet sessions	92,999	49,848	44,500
Reference questions answered	36,257	42,764	42,825
Belle Haven Branch Library			
Audio/visual circulation	4,431	3,837	3,285
Book circulation	8,200	6,186	7,450
Children's program attendance	7,449	7,405	5,315
Internet Sessions	7,703	6,168	4,240
Reference questions answered	14,238	14,504	12,920

Library



LIBRARY EXPENDITURES					
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$608,086	\$659,529	\$535,662	\$686,183	\$551,345
Salaries Part Time	418,521	354,769	503,397	308,377	483,295
Overtime	831	9,054	13,600	8,827	2,800
Temporary Staff	206,745	281,674	309,845	281,213	409,265
Vacation Cashout	8,428	21,310	13,500	43,997	8,078
Other Pays	36,121	38,734	33,382	52,781	36,995
Salaries and Wages Subtotal	1,278,733	1,365,069	1,409,386	1,381,377	1,491,778
Retirement and OPEB	194,241	201,766	206,278	196,443	217,384
Medical and Dental	158,359	157,018	170,082	153,803	185,181
Workers' Compensation	15,242	14,244	13,984	13,983	25,138
Other Fringe Benefits	37,734	49,701	53,856	46,569	57,469
Fringe Benefits Subtotal	405,576	422,729	444,200	410,798	485,172
TOTAL PERSONNEL COSTS	1,684,309	1,787,798	1,853,586	1,792,175	1,976,950
Printing and Postage	1,068	895	2,675	425	1,475
Memberships	34,177	31,489	34,600	34,800	35,800
Travel and Training	188	233	4,700	4,350	4,550
Utilities	64,551	65,683	69,500	69,500	69,500
Fixed Assets and Capital Outlay	8,152	8,608	69,250	7,602	37,250
Other Operating Costs	327,955	354,272	453,041	406,373	496,228
Contract Services	1,279	0	3,500	1,500	3,000
Legal Services	0	0	0	0	0
Other Services	0	0	0	0	0
Software License and Application	0	0	0	0	0
TOTAL NON-PERSONNEL COSTS	437,371	461,181	637,266	524,550	647,803
TOTAL OPERATING BUDGET	\$2,121,680	\$2,248,979	\$2,490,852	\$2,316,725	\$2,624,753
Special Projects Expenditures	0	0	0	0	0
TOTAL	\$2,121,680	\$2,248,979	\$2,490,852	\$2,316,725	\$2,624,753
Sources Of Funding, By Fund					
1990 Library Bond Fund	1,218	1,275	55,000	0	40,000
Expendable Trust Fund	61,693	60,221	111,923	73,798	95,170
General Fund	1,871,632	2,011,144	2,114,569	2,129,018	2,268,284
Special Revenue Fund	187,137	176,338	209,360	113,910	221,299
TOTAL SOURCES OF FUNDING	\$2,121,680	\$2,248,979	\$2,490,852	\$2,316,725	\$2,624,753

Police Department

OVERVIEW

The Police Department is a full-service police force responsible for enhancing and ensuring public safety by protecting lives and property, preventing crime, maintaining public order, thoroughly investigating crimes, and providing code enforcement and community outreach.

Operationally, this department provides the following services:

Administration

Administration consists of department command staff, records, police training, and emergency preparedness. This includes department operations, citation and subpoena processing, issuance of parking permits, crime statistics reporting, property and evidence management, coordination with the District Attorney's Office and preparing case information. Additionally, this division is responsible for the professional development of police employees by planning and implementing training that meets or exceeds legal mandates, as well as coordinates with the Menlo Park Fire Protection District on emergency preparedness plans and training.

Patrol

The Patrol Services Division is the most visible part of the police department, consisting of uniformed officers and professional staff who are making contact with residents, business owners and visitors on a daily basis. It is the Patrol Service that provides first responders to a myriad of emergency and non-emergency calls. Patrol Services includes traffic and parking enforcement, community service and community safety officer programs, code enforcement, special events coordination, SWAT, field training, and the crisis intervention team. This division is also responsible for staffing the new Belle Haven Neighborhood Service Center and substation.

Investigations

The Investigations Division handles all general criminal investigations while assisting Patrol Services at major crime scenes or with other complicated cases. Cases range from burglaries and robberies to large scale frauds, crimes against children and homicides. The

SUMMARY

FTEs	70 (48 sworn)
Budget	\$15.5 million
Funding Sources	General Fund Special Revenue Fund



Narcotics Enforcement Team (NET), which consists of four specialized detectives led by a sergeant, conducts a great deal of street level enforcement combating narcotics dealing and gang violence. Additionally, it conducts periodic probation and parole checks, undercover operations, and coordinates with regional and federal authorities.

Dispatch

Dispatch is operational 24 hours a day, 7 days a week including holidays and weekends to receive service calls from the public (and other agencies) as well as support officers via radio communications. Dispatchers run suspect and premise checks, verify identification, and enter various other information into statewide databases, i.e. stolen vehicles, stolen property, or missing persons. Our state-of-the-art dispatch center answers 911 calls from landline, VOIP, and cell phone callers with 98% of calls answered in 10 second or less. During the night shift, dispatch handles walk-in requests for records or others needing assistance.

Police Department

2013–14 HIGHLIGHTS

- Created a new Community Safety Police Officer position, in partnership with Facebook, to be a liaison with schools and businesses. The position works closely with School Resource Officers from other jurisdictions and oversees a juvenile diversion and truancy prevention program.
- Opened the new Belle Haven Neighborhood Service Center as a place for community members to meet with law enforcement and each other. It will be the main office for Code Enforcement and the Community Safety Police Officer.
- Purchased new neighborhood surveillance cameras and three Automated License Plate Readers (ALPR) in response to neighborhood gang violence.
- Initiated a one-year trial deployment of 16 Taser devices. All sergeants and six officers have been equipped thus far.
- Expanded the department's social media presence to include: Twitter, Nixle, Nextdoor, and Blackboard Connect.
- Entered into an agreement for emergency preparedness services with the Menlo Park Fire Protection District.

2014–15 BUDGET

The Police Department's budget remains largely unchanged from fiscal year 2013–14. Major changes include the addition of an additional FTE (Community Safety Police Officer) and the cost of the lease for the new Belle Haven Neighborhood Service Center; although these are offset by funding agreements with Facebook. During fiscal year 2013–14, the City Council approved converting the 0.75 FTE (red-light camera coordinator) to full-time which will be offset by red-light camera violation fees. Non-personnel expenditures were adjusted to consider historical spending and known increases in existing service contracts.



FUTURE GOALS & INITIATIVES

- Report back to City Council on the one year Taser trial. If positive, begin roll out of Tasers for all officers.
- Report back to City Council on effectiveness of the surveillance cameras and ALPR program.
- Complete 5-year radio infrastructure CIP project.
- Complete departmental reorganization.
- Integrate new SUV police vehicles into existing fleet.
- Purchase and implement a new online parking permit application.

Police Department

POLICE DEPARTMENT WORKLOAD INDICATORS

	FY 11/12	FY 12/13	Est. FY 13/14
911 emergency calls	12,386	10,168	11,000
Calls answered in 10 seconds or less	12,272	9,838	10,000
Cases reviewed and processed	3,754	3,869	4,000
Detective cases assigned	262	178	500
Dispatch calls for service	52,944	41,206	40,000
Moving citations processed	8,129	5,762	6,700
Overall clearance rate	36%	34%	34%
Parking citations processed	16,776	17,423	18,000
Patrol calls for service	24,983	22,383	23,000
Pedestrian stops	16,251	11,280	10,000
Property crime clearance rate	11%	11%	11%
Serious crime clearance rate	48%	36%	33%
Vehicle stops	15,107	10,257	11,000



Police Department

POLICE DEPARTMENT EXPENDITURES

	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$7,131,635	\$6,701,715	\$7,022,269	\$7,044,001	\$7,131,090
Salaries Part Time	94,891	81,663	120,688	47,023	69,877
Overtime	709,667	716,447	761,272	847,572	730,872
Temporary Staff	172,641	266,135	169,200	192,827	169,200
Vacation Cashout	334,194	204,259	375,500	230,204	224,281
Other Pays	834,239	775,923	814,644	899,777	874,306
Salaries and Wages Subtotal	9,277,268	8,746,143	9,263,573	9,261,404	9,199,626
Retirement and OPEB	1,816,252	1,778,431	1,930,089	1,906,459	2,093,191
Medical and Dental	927,343	966,656	1,026,745	1,036,630	1,200,790
Workers' Compensation	250,053	255,243	238,800	238,801	417,547
Other Fringe Benefits	214,647	208,942	226,190	211,286	232,282
Fringe Benefits Subtotal	3,208,295	3,209,272	3,421,824	3,393,176	3,943,809
TOTAL PERSONNEL COSTS	12,485,563	11,955,414	12,685,397	12,654,579	13,143,435
Printing and Postage	771	900	2,230	2,125	2,230
Memberships	3,004	2,240	7,000	3,500	7,000
Travel and Training	82,588	102,492	91,647	91,447	90,900
Utilities	88,038	95,032	115,521	105,365	115,521
Fixed Assets and Capital Outlay	82,256	107,718	247,897	192,869	104,361
Other Operating Costs	1,296,880	1,028,908	1,339,604	1,205,133	1,317,822
Contract Services	0	0	0	0	0
Legal Services	0	265	0	0	0
Other Services	462,791	466,816	530,842	527,160	606,175
Software License and Application	31,384	34,234	39,615	38,160	37,715
TOTAL NON-PERSONNEL COSTS	2,047,712	1,838,605	2,374,356	2,165,759	2,281,724
TOTAL OPERATING BUDGET	\$14,533,275	\$13,794,019	\$15,059,753	\$14,820,338	\$15,425,159
Special Projects Expenditures	144,718	144,718	160,650	160,650	91,200
TOTAL	\$14,677,993	\$13,938,737	\$15,220,403	\$14,980,988	\$15,516,359
Sources Of Funding, By Fund					
General Fund	13,975,240	13,809,282	15,065,189	14,906,034	15,394,959
Special Revenue Fund	702,753	129,454	155,214	74,954	121,400
TOTAL SOURCES OF FUNDING	\$14,677,993	\$13,938,737	\$15,220,403	\$14,980,988	\$15,516,359

Public Works

OVERVIEW

The Public Works Department is responsible for providing efficient and sound infrastructure, facilities, and services regarding the City's streets, sidewalks, water, surface runoff, parks, trees, transportation, and environment. The Public Works Department strives to protect the City's investments in infrastructure and public facilities to ensure the health and safety of the community in the most efficient, sustainable and cost effective manner.

This department consists of the following five divisions:

Capital Improvements

This division is charged with overseeing the City's Capital Improvement Program (CIP), which consists of a variety of projects to construct, maintain, repair, and rehabilitate the City's infrastructure and facilities. Both City staff and hired professional consultants design these various projects. Most of the CIP projects are constructed by general contractors selected via competitive public bidding. Each year the CIP Division plans for the City's infrastructure needs over a five year period and budgets for the necessary projects. These projects include street improvements, traffic signals, storm drains, potable water and wells, and community building facilities. The program is managed by staff and supported by 6–15 consultants in the implementation of the CIP program. The CIP Division is presently working on 57 projects, with 31 additional projects being added in 2014–15 totaling approximately \$7 million.

Engineering

The Engineering Division provides a commitment to quality customer service and ensures the City's infrastructure is maintained at a high level and that private development meets the City's required standards and conditions.

This includes the right-of-way program which manages the encroachment permits from private developers, utility companies, property owners and contractors desiring to work within the City's right-of-way.

The development services program works in partnership with the Community Development Department to regulate and facilitate private development projects

SUMMARY

FTEs	55.5
Budget	\$18.7 million
Funding Sources	Capital Projects Fund Enterprise Fund Expendable Trust Fund General Fund Internal Service Fund Special Revenue Fund
Advisory Commission	Bicycle Environmental Quality Transportation

within the City. This ensures that the infrastructure constructed both onsite and in the right-of-way meets the appropriate engineering standards and regulatory requirements for grading, drainage, FEMA compliance, stormwater quality within the property, traffic impacts and street improvement surrounding the property (including pavement, sidewalks, storm drainage, street lighting, and water improvements). This function aims to provide timely, comprehensive plan reviews and inspections. Given the amount of large projects currently in process (Facebook, Commonwealth, SRI, St. Anton, Greystar, Hamilton Apartments, El Camino Real Developments, etc.) and the overall increase in private development, the program is increasingly dependent on the services of consulting plan checkers and contract inspectors.



Public Works

Maintenance

The Maintenance Division provides many of the basic services that affect the daily lives of everyone who lives, works, visits and commutes within the City. This division provides support to all City departments and is responsible for the following five programs: Facilities, Parks, Fleet, Trees and Streets.

The facilities program provides a variety of support functions including operation, maintenance and repair services for the 26 City-owned facilities totaling over 250,000 square feet. The facilities program is managed by staff and supported by eight contractors. This program is responsible for two commercial kitchens, three elevators, burglar alarms, fire alarms, interior and exterior surfaces, HVAC, pest control, electrical power within facilities, lighting and two ejector pumps. Facilities staff also provides project management for minor remodel and repair projects.

The parks program maintains and renovates City parks, playgrounds, sports fields, and medians. A portion of the revenue collected by the Community Services Department for field activities helps partially fund maintenance of the City's parks. The City utilizes both staff and a private contractor to maintain its 14 parks and two open spaces totaling over 250 acres. Additionally, the program oversees 14 playgrounds, two dog parks, 14 tennis courts, nine sports fields, facility grounds, and landscape maintenance in the public right-of-way and eight parking plazas.

The City also manages 160 acres at Bedwell-Bayfront Park, a closed municipal, non-hazardous solid waste disposal site. The City is responsible for monitoring, sampling and disposing of the gas and leachate generated from the landfill in accordance with local, State and Federal regulations.

The fleet program is responsible for the acquisition and disposal of City vehicles and equipment, providing preventive maintenance and repair on vehicles and equipment and purchasing parts and accessories necessary for repair. Currently, the program maintains approximately 200 vehicles and large pieces of equipment, approximately 50 small pieces of equipment, and four emergency generators. The fleet program also maintains the underground fuel storage

tank system, and sells fuel to four outside agencies via shared service agreements. Currently, the fleet program is maintaining 30 vehicles and pieces of equipment for the West Bay Sanitary District in an effort to provide additional shared services with other agencies.

The tree program manages the urban forest to promote a pleasing natural environment and the related social, economic and environmental benefits. This includes management of the Heritage Tree Ordinance, which regulates the removal and pruning of Heritage Trees on public and private property. In addition, the program is responsible for maintaining 20,000 public trees located in streets, parks and at City facilities.

The streets program maintains clean and safe streets, sidewalks, pathways, bicycle bridges and parking lots through a combination of staff and private contractors who perform street sweeping, street light and traffic signal maintenance, striping and storm drain cleaning. The streets program is responsible for approximately 97 miles of streets, 4,000 traffic/street signs, 2,233 street lights, 40 traffic signals, graffiti abatement and public sidewalk hazards.



Public Works

Transportation & Environment

The Transportation & Environment Division promotes the efficient movement of people and goods throughout Menlo Park by providing a functional and efficient transportation network and promoting environmental consciousness through awareness, education, programs.

The Division's transportation demand management (TDM) program offers a variety of options and services for local residents and employees to reduce traffic congestion within the City. Such programs include promoting ride sharing, bicycles and walking as commute alternatives and collaboration with local schools to develop and implement Safe Routes to Schools plans. The program offers bicycle education and safety programs, Bike to Work Day promotions, and works to secure bicycle and pedestrian infrastructure improvement grants. The City's shuttle program, which offers free-to-riders connections from Caltrain to local employers and to key destinations around the City, has approximately 83,000 shuttle riders per year. The environmental program promotes and protects natural resources through developing and administering progressive environmental quality policies and programs related energy and water conservation programs, air and water pollution prevention, sustainable building design, climate action planning. The program oversees stormwater permit compliance, recycling and waste reduction programs, and Heritage Tree Ordinance appeals.

Utilities

The Utilities Division is responsible for providing reliable water, storm drain and solid waste collection systems that are reasonably priced and efficiently managed.

The water program provides potable water to approximately 14,000 customers through 55 miles of water mains and approximately 4,000 service connections. The system contains one pump station and two reservoirs of 3.5 and 2 million gallons. The program includes water conservation programs, water machine and high efficiency toilet rebates, Lawn Be Gone incentives, landscape analysis programs and water efficient landscaping requirements.



The stormwater program manages flooding risk, reduces pollution, and protects creek and bayland habitats in compliance with regulatory requirements. This includes maintaining the storm drain system, providing pollution prevention services and education required by the National Pollution Discharge Elimination System (NPDES) permit, coordinating with regional entities in managing creeks through bank stabilization, removal of creek vegetation, creek cleanups, and public education.

The solid waste program oversees the contract with Recology for garbage and recycling collection services, manages the City's composting services, and participates as a member of the South Bayside Waste Management Authority. The program also includes collaboration with regional entities and provides information and assistance to local residents and businesses seeking to reduce waste. Additionally, the program coordinates multiple hazardous waste, electronic waste and shredding events throughout the year.

Public Works

2013–14 HIGHLIGHTS

- Completed Bedwell-Bayfront Park Flare Station Project.
- Completed Middlefield Road Storm Drain Study.
- Completed Alpine Road Bike Improvements.
- Completed 2013 Pavement Management Program Recertification.
- Completed PG&E pipeline project on Sand Hill Road.
- Started a new hydrant maintenance program to be completed in 2015–16.
- Implemented a water efficient landscape design program to transform lawns into water conserving landscapes that are low maintenance.
- Contracted out landscaping services for medians and right-of-way.
- Completed the Downtown Beautification Project.
- Completed first annual Holiday Lighting ceremony with two large lighted trees and festive banners in downtown.
- The City received its first Tree City USA Growth Award for demonstrating a higher level of tree care and commitment to urban forestry.
- Initiated a shared service agreement with West Bay Sanitary District for the maintenance of 30 vehicles and pieces of equipment.
- Maintained shared service agreements to sell fuel to the following four agencies: Los Lomas School District, Menlo Park School District, West Bay Sanitary District, and the Menlo Park Fire Protection District.
- Completed various development projects (4085 Campbell Avenue, 1035 O'Brien Drive, 1706 El Camino Real, 2484 Sand Hill Road, 200 Middlefield Road, 1234 Hoover Street).
- Completed a public-private funding plan to support the Climate Action Plan and implemented property-assessed clean financing.
- Completed a shared contract service for signal maintenance with the Town of Atherton.
- Received an upgrade of the City's Bike Friendly Community status from Bronze to Silver.
- Secured over \$2 million in grant funds for local projects.



2014–15 BUDGET

An important change and increase to the General Fund portion of the department budget is the shift of 2.9 FTEs previously funded within the Community Development and Community Services departments to Public Works. Revenue and contract services budgets related to plan review fees for onsite improvements will also shift to Public Works to accommodate this. In the past year, the City Council contracted out median and right-of-way maintenance resulting in the reduction of two FTEs in parks and funding for the planned Street Light Painting Project has been shifted from the CIP to the operating budget to more accurately reflect ongoing maintenance of the City's street lights. Additionally, the budget for water purchases has increased due to increased fees and overall usage by City water customers.

Public Works

FUTURE GOALS & INITIATIVES

- Construct an emergency groundwater well.
- Complete the El Camino Real tree planting project.
- Complete study and design of radio infrastructure replacement.
- Complete construction of Sharon Heights pump station replacement project.
- Complete construction of water main replacement project.
- Complete design and construction of the water reservoir re-roofing project.
- Develop an efficient database system to better track capital projects.
- Complete the Urban Water Management Plan.
- Implement sidewalk pilot program for the Downtown Specific Plan.
- Complete a water rate study.
- Continue to develop and expand the water valve exercise program.
- Increase the number of central irrigation controllers to provide better water conservation.
- Establish procedure for review of pre-submittal of improvement plans and a checklist for developers on requirements for submittal of maps and improvement plans.
- Increase the City's Shoppers' Shuttle service to offset decreases in Samtrans service in the Sharon Heights area.
- Initiate design and construction of grant-funded projects:
 - Valparaiso Corridor Safe Routes to Schools Improvements.
 - Citywide Bicycle and Pedestrian Visibility Project Haven Avenue Bike & Pedestrian Streetscape Improvements.
 - East Palo Alto-Menlo Park Bike & Pedestrian Connectivity Project.



PUBLIC WORKS WORKLOAD INDICATORS			
	FY 11/12	FY 12/13	Est. FY 13/14
CIP DIVISION			
Projects completed	9	11	11
Projects in construction	6	11	8
Projects in design phase	6	13	9
Projects in planning/study phase	14	25	21
Regional projects supporting	6	6	6
Total active projects	39	40	32
UTILITIES DIVISION			
Backflow assemblies tested	532	532	532
Events related increasing recycling, reuse, or use of recycled materials	16	14	15
High efficiency toilet rebates processed	41	25	40
High efficiency washing machine rebates processed	70	58	67
Large landscape audits completed	4	3	4
Lawn Be Gone Rebates processed (rebate paperwork, conducting inspections, etc.)	2	13	20
Participants at waste management events	315	476	500
Participants in water efficient landscaping classes	139	88	87
Pounds of trash cleared from creek hotspot	143	240	240
Storm drain inspections	980	980	980
Storm drains cleaned	n/a	126	125
Stormwater pollution prevention inserts distributed	7,856	7,856	7,856
Water conserving fixture distributions	42	146	200
Water samples collected	260	260	260
MAINTENANCE DIVISION			
Acres of park turf mowed	1,275	1,275	1,275
Acres of school turf mowed	477	477	477
Buildings maintained	24	26	26
City vehicles & motorized equipment (mower, generator, etc)	200	200	200
Facilities work orders completed	N/A	254	270
Fleet work orders completed	497	473	480
Graffiti removal work orders completed	n/a	409	400
Heritage tree appeals received & processed	3	2	2
Miles of streets swept	n/a	6,586	6,586
Preventative maintenance inspections	209	177	180

Public Works

PUBLIC WORKS WORKLOAD INDICATORS			
Smaller motorized equipment (saws, blowers etc)	50	50	50
State-licensed pesticide applicators	5	5	5
Street signs repaired	n/a	147	150
Tree removal permits reviewed	418	400	400
Trees trimmed	2,917	1,150	4,500
West Bay Sanitation vehicles maintained	0	30	30
ENGINEERING DIVISION			
Grading plan checks completed for development projects	30	45	40
Grading plan checks completed for single family homes	150	100	100
Inspections completed	1,200	2,500	2,500
Map reviews completed	28	35	35
Off-site / ROW plan checks completed	299	340	325
Planning applications received	63	50	50
TRANSPORTATION & ENVIRONMENT DIVISION			
Public or school engagement events	3	1	3
Shuttle ridership	80,754	83,058	85,000
Signal call out (repairs)	61	60	65
Street light call outs (repair)	135	85	105
Streetlights maintained	2,233	2,233	2,233
Traffic control plan reviews	186	203	200
Truck route permits issued	167	143	150

PUBLIC WORKS EXPENDITURES					
	2011-12 Actual	2012-13 Actual	2013-14 Adjusted Budget	2013-14 Estimated Actual	2014-15 Adopted Budget
Salaries Full Time	\$3,093,852	\$2,931,179	\$3,227,046	\$3,062,293	\$3,599,804
Salaries Part Time	130,214	98,513	112,585	86,651	129,866
Overtime	47,637	37,698	7,000	30,344	7,000
Temporary Staff	196,368	227,909	345,000	240,281	353,800
Vacation Cashout	107,175	74,196	148,500	157,496	87,639
Other Pays	95,563	109,316	48,537	137,551	48,516
Salaries and Wages Subtotal	3,670,810	3,478,811	3,888,668	3,714,616	4,226,625
Retirement and OPEB	601,938	579,707	653,329	600,834	773,852
Medical and Dental	662,004	683,595	729,798	681,193	856,982
Workers' Compensation	139,604	134,984	120,426	120,426	191,093
Other Fringe Benefits	88,439	90,176	120,423	94,300	129,113
Fringe Benefits Subtotal	1,491,984	1,488,462	1,623,976	1,496,752	1,951,040
TOTAL PERSONNEL COSTS	5,162,795	4,967,273	5,512,644	5,211,367	6,177,665
Printing and Postage	18,566	27,279	54,950	38,850	57,650
Memberships	3,789	111,861	125,500	124,350	143,732
Travel and Training	19,611	22,362	51,850	32,461	51,850
Utilities	4,944,416	5,375,631	6,753,925	6,796,204	6,783,095
Fixed Assets and Capital Outlay	217,501	149,691	861,420	704,059	728,150
Other Operating Costs	1,175,481	1,259,503	1,651,773	1,509,679	1,720,316
Contract Services	564,768	718,724	1,143,025	948,746	1,031,318
Legal Services	0	54,495	0	11,757	0
Other Services	791,536	865,611	1,259,514	1,010,769	1,731,035
Software License and Application	11,859	6,820	22,867	17,500	21,500
TOTAL NON-PERSONNEL COSTS	7,747,528	8,591,977	11,924,824	11,194,375	12,268,646
TOTAL OPERATING BUDGET	\$12,910,323	\$13,559,250	\$17,437,468	\$16,405,742	\$18,446,312
Special Projects Expenditures	486,064	1,397,988	285,014	285,014	305,774
TOTAL	\$13,396,387	\$14,957,238	\$17,722,482	\$16,690,756	\$18,752,086
Sources Of Funding, By Fund					
Capital Projects Fund	5,875	0	0	0	0
Enterprise Fund	5,667,606	6,727,179	7,722,642	7,431,510	7,552,397
Expendable Trust Fund	134,375	92,217	162,242	121,107	135,562
General Fund	4,482,386	5,100,811	5,642,673	5,463,454	7,004,095
Internal Service Fund	172,635	169,881	305,000	290,000	359,200
Special Revenue Fund	2,933,508	2,867,150	3,889,925	3,384,686	3,700,832
TOTAL SOURCES OF FUNDING	\$13,396,384	\$14,957,238	\$17,722,482	\$16,690,756	\$18,752,086

Non-Departmental

OVERVIEW

In addition to expenditures that are directly related to departmental operations, there are also significant expenditures that are not directly attributable to the departments. Two of the most notable of these expenditures are the General Fund's transfer to the Capital Improvement Plan Fund and the City's debt service on its general obligation bonds. Prior to fiscal year 2014–15, these expenditures were in the Finance Department's operating budget, which inflated the department's budget. It also made any sort of trend analysis difficult because expenditures for debt service and transfers can fluctuate significantly year-over-year.

Starting in fiscal year 2014–15, these expenditures have been pulled out of the Finance Department's budget and reflected in a separate section referred to as Non-Departmental Expenditures. Prior year actuals, the current year budget, and the current year estimated actuals have been restated to reflect these expenditures removed from the Finance Department's budget.

As reflected in the table, fiscal year 2014–15 expenditures in the Non-Departmental category are budgeted at \$4,727,179. This includes \$2,078,979 for debt service related to the Library General Obligation Bond and the Recreation (Measure T) General Obligation Bonds. The remaining \$2,648,200 reflects transfers from the General Fund to other funds, the largest of which is the \$2,433,600 transfer to the Capital Improvement Plan Fund.

SUMMARY

Budget	\$4.7 million
Funding Sources	Debt Service General Fund
Advisory Committees	Finance and Audit Committee

NON-DEPARTMENTAL EXPENDITURES

	2011–12 Actual	2012–13 Actual	2013–14 Adjusted Budget	2013–14 Estimated Actual	2014–15 Adopted Budget
Debt Service	\$18,070,757	\$2,021,435	\$1,844,557	\$1,856,706	\$2,078,979
Transfers to Other Funds	2,377,800	6,545,231	2,554,600	2,554,600	2,648,200
TOTAL	\$20,448,557	\$8,566,666	\$4,399,157	\$4,411,306	\$4,727,179

Sources Of Funding, By Fund

Debt Service	\$18,070,757	\$2,021,435	\$1,844,557	\$1,856,706	\$2,078,979
General Fund	2,377,800	6,545,231	2,554,600	2,554,600	2,648,200
TOTAL SOURCES OF FUNDING	\$20,448,557	\$8,566,666	\$4,399,157	\$4,411,306	\$4,727,179



FUND INFORMATION

Fund Narratives

OTHER FUNDS

The General Fund is the City's main fund that accounts for the vast majority of the City's operations, including but not limited to: police services, recreation, planning, building inspection, library, engineering, parks maintenance, street maintenance, and general administration. There are a number of other funds, however, and these funds contain the remainder of the City's financial information. There are three types of funds: governmental, proprietary, and fiduciary. Each type of fund, as well as the individual funds within each fund category that have budgeted revenues and/or expenditures in fiscal year 2014–15, is discussed in detail below.

GOVERNMENTAL FUNDS

Besides the General Fund, governmental funds include the special revenue funds, debt service funds, and capital projects funds. Special revenue funds and capital projects fund account for specific revenues and are used for specific purposes, while debt service funds are utilized to collect and disburse monies related to the City's bonded indebtedness.

SPECIAL REVENUE FUNDS

• Literacy Grants Fund

This fund was established to provide literacy services to adult learners. Typical expenditures from this fund include Project Read classes. In fiscal year 2014–15, \$188,000 in revenue is estimated, and \$200,534 in expenditures is budgeted. Fund balance at the end of fiscal year 2014–15 is projected to be \$59,164.

• Public Library Fund

This fund accounts for supplementary funds to public libraries to encourage local jurisdictions to maintain local support for their libraries. No revenues are projected in fiscal year 2014–15, and \$20,765 in expenditures is budgeted. These funds will be used for computer cataloging and a volunteer appreciation event. Fund balance at the end of fiscal year 2014–15 is projected to be \$72,383.

• Vintage Oaks Landscape Fund

This fund accounts for a developer payment that is used for the maintenance of the perimeter landscaping of the Vintage Oaks subdivision.

Budgeted expenditures in fiscal year 2014–15 are \$10,190, and the estimated ending fund balance is \$62,092.

• Sharon Hills Park Fund

This fund accounts for a developer payment used for maintenance of Sharon Hills Park. This 12.1 acre park receives regular maintenance of paths, drains, inlets, picnic area, exercise stations, trees, and also has annual vegetation removal for fire prevention. Total maintenance costs are budgeted at \$13,000 in fiscal year 2014–15, and the estimated fund balance at the end of the fiscal year is \$54,347.

• Supplemental Law Enforcement Services Fund

This fund accounts for funds received from the Supplemental Law Enforcement Services Fund (SLESF). These funds, which are budgeted at \$100,000 in fiscal year 2014–15, are to provide additional front-line law enforcement services. The anticipated fund balance in this fund at the end of fiscal year 2014-15 is \$86,492.

• Transportation Impact Fees Fund

This fund accounts for traffic improvement fees charged to developers and used to mitigate City traffic problems that result either directly or indirectly from development. In fiscal year 2014–15, over \$2 million is expected in revenue, while over \$2.6 million in expenditures has been budgeted. Major projects utilizing these fees in fiscal year 2014–15 include Willow Road Improvements at Newbridge and the El Camino Real/Ravenswood Northbound Right Turn Lane. Final fund balance at the end of fiscal year 2014–15 is expected to be \$1,979,632.

• Storm Drainage Fees Fund

This fund was established to account for storm drainage fees used to mitigate City storm drainage problems either directly or indirectly resulting from development. Fund revenues are estimated to be \$5,550 in fiscal year 2014-15, and there are no expenditures budgeted. Fund balance at the end of fiscal year 2014-15 is projected to be \$114,164.

• Solid Waste Service Fund

This fund is utilized to provide a citywide garbage pickup service in order to keep health standards high for single-family residences. \$314,253 in revenue is expected in fiscal year 2014–15, while \$409,947 in expenditures is budgeted. Projected fund balance at the end of fiscal year 2014–15 is \$847,463.

- **Landfill Post-Closure Fund**
 This fund was established to receive and expend increased solid waste surcharges and other revenues to cover the post-closure costs of the Marsh Road Landfill at the Bayfront Park. In fiscal year 2014–15, \$745,000 in revenue is projected and \$358,345 in expenditures is budgeted. Typical post-closure costs include leachate collection, the landfill gas flare, and the gas collection system improvements study, and fund balance in this fund is being accumulated to cover the cost of the leachate collection system replacement project, which is expected to commence in fiscal year 2016–17. Fund balance at the end of fiscal year 2014–15 is projected to be \$4,376,898.
- **Downtown Parking Permits Fund**
 This fund was established to provide adequate parking within the Central Business District, utilizing parking permit revenue for median landscaping. In fiscal year 2014–15, at total of \$391,000 in revenue is expected, with expenditures budgeted at \$123,945. Fund balance at the end of fiscal year 2014–15 is expected to be \$3,073,780.
- **Recreation In-Lieu Fund**
 This fund accounts for developer fees paid in-lieu of new recreation facilities. These funds are used to improve and expand recreation facilities. \$256,000 in revenue is expected in fiscal year 2014–15, and \$180,001 in expenditures is budgeted. These funds are expected to be used for the Belle Haven pool analysis and audit, playground equipment assessment and replacement, and the Willow Oaks Dog Park. Ending fund balance in fiscal year 2014–15 is projected to be \$1,446,278.
- **Bedwell Bayfront Park Maintenance Fund**
 This fund is utilized to account for prior year fees residing in the fund balance that were charged to the public for trash hauled to the former landfill site. The interest earned on these fees is used to maintain the Bedwell Bayfront Park built on the site. This maintenance includes annual mowing of the 120 acres of parkland and daily janitorial service. With investment earnings minimal, fund balance is declining due to increased maintenance costs (projected to be \$112,372 in fiscal year 2014–15). Once funds are depleted, which is expected to be at some point in the next five years, the General Fund will have to assume the ongoing maintenance costs. Ending fund balance in fiscal year 2014–15 is expected to be \$494,640.
- **Francis Mack Trust**
 This fund is an expendable trust for the Library that earns interest annually on its fund balance. Interest income in the amount of \$1,000 is expected in fiscal year 2014–15, and expenditures are budgeted to be \$32,626. Expenditures from this fund are utilized to supplement the Library’s core department operational budget. Ending fund balance is projected to be \$134,108.
- **Library Donations**
 This fund is utilized to account for donations to the Library and the subsequent expenditures of those donated funds. Donations in the amount of \$26,000 are expected in fiscal year 2014–15, and \$62,544 in expenditures is budgeted. Ending fund balance in this fund is expected to be \$173,927.
- **Below Market Rate Housing Fund**
 This fund is utilized to account for fees collected from developers of ten or more residential units. These fees are used to develop below market rate housing units through down payment assistance loans. In addition, these funds are also utilized to account for fees collected from commercial and industrial developers, which are used to expand the stock of low and moderate income houses for people who work in the City. In fiscal year 2014–15, \$440,000 in fee revenue and interest income is expected to be generated, and \$81,500 is budgeted to be expended. Projected fund balance in this fund at the end of fiscal year 2014–15 is \$10,981,404.
- **County Transportation Tax Fund (Measure A)**
 This fund accounts for the City’s portion of the County-wide ½ cent sales tax used for City transportation purposes. In fiscal year 2014–15, nearly \$1.5 million in revenue is expected, and just over \$1.5 million in expenditures is budgeted. Major efforts in this fund in 2014–15 include Menlo Park Shuttle Service, Willow Road Signal Interconnect, and Willow Road Veterans Administration Hospital Entrance. Fund balance at the end of fiscal year 2014–15 is projected to be \$1,318,815.
- **Highway Users Tax Fund**
 This fund accounts for revenues and expenditures related to the City’s allocation of the State gasoline taxes. In fiscal year 2014–15, the City expects to receive \$820,000 in gas tax revenues. Budgeted expenditures in fiscal year 2014–15 include the Street Resurfacing project, totaling \$116,318. Projected

Fund Narratives

fund balance at the end of the 2014–15 fiscal year is \$3,176,567.

- **Landscape/Tree Assessment Fund**

This fund accounts for property tax assessments collected under the Landscaping and Lighting Act of 1972. These funds are utilized for the sole purpose of maintaining City street trees. In fiscal year 2014–15, revenues from the assessments are estimated to be nearly \$563,000, with the primary other source of funding being a \$159,600 transfer from the General Fund. Expenditures for street tree maintenance are budgeted at \$893,416. Projected fund balance at the end of fiscal year 2014–15 is \$73,381.

- **Sidewalk Assessment Fund**

This fund accounts for property tax assessments collected under the Landscaping and Lighting Act of 1972. These funds are utilized for the sole purpose of repairing and replacing hazardous sidewalks and curbs. In fiscal year 2014–15, revenues and expenditures are both projected to be approximately \$200,000. Projected fund balance at the end of fiscal year 2014–15 is \$180,064.

- **Storm Water Management Fund**

This fund accounts for the local requirements delineated in the Storm Water Management Plan and is funded by a citywide fee per parcel. Revenues are projected to be \$334,000 in fiscal year 2014–15, while expenditures are budgeted at \$339,295. Projected ending fund balance for fiscal year 2014–15 is \$289,597.

- **Construction Impact Fee Fund**

This fund was established to account for developer fees paid to mitigate pavement damage due to heavy construction activity. Revenues of just over \$1 million are expected in fiscal year 2014–15, and expenditures are budgeted at \$61,441. This fund partially supports the biannual street resurfacing project and partially funds a street maintenance staff member. The fund balance projection for the end of fiscal year 2014–15 is \$4,598,454.

- **Miscellaneous Funds**

These funds include some of the smaller special revenue funds that have little activity other than primarily earning interest on existing fund balance. Some of the funds in this category include the Community Development Block Grant Fund and the Burgess Trust Fund. Interest income in the amount of \$9,970 is projected for fiscal year 2014–15.

Ending fund balance is projected to be \$823,732 in aggregate for these funds.

DEBT SERVICE FUNDS

Debt service funds account for the accumulation and disbursement of monies to comply with the interest and redemption requirements of the City's bonded indebtedness.

- **Library Bond**

This general obligation debt was utilized to construct improvements to the existing library facility. Debt service, including fiscal agent fees, on this bond in fiscal year 2014–15 is \$437,175 and is predominantly funded by special assessments on property owners.

- **Recreation Bonds**

This debt service covers all of the outstanding debt issuances related to the Measure T bonds, which were used to construct improvements to the City's parks and recreation facilities. Debt service, including fiscal agent fees, on these bonds in fiscal year 2014–15 is \$1.64 million and is predominantly funded by special assessments on property owners. This debt service is partially offset by a rebate from the federal government as a part of its Build America Bonds program.

CAPITAL PROJECTS FUNDS

Capital projects funds are utilized to account for funds that are committed, assigned, or restricted to expenditures for capital outlays. This includes the acquisition or construction of capital facilities or other capital assets.

- **Measure T GO Bond**

This fund was established to account for the proceeds of the 2002 Measure T Recreation Improvements Bond Issue used to construct improvements to the City's parks and recreation facilities. Interest income of \$1,500 is expected in fiscal year 2014–15, but there are no expenditures budgeted. Ending fund balance is projected to be \$292,209.

- **Capital Improvement General Fund**

This fund utilizes an annual contribution from the General Fund to provide adequate funding for maintenance of the City's current infrastructure. In fiscal year 2014–15, that contribution is budgeted at

\$2,433,600. \$4 million in projects are planned in fiscal year 2014–15 and include the General Plan update, carpet replacement at the City administration facility, downtown parking utility undergrounding, and Library landscaping. Ending fund balance is projected to be \$12,388,259.

- **Library Addition Fund**

This fund was established to account for the proceeds of the 1990 Library Improvements Bond Issue used to construct improvements to the existing Library. In fiscal year 2014–15, \$40,000 in expenditures is budgeted for building repairs, maintenance, and equipment. The expected ending fund balance at the conclusion of 2014–15 is \$87,569.

PROPRIETARY FUNDS

Proprietary funds are used to account for the City’s activities that are financed and operated in a manner similar to private business enterprises and include enterprise funds (water operations and capital) and internal services.

ENTERPRISE FUNDS

- **Water Capital Improvement Fund**

This fund accounts for the proceeds of the capital surcharge from water operations and is utilized for construction improvements of the water infrastructure. \$1.06 million is budgeted in revenue in this fund in fiscal year 2014–15, and \$1.2 million is budgeted in expenditures. Expected expenditures include the water system master plan, water main replacements, and re-roofing of the reservoir. Fund balance is expected to be \$15,917,510 at the end of fiscal year 2014–15.

- **Water Operations Fund**

This fund accounts for the water distribution operations of the Menlo Park Municipal Water District. Revenues are expected to be over \$7.8 million in fiscal year 2014–15 and are primarily from water purchased by customers. Expenditures for this fund, which are set at nearly \$8.2 million in fiscal year 2014–15, are primarily from water purchased by the District for resale to customers. Fund balance is expected to be \$9,044,484 at the end of fiscal year 2014–15.

INTERNAL SERVICES FUNDS

- **Workers’ Compensation Insurance Fund**

This fund accounts for the administration of the City’s self-insured workers’ compensation insurance program. Revenues, which are primarily from collections from the operational departments, are expected to be nearly \$760,000 in fiscal year 2014–15. Expenditures, which total nearly \$700,000 in fiscal year 2014–15, cover the cost of claims and program administration. Ending fund balance in fiscal year 2014–15 is projected to be \$31,723.

- **Liability Fire Insurance Fund**

This fund accounts for the administration of the City’s self-insured general liability insurance program. Like the Workers’ Compensation Insurance Fund, revenues in this fund are primarily from collections from the operational departments. Total projected revenues in fiscal year 2014–15 are \$902,100, and expenditures are \$820,450. Expenditures cover the cost of claims and program administration. Ending fund balance in fiscal year 2014–15 is expected to be \$607,980.

- **Other Post-Employment Benefits**

This fund accounts for the financial administration of funding from all City departments for retiree medical benefits as these benefits are earned. This cost in fiscal year 2014–15 is \$822,884, and total collections are expected to match total requirements. Ending fund balance is expected to be \$69,429 in fiscal year 2014–15.

- **Vehicle Replacement Fund**

This fund accounts for the replacement of vehicles and equipment used by various City departments. Total collections from departments and other revenues in fiscal year 2014–15 are projected to be \$281,200, while expenditures in the amount of \$359,200 are planned. The ending fund balance in fiscal year 2014–15 is expected to be \$663,995.

FIDUCIARY FUNDS

The City’s fiduciary funds are agency funds that are used to account for certain assets held on behalf of others, and the City’s role in these funds is strictly custodial in nature. These funds include refundable deposits, cash bonds payable, and the payroll revolving account. The City does not budget its fiduciary funds.

Fund Resources and Requirements

SPECIAL REVENUE FUNDS					
	Literacy Grants	Public Library	Vintage Oaks Landscape	Sharon Hills Park	Supplemental Law Enforcement Services
BEGINNING FUND BALANCE RESOURCES	\$71,698	\$93,148	\$71,982	\$66,947	\$86,242
Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Inter Governmental Revenue	21,000	0	0	0	100,000
Fines	0	0	0	0	0
Interest and Rent Income	0	0	300	400	250
Charges for Services	0	0	0	0	0
Donations	112,000	0	0	0	0
Other Financing Sources	55,000	0	0	0	0
Total resources	188,000	0	300	400	100,250
REQUIREMENTS					
Personnel	189,862	10,765	0	0	0
Operating	9,171	10,000	5,940	0	29,000
Fixed Assets & Capital Outlay	0	0	0	0	71,000
Services	1,500	0	4,250	13,000	0
Transfers to Other Funds	0	0	0	0	0
Total requirements	200,534	20,765	10,190	13,000	100,000
Resources over Requirements	-12,534	-20,765	-9,890	-12,600	250
ENDING FUND BALANCE	59,164	72,383	62,092	54,347	86,492

Fund Resources and Requirements

SPECIAL REVENUE FUNDS						
Transportation Impact Fees	Storm Drainage Fees	Solid Waste Service	Landfill Post-Closure	Downtown Parking Permits	Recreation In-Lieu	
\$2,600,015	\$108,614	\$943,158	\$3,990,243	\$2,806,725	\$1,370,279	
0	0	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	375,000	0	
1,495,000	0	8,753	0	0	0	
0	0	0	0	0	0	
23,000	550	5,500	20,000	16,000	6,000	
500,000	5,000	300,000	725,000	0	250,000	
0	0	0	0	0	0	
0	0	0	0	0	0	
2,018,000	5,550	314,253	745,000	391,000	256,000	
83,885	0	200,392	21,000	8,390	32,135	
4,295	0	87,865	132,619	29,501	0	
2,531,617	0	0	25,000	0	0	
18,586	0	77,297	171,500	59,716	147,866	
0	0	44,393	8,226	26,339	0	
2,638,383	0	409,947	358,345	123,945	180,001	
-620,383	5,550	-95,694	386,655	267,055	75,999	
1,979,632	114,164	847,463	4,376,898	3,073,780	1,446,278	

Fund Resources and Requirements

SPECIAL REVENUE FUNDS					
	Bedwell Bayfront Park Maintenance	Francis Mack Trust	Library Donations	Below Market-Rate Housing	Measure A Tax
BEGINNING FUND BALANCE RESOURCES	\$604,012	\$165,733	\$210,472	\$10,622,904	\$1,352,211
Taxes	0	0	0	0	840,000
Franchise Fees	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Inter Governmental Revenue	0	0	0	0	589,358
Fines	0	0	0	0	0
Interest and Rent Income	3,000	1,000	0	75,000	5,000
Charges for Services	0	0	0	365,000	45,000
Donations	0	0	26,000	0	0
Other Financing Sources	0	0	0	0	0
Total resources	3,000	1,000	26,000	440,000	1,479,358
REQUIREMENTS					
Personnel	16,927	19,315	16,885	0	498,887
Operating	14,199	13,311	40,659	2,500	672,135
Fixed Assets & Capital Outlay	5,000	0	5,000	0	70,450
Services	63,040	0	0	79,000	271,282
Transfers to Other Funds	13,206	0	0	0	0
Total requirements	112,372	32,626	62,544	81,500	1,512,754
Resources over Requirements	-109,372	-31,626	-36,544	358,500	-33,396
ENDING FUND BALANCE	494,640	134,108	173,927	10,981,404	1,318,815

Fund Resources and Requirements

SPECIAL REVENUE FUNDS					
Highway Users Tax	Landscape/Tree Assessment	Sidewalk Assessment	Storm Water Management (NPDES)	Construction Impact Fee	Miscellaneous Funds
\$2,462,527	\$241,229	\$184,486	\$294,892	\$3,645,895	\$814,462
820,359	562,668	196,230	329,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,000	0	0	0	14,000	9,970
0	3,300	0	5,000	1,000,000	0
0	0	0	0	0	0
0	159,600	0	0	0	0
830,359	725,568	196,230	334,000	1,014,000	9,970
95,586	386,692	14,877	154,924	25,822	0
20,732	81,087	398	50,289	35,619	0
0	4,500	164,787	0	0	0
0	355,260	800	96,500	0	0
0	65,878	19,790	37,582	0	700
116,318	893,416	200,652	339,295	61,441	700
714,041	-167,848	-4,422	-5,295	952,559	9,270
3,176,567	73,381	180,064	289,597	4,598,454	823,732

Fund Resources and Requirements

	DEBT SERVICE		CAPITAL PROJECTS		
	Library GO Bond 1990	Recreation GO Bond 2002	Measure T 2002 GO Bond	General Capital Improvement	Library Addition
BEGINNING FUND BALANCE RESOURCES	\$482,027	\$906,522	\$290,709	\$13,873,850	\$126,969
Taxes	434,675	1,400,000	0	0	0
Franchise Fees	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Inter Governmental Revenue	0	0	0	90,000	0
Fines	0	0	0	0	0
Interest and Rent Income	2,500	1,700	1,500	0	600
Charges for Services	0	0	0	0	0
Donations	0	0	0	0	0
Other Financing Sources	0	0	0	2,433,600	0
Total resources	437,175	1,401,700	1,500	2,523,600	600
REQUIREMENTS					
Personnel	0	0	0	1,190,490	0
Operating	437,175	1,641,804	0	33,074	15,000
Fixed Assets & Capital Outlay	0	0	0	1,793,725	25,000
Services	0	0	0	991,901	0
Transfers to Other Funds	0	0	0	0	0
Total requirements	437,175	1,641,804	0	4,009,191	40,000
Resources over Requirements	0	-240,104	1,500	-1,485,591	-39,400
ENDING FUND BALANCE	482,027	666,418	292,209	12,388,259	87,569

Fund Resources and Requirements

ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS				
Water Capital Improvement	Water Operating	Workers' Compensation	Liability/Fire Insurance	Other Post-Employment Benefits	Vehicle Replacement
\$16,079,492	\$9,376,408	-\$34,194	\$526,329	\$69,429	\$741,995
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
60,000	2,500	9,700	2,100	125	1,500
1,000,000	7,835,000	750,000	900,000	822,759	266,200
0	0	0	0	0	0
0	0	0	0	0	13,500
1,060,000	7,837,500	759,700	902,100	822,884	281,200
403,496	810,605	99,483	30,250	550,000	0
3,712	6,387,778	576,300	590,200	268,884	0
254,894	139,500	0	0	0	359,200
559,880	642,500	18,000	200,000	4,000	0
0	189,041	0	0	0	0
1,221,982	8,169,424	693,783	820,450	822,884	359,200
-161,982	-331,924	65,917	81,650	0	-78,000
15,917,510	9,044,484	31,723	607,980	69,429	663,995

CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

INTRODUCTION

This 5-year Capital Improvement Plan (CIP) for the City of Menlo Park is the community's plan for short and long-range development, maintenance, improvement and acquisition of infrastructure assets to benefit the City's residents, businesses, property owners and visitors. It provides a linkage between the City's General Plan, various master planning documents and budget, and provides a means for planning, scheduling and implementing capital and comprehensive planning projects over the next 5 years (through FY 2018/19).

This is the fifth year of the new CIP, which provides a long-term approach for prioritizing and selecting new projects in the City. Although the plan document is updated annually, it allows the reader to review projects planned over the full 5-year timeframe, and provides an overview of works in progress. The CIP is intended to incorporate the City's investments in infrastructure development and maintenance (i.e. capital improvements) with other significant capital expenditures that add to or strategically invest in the City's inventory of assets. Studies and capital expenditures of less than \$25,000 are not included in the CIP.

PROCEDURES FOR DEVELOPING FIVE-YEAR CAPITAL IMPROVEMENT PLAN

The procedures for developing the five-year CIP aim to enhance the City's forecasting, project evaluation and community engagement processes by creating a resource "toolbox" to be used throughout the decision-making process. It is not intended to limit the City's ability to adjust its programs, services and planned projects as unexpected needs, opportunities or impacts arise. With this in mind, the City Council, City Manager, CIP Committee and other participants will need to observe these procedures and draw upon a variety of resources in order to effectively update and administer the plan.

PROCEDURES FOR SUBMITTING AND AMENDING PROJECTS

Department managers initiate requests for new projects or purchases, and modifications to or reprioritization of existing projects. Initiating requests are accomplished by sending completed request form(s) and supporting information to the City Manager within the timeframes established by the Finance Department for annual budget preparation.

Request forms include estimated costs, benefits, risks associated with not completing the project/purchase, funding source(s), availability of funds, estimated timeframe for completing the project/purchase, and any anticipated impacts to previously approved projects.

EVALUATION AND PRELIMINARY RANKING BY COMMITTEE

The CIP Committee performs the initial evaluation and ranking of proposed projects. Committee members consist of the City Manager or his/her designee; the Directors of Community Development, Community Services, Finance and Public Works; the Maintenance and Engineering Division Managers and any other staff, as designated by the City Manager. The Committee meets as needed, but not less than once each calendar year.

The Committee furnishes copies of its preliminary project rankings to all Department Managers prior to review by City Commissions and approval by the City Council.

COMMUNITY INPUT

Annual updating of the City's 5-year CIP is an integral part of the budget process. Early development of the CIP provides time for adequate review by the City's various commissions prior to the City Council's consideration and incorporation into the annual budget. The draft CIP is posted to the City's website

Capital Improvement Plan

to encourage public input during this review process. The public also has opportunities to comment on the plan through the review processes of the various commissions and during the public hearing held prior to the adoption of the plan by the City Council.

PRIORITIZATION CRITERIA

Projects are prioritized in accordance with evaluation criteria which include, but are not limited to, the following:

- Public Health and Safety/Risk Exposure
- Protection of Infrastructure
- Economic Development
- Impacts on Operating Budgets
- External Requirements
- Population Served
- Community/Commission Support
- Relationship to Adopted Plans
- Cost/Benefit
- Availability of Financing
- Capacity to Deliver/Impacts to Other Projects

Projects that are not ranked high enough to be prioritized for this 5-year plan are recorded in an ongoing index of non-funded projects attached to the CIP. Indexing extends back a minimum of 4 years from the current fiscal year.

FUNDING PLANS FOR FIVE-YEAR CIP

Once each year, the City Council adopts an updated 5-year CIP that includes all prioritized short and longterm projects. Each year, the proposed CIP is published for public review prior to a Public Hearing where the City Council will receive public comments and discuss the plan. Following the Public Hearing the City Council will modify and/or adopt the CIP.

PROJECT DEVELOPMENT AND SELECTION PROCESS

The projects included in this 5-Year CIP were derived from a variety of sources, including but not limited to, recommendations from the City's Infrastructure Management Study (2007), Master Plans, City Council Goals, Regulatory Obligations, the Climate Action Plan (2009), and the 2009–2014 Redevelopment Implementation Plan (2009). Projects were analyzed and ranked by Department Heads and staff during the development of the draft plan.

Although not typically included as capital improvements, studies estimated to cost over \$25,000 are included in the CIP. Capital expenditures amounting to less than \$25,000 are not included in the CIP. Budget information relating to studies and capital expenditures of less than \$25,000 are included in the City Manager's Recommended Operating Budget, utilizing appropriate operating funds.

This 5-Year CIP includes 30 new projects recommended for implementation commencing in FY 2014–15 and 51 additional projects recommended for funding in future fiscal years. Other projects that are not currently recommended are incorporated into the index of non-funded projects. The index also includes projects for which grant funding is being sought but has not yet been awarded.

Capital Improvement Plan

ADOPTED PROJECTS

Several of the projects in this CIP address ongoing infrastructure or facility maintenance needs and are programmed on an annual, bi-annual or periodic basis. Examples include street resurfacing and the sidewalk repair program.

New capital projects and projects involving maintenance of current infrastructure are identified. Projects for FY 2014–15 are listed and described in detail as well. Projects approved in prior fiscal years that have not yet been completed are listed.

The table below lists total funding levels for project categories for FY 2014–15 with corresponding percentages of the total funding.

PROJECT FUNDING SOURCES

The adopted FY 2014–19 CIP coordinates physical improvements with financial planning, allowing maximum benefits from available funding sources. The Plan relies on funding from various sources, largely retained in the Capital and Special Revenue funds, with uses that are usually restricted for specific purposes. Although an annual transfer from the General Fund to the City's General CIP Fund (currently \$2.5 million) is part of the City's operating budget, this funding is intended solely for maintaining existing infrastructure in its current condition. The restricted funding sources shown in the table on the following page comprise the City's major project funding sources.

PROJECT CATEGORY	FY 2014–15 FUNDING	PERCENT OF TOTAL CIP FY 2014–15
Streets & Sidewalks	780,000	11%
City Buildings	1,115,000	16%
Environment	2,565,000	37%
Water System	950,000	14%
Parks & Recreation	630,000	9%
Stormwater	720,000	10%
Technology	96,000	1%
TOTALS	\$6,971,000	100%

Capital Improvement Plan

GENERAL PLAN CONSISTENCY

The FY 2014/15 projects listed in this Five-Year CIP are presented to the Planning Commission during a Public Hearing prior to forwarding the plan to the City Council. The Planning Commission must review the CIP in order to adopt a finding that it is consistent with the City's General Plan.

ENVIRONMENTAL REVIEW

The development of this 5-year plan is not a project, as defined in the California Environmental Quality Act (CEQA), and an environmental review is not required for its adoption. Individual projects listed herein may be subject to CEQA. Environmental reviews will be conducted at the appropriate times during implementation of those projects.

FUNDING SOURCES	USES	PRIMARY SOURCE OF FUNDS
Bedwell/Bayfront Park Maintenance/Operations	Park maintenance	Interest earned on sinking fund.
Construction Impact Fee	Street resurfacing	Fee charged for property development based on construction value
Downtown Parking Permit	Parking lot maintenance and improvements	Annual and daily fees from permits issued to merchants for employee and customer parking
General CIP Fund	Capital Projects	Funding for on-going maintenance of current infrastructure is provided annually by the General Fund
Highway Users Tax	Street resurfacing, sidewalks	State Gasoline Taxes
Library Bond Fund (1990)	Library capital improvement	Bond issuance proceeds and interest earned
Bedwell/Bayfront Park Landfill	Landfill post-closure maintenance and repairs	Surcharge on solid waste collection fees paid by customers
Measure A	Street resurfacing, bicycle lanes, Safe Routes to Schools	1/2 cent Countywide sales tax
Measure T Bond	Recreation facilities, park improvements	2006 and 2009 bond proceeds and accumulated interest
Recreation In-lieu Fee	Recreation facilities, park and streetscape improvements	Fee charged for residential property development based on number of units and market value of land
Public Library Fund	Library projects and programs.	State grants
Sidewalk Assessment	Sidewalk repairs	Annual property tax assessment, per parcel
Solid Waste Service Fund	Solid Waste Management and Recycling Programs and Projects	Solid waste rates charged to residential and commercial accounts
Storm Drainage Connection Fees	Storm drainage capacity improvements	Fee charged for property development per lot, per unit, or per square foot of impervious area
Transportation Impact Fee (replaces Traffic Impact Fee)	Intersection improvements, sidewalks, traffic signals, traffic calming, bicycle circulation, transit systems	Fee charged for property development at per unit or per square foot rates
Water Fund – Capital	Water distribution and storage	Surcharge per unit of water sold

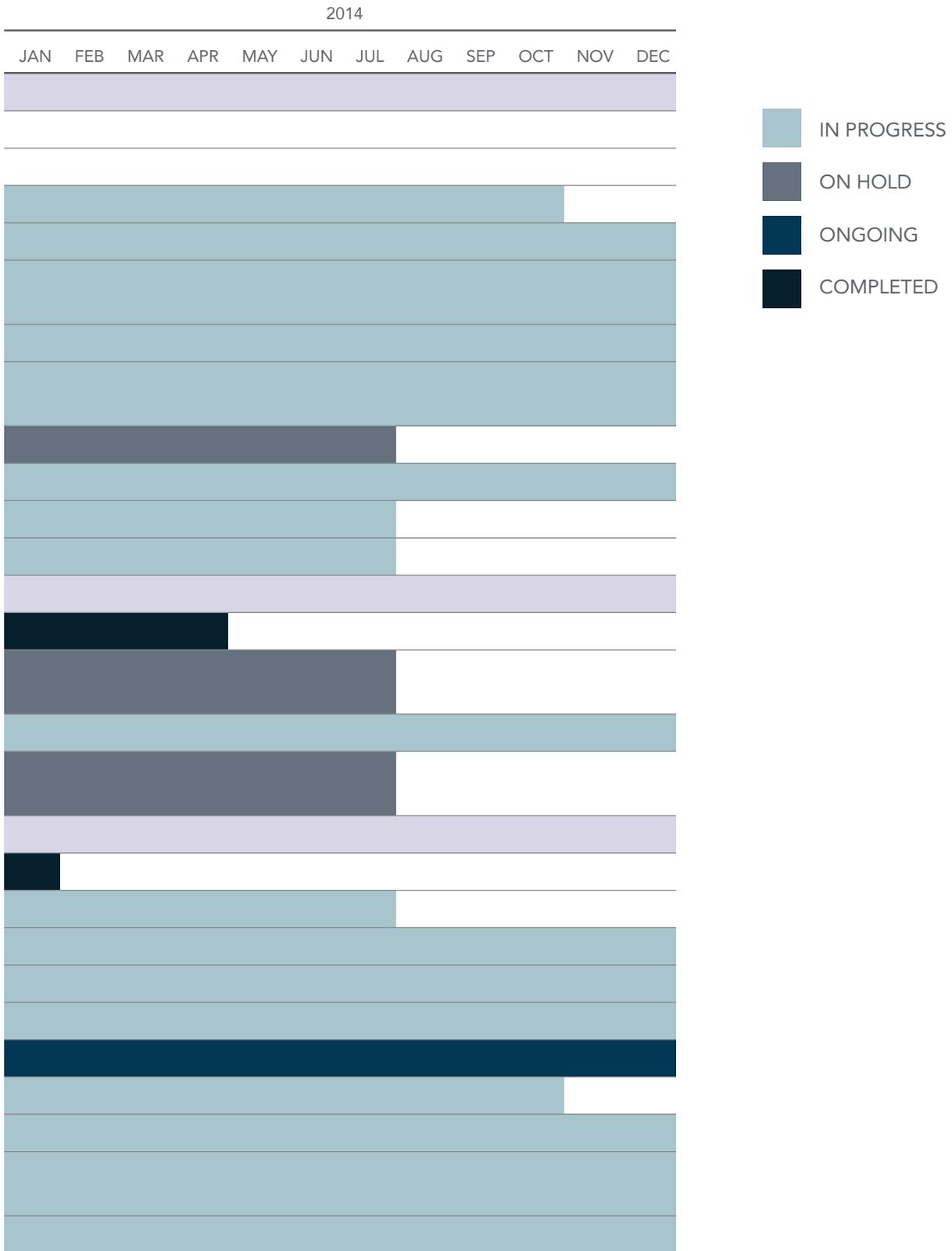
Overview Schedule of Previously Funded Projects

PROJECT NAME	2013											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
CITY BUILDINGS												
City Administration Space Remodel												
Facility Energy Retrofit												
Retractable Lights Installation at Gymnastics												
Administration Building Emergency Generator												
City Buildings (Minor) 2013-14												
Council Chambers Audio/Video, Mics and Voting Equipment												
Water Conservations Upgrade for City Facilities												
Automated Library Materials Return Area Renovation												
Comprehensive Planning Projects												
Housing Element												
General Plan Update (M-2 Plan)												
ENVIRONMENTAL												
Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan												
Bedwell Bayfront Park Gas Collection System Improvements Study and Conceptual Design												
Sustainable/Green Building Standards												
PARKS & RECREATION												
Gas Flare at Bedwell Bayfront												
Park Improvements (Minor) 2013-14												
Preliminary Design of Restroom Facilities at Jack Lyle Memorial Park and Willows Oaks Park												
Library Landscaping												
STORMWATER												
Atherton Channel Flood Abatement												
Pope/Chaucer Bridge Replacement												
Bay Levee Design Project												
Middlefield Road Storm Drain												
Chrysler Pump Station Improvements												
Storm Drain Improvements 2012-13												
Storm Drain Improvements 2013-14												
Willow Place Bridge Abutments												
Storm Drain Fee Study												

Overview Schedule of Previously Funded Projects

PROJECT NAME	2013											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
STREETS & SIDEWALKS												
Sidewalk Repair Program 2012–13												
Street Resurfacing Design 2012–13												
El Camino Tree Planting												
Santa Cruz Avenue Sidewalk Preliminary Design Phase												
Santa Cruz Avenue Sidewalks Improvements Design and Construction												
Sidewalk Repair Program 2013–14												
Street Resurfacing Project Construction 2013-14 (FED. AID)												
Sand Hill Road Pathway Repair												
Utility Undergrounding Study of City Parking Plazas												
Sidewalk Master Plan Implementation												
Parking Plaza 7 Renovation Design and Construction												
TECHNOLOGY												
City Website Upgrade												
Improved Infrastructure for the Delivery of Electronics Library Services-Study Website												
Radio Infrastructure Replacement and Antenna												
Technology Master Plan and Implementation (Permits Scanning, Financial System)												
TRANSPORTATION												
Sand Hill Road/Branner Signal Mast Arm Construction												
Oak Grove/Merrill Intersection Lighted Crosswalk												
Willow Road Signal Interconnect												
El Camino Real/Ravenswood NB Right Turn Lane												
El Camino Real Lane Reconfiguration Alternatives Study												
High Speed Rail Coordination												
VA/Willow Road Traffic Signal Project												
Willow 101 Interchange												
Willow Road Improvements at Newbridge and Bayfront Expressway												
Safe Routes to Encinal School Plan Implementation												

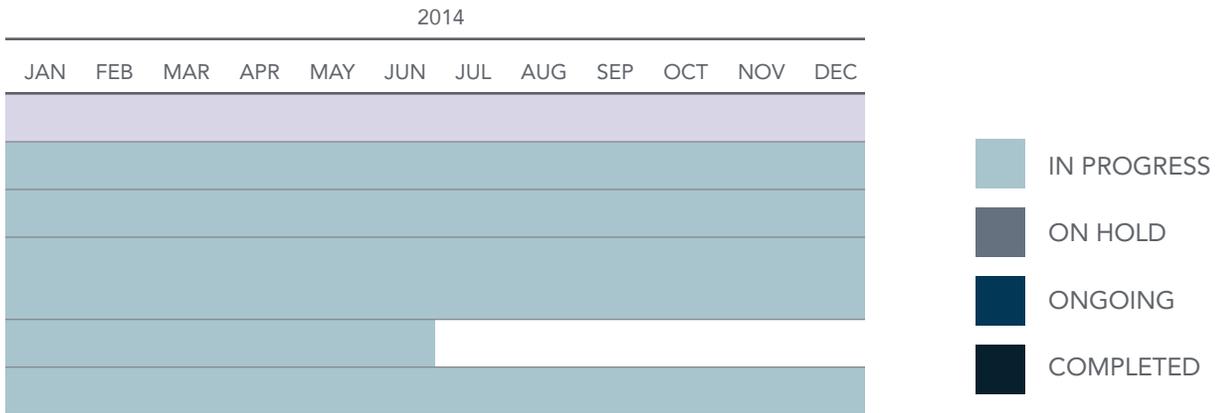
Public Works Department Projects Approved in Prior Years



Overview Schedule of Previously Funded Projects

PROJECT NAME	2013											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
WATER												
Emergency Water Supply												
Sharon Heights Pump Station Design and Construction												
Water Main Replacement Design and Construction Project 2012-13												
Reservoirs #1 and #2 Mixers												
Reservoir Re-roofing												

Public Works Department Projects Approved in Prior Years



5-Year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
STREETS & SIDEWALKS							
Civic Center Sidewalk Replacement and Irrigation System Upgrades	General Fund	—	—	400,000	—	—	400,000
Downtown Parking Utility Underground	General Fund/Rule 20A	400,000	4,150,000	—	—	—	4,550,000
Downtown Streetscape Improvement Project (Specific Plan)	General Fund	80,000	115,000	165,000	110,000	—	4,550,000
El Camino Real Median and Side Trees Irrigation System Upgrade	General Fund	—	85,000	—	—	—	85,000
Parking Plaza 7 Renovations	Downtown Pkg	—	—	—	—	200,000	200,000
Sand Hill Road Pathway Repair	General Fund	—	250,000	—	—	—	250,000
Sidewalk Repair Program	General Fund/Sidewalk Assessment	300,000	300,000	300,000	300,000	300,000	1,500,000
Street Resurfacing	GF and others	—	230,000	6,770,000	250,000	6,770,000	14,020,000
TOTAL		780,000	5,130,000	7,635,000	660,000	7,270,000	21,475,000

5-Year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
CITY BUILDINGS							
Administration Building Carpet Replacement	General Fund	400,000	—	—	—	—	400,000
Administration Building Conference Room Furniture Replacement	General Fund	—	—	—	—	200,000	200,000
Belle Haven Child Development Center Flooring Replacement	General Fund	50,000	—	—	—	—	50,000
Belle Haven Youth Center Improvements	General Fund	—	—	—	150,000	—	150,000
City Buildings (Minor)	General Fund	325,000	325,000	325,000	350,000	350,000	1,675,000
Fire Plans and Equipment Replacement at Council Chambers, Onetta Harris Community Center and Library	General Fund	60,000	—	—	—	—	60,000
Kitchen Upgrade at Onetta Harris Community Center	General Fund	—	—	—	—	30,000	30,000
Library Furniture Replacement	General Fund	—	—	—	450,000	—	450,000
Library Space Needs Study	Library/General Fund	130,000	—	—	—	—	130,000
Main Library Interior Wall Fabric Replacement	General Fund	—	150,000	—	—	—	150,000
Menlo Children's Center Carpet Replacement	General Fund	—	—	—	60,000	—	60,000
Police Department Space Use Study	General Fund	—	—	40,000	—	—	40,000
Police Front Office Counter Remodel/Security Upgrade	General Fund	—	70,000	—	—	—	70,000
Retractable Lights Installation at Gymnasium, Gymnastics and Family Recreation Centers	General Fund	150,000	—	—	—	—	150,000
TOTAL		1,115,000	545,000	545,000	1,010,000	580,000	3,615,000

5-Year Plan Summary

CATEGORY	FUNDING SOURCE	PROJECTED					TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
TRANSPORTATION							
Alma/Ravenswood Pedestrian/Bike Study	Measure A	—	100,000	—	—	—	100,000
Caltrain Bike/Ped Undercrossing Design	TIF	—	—	—	500,000	—	500,000
El Camino Real/Ravenswood NB Right Turn Lane Design and Construction	TIF	1,020,000	—	—	—	—	1,020,000
Florence/Marsh and Bay/Marsh Signal Modification	Measure A	—	345,000	—	—	—	345,000
High Speed Rail Coordination	General Fund	50,000	50,000	50,000	50,000	—	200,000
Laurel Street/Ravenswood Signal Modification	TIF	—	195,000	—	—	—	195,000
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	Measure A	—	—	50,000	—	—	50,000
Middlefield Road at Willow Road Intersection Reconfiguration Study	Measure A	—	—	—	—	65,000	65,000
Pedestrian/Bicycle Master Plan Update	General Fund	—	—	—	—	250,000	250,000
Sand Hill Road Improvements (Addison/Wesley to I-280)	Measure A	—	—	TBD	—	—	TBD
Sand Hill Road Signal Interconnect	TIF/TA Grant	1,495,000	—	—	—	—	1,495,000
Sand Hill Road Signal Modification Project	TIF	—	—	—	250,000	—	250,000
Signal Interconnect Study	Measure A	—	—	—	—	50,000	50,000
TOTAL		2,565,000	690,000	100,000	800,000	365,000	4,520,000

5-Year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
ENVIRONMENTAL							
Alternative Transportation Social Marketing Program	Measure A	—	60,000	—	—	—	60,000
Bedwell Bayfront Park Gas Collection System Repair	Bedwell Landfill	—	—	—	100,000	—	100,000
Bedwell Bayfront Park Leachate Collection System Replacement	Bedwell Landfill	—	—	1,000,000	—	—	1,000,000
Bike Sharing Program Cost Benefit Study	Measure A	—	—	60,000	—	—	60,000
City Car Sharing Program Study	Measure A	—	—	—	50,000	—	50,000
Community Zero Waste Policy Draft	Solid Waste	—	50,000	—	—	—	50,000
Heritage Tree Ordinance Program Evaluation	General Fund	50,000	—	—	—	—	50,000
Implement Strategic Plan to Improve Public Area Trash and Recycling Citywide	Solid Waste	65,000	—	—	—	—	65,000
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan	General Fund	—	30,000	—	—	—	30,000
Requirement for Pharmacy to Take back Pharmaceuticals Draft Ordinance	Solid Waste	—	25,000	—	—	—	25,000
Strategic Plan to Increase Local Food Production through Social Marketing, Education, and Community Garden Programs	General Fund	—	—	—	—	60,000	60,000
TOTAL		115,000	165,000	1,060,000	150,000	60,000	1,550,000

5-Year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
WATER							
Automated Water Meter Reading	Water	—	—	120,000	1,200,000	1,200,000	2,520,000
Emergency Water Supply Project (2nd Well)	Water	—	—	—	—	TBD	TBD
Reroof Reservoir #2	Water	300,000	—	—	—	—	300,000
Urban Water Management Plan	Water	100,000	—	—	—	—	100,000
Water Main Replacements	Water	—	—	300,000	2,200,000	—	2,500,000
Water Rate Study	Water	50,000	—	—	—	—	50,000
Water System Master Plan	Water	500,000	—	—	—	—	500,000
TOTAL		950,000	—	420,000	3,400,000	1,200,000	5,970,000

5-Year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
PARKS & RECREATION							
Bedwell Bayfront Park Electrical Panel Upgrade	Bedwell Landfill	—	100,000	—	—	—	100,000
Belle Haven Pool Analysis and Audit	Rec in Lieu	100,000	—	—	—	—	100,000
Belle Haven Pool Deck Lighting	Rec in Lieu	—	30,000	—	—	—	30,000
Belle Haven Youth Center Playground Replacement	Rec in Lieu	—	TBD	—	—	—	—
Burgess Pool Deck Repairs	General Fund	—	—	135,000	—	—	135,000
Burgess Sports Field	General Fund	—	—	-	—	250,000	250,000
Jack Lyle Park Restrooms - Construction	Rec in Lieu	—	40,000	200,000	—	—	240,000
Jack Lyle Park Sports Field Sod Replacement	General Fund	—	100,000	—	—	—	100,000
La Entrada Baseball Field Renovation	General Fund	—	—	—	170,000	—	170,000
Library Landscaping	General Fund	300,000	—	—	—	—	300,000
Measure T Funds Evaluation/Project Ranking	Measure T	—	125,000	—	—	—	125,000
Nealon Park Sports Field Irrigation System	General Fund	—	—	—	—	50,000	50,000
Park Improvements (Minor)	General Fund	150,000	150,000	150,000	170,000	170,000	790,000
Park Pathways Repairs	General Fund	—	-	200,000	—	—	200,000
Playground Equipment Assessment & Replacement	Rec in Lieu	30,000	TBD	—	TBD	—	30,000
Relocation of Dog Park at Nealon Park	Rec in Lieu	—	—	—	25,000	125,000	150,000
Tennis Court Electronic Key Upgrade	General Fund	—	100,000	—	—	—	100,000
Willow Oaks Dog Park Renovation	Rec in Lieu	50,000	250,000	—	—	—	300,000
TOTAL		630,000	895,000	685,000	365,000	595,000	3,170,000

5-Year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2014/15	2015/16	2016/17	2017/18	2018/19	
STORMWATER							
Bay Levee Project	General Fund	140,000	90,000	90,000	—	—	320,000
Chrysler Pump Station Improvements	General Fund	350,000	—	—	—	—	350,000
Corporation Yard Storage Cover	General Fund	—	—	300,000	—	—	300,000
Pope/Chaucer Bridge Replacement	General Fund	60,000	—	—	—	—	60,000
Storm Drain Improvements	General Fund	110,000	115,000	115,000	120,000	120,000	580,000
Trash Capture Device Installation	General Fund	—	60,000	—	—	—	60,000
Willow Place Bridge Abutment Repairs	General Fund	60,000	250,000	—	—	—	310,000
TOTAL		720,000	515,000	505,000	120,000	120,000	1,980,000
TECHNOLOGY							
Overnight Parking App	General Fund	70,000	—	—	—	—	70,000
Radio Infrastructure Replacement	General Fund	26,000	100,000	—	—	—	126,000
Technology Master Plan and Implementation	General Fund	—	TBD	TBD	TBD	TBD	TBD
TOTAL		96,000	100,000	—	—	—	196,000
FISCAL YEAR TOTALS		6,971,000	8,040,000	10,770,000	6,505,000	10,190,000	42,476,000

Funded Projects for Fiscal Year 2014–15

NEW CAPITAL PROJECTS IN FY 2014–15	FY 2014–15 BUDGET	5-YEAR TOTAL BUDGET
ENVIRONMENT		
Heritage Tree Ordinance Program Evaluation	50,000	50,000
Implement Strategic Plan to Improve Public Area Trash and Recycling Citywide	65,000	65,000
WATER		
Reroof Reservoir #2	300,000	300,000
Urban Water Management Plan	100,000	100,000
Water Rate Study	50,000	50,000
Water System Master Plan	500,000	500,000
PARKS & RECREATION		
Belle Haven Pool Analysis and Audit	100,000	100,000
Library Landscaping	300,000	300,000
Park Improvements (Minor)	150,000	790,000
Playground Equipment Assessment & Replacement	30,000	30,000
Willow Oaks Dog Park Renovation	50,000	300,000
STORMWATER		
Bay Levee Project	140,000	320,000
Chrysler Pump Station Improvements	350,000	350,000
Pope/Chaucer Bridge Replacement	60,000	60,000
Storm Drain Improvements	110,000	580,000
Willow Place Bridge Abutment Repairs	60,000	310,000
TECHNOLOGY		
Overnight Parking App	70,000	70,000
Radio Infrastructure Replacement	26,000	126,000
Technology Master Plan and Implementation	0	TBD

Streets & Sidewalks

DOWNTOWN PARKING UTILITY UNDERGROUND

A project study was initiated in FY 2008/09 to investigate the use of Rule 20A funding for undergrounding utilities in the downtown parking plazas, and through recent communication with PG&E, it has been confirmed that this can be done. As a result, the City will begin the process of creating an underground utility district in the downtown area, then design and construction can begin.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CIP/Rule 20A Funding	400,000	2,350,000	—	—	—	2,750,000
Downtown Parking Permits/Rule 20A Funding	—	1,800,000	—	—	—	1,800,000
Subtotal	400,000	4,150,000	—	—	—	4,550,000

DOWNTOWN STREETScape IMPROVEMENT PROJECT (SPECIFIC PLAN)

The project will consist of planning and implementation of improvements in the downtown area per the Specific Plan considering the Chestnut Paseo and Santa Cruz Avenue Sidewalk and the development of new streetscape plans. The project will be comprised of four components which will consist of meeting with Downtown businesses and customers for an early implementation of a pilot sidewalk widening project. The second component will include development of the pilot plans for implementation of other elements of the specific plan. The third component will be the implementation of the pilot plan and the fourth component will be development of a master plan for the downtown area.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund-CIP	80,000	115,000	165,000	110,000	—	470,000
Subtotal	80,000	115,000	165,000	110,000	—	470,000

Streets & Sidewalks

SIDEWALK REPAIR PROGRAM

This ongoing project consists of removing hazardous sidewalk offsets and replacing sidewalk sections that have been damaged by City tree roots in order to eliminate trip hazards.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	120,000	120,000	120,000	120,000	120,000	600,000
Sidewalk Assessment	180,000	180,000	180,000	180,000	180,000	900,000
Subtotal	300,000	300,000	300,000	300,000	300,000	1,500,000

City Buildings

ADMINISTRATION BUILDING CARPET REPLACEMENT

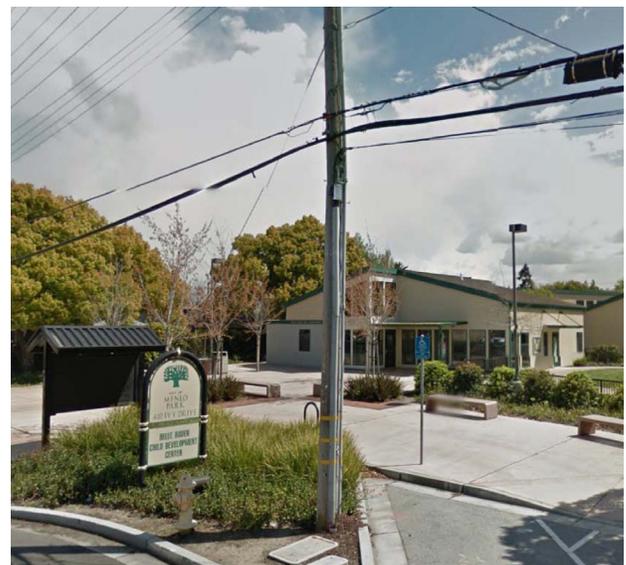
This project will replace the carpet of the administration building. The carpets were installed as part of the administration building remodel in 1998. Areas of the carpet are showing wear and have permanent stains.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CIP	400,000	—	—	—	—	400,000
Subtotal	400,000	—	—	—	—	400,000

BELLE HAVEN CHILD DEVELOPMENT CENTER FLOORING REPLACEMENT

The project consists of replacing the carpet and vinyl floors in the Child Development Center. The existing has worn out.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund-CIP	50,000	—	—	—	—	50,000
Subtotal	50,000	—	—	—	—	50,000

City Buildings

CITY BUILDINGS (MINOR)

This ongoing project was established in Fiscal Year 2004–05. Projects programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in City Buildings.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	325,000	325,000	325,000	350,000	350,000	1,675,000
Subtotal	325,000	325,000	325,000	350,000	350,000	1,675,000

FIRE PLANS AND EQUIPMENT REPLACEMENT AT COUNCIL CHAMBERS, ONETTA HARRIS COMMUNITY CENTER AND LIBRARY

The project consists of replacing the fire panels, alarms, strobe lights, pull alarms and associated equipment in the Council Chambers, Library and Onetta Harris Community Center. The existing systems are becoming outdated and starting to trigger false alarms.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund-CIP	60,000	—	—	—	—	60,000
Subtotal	60,000	—	—	—	—	60,000

City Buildings

LIBRARY SPACE NEEDS STUDY

The Menlo Park Library Foundation (MPLF) proposes to fund a space needs assessment for the main library in FY 14-15 to determine how the building can be modified and updated to best accommodate changes to library services for the next twenty years. The goal will be to use the existing space to create greater flexibility, capacity and efficiency. There may also be a need to expand parts of the building to accommodate programs, such as those for children and teens, that have grown substantially. The library needs increased connectivity and spaces for quiet study and group work. The main library, originally constructed in 1957,

was expanded in 1968 and 1992, and has internal load bearing walls and substructures that complicate internal remodeling. The MPLF has begun exploratory work with an architectural firm that has a track record in remodeling/repurposing libraries. Their approximate fee for the project is estimated to be about \$90,000. The Foundation Board has approved a grant of up to \$90,000.

FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP/ Library Foundation	130,000	—	—	—	—	130,000
Subtotal	130,000	—	—	—	—	130,000

RETRACTABLE LIGHTS INSTALLATION AT GYMNASIUM, GYMNASTICS AND FAMILY RECREATION CENTERS

The replacement process for the numerous lights at the Arrillaga Family Gym and Arrillaga Family Gymnastics Center poses a concern for the long-term maintenance of the facility due to the high replacement costs and the repairs potential impact to programs. Installing retractable lights in both facilities will allow staff to maintain the facility in the most efficient manner, keep repair costs low, and minimize or eliminate time needed to close the facility.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	150,000	—	—	—	—	150,000
Subtotal	150,000	—	—	—	—	150,000

Traffic & Transportation

EL CAMINO REAL/RAVENSWOOD NB RIGHT TURN LANE DESIGN AND CONSTRUCTION

This project will design conversion of the existing North Bound Right Turn Lane to the third North Bound through Lane and adding a NB Right Turn Lane.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Transportation Impact Fee	1,020,000	—	—	—	—	600,000
Subtotal	1,020,000	—	—	—	—	1,500,000

HIGH SPEED RAIL COORDINATION

The California High Speed Rail Bay Area to Central Valley route is being planned along the existing Caltrain tracks through the City of Menlo Park. This project involves City staff coordination with the Peninsula Cities Coalition, neighboring jurisdictions, the High Speed Rail Authority and elected officials to protect the City's interests during the planning and implementation stages of the California High Speed Rail project. Funding will be used for technical expertise and consulting support.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	50,000	50,000	50,000	50,000	50,000	200,000
Subtotal	50,000	50,000	50,000	50,000	50,000	200,000

Traffic & Transportation

SAND HILL ROAD SIGNAL INTERCONNECT

The project seeks to improve capacity, safety and traffic control throughout our roadway network through the use of coordinated traffic signal systems. This study will review the Cities existing and planned traffic signal system for potential interconnect opportunities and highlight best practices, hardware and software for creating efficient multimodal systems.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
TIF/TA Grant	1,495,000	—	—	—	—	1,495,000
Subtotal	1,495,000	—	—	—	—	1,495,000

HERITAGE TREE ORDINANCE PROGRAM EVALUATION

In the Summer of 2012, the Environmental Quality Commission (EQC) provided recommendations to staff and city council regarding updating and modifying the City's Heritage Tree Ordinance. This study would review the EQC's recommendation, analyze program's effectiveness and processes, and prepare revisions for the City Council to consider for adoption.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	50,000	—	—	—	—	50,000
Subtotal	50,000	—	—	—	—	50,000

IMPLEMENT STRATEGIC PLAN TO IMPROVE PUBLIC AREA TRASH AND RECYCLING CITYWIDE

The City of Menlo Park is currently in the process of implementing its 2009 National Pollutant Discharge Elimination System (NPDES) Permit. This Permit is issued by the San Francisco Bay Regional Water Quality Control Board (SFRWQCB). Section C.10 of this Permit identifies trash/litter as a priority pollutant and requires that the City adopt stringent and escalating control measures to reduce the amount of trash entering the storm drain system by 40% by July 1, 2014, 70% by 2017, and 100% by 2022. This project is one of various trash reduction measures needed to meet this mandate,

and would reduce litter through improved public area trash and recycling container management through bin replacement, better labeling of containers, and increased service/maintenance. This project does not impact General Funds, and will be funded through the garbage service fund.

FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Solid Waste Service Fund	65,000	—	—	—	—	65,000
Subtotal	65,000	—	—	—	—	65,000

Water System

REROOF RESERVOIR #2

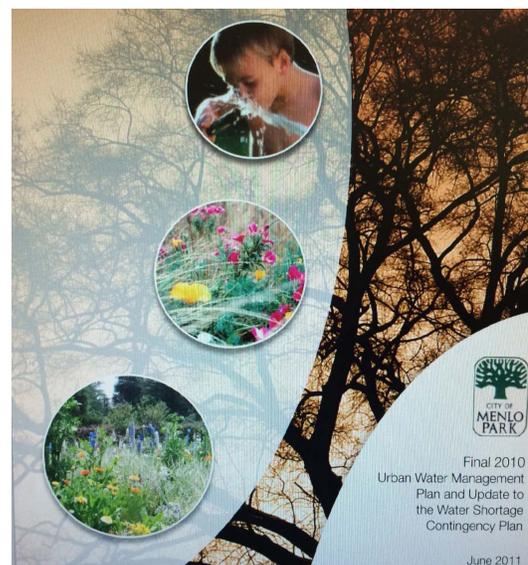
During the design of the project, staff and the roof manufacturer representative inspected the underside of the roof and it was determined the roof joist hangers showed significant signs of rusting. In order to replace the hangers it is necessary to remove the underlayment of the roof which was not part of the original project. Additional funding will be supported by the water capital fund.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Water Fund - Capital	300,000	—	—	—	—	300,000
Subtotal	300,000	—	—	—	—	300,000

URBAN WATER MANAGEMENT PLAN

This project will prepare an Urban Water Management Plan that is due to the State in the year 2015. This is a State requirement every 5 years. Having this plan in place makes the City eligible for grants. The plan is only for the City's Municipal Water District.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Water Fund - Capital	100,000	—	—	—	—	100,000
Subtotal	100,000	—	—	—	—	100,000

Water System

WATER RATE STUDY

The existing 5 year water rates approved by the City Council will end in June 2015. This study will analyze the operating water budget and make new recommendations for proposed water rates for City Council approval.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Water Fund - Capital	50,000	—	—	—	—	50,000
Subtotal	50,000	—	—	—	—	50,000

WATER SYSTEM MASTER PLAN

The Water Master Plan needs to be updated to be consistent with the new housing element, create a water model to evaluate major development projects and establish fair share cost for water system distribution upgrades, water rate study, inventory of aging infrastructure to establish a 5-, 10-, and 20-year CIP program and project priorities.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Water Fund - Capital	500,000	—	—	—	—	500,000
Subtotal	500,000	—	—	—	—	500,000

Parks & Recreation

BELLE HAVEN POOL ANALYSIS AND AUDIT

This project would involve an analysis of the current and future use of the Belle Haven Pool. The study would include a review of the pump house and pool for ADA and current building code requirements in order to maximize the pool use. The Belle Haven Pool has traditionally been a seasonal pool only operating during the summer months. In FY 12-13, the City's pool operator expanded programming and pool usage to make the Belle Haven Pool a year-round operation. Since April 2013, the Belle Haven Pool has seen increased demand and usage as a result of the expanded programming. The current pool infrastructure

is not likely to support the long term impacts of a year round operation and it is recommended that a comprehensive audit be conducted to determine the current and future needs of the pool.

FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Rec in Lieu Fund	100,000	—	—	—	—	100,000
Subtotal	100,000	—	—	—	—	100,000

LIBRARY LANDSCAPING

The project consists of replacing the landscaping and irrigation system around the library. The existing landscaping and irrigation system is in need of major upgrades and a portion of the system is over thirty years old.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	300,000	—	—	—	—	300,000
Subtotal	300,000	—	—	—	—	300,000

Parks & Recreation

PARK IMPROVEMENTS (MINOR)

The project addresses minor improvements to parks, such as repairing fences, irrigation systems, play equipment, resodding portions of fields and adding sand and fiber to play equipment.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	150,000	150,000	150,000	170,000	170,000	790,000
Subtotal	150,000	150,000	150,000	170,000	170,000	790,000

PLAYGROUND EQUIPMENT ASSESSMENT & REPLACEMENT

This is a new program that would begin to replace portions of play equipment that is not meeting current regulations and to replace equipment that needs upgrading.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Rec in Lieu Fund	30,000	—	—	—	—	30,000
Subtotal	30,000	—	—	—	—	30,000

Parks & Recreation

WILLOW OAKS DOG PARK RENOVATION

This project will include a scoping and design phase in FY 2013/14, then construction in FY 2014/15 of upgrades and replacement at the Willow Oaks Dog Park.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
Rec in Lieu Fund	50,000	—	—	—	—	50,000
Subtotal	50,000	—	—	—	—	50,000

BAY LEVEE PROJECT

A project team was selected, and project will start this year with Environmental Analysis, and Design. The Project's purposes are to provide evaluation, feasibility, alternatives analysis, design, and environmental documentation for coastal levee improvements that will improve flood protection, restore the ecosystem, and provide recreational opportunities within the project reach. The specific objectives of the Project include: 1) protect properties and infrastructure in the coastal floodplain within East Palo Alto and the City of Menlo Park between San Francisquito Creek and the Redwood City border resulting from a 100-year tide, including projected Sea Level Rise; 2) enhance habitat along the Project reach, particularly habitat for threatened and endangered species; 3) enhance recreational uses; and 4) minimize operational and maintenance requirements.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	140,000	90,000	90,000	—	—	320,000
Subtotal	140,000	90,000	90,000	—	—	320,000

CHRYSLER PUMP STATION IMPROVEMENTS

Improvements will include design and construction of upgrades to the aging equipment (may consist of pumps, motors, electrical system, heaters, fans, flap gates, generator).



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund - CIP	350,000	—	—	—	—	350,000
Subtotal	350,000	—	—	—	—	350,000

Stormwater

POPE/CHAUCER BRIDGE REPLACEMENT

The Santa Clara Valley Water District (SCVWD), a member agency of the SFCJPA, will replace the existing Pope/Chaucer Street Bridge crossing at San Francisquito Creek. The new bridge will be designed and constructed to accommodate a 1% (100-year) flow event under the bridge and prevent future flooding of the areas surrounding the creek. The project is part of the overall SFCJPA goal to provide 100-year flood capacity in the creek. Funding for this project is for staff assistance during the design phase.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CUP	60,000	—	—	—	—	60,000
Subtotal	60,000	—	—	—	—	60,000

STORM DRAIN IMPROVEMENTS

This ongoing project will implement improvements that were identified in the Storm Drain Master Plan.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CUP	110,000	115,000	115,000	120,000	120,000	580,000
Subtotal	110,000	115,000	115,000	120,000	120,000	580,000

WILLOW PLACE BRIDGE ABUTMENTS REPAIRS

This project will repair damages to the bridge abutment from the December 2012 storm event. Initial Study of repairs were completed, and need to move project forward to design and construction.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CUP	60,000	250,000	—	—	—	310,000
Subtotal	60,000	250,000	—	—	—	310,000

Technology

OVERNIGHT PARKING APP

This project would create a software program to allow a resident to apply, pay, and print an overnight parking permit from the internet. This would provide a convenience for residents to go online, pay and print the permit from home late at night and place the permit on their dashboard so they do not receive a ticket overnight. The remainder of the project would involve an update to the administrative procedures and the ordinance to reflect this new permitting functionality. In addition, the Ordinance would be updated to include the new R-4-S zoning district to the list of other residential districts, and potentially include a prohibition of overnight parking in the M-2 and M-3 zoning districts to prevent parking of tractor trailers.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CUP	70,000	—	—	—	—	70,000
Subtotal	70,000	—	—	—	—	70,000

RADIO INFRASTRUCTURE REPLACEMENT

The Dispatch Center utilizes an extensive network of radio equipment which has a useful lifespan of 10 to 15 years. If equipment is not replaced it can malfunction, leading to a loss of communication with police officers in the field. This would lead to an enhanced level of risk to officers and a decrease in service to the community. A multi-year Replacement Schedule was created in 2010 by the County which stipulates equipment to be replaced based on lifespan. All costs to install include labor.



FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CUP	26,000	100,000	—	—	—	126,000
Subtotal	26,000	100,000	—	—	—	126,000

TECHNOLOGY MASTER PLAN AND IMPLEMENTATION

This project would provide an assessment of the existing technology tools in use within the organization currently, evaluate the need for replacement, and development recommendation as to the best type of replacement in priority order. This work would be done in together with a consultant, and a representative City Committee to enable a knowledgeable evaluation that would assist the City to avoid disruption caused by failures to the aging systems in use throughout the City. This project would be followed by requests to purchase or upgrade the existing systems.



TECHNOLOGY MASTER PLAN AND IMPLEMENTATION

FUNDING SOURCE	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL
General Fund – CUP	0	TBD	TBD	TBD	TBD	TBD
Subtotal	0	—	—	—	—	—

Projects Proposed for FY 2015/16 through FY 2018/19

STREETS & SIDEWALKS

Civic Center Sidewalk Replacement and Irrigation System Upgrades	2016–17	<p>"Many areas of the Civic Center sidewalk network have been damaged by tree roots and vehicular traffic, resulting in extensive cracking and uplifts; all of which create tripping hazards to the pedestrians that use the park daily. The proposed project would replace the sidewalk network north of Burgess Field, between the Recreation Center, Administration Building, Council Chambers and Library. Sidewalks would be replaced using thicker paving sections with reinforcing bars where necessary.</p> <p>The existing irrigation around the Civic Center is a patch work due to numerous building replacement/remodel projects have cut into the existing system. This project will upgrade the irrigation system and reduce the number of controllers. The new controllers will be connected to the City's weather station making it more water efficient."</p>
El Camino Real Median and Side Trees Irrigation System Upgrade	2015–16	<p>This project will replace the existing irrigation controllers on El Camino Real with a Rain Master Evolution II central irrigation system, which will improve water savings and reduce maintenance costs. The Rain Master irrigation system allows staff to control the system remotely and the system could automatically shut off at times of rain or breaks in the irrigation system.</p>
Parking Plaza 7 Renovation	2018–19	<p>This project consists of construction of needed improvements at Parking Plaza 7 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with Downtown Parking Utility Underground Project.</p>
Sand Hill Road Pathway Repair	2015–16	<p>This project will involve the design and installation of repairs and improvements to the asphalt concrete path along Sand Hill Road.</p>
Street Resurfacing	2015–16	<p>This ongoing project will include the detailed design and selection of streets to be resurfaced throughout the City during Fiscal Year 2013-14. This project will utilize the City's Pavement Management System (PMS) to assess the condition of existing streets and assist in the selection process.</p>

Projects Proposed for FY 2015/16 through FY 2018/19

CITY BUILDINGS		
Administration Building Conference Room Furniture Replacement	2018–19	The existing chairs and tables in the administration building were purchased in 1999 and have started to break down. The project would replace the chairs and tables in the conference rooms and public areas.
Belle Haven Youth Center Improvements	2017–18	The project consists of replacing the floor, ceiling, cabinets and repainting the interior of the Belle Haven Youth Center. The existing interior has worn out.
Kitchen Upgrade at Onetta Harris Community Center	2018–19	The kitchen at the Community Center is used every weekend for rentals. The current kitchen is outdated and does not meet the needs for current renters. The renovation should include new counter tops, cabinets, sink, etc. The Onetta Harris Community Center has seen a significant increase in weekend rentals over the past two years. A renovation of the multi-purpose room kitchen will better meet renter’s needs as well as be attractive for potential renters in the future. In addition, with the increase in week day classes, a renovated kitchen may provide the opportunity for increased usage during the week in the form of cooking-related classes.
Library Furniture Replacement	2017–18	The existing furniture in the Library is over 20 years old. The chairs and tables need consistent repairs due the heavy use of the Library. Also, the existing furniture fabric is difficult to clean and remove odors. The project will replace furniture that will make it easier to maintain.
Main Library Interior Wall Fabric Replacement	2015–16	The project will replace the interior wall fabric of the main library. The interior wall finishes of the Library are starting to get worn and the seams are beginning to separate. This was installed in 1991.
Menlo Children’s Center Carpet Replacement	2017–18	The project will replace the carpet of the Menlo Children’s Center. Due to the extensive use of the facility and the wear and tear of the facility, the carpets will need to be replaced. The existing carpets were installed when the building was remodeled in 2006.
Police Department Space Use Study	2015–16	With the impending reorganization of the police department, a space use study is necessary for the police department main floor (basement of City Hall). There is a great deal of wasted office and storage space that may be utilized more efficiently.
Police Front Office Counter Remodel Security Upgrade	2016–17	Security at the front counter of the police department has been a concern for police records personnel for many years. In 2012, the Belcher report, which was an organizational and operation review of the police department, recommended higher security for the front lobby/counter area along with the perimeter of the entire police department. This project would be a reconstruction of the front counter in the PD lobby and would place ballistic glass between the public and staff. The PD has met with the structural engineer and architect who designed and was the project manager for the renovation of the Redwood City Police Department front lobby. The scope of this work would be similar.

Projects Proposed for FY 2015/16 through FY 2018/19

TRAFFIC & TRANSPORTATION		
Alma/Ravenswood Pedestrian/Bike Study	2015–16	This project will evaluate alternative improvements to improve pedestrian and bicycle circulation at Alma Street and Ravenswood Avenue.
Caltrain Bike/Pedestrian Undercrossing Design	2017–18	This project will design bike and pedestrian undercrossing envisioned under the Caltrain tracks between Ravenswood Avenue and Cambridge Avenue. A study and conceptual designs for an undercrossing were completed as part of the Caltrain Bike/Pedestrian project approved in FY 2007/08. Completion of the planning phase was suspended pending completion of the El Camino Real/Downtown Specific Plan and the High Speed Rail preliminary design.
Florence/Marsh and Bay/Marsh Signal Modification	2015–16	This project will improve the level of service and pedestrian safety at intersections and upgrade non-standard traffic signal equipment to comply with MUTCD standards.
Laurel Street/Ravenswood Avenue Signal Modification	2015–16	This project will enhance traffic safety and upgrade non-standard traffic signal equipment to comply with the MUTCD standards.
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	2015–16	This project will consist of a feasibility study to reconfigure the intersection of Middlefield Road at Ravenswood Avenue to remove the southwest pork-chop island and modify the free eastbound right turn lane and to open the recently constructed Menlo Atherton High School driveway for traffic. These improvements could potentially facilitate bicycle safety through the intersection and relieve traffic congestion at the intersection of Middlefield Road with Ringwood Avenue. Funding was identified for this study as mitigation for the 1300 El Camino Real Development if it proceeds forward, otherwise Measure A funds would be utilized.
Middlefield Road at Willow Road Intersection Reconfiguration Study	2018–19	This project will consist of a feasibility study of reconfiguring the intersection of Middlefield Road at Willow Road to remove the southeast corner and northeast corner pork-chop islands. The improvements could potentially improve bicycle and pedestrian safety at the intersection.
Pedestrian/Bicycle Master Plan Update	2018–19	The current Comprehensive Bicycle Development Plan was completed in January of 2005 and lacks current bicycle treatments to include; green bike lanes and sharrows. Additionally, the existing plan has limited treatments for pedestrians and lacks the City's approved Complete Streets initiatives. This project seeks to update the existing plan to include current treatments and serve as a baseline for Complete Streets treatments.
Sand Hill Road Improvements (Addison/Wesley to I280)	2016–17	This project will implement traffic improvements that will be approved in conjunction with the Sand Hill Road between Addison/Wesley and I-280 Traffic Study.

Projects Proposed for FY 2015/16 through FY 2018/19

TRAFFIC & TRANSPORTATION

Sand Hill Road Signal Modification Project	2016–17	This project will upgrade the non-standard traffic and pedestrian signal equipment at Sand Hill/Saga Lane and Sand Hill/Sharon Park Drive to comply with MUTCD standard.
Signal Interconnect Study	2018–19	The Traffic Division seeks to improve capacity, safety and traffic control throughout our roadway network through the use of coordinated traffic signal systems. This study will review the Cities existing and planned traffic signal system for potential interconnect opportunities and highlight best practices, hardware and software for creating efficient multimodal systems.

WATER SYSTEMS

Automated Water Meter Reading	2016–17	This project will involve selecting appropriate technology then installing the initial phase of automated meter reading infrastructure for the Menlo Park Municipal Water District.
Emergency Water Supply	2018–19	This project will involve the first phase of construction of up to three emergency standby wells to provide a secondary water supply to the Menlo Park Municipal Water District's eastern service area. An emergency water supply would be needed in the event of an outage of the SFPUC Hetch Hetchy system. Final project costs will vary depending on land acquisitions costs and the final depth and size of the wells.
Water Main Replacements	2016–17	This recurring project involves replacement and improvements to the Menlo Park Municipal Water District's distribution system. The locations of work are determined through maintenance records and as needed to support other major capital projects such as the emergency water supply project.

Projects Proposed for FY 2015/16 through FY 2018/19

ENVIRONMENT		
Alternative Transportation Social Marketing Program	2015–16	This project was identified in the Climate Action Plan’s five year strategy approved in July 2011. This project would develop a social marketing plan and program to alter behavior and perceptions about alternative transportation in Menlo Park. Social marketing is used to uncover community barriers and uses targeted messaging and incentive programs to alter perceptions about walking, biking, or taking public transit.
Bedwell Bayfront Park Gas Collection System Repair	2017–18	This project will address repairs that may be needed as part of routine maintenance to the gas collection system serving the former landfill at Bedwell Bayfront Park. Improvements that could increase methane capture will be implemented, reducing greenhouse gas emissions. This project will be scoped in more detail following completion of the Gas Collection System Improvements Study and Conceptual Design project.
Bedwell Bayfront Leachate Collection System Replacement	2016–17	This project will involve repairs and upgrades to the existing leachate collection system that the City is required to maintain at the former landfill site at Bedwell Bayfront Park.
Bike Sharing Program Cost Benefit Study	2016–17	Part of the Climate Action Plan’s five year strategy approved in July 2011. This project would study the program’s cost and benefit’s for reducing greenhouse gas emissions and its suitability for Menlo Park. A Bike Sharing Program provides publicly shared bicycles that can increase the usage of bicycles in an urban environment. Redwood City is currently participating in a pilot regional a bike sharing program in the bay area.
City Car Sharing	2017–18	Part of the Climate Action Plan’s five year strategy approved in July 2011. This project would study the program’s cost and benefits for reducing greenhouse gas emissions and its suitability for Menlo Park. Many cities (San Francisco, Berkeley, and Portland) have implemented a car sharing program.
Community Zero Waste Policy Draft	2015–16	This project was identified in the Climate Action Plan’s five year strategy approved in July 2011. Landfilled waste emits methane that is twenty time more potent than carbon dioxide emissions that contribute to climate change. A zero waste policy would provide a road map for the city to follow to reduce landfilled waste through less waste generation and recycling. This project would include community engagement and a draft policy for the City Council to consider.

Projects Proposed for FY 2015/16 through FY 2018/19

ENVIRONMENT		
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan	2015–16	Part of the Climate Action Plan’s five year strategy approved in July 2011 to consider installing recharging electric vehicles (EV) and plug in hybrid electric vehicles (PHEV) in public parking facilities. The City can also encourage or require larger local businesses and multi-unit housing projects to install charging stations. The 2009 Climate Action Plan estimated that installing 30 recharging stations would reduce an estimated 7,000 metric tons of greenhouse gas emissions. This study would explore various options for the city to consider. The study will also evaluate charging a minimal fee for recharging vehicles.
Requirement for Pharmacy to take back Pharmaceuticals Draft Ordinance	2015–16	<p>The community has very limited options for disposing pharmaceuticals.</p> <p>One drop box location is located in Menlo Park that the City maintains with a contractor. A required take back program would increase disposal options for residents and avoid potentially disposing of these chemical in a landfill or sewer system. Menlo Park could model an ordinance after Alameda County that has adopted an ordinance that requires pharmacies to take back pharmaceuticals. This project would include drafting an ordinance for city council to consider adopting and the community engagement involved in preparing the ordinance for adoption.</p>
Strategic Plan to Increase Local Food Production through Social Marketing, Education, and Community Garden Programs	2018–19	<p>Part of the Climate Action Plan’s five year strategy approved in 2012 to be considered in 2017-2018. Develop a strategic plan that would increase local food production through education and/or social marketing programs, partnering with nonprofits, promoting locally grown and or organic food production and development of community gardens, school gardens, planting vegetables and/or fruit trees in city parks and/or other public easements, and promotion of farmer’s markets. This program can help reduce emissions from transporting, refrigerating and packaging food hauled from long distances (the average fresh food travels 1,500 miles for use in California homes).</p> <p>Consider an ‘Eat Local Campaign’ similar to Portland, Oregon program that promotes eating foods grown within a specific mile radius.</p>

Projects Proposed for FY 2015/16 through FY 2018/19

PARKS & RECREATION

Bedwell Bayfront Electrical Panel Repair	2015–16	Bedwell Bayfront Park is Menlo Park’s largest park, and its only open space on the Bay. The Bedwell-Bayfront Park on-site restrooms are in need of repair, a temporary portable facility is currently available when the restrooms are in non-working order. We’ve had ongoing problems with the sewer line and toilets, sinks, and flooring are in need of upgrades. The scope of the project will include electrical panel replacement, toilet replacement and sewer connection replacement to improve capacity and efficiency.
Belle Haven Pool Deck Lighting	2015–16	This project involves the installation of pool deck lighting for the Belle Haven Pool. Prior to 2013, the Belle Haven Pool was operated seasonally during the summer months. Since the pool operation expansion in April 2013, the Belle Haven Pool has been operating 7 days a week which includes youth after school programming, a youth swim team, a youth water polo program that caters to youths 14 and under, a swim school that teaches water-babies to youths as well as adults with between 115-250 people depending on season and convenient lap swim that is available during the day and evening.
Belle Haven Youth Center Playground Replacement	2015–16	The Belle Haven Youth Center is located in the Belle Haven Neighborhood as part of the Onetta Harris, Senior Center and Belle Haven Pool campus. The Belle Haven After School and Camp Menlo Programs operate at the Youth Center facility. The Belle Haven Youth Center Playground is outdated and doesn’t meet current playground and ADA standards for similar play structures. It is recommended that the playground be redesigned to meet current playground standards and the renovation completed in the earliest time frame that funding and capacity will allow given the playground’s current disrepair.
Burgess Pool Deck Repairs	2016–17	Pool chemicals are corrosive and erode the cement pool decks making the pool age significantly, impacting aesthetics, and increasing the risk of safety issues from slips and trips. This project would coat the entire 11,600 feet of pool deck surface with protective coating similar to what was used at Belle Haven Pool in 2011. This would ensure a longer life for the decks and avoid the need to replace the cement which would be a significantly higher cost.
Burgess Sport Field	2018–19	The project consists of replacing the existing turf, cleaning the drains and leveling the field. In addition remove a portion of the baseball field infield to increase the turf area to allow a large sports field. The existing field is 15 years old and typical sports field last ten years.

Projects Proposed for FY 2015/16 through FY 2018/19

ENVIRONMENT		
Jack Lyle Park Restrooms – Construction	2015–16	This project will involve engaging the neighboring community in developing a conceptual design, then constructing restrooms at Jack Lyle Park.
Jack Lyle Park Sports Field Sod Replacement	2015–16	The project will consist of removing the existing sod, adjusting the irrigation system and installing new sod. The field has had to annually be patched with new sod due to wear which has created irregular grades in the field. The existing field was built in 2002.
La Entrada Baseball Field Renovation	2017–18	The existing La Entrada baseball field has poor drainage and needs new sod. The project will regrade the outfield and install a drainage system and new irrigation systems and new sod.
Measure T Funds Evaluation/Project Ranking	2015–16	This project will consist of community engagement activities to get input from the public in developing priorities for the Measure T fund.
Nealon Park Sports Field Irrigation System	2018–19	The project consists of adding a new water connection to increase the water pressure at Nealon Softball field so that the irrigation system has full coverage.
Park Pathways Replacement	2016–17	The project consists of replacing damaged pathways at Market Place, Nealon, Sharon, and Stanford Hills Parks.
Relocation of Dog Park at Nealon Park	2017–18	This project will consist of re-locating the Nealon Park Dog Park from the baseball field to another area within Nealon Park.
Tennis Court Electronic Key Upgrade	2015–16	The Tennis Court Electronic Key Upgrade would include the installation of electronic access to our five tennis courts sites: La Entrada, Nealon, Burgess, and Kelly Parks. Currently the tennis court system for entry is done through a traditional key lock/core method. Having electronic key access will allow: (1) completely update how tennis users access tennis courts; (2) reuse keycards instead of changing out keys/cores annually; (3) potentially update pricing structure to make it more user friendly (ie. Day, month, biannual, annual use, or charge per use); (4) discontinue use of the cores which are expensive and which are replaced often use to individuals jamming sticks in the locks; (5) keep track of who has accessed courts (and when) in the event of a disturbance; (6) have users always retain their same keycard that can be updated (as opposed to having users return their keys annually and losing expensive keys in the shuffle).

Projects Proposed for FY 2015/16 through FY 2018/19

STORMWATER		
Corporation Yard Storage Cover	2016–17	This project consists of installing a cover over the green waste and garbage collected at the Corporation Yard high enough to drive trucks through. A best management practice is recommended by the Regional Water Quality Control Board NPDES permit issued to the City to cover green waste and garbage areas so that water does not flow through the debris and then into the storm drain system.
Trash Capture Device Installation	2015–16	This project will install trash capture devices during next round of Municipal Regional Permit to reduce the amount of pollutants going into the Bay in anticipation of heightened trash capture device requirements.

Non-Funded Project Requests

STREETS & SIDEWALKS		
Haven Avenue Security Lighting	Estimated Cost: \$50,000 Source: Staff	The project consists of installing additional street lights along Haven Avenue to improve visibility and security for business along Haven Avenue. Although funded in FY 2011-12, work on this project did not start prior to the dissolution of the RDA.
Kelly Park Sound Wall	Estimated Construction Cost: \$1,300,000 Estimated Design Cost: \$130,000 Source: Staff	The project would install a sound wall approximately 1,000 feet long between Highway 101 and the sports field at Kelly Park. Design of the project would determine the appropriate height, materials, and final location of the sound wall.
Marsh Road Section Median Islands Landscaping	Estimated Cost: \$35,000 Source: Staff	The project will upgrade the landscaping and irrigation system in the median island on Marsh Road between Bohannon Drive and Scott Drive. Marsh Road is a major entrance to the City and the existing landscaping needs to be rejuvenated to fit in with the new landscaping along the commercial properties adjacent to the median islands.
Parking Plaza 3 Renovation Design	Estimated Cost: \$200,000 Source: Staff	This project involves the redesign of Parking Plaza 3 to include safer vehicular access, improved lighting, improved stormwater treatment and rehabilitation of the existing asphalt. This project is part of the standard cycle of parking plaza renovations. This project will be coordinated with the Downtown Specific Plan prior to any improvements to the Parking Plaza.
Parking Management Plan	Estimated Cost: TBD Source: Council	The project will evaluate parking impacts of the Chestnut Paseo and Market Place. This project will establish an advisory task force for downtown parking issues comprised of one council member, one transportation commission member chamber of commerce, business owner and a property owner.
Parking Plaza 8 Renovation	Estimated Cost: \$250,000 Source: Staff	This project consists of design of needed improvements at Parking Plaza 8 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with Downtown Parking Utility Underground Project.
Sidewalk Master Plan Implementation	Estimated Cost: TBD Source: Staff	This project will involve constructing new sidewalks in areas with priority needs as identified in the Sidewalk Master Plan. Resident surveys will be conducted at high priority locations to assess the level of support prior to selecting specific sites.
Streetscape – Haven Avenue	Estimated Cost: \$550,000 Source: Staff	This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along Haven Avenue.

Non-Funded Project Requests

STREETS & SIDEWALKS		
Streetscape – O'Brien Drive	Estimated Cost: \$525,000 Source: Staff	This project will involve construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along O'Brien Drive. A public outreach process will be conducted to identify needed improvements. Although this project was funded with RDA funds (\$25,000) in FY 2010–11, (\$100,000) in FY 2011–12 and additional funding (\$400,000) was planned for FY 2013–14, work in this project did not start prior to the dissolution of the RDA.
Streetscape – Overall RDA Resurfacing and Improvements	Estimated Cost: \$2,000,000 Source: Staff	This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along various streets throughout the Redevelopment Area.
Streetscape – Pierce Road	Estimated Cost: \$500,000 Source: Staff	This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along various streets throughout the Redevelopment Area.
Underground Overhead Lines	Estimated Cost: TBD Source: Planning Commission	Establish and make an initial deposit for a utility (overhead electric and communication lines) underground fund throughout the City. The project could be considered if a Community Character Element is prepared as part of the General Plan Update.
Streetscape – Willow Road	Estimated Cost: \$330,000 Source: Staff	This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along Willow Road.
Parking Plaza 3 Renovation Design	Estimated Cost: \$200,000 Source: Staff	This project involves the redesign of Parking Plaza 3 to include safer vehicular access, improved lighting, improved stormwater treatment and rehabilitation of the existing asphalt. This project is part of the standard cycle of parking plaza renovations. This project will be coordinated with the Downtown Specific Plan prior to any improvements to the Parking Plaza.
Parking Management Plan	Estimated Cost: TBD Source: Council	The project will evaluate parking impacts of the Chestnut Paseo and Market Place. This project will establish an advisory task force for downtown parking issues comprised of one council member, one transportation commission member chamber of commerce, business owner and a property owner.
Parking Plaza 8 Renovation	Estimated Cost: \$250,000 Source: Staff	This project consists of design of needed improvements at Parking Plaza 8 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with Downtown Parking Utility Underground Project.

Non-Funded Project Requests

CITY BUILDINGS

Belle Haven Branch Library Feasibility Study	Estimated Cost: \$95,000 Source: Library Commission	Improving library services to Belle Haven is one of the Library's Commission main Work Plan objectives. The Commission has received consistent community feedback over the last two years about the need for more library services in Belle Haven. The addition of Facebook to the Belle Haven area further indicates that a feasibility study is necessary before the City can move forward with improving library services in the Belle Haven area. This project is consistent with the Library's Commission's Work Plan objectives, as well as with the City's priority on economic development.
Belle Haven Pool House Building Remodel	Estimated Cost: \$400,000 Source: Staff	This project will consist of remodeling the men's and women's shower, bathroom and check-in area. The work will also include replacing plumbing fixtures and remodeling the front façade of the Pool House and relandscaping the front.
City Entry Signage on Willow and Marsh Roads	Estimated Cost: \$200,000 Source: Staff	These arterials are the two primary gateways into Menlo Park from the East Bay. Providing "Welcome to Menlo – Habitat for Innovation" signage identifies the entry point our City, positions the City as a friendly place to be, and furthers the City's brand as a desirable place to live, work and play.
City Gateway Signage	Estimated Cost: \$250,000 Source: City Council	The project will include installing gateway signage at four locations entering Menlo Park. The proposed locations are Sand Hill Road, Bayfront Expressway, and northbound and southbound El Camino Real. The proposed signage would be similar in style to the sign at Laurel Street and Burgess Drive and would include uplights.
Onetta Harris Community Center Installation of Additional Restroom	Estimated Cost: \$200,000 Source: Staff	The current restroom available for renters of the Onetta Harris Community Center multi-purpose room is need of renovation. In addition, the single restroom is inadequate for the current weekend and week night rental business at the community center, which has seen a substantial increase in rentals over the past two years. This proposal includes the renovation of the current restroom and the construction of second restroom which would address current and future rental business needs.

Non-Funded Project Requests

TRAFFIC & TRANSPORTATION		
Bay Road Bike Lane Improvements	Estimated Cost: TBD Source: Bicycle Commission	This project would study the feasibility and implementation of moving the existing bike lane away from the trees on the Atherton side of Bay Road between Ringwood Avenue and Marsh Road. Staff has determined that the roadway width is too narrow to make the requested improvements for this project.
Bay Trail Extension	Estimated Cost: \$1-2 million Source: City Council	This project would provide the connection between existing portions of the Bay Trail located near the salt ponds and the Don Edwards San Francisco Bay National Wildlife Refuge and existing trails in East Palo Alto. Grant funding would be needed to match City or other funds. Improvements would include work to provide a crossing over San Francisco Public Utilities Commission (SFPUC) lands and railroad right of way.
Bicycle Parking Ordinance Feasibility Study	Estimated Cost: \$70,000 Source: Bicycle Commission	This project would investigate the potential to create an ordinance requiring bicycle parking facilities for all new development projects. The study would review similar ordinances from agencies in the Bay Area, assess the impacts to developers, and recommend an appropriate bicycle parking rate per 1000 square foot of new development. This project will be considered with the General Plan update and the M-2 Area Plan.
Bike Safety Event	Estimated Cost: \$18,000 Source: Bicycle Commission	This project would use the Street Smartz public education safety campaign program along with Safe Moves safety education classes to coordinate a bicycle and walking-to-school safety event. This project would work in conjunction with the Safe Routes to School programs for Encinal, Laurel, and Oak Knoll Elementary Schools.
Emergency Traffic Signal Equipment Stock	Estimated Cost: TBD Source: Staff	The Traffic Division currently contracts out all traffic signal, streetlights and roadway safety component maintenance and emergency repair services. However, this contract cover repairs on an as needed basis and does not provide for the allocation of immediate replacement equipment. This has proven to create a lag in repairing critical traffic signal and street lighting facilities which may pose as a risk to the health and safety of our citizens in the event of an emergency. The project seeks to provide a limited stock of critical equipment for the immediate repair of City facilities in the event of unexpected damage or failure.
Downtown Parking Structures - A Feasibility Study	Estimated Cost: \$200,000 Source: Transportation Commission	Conduct a cost, site, circulation, feasibility and construction study of installing one or more parking structures on City parking plazas 1, 2, or 3. Also determined an in lieu parking fee structure as defined in the El Camino Real/Downtown Specific Plan.
Dumbarton Transit Station	Estimated Cost: \$1,000,000 Source: Staff	Funding will be used to add amenities to the planned transit station. The City Council has indicated a preference for the transit station location on the Southwest corner of Willow Road and Hamilton Avenue. Funding is contingent on the expansion of transit systems serving the area and may consist of a new rail station or bus terminal.

Non-Funded Project Requests

TRAFFIC & TRANSPORTATION		
Highway 84/Willow Bike/Ped Underpass Connections	Estimated Cost: \$900,000 Source: Staff	This project would involve using the existing, but closed, tunnel beneath Highway 84 at Willow Road for a bicycle/pedestrian undercrossing as described in the Menlo Park Comprehensive Bicycle Master Plan.
Innovation Transportation Solutions	Estimated Cost: TBD Source: Planning Commission	Investigate a people mover system or other innovative technology for east/west connectivity, safe routes to schools, and crossing El Camino Real. The project will be considered as part of the Circulation Element update of the General Plan.
Installation of Pedestrian Audible Signal on El Camino Real at Santa Cruz Avenue	Estimated Cost: \$20,000 Source: Transportation Commission	This project will install a pedestrian audible signal on El Camino Real at Santa Cruz Avenue. (Caltrans will be upgrading signals along El Camino Real over the next year; this project could be considered at a later date as part of that project.)
Newbridge Street/Willow Road Traffic Circulation Improvements	Estimated Cost: \$100,000 Source: Staff	This project will evaluate the intersection of Newbridge Street and Willow Road for proposed improvements for better traffic circulation at the intersection.
Shuttle Expansion Study	Estimated Cost: \$125,000 Source: Transportation Commission	This study is to identify how the City shuttle services may be expanded to meet the needs and desires of the residents and businesses of Menlo Park. This study would not include specific school bus routes.
Study of Ordinance to Require Bike Parking in City Events	Estimated Cost: \$15,000 Source: Bicycle Commission	This project would investigate the potential to create an ordinance requiring bicycle parking facilities at all outdoor city events (such as block parties, art/wine festivals, 4th of July events, music in the park series, etc.). The city policy would provide bike parking facilities and publicize this option to participants. Outside groups using city or public facilities for public events (e.g. Chamber of Commerce) would also be required to provide these same services. The city ordinance shall have some means of recognizing or rewarding (by city certificate or resolution) those events which provide exceptional bicycle parking service.
Study of Possible Improvements to Menlo Park's Free Shuttle Service	Estimated Cost: \$50,000 Source: Transportation Commission	This is a project to review the shuttle service and what incremental improvements and expansion of scope might be possible and appropriate.
Study – Shuttle Bus Expansion for Student- School-Busing Use	Estimated Cost: \$95,000 Source: Transportation Commission	This is a study to evaluate and analyze the use of City shuttle buses to pick up and drop off students at their schools, thereby reducing vehicular traffic throughout the City and at school sites in particular. This could be subject to other regulations because of school bus requirements that may not allow City shuttle buses to be used for that purpose.

Non-Funded Project Requests

TRAFFIC & TRANSPORTATION		
Transportation Demand Management Ordinance Study	Estimated Cost: \$37,000 Source: Bicycle Commission	This study would analyze the cost/benefit of implementing a Transportation Demand Management Ordinance that applies to all new development. This will be included as part of the General Plan update.
Wayfinding Signage Phase II	Estimated Cost: \$15,000 Source: Bicycle Commission	The first phase of the wayfinding bicycle signage in the Willows neighborhood was completed in 2009. The signs, attached to pre-existing sign posts, point to destinations such as the pedestrian bridge to Palo Alto, downtown, and Burgess Park. This is the next phase to this project as indicated in the bicycle development plan. This will include another neighborhood, an east/west cross-city route, and/or routes to schools.
Willow Oaks Park Path Realignment	Estimated Cost: \$18,000 Source: Bicycle Commission	This project would study the entrance to Willow Oaks Park at Elm Street to add a bike path adjacent to the driveway to East Palo Alto High School.
Willow Road Bike Lane Study	Estimated Cost: \$70,000 Source: Bicycle Commission	This project would study the area on Willow Road between O'Keefe and Bay Road to assess what would be needed to install bike lanes in both directions. (The 101/ Willow Road interchange is currently in the environmental review stage.)

Non-Funded Project Requests

ENVIRONMENT

Canopy Tree-Planting and Education Project	<p>Estimated Cost: \$55,000 Source: Environmental Quality Commission & Green Ribbon Citizens Committee</p>	<p>Under contract with the City, Canopy, a local non-profit organization, would recruit and train volunteers to plant up to 100 trees along streets and in parks. Planting locations and trees will be provided by the City. Canopy will also conduct a public education program about urban forestry, including tree steward workshops, presentations to neighborhood groups, a tree walk, and printed and website information. Canopy will also advise the City on reforestation grant opportunities. Canopy has carried out similar programs with the cities of Palo Alto and East Palo Alto Environmental Quality Commission again for FY 2011/12, but was not included in the projects listed for that year due to the volume of projects currently listed and the labor intensive nature of this project.</p>
Energy Upgrades of Home Remodels – Pilot Program	<p>Estimated Cost: \$110,000 Source: Staff</p>	<p>This pilot program would provide free comprehensive home energy audits up to \$500 in energy rebates to 100 Menlo Park residents who are significantly remodeling their homes. The program targets homeowners who are already thinking of home improvements and may be more inclined to make significant energy upgrades also. The goal is to reduce greenhouse gas emissions through residential energy conservation. This project is a high ranking measure in the Climate Action Plan.</p>
Suburban Park Streetlight Conversion	<p>Estimated Cost: \$100,000 Source: Staff</p>	<p>Take streetlights in the Suburban Park area off the high-voltage PG&E system and convert to low-voltage parallel-wiring system.</p>

Non-Funded Project Requests

PARKS & RECREATION		
Bedwell Bayfront Park Master Plan	Estimated Cost: TBD Source: Staff	The Master Plan will provide a long-term vision and general development guide for the park and its facilities. The plan will describe how to best protect park resources, provide quality visitor experiences, manage visitor use, and will serve as a blueprint for future park development. The purpose of the Master Plan is to improve the quality of life for the residents of Menlo Park through enhancing the quality of the park and open space system. A task force may be used to gain more extensive citizen input.
Belle Haven Pool House Remodel	Estimated Cost: \$500,000 Source: Staff	The project consists of redesigning the interior showers, locker and lobby areas and refinishing the floors and walls. The Belle Haven Pool House shower, locker room and lobby are over 40 years old. Most of the equipment is original and staff has had to retrofit the showers due to the shower equipment has been discontinued.
Burgess Baby Pool Analysis/ Preliminary Design	Estimated Cost: \$200,000 Source: Staff	The demand for more recreational pool space has been a need for many years since the major pool redesign in 2006. This project would evaluate the utility of the current baby pool to allow for a wide range of ages and more space of open recreation swimming time. Currently, the baby pool is only 1' 6" in depth, open May through September, and for only toddlers and their parents. The proposed project would evaluate the current capacity of the baby pool, investigate if an environmental analysis is required and look into a zero entry pool that increases to 3 1/2 depth. This would allow for a broader range of ages up to grade school more space to enjoy and reduce the demand of the instructional pool.
Burgess Park Irrigation Well Evaluation	Estimated Cost: \$40,000 Source: Staff	The project consists of hiring a consultant to evaluate whether building an irrigation well for Burgess Park would be cost effective on the long term based upon the continued increase in water rates.
Burgess Pool Locker Room Expansion Design	Estimated Cost: \$250,000 Source: Council and Parks & Recreation Commission	Since this project was suggested in 2010 the locker rooms at the pool have undergone renovation that allows accommodation of more people at one time. Additionally, locker rooms and changing rooms that have been added to the new Gymnastics Center, easily accessible and adjacent to the Pool, negate the need for a more expensive renovation project of the pool locker rooms at this time. Staff recommends this project be removed from the CIP.
Flood County Park	Estimated Cost: TBD Source: City Council	This project would potentially involve the City obtaining a joint use agreement to improve and maintain sports fields at Flood Park, installing playing field improvements and operating it as a City park in order to increase playing field availability.
Willow Oaks Park Restrooms	Estimated Cost: \$240,000 Source: Parks and Recreation Commission	This project would involve the neighboring community in developing a conceptual design, then constructing restrooms at Willow Oaks Park.

Non-Funded Project Requests

COMPREHENSIVE PLANNING PROJECT & STUDIES

CEQA and FIA Guidelines	Estimated Cost: \$45,000 Source: City Council	This project involves the adoption of guidelines for the City's implementation of the California Environmental Quality Act (CEQA) and the City's preparation of Fiscal Impact Analysis (FIA). The project would involve an update of the City's Transportation Impact Analysis (TIA) Guidelines while maintaining consistency with the current General Plan policies regarding the level of service (LOS) at intersections while encouraging alternative modes of transportation.
Comprehensive Zoning Ordinance Update	Estimated Cost: \$1,500,000 Source: Staff	The last comprehensive update of the Zoning Ordinance occurred in 1967. Over the last 45 years, there have been 103 distinct amendments. The Zoning Ordinance is not user friendly and includes many inconsistencies and ambiguities which make it challenging for staff, let alone the public to use. An update of the Zoning Ordinance would be a key tool for implementing the vision, goals and policies of an updated General Plan. An update of the single-family residential zoning standards and review process would be included in this project.
Single Family Residential Design Guidelines	Estimated Cost: TBD Source: Planning Commission	This project would involve the creation of residential single-family zoning guidelines to provide a method for encouraging high quality design in new and expanded residences.
Single-Family Residential Zoning Ordinance Amendment	Estimated Cost: TBD Source: Planning Commission	This project would involve changes to residential single-family zoning requirements to create a more predictable and expeditious process for the construction of new and substantially expanded two-stories residences on substandard lots. The changes to the Zoning Ordinance would likely involve additional development requirements in lieu of the discretionary use permit process.

STORMWATER

Atherton Channel Flood Abatement Construction	Estimated Cost: \$2,000,000 Source: Staff	This project will improve the drainage channel conditions in order to prevent systematic flooding from Atherton Channel that affects businesses along Haven Avenue. The design portion of this project was partially funded (\$200,000) in FY 2010-11 and (\$300,000) in FY 2011-12.
Middlefield Road Storm Drainage Improvements Phase I & II	Estimated Cost: \$2,000,000 Source: Staff	This project involves design of a storm drainage system to address flooding on Middlefield Road from San Francisquito Creek to Ravenswood Avenue.

Non-Funded Project Requests

TECHNOLOGY

Dark Fiber Installation Pilot Project	Estimated Cost: \$50,000 Source: Staff	Optical fiber is the preferred broadband access medium for companies seeking lab and office space in Silicon Valley. Menlo Business Park and Willow Business Park (soon to be called Menlo Science & Technology Center) already have limited deployment of this highly sought after capability. These funds will enable the City to initiate a planning effort to determine how the existing fiber network can be extended further in the City's industrial subareas. Although funded in FY 2011-12, work on this project did not start prior to the dissolution of the RDA.
Library Website Access Improvement	Estimated Cost: \$6,500 Source: Staff	Library users expect to access information quickly, easily and accurately. The current library website provides very limited access to program information and electronic resources. A more graphical, dynamic website would engage all segments of the community and would improve access to non-native English speakers, children and the elderly. It is essential to the Library's mission to create a web portal that more effectively promotes library services and resources. Project would cover start-up costs for a consultant to design and implement a new web portal. Library staff will continue the maintenance of the site as part of regular library outreach to the community. Project was funded in the 2008-09 adopted budget but was deferred via mid-year budget adjustments.

Non-Funded Projects from Previously Approved Plans

CITY-WIDE STORM DRAINAGE STUDY

(2003) Recommended Improvements

Projects that do not require new outfalls to San Francisquito Creek or Atherton Channel

LOCATION	DESCRIPTION	ESTIMATED COST (2003)
Magnolia Drive/ Stanford Court	Flooding occurs in the vicinity of Stanford Court as a result of undersized lines downstream on Magnolia Drive. Upsizing 530 feet of line from 12-inch diameter to 24-inch diameter will improve drainage through an upstream system that has been improved	\$123,000
Spruce Avenue	Flooding occurs at Spruce Avenue. Storm system does not have an inlet at Spruce Avenue with the railroad acting as a barrier to surface flows. Improve requires 250 feet of 24-inch storm drain, and an inlet at Spruce Avenue	80,000
Middlefield Road	A parallel storm drain is proposed along Middlefield Road. The storm drain would connect to a recently constructed 48-inch diameter outfall into San Francisquito Creek. The parallel storm drain is needed to relieve flooding that requires road closures of Middlefield Road, Ravenswood Avenue, and Oak Grove Avenue	4,633,000
Euclid Avenue	A significant drainage area flows to Euclid Avenue with no collection system. It is likely that the flooding could disrupt traffic during a major storm event	288,000
Middle Avenue	Middle Avenue is susceptible to flooding due to undersized facilities to the Creek and upstream flooding that overflows into the drainage area. 1,620 feet of 24-inch diameter line is proposed. Allows the removal of bubble-up storm drain catch basins. Provides backbone for draining Hobart Street, Cotton Street and Hermosa Way	373,000
Oak Grove Avenue	The proposed line relieves flows received along Oak Grove Avenue and discharges to the proposed Middlefield Avenue parallel storm drain	1,699,000
Frontage 101, Menalto Ave to Laurel Ave and Santa Monica Avenue	Proposes 830 feet of 24-inch diameter line to provide backbone for storm drain to Menalto Avenue; and 2,510 feet of 15-inch storm drain to reduce flows at intersections along Menalto Avenue	945,000
Harvard & Cornell	Harvard & Cornell - Proposes addition of valley gutter to eliminate localized ponding	10,000
Bay Laurel Drive Outfall	Connecting drainage system	26,000
Olive Street Outfall	Connecting drainage system	536,000
Arbor Road Outfall	Connecting drainage system	1,524,000
El Camino Real Outfall	Connecting drainage system	1,976,000
Alma Street Outfall	Connecting drainage system	208,000
Middlefield Road Outfall	Connecting drainage system	1,270,000
Highway 101 Outfalls	Connecting drainage system	1,400,000
Euclid Avenue Outfall	Connecting drainage system	275,000

Non-Funded Projects from Previously Approved Plans

CITY-WIDE STORM DRAINAGE STUDY

(2003) Recommended Improvements

Projects that require new outfalls and increase peak flows to San Francisquito Creek or Atherton Channel Recommended Improvement

LOCATION	DESCRIPTION	ESTIMATED COST (2003)
Middle Avenue	Replace and upsize the storm drain line on Arbor Road from the outfall to about 500 feet upstream at a cost of about \$850,000. Replace and upsize the storm drain line on Arbor Road to Middle Avenue for a cost of about \$980,000 and extending the system to Middle Avenue and San Mateo Drive.	2,310,000
Overland Flow	Overflows from the System G system are to System I. There can be a "domino effect," with these overflows continuing to El Camino Real.	900,000
Overland Flow	Overflows from the System I system are to El Camino Real. Currently, a portion of Middle Avenue does not have a storm drain. A storm drain would be provided to collect flows to improve collection into the Priority 1 storm drain line. Lines on Valparaiso Avenue, Santa Cruz Avenue and Arbor Drive are proposed to collect flows and convey flows to the Priority 1 system, thereby reducing the potential for overtopping to the El Camino Real system.	4,458,000
Ponding throughout the City	Improvements to correct nuisance ponding issues and are required throughout the City. The improvements are numerous and are required.	10,211,000
Alto Lane/El Camino Real	All overflows from upstream systems will be toward El Camino Real. It is likely that ponding first occurs on Alto Lane and excess flows are released to a 30-inch storm drain line to the Alma System prior to road closure for typical storm events. A major storm even could result in the closure of El Camino Real.	5,800,000
San Francisquito Creek Joint Powers Authority Improvements		TBD
Atherton Channel Improvement		TBD

Non-Funded Projects from Previously Approved Plans

EL CAMINO REAL /DOWNTOWN SPECIFIC PLAN

(2012) Recommended Improvements

LOCATION	DESCRIPTION	ESTIMATED COST (2003)
Improve Pedestrian/Bicycle Amenities and Overall Street Character – Downtown and Station Area		
Santa Cruz Avenue (University Drive to El Camino Real)	Permanent streetscape improvements, on-street parking modifications, widened sidewalks, curb and gutter, furnishings, trees and landscape; central plaza	TBD
Santa Cruz Avenue (El Camino Real to train station)	Streetscape improvements; new sidewalks and connections across railroad tracks and to Menlo Center Plaza, trees, curb and gutter, furnishings; civic plaza with new surface, furnishings	TBD
El Camino Real	Streetscape improvements; sidewalk widening, street crossings; sidewalk trees, furnishings, landscape, pedestrian and bicycle linkage across railroad tracks at Middle Avenue	TBD
Chestnut Street South	Permanent street conversion to paseo and marketplace; streetscape enhancement	TBD
Chestnut Street North (Santa Cruz Avenue to Oak Grove Avenue)	Permanent pocket park; enhance pathways and crosswalk connections to proposed parking garages; widened and enhance sidewalk - west side leading to pocket park	TBD
Crane Street North (Santa Cruz Avenue to alley)	Permanent pocket park; enhance pathways and crosswalk connections to proposed parking garages; widened and enhance sidewalk - east side leading to pocket park	TBD
Rear of Santa Cruz Avenue Buildings (south side from University Drive to Doyle Street)	Pedestrian linkage; new sidewalk, furnishings, landscaping, modified parking	TBD
Oak Grove (Laurel Street to University Drive)	Street restriping to add bike lane and remove parking lane (north side)	TBD
Alma Street (Oak Grove Avenue to Ravenswood Avenue)	Streetscape improvements; wider sidewalks and connection to train station, trees, curb and gutter, furnishings - east side; modified parking and travel lanes small plaza at Civic Center	TBD
Future Class II/Minimum Class III	University Drive north of Santa Cruz Avenue to Valparaiso Avenue and south of Menlo Avenue to Middle Avenue	TBD
Bicycle Route	Crane street between Valparaiso Avenue and Menlo Avenue	TBD
Bicycle Route	Garwood Way from Encinal Avenue to Oak grove Avenue	TBD
Bicycle Route	Alma Street between Oak Grove Avenue and Ravenswood Avenue	TBD

Non-Funded Projects from Previously Approved Plans

LOCATION	DESCRIPTION	ESTIMATED COST (2003)
Improve and "Leverage" Existing Downtown Public Parking Plazas		
Parking Plazas 1, 2 and 3	Two Parking Garage	TBD
Parking Plazas 2 and 3	Pocket Park, new surface, amenities, furnishings, landscape	TBD
Parking Plazas 5	Flex space improvements; new surface, amenities, furnishings, landscape	TBD
Parking Plazas 6	Flex space improvements; new surface, amenities, furnishings, landscape	TBD
Parking Plaza 5 & 6	Enhance surface treatments	TBD
Improve Pedestrian/Bicycle Amenities and Overall Street Character – El Camino Real – and East/West Connectivity		
Railroad tracks at train station	Bike/pedestrian crossing at railroad tracks connecting Santa Cruz Avenue with Alma Street, depending on the final configuration for high speed rail; amenities, landscape	TBD
El Camino Real (north of Oak Grove Avenue and south of Menlo Avenue/Ravenswood Avenue)	Widened sidewalks; street trees; median improvements; furnishings	TBD
Railroad tracks at Middle Avenue (Stanford property)	Bike/pedestrian at railroad tracks connecting El Camino Real with Alma Street, depending on the final configuration for high speed rail; amenities, landscape	TBD
El Camino Real/Stanford Property (at Middle Avenue)	Publicly accessible open space; amenities, landscape	TBD
Railroad tracks at train station	Bike/pedestrian crossing at railroad tracks connecting Santa Cruz Avenue with Alma Street, depending on the final configuration for high speed rail; amenities, landscape	TBD
El Camino Real (north of Oak Grove Avenue and south of Menlo Avenue/Ravenswood Avenue)	Widened sidewalks; street trees; median improvements; furnishings	TBD
Railroad tracks at Middle Avenue (Stanford property)	Bike/pedestrian at railroad tracks connecting El Camino Real with Alma Street, depending on the final configuration for high speed rail; amenities, landscape	TBD
El Camino Real/Stanford Property (at Middle Avenue)	Publicly accessible open space; amenities, landscape	TBD
Bicycle Lanes	El Camino Real north of Encinal Avenue	TBD
Future Class II/Minimum Class III	El Camino Real south of Encinal Avenue to Palo Alto border	TBD
Future Class II/Minimum Class III	Menlo Avenue between University Drive and El Camino Real with additional striping modifications near the EL Camino Real and Menlo Avenue intersection	TBD
Future Class II/Minimum Class III	Westbound Ravenswood Avenue between the railroad tracks and El Camino Real	TBD
Future Class II/Minimum Class III	Middle Avenue between University Drive and El Camino Real with additional striping modifications at the El Camino Real and Middle Avenue intersection	TBD

Non-Funded Projects from Previously Approved Plans

EL CAMINO REAL /DOWNTOWN SPECIFIC PLAN

(2012) Recommended Improvements

LOCATION	DESCRIPTION	ESTIMATED COST (2003)
Improve Parking and Signage		
Sharrows - Signage	Sharrows, street configuration and safety to supplement pavement markings on Class III facilities. Sharrows are painted street markings that indicate where bicyclist should ride to avoid the "door zone" next to parked vehicles	TBD
Bicycle Parking	New major bicycle parking facilities in the proposed parking garages	TBD
Bicycle Racks	New bicycle racks in the plan area in new pocket parks, on the Chestnut Paseo, and along Santa Cruz Avenue	TBD
Wayfinding Signage	Bicycle way-finding signage in any future downtown signage plan	TBD

Non-Funded Projects from Previously Approved Plans

TRANSPORTATION IMPACT FEE STUDY (2009) Recommended Improvements

Bicycle Improvement Projects			
ROADWAY	FROM	TO	ESTIMATED COST
Bay Road	Berkeley Avenue	Willow Road	\$39,900
Middlefield	Willow Road	Palo Alto City Limits	\$7,000
Sand Hill Road eastbound	Westside of I-280 interchange	Eastside of I-280 interchange	\$32,900
Independence Connector	Constitution Drive	Marsh Road	\$120,000
Willow Road Connector	Hamilton	Bayfront Expy.	\$204,000
Marsh Road	Bay Road	Bayfront Expy.	\$51,100
Willow Road	Durham Street	Newbridge	\$37,100
El Camino Real	Encinal	Palo Alto City Limits	\$12,700
Bayfront Expy. Bicycle/ Pedestrian Undercrossing	Eastside Bayfront Expy. at Willow	Westside Bayfront Expy. At Willow	\$911,629
Caltrain Bicycle/Pedestrian Undercrossing	Eastside Caltrain tracks south of Ravenswood	Westside Caltrain tracks south of Ravenswood	\$3,646,518
Sidewalk Installation Projects			
ROADWAY	LIMITS		ESTIMATED COST
Willow Road	Bayfront Expressway to Hamilton Avenue		\$128,250
Hamilton Avenue/Court	Willow Road to end		\$280,500
O'Brien Drive	Willow Road to University Avenue		\$2,629,500
Bay Road	Willow Road to Van Buren Avenue		\$157,500
El Camino Real	Valparaiso Avenue to 500 feet north		\$75,000
Santa Cruz Avenue	Johnson to Avy Avenue		\$1,290,000
Santa Cruz Avenue	Avy Avenue to City Limits		\$630,000
Intersection Improvements			
INTERSECTION			ESTIMATED COST
University Drive & Santa Cruz Avenue			\$600,000
Laurel Street & Ravenswood Avenue			\$2,500,000
Middlefield Road & Ravenswood Avenue			\$1,520,000
Middlefield Road & Willow Road			\$1,700,000
Bohannon/Florence & Marsh Road			\$820,000
El Camino Real & Valparaiso/Glenwood			\$610,000
El Camino Real & Ravenswood Avenue			\$6,000,000
El Camino Real & Middle Avenue			\$1,820,000

Non-Funded Projects from Previously Approved Plans

TRANSPORTATION IMPACT FEE STUDY

(2009) Recommended Improvements

Intersection Improvements	
INTERSECTION	ESTIMATED COST
Newbridge Street & Willow Road	\$2,100,000
Bayfront Expressway & Willow Road	\$470,000
Bayfront Expressway & University Avenue	\$2,500,000
Bayfront Expressway & Chrysler Drive	\$630,000
Bayfront Expressway & Marsh Road	\$690,000

WATER SYSTEM EVALUATION REPORT

(2006) Recommended Improvements

DESCRIPTION	ESTIMATED COST
Reservoir and pump Station in Zone 1,4 or 5	TBD
Reservoir and pump Station in Zone 2	TBD
New pipeline supplying water from Zone 3 to lower elevation zones	TBD
New pipeline & pump station supplying water from lower elevation zones to Zone 3	TBD
New booster pump at Avy Ave in Zone 3 (CWC interconnect)	TBD
New parallel pipe from El Camino Real (B4) connections to Ivy Drive (B2, B3) connection to improve fire flow/pressure	TBD
New meter & pump station along Sharon Park Drive	TBD
Different inlet/outlet structures and pipelines at Sand Hill Reservoirs	TBD
Combination of items 3 or 4 and new reservoir at Sand Hill Road	TBD

Non-Funded Projects from Previously Approved Plans

COMPREHENSIVE BICYCLE DEVELOPMENT PLAN (2005) Recommended Bikeway System Improvements

NAME	START	END	ESTIMATED COST (2005)
SHORT-TERM PROJECTS			
Class II Bike Lanes			
O'Brien Drive	Willow	University	\$24,900
Class III Bike Routes			
Altschul Avenue	Avy	Sharon Road	\$800
Avy Avenue	Orange	Monte Rosa	\$2,100
Coleman Avenue	Willow	Ringwood	\$3,300
Hamilton Avenue	Market	Willow Road	\$4,250
Market Place	Highway 101 Bike/Ped Bridge	Hamilton	\$500
Monte Rosa Drive	Avy	Sand Hill Road	\$2,750
Oak Grove Avenue	Middlefield	University	\$9,000
Ringwood Avenue	Bay	Highway 101 Bike/Ped Bridge	\$1,250
San Mateo Drive	San Francisquito Creek	Wallea	\$1,400
San Mateo Drive	Wallea	Valparaiso	\$1,650
Santa Monica Avenue	Seminary	Coleman	\$750
Seminary Drive	Santa Monica	Middlefield	\$3,100
Sharon Road	Altschul	Sharon Park Drive	\$2,000
Sharon Park Drive	Sharon Road	Sand Hill Road	\$600
Wallea Drive	San Mateo Drive	San Mateo Drive	\$2,050
Woodland Avenue	Middlefield	Euclid	\$6,350
Other Bicycle Projects			
Wayfinding Signage Program	N/A	N/A	\$10,000
Short-Term Project Costs			\$91,000

Non-Funded Projects from Previously Approved Plans

COMPREHENSIVE BICYCLE DEVELOPMENT PLAN (2005) Recommended Bikeway System Improvements

NAME	START	END	ESTIMATED COST (2005)
MID-TERM PROJECTS			
Class II Bike Lanes			
El Camino	Watkins	Encinal	\$9,600
Middlefield	Willow	Palo Alto city limit	\$3,000
Class III Bike Routes			
Arbor	College	Bay Laurel	\$550
Bay Laurel Drive	Arbor	San Mateo	\$800
Berkeley Avenue	Coleman	Bay	\$2,150
College Avenue	University	Arbor	\$1,000
Constitution Drive	Chilco	Independence	\$3,350
Encinal Avenue	Garwood	EL Camino Real	\$1,700
Menlo Avenue	University	El Camino Real	\$3,500
Merrill Street	Ravenswood	Oak Grove	\$950
Middle Avenue	Olive	El Camino Real	\$10,800
Oak Avenue	Olive	Sand Hill	\$3,250
Oakdell Drive	Santa Cruz	Olive	\$3,100
Olive Street	Oak	Oakdell	\$800
Ravenswood Avenue	El Camino Real	Noel	\$1,800
Santa Cruz Avenue	Orange Avenue	Sand Hill	\$4,300
University Drive	Valparaiso	College	\$4,000
Mid-Term Project Costs			\$85,850

Non-Funded Projects from Previously Approved Plans

COMPREHENSIVE BICYCLE DEVELOPMENT PLAN (2005) Recommended Bikeway System Improvements

NAME	START	END	ESTIMATED COST (2005)
LONG-TERM PROJECTS			
Class I Bike Lanes			
Independence Connector	Constitution Drive	Marsh Road	\$55,000
Willow Road Connector	Hamilton	Bayfront Expresswy	\$93,500
Class II Bike Lanes			
Marsh Road	Bay Road	Bayfront Expressway	\$21,900
Willow Road	Durham	Newbridge	\$15,900
Class III Bike Routes			
El Camino Real	Encinal	Palo Alto city limit	\$12,700
Other Bicycle Projects			
"Bayfront Expressway	University	El Camino Real	\$3,500
Bicycle/Pedestrian Undercrossing"	East side Bayfront Expressway at Willow	West side Bayfront Expressway at Willow	\$750,000
Caltrain Bicycle/Pedestrian Undercrossing	East side Caltrain tracks south of Ravenswood	West side of Caltrain tracks south of Ravenswood	\$3,000,000
Long-Term Project Costs			\$3,949,000
TOTAL SYSTEM COST			\$4,125,850

5-Year Plan Summary by Funding Source

5-YEAR PLAN SUMMARY BY FUNDING SOURCE

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
General Fund - CIP						
Available Balance	120,592	9,592	427,592	13,592	1,037,592	
Revenues	2,990,000	4,950,000	2,700,000	2,800,000	2,900,000	
Operating Expenditures and Commitments	20,000	22,000	24,000	26,000	28,000	
Recommended Projects						
Administration Building Carpet Replacement	400,000	—	—	—	—	400,000
Administration Building Conference Room Furniture Replacement	—	—	—	—	200,000	200,000
Bay Levee Project	140,000	90,000	90,000	—	—	320,000
Belle Haven Child Development Center Flooring Replacement	50,000	—	—	—	—	50,000
Belle Haven Youth Center Improvements	—	—	—	150,000	—	150,000
Burgess Pool Deck Repairs	—	—	135,000	—	—	135,000
Burgess Sports Field	—	—	—	—	250,000	250,000
Chrysler Pump Station Improvements	350,000	—	—	—	—	350,000
City Buildings (Minor)	325,000	325,000	325,000	350,000	350,000	1,675,000
Civic Center Sidewalk Replacement and Irrigation System Upgrades	—	—	400,000	—	—	400,000
Corporation Yard Storage Cover	—	—	300,000	—	—	300,000
Downtown Parking Utility Underground ¹	400,000	2,350,000	—	—	—	2,750,000
Downtown Streetscape Improvement Project (Specific Plan)	80,000	115,000	165,000	110,000	—	470,000
El Camino Real Median and Side Trees Irrigation System Upgrade	—	85,000	—	—	—	85,000

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Recommended Projects						
Fire Plans and Equipment Replacement at Council Chambers, Onetta Harris Community Cntr and Library	60,000	—	—	—	—	60,000
Heritage Tree Ordinance Program Evaluation	50,000	—	—	—	—	50,000
High Speed Rail Coordination	50,000	50,000	50,000	50,000	—	200,000
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan	—	30,000	—	—	—	30,000
Jack Lyle Park Sports Field Sod Replacement	—	100,000	—	—	—	100,000
Kitchen Upgrade at Onetta Harris Community Center	—	—	—	—	30,000	30,000

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
General Fund - CIP - Continued						
La Entrada Baseball Field Renovation	—	—	—	170,000	—	170,000
Library Furniture Replacement	—	—	—	450,000	—	450,000
Library Space Needs Study ²	130,000	—	—	—	—	130,000
Library Landscaping	300,000	—	—	—	—	300,000
Main Library Interior Wall Fabric Replacement	—	150,000	—	—	—	150,000
Menlo Children's Center Carpet Replacement	—	—	—	60,000	—	60,000
Nealon Park Sports Field Irrigation System	—	—	—	—	50,000	50,000
Overnight Parking App	70,000	—	—	—	—	70,000
Park Improvements (Minor)	150,000	150,000	150,000	170,000	170,000	790,000
Park Pathways Repairs	—	—	200,000	—	—	200,000
Pedestrian/Bicycle Master Plan Update	—	—	—	—	250,000	250,000
Police Department Space Use Study	—	—	40,000	—	—	40,000
Police Front Office Counter Remodel/ Security Upgrade	—	70,000	—	—	—	70,000
Pope/Chaucer Bridge Replacement	60,000	—	—	—	—	60,000
Radio Infrastructure Replacement	26,000	100,000	—	—	—	126,000
Retractable Lights Installation at Gymnasium, Gymnastics and Family Recreation Centers	150,000	—	—	—	—	150,000
Sand Hill Road Pathway Repair	—	250,000	—	—	—	250,000
Sidewalk Repair Program	120,000	120,000	120,000	120,000	120,000	600,000
Storm Drain Improvements	110,000	115,000	115,000	120,000	120,000	580,000

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
General Fund - CIP - Continued						
Strategic Plan to Increase Local Food Production through Social Marketing, Education, and Community Garden Programs	—	—	—	—	60,000	60,000
Street Resurfacing	—	—	1,000,000	—	2,000,000	3,000,000
Tennis Court Electronic Key Upgrade	—	100,000	—	—	—	100,000
Trash Capture Device Installation	—	60,000	—	—	—	60,000
Willow Place Bridge Abutment Repairs	60,000	250,000	—	—	—	310,000
Total	3,081,000	4,510,000	3,090,000	1,750,000	—	16,031,000
Ending Fund Balance	9,592	427,592	13,592	1,037,592	309,592	

1. City to be reimbursed from PG&E with Rule 20A revenues shown in FY 2014-15.
2. City will receive \$90,000 from the Library Foundation

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Bedwell Bayfront Park Landfill						
Available Balance	3,212,302	3,617,302	3,912,302	3,287,302	3,542,302	
Revenues	725,000	725,000	725,000	725,000	725,000	
Operating Expenditures and Commitments	320,000	330,000	350,000	370,000	390,000	
Recommended Projects						
Bedwell Bayfront Park Electrical Panel Upgrade	—	100,000	—	—	—	100,000
Bedwell Bayfront Park Gas Collection System Repair	—	—	—	100,000	—	100,000
Bedwell Bayfront Park Leachate Collection System Replacement	—	—	—	—	—	1,000,000
Total	—	—	—	100,000	—	1,200,000
Ending Fund Balance	—	—	3,287,302	3,542,302	3,877,302	

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Bedwell Bayfront Park Maintenance						
Available Balance	568,743	454,743	336,743	212,743	84,743	
Revenues	2,000	2,000	—	—	—	
Operating Expenditures and Commitments	116,000	120,000	124,000	128,000	132,000	
Recommended Projects	—	—	—	—	—	—
	—	—	—	—	—	—
Total	—	—	—	—	—	—
Ending Fund Balance	454,743	336,743	212,743	84,743	(47,257)	

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Construction Impact Fees						
Available Balance	1,680,254	2,620,254	3,560,254	1,230,254	2,170,254	
Revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Operating Expenditures and Commitments	60,000	60,000	60,000	60,000	60,000	
Recommended Projects						
Street Resurfacing	—		3,270,000	—	2,270,000	5,540,000
Total	—	—	3,270,000	—	2,270,000	5,540,000
Ending Fund Balance	2,620,254	3,560,254	1,230,254	2,170,254	840,254	

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Downtown Parking Permits						
Available Balance	2,119,647	2,387,647	2,661,647	2,941,647	3,227,647	
Revenues	400,000	2,210,000	420,000	430,000	440,000	
Operating Expenditures and Commitments	132,000	136,000	140,000	144,000	148,000	
Recommended Projects						
Downtown Parking Utility Underground1	—	1,800,000	—	—	—	1,800,000
Parking Plaza 7 Renovations	—	—	—	—	200,000	200,000
Total	—	1,800,000	—	—	200,000	2,000,000
Ending Fund Balance	2,387,647	2,661,647	2,941,647	3,227,647	3,319,647	

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Highway Users Tax						
Available Balance	774,165	1,594,165	2,264,165	744,165	1,554,165	
Revenues	820,000	900,000	980,000	1,060,000	1,140,000	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
Street Resurfacing	—	230,000	2,500,000	250,000	2,500,000	5,480,000
Total	—	230,000	2,500,000	250,000	2,500,000	2,980,000
Ending Fund Balance	1,594,165	2,264,165	744,165	1,554,165	194,165	

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Measure A						
Available Balance	(356,545)	43,455	(91,545)	138,455	398,455	
Revenues	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	
Operating Expenditures and Commitments	900,000	930,000	960,000	990,000	1,200,000	
Recommended Projects						
Alma/Ravenswood Pedestrian/Bike Study	—	100,000	—	—	—	100,000
Alternative Transportation Social Marketing Program	—	60,000	—	—	—	60,000
Bike Sharing Program Cost Benefit Study	—	—	60,000	—	—	60,000
City Car Sharing Program Study	—	—	—	50,000	—	50,000
Florence/Marsh and Bay/Marsh Signal Modification	—	345,000	—	—	—	345,000
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	—	—	50,000	—	—	50,000
Middlefield Road at Willow Road Intersection Reconfiguration Study	—	—	—	—	65,000	65,000
Sand Hill Road Improvements (Addison/Wesley to I-280)	—	—	TBD	—	—	TBD
Signal Interconnect Study	—	—	—	—	50,000	50,000
Total	—	505,000	110,000	50,000	115,000	780,000
Ending Fund Balance	43,455	(91,545)	138,455	398,455	383,455	

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Measure T						
Available Balance	156,619	158,619	8,033,619	8,053,619	8,074,619	
Revenues	2,000	8,000,000	20,000	21,000	22,000	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
Measure T Funds Evaluation/Project Ranking	—	125,000	—	—	—	125,000
Total	—	125,000	—	—	—	125,000
Ending Fund Balance	158,619	8,033,619	8,053,619	8,074,619	8,096,619	

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Rec-in-Lieu Fund						
Available Balance	1,359,865	1,479,865	1,459,865	1,559,865	1,834,865	
Revenues	300,000	300,000	300,000	300,000	300,000	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
Belle Haven Pool Analysis and Audit	100,000	—	—	—	—	100,000
Belle Haven Pool Deck Lighting	—	30,000	—	—	—	30,000
Belle Haven Youth Center Playground Replacement	—	TBD	—	—	—	-
Playground Equipment Assessment & Replacement	30,000	—	—	—	—	30,000
Relocation of Dog Park at Nealon Park	—	—	—	25,000	125,000	150,000
Willow Oaks Dog Park Renovation	50,000	250,000	—	—	—	300,000
Jack Lyle Park Restrooms - Construction	—	40,000	200,000	—	—	240,000
Total	180,000	320,000	200,000	25,000	125,000	850,000
Ending Fund Balance	1,479,865	1,459,865	1,559,865	1,834,865	2,009,865	

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Sidewalk Assessment						
Available Balance	65,089	55,089	50,089	50,089	55,089	
Revenues	190,000	195,000	200,000	205,000	210,000	
Operating Expenditures and Commitments	20,000	20,000	20,000	20,000	20,000	
Recommended Projects						
Sidewalk Repair Program	180,000	180,000	180,000	180,000	180,000	900,000
Total	180,000	180,000	180,000	180,000	180,000	900,000
Ending Fund Balance	55,089	50,089	50,089	55,089	65,089	

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Solid Waste Service Fund						
Available Balance	788,870	601,870	443,870	399,870	393,870	
Revenues	250,000	300,000	350,000	400,000	450,000	
Operating Expenditures and Commitments	372,000	383,000	394,000	406,000	418,000	
Recommended Projects						
Requirement for Pharmacy to Take back Pharmaceuticals Draft Ordinance	—	25,000	—	—	—	25,000
Community Zero Waste Policy Draft	—	50,000	—	—	—	50,000
Implement Strategic Plan to Improve Public Area Trash and Recycling Citywide	65,000	—	—	—	—	65,000
Total	65,000	75,000	—	—	—	140,000
Ending Fund Balance	601,870	443,870	399,870	393,870	425,870	

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Storm Drainage Fund						
Available Balance	99,366	106,366	113,366	120,366	127,366	
Revenues	7,000	7,000	7,000	7,000	7,000	
Operating Expenditures and Commitments	-	-	-	-	-	
Recommended Projects						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
Ending Fund Balance	106,366	113,366	120,366	127,366	134,366	

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Transportation Impact Fees						
Available Balance ¹	3,813,226	3,558,226	3,728,226	4,093,226	3,708,226	
Revenues	2,395,000	500,000	500,000	500,000	500,000	
Operating Expenditures and Commitments	135,000	135,000	135,000	135,000	135,000	
Recommended Projects						
Caltrain Bike/Ped Undercrossing Design	—	—	—	500,000	—	500,000
El Camino Real/Ravenswood NB Right Turn Lane Design and Construction	1,020,000	—	—	—	—	1,020,000
Laurel Street/Ravenswood Signal Modification	—	195,000	—	—	—	195,000
Sand Hill Road Signal Interconnect ²	1,495,000	—	—	—	—	1,495,000
Sand Hill Road Signal Modification Project	—	—	—	250,000	—	250,000
Total	2,515,000	195,000	—	750,000	—	3,460,000
Ending Fund Balance	3,558,226	3,728,226	4,093,226	3,708,226	4,073,226	

1. The projected Revenue of \$800,000 in FY 2014-15 is a C/CAG grant for the Willow Rd improvements project funded FY 2012-13.

2. This project is expected to be funded by the San Mateo County Transportation Authority, included in revenues in FY 2014-15

5-Year Plan Summary by Funding Source

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Library Bond Fund						
Available Balance	(22,020)	(22,020)	(22,020)	(22,020)	(22,020)	
Revenues	—	—	—	—	—	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
	—	—	—	—	—	—
Total	—	—	—	—	—	—
Ending Fund Balance	(22,020)	(22,020)	(22,020)	(22,020)	(22,020)	

FUNDING SOURCE	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
Water Fund - Capital						
Available Balance	1,828,464	1,832,464	2,784,464	3,314,464	862,464	
Revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Operating Expenditures and Commitments	46,000	48,000	50,000	52,000	54,000	
Recommended Projects						
Automated Water Meter Reading	—	—	120,000	1,200,000	1,200,000	2,520,000
Emergency Water Supply Project (2nd Well)	—	—	—	—	TBD	TBD
Reroof Reservoir #2	300,000	—	—	—	—	300,000
Urban Water Management Plan	100,000	—	—	—	—	100,000
Water Main Replacements	—	—	300,000	2,200,000	—	2,500,000
Water Rate Study	50,000	—	—	—	—	50,000
Water System Master Plan	500,000	—	—	—	—	500,000
Total	950,000	—	420,000	3,400,000	1,200,000	5,970,000
Ending Fund Balance	1,832,464	2,784,464	3,314,464	862,464	608,464	

FISCAL YEAR TOTALS	6,971,000	8,040,000	10,770,000	6,505,000	10,190,000	42,476,000
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APPENDIX

Gann Appropriation Limit

CITY OF MENLO PARK GANN APPROPRIATIONS LIMIT AS DEFINED IN ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION

The voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution. Informally known as the “Gann Initiative,” Article XIII-B provides limits regarding the total amount of appropriations in any fiscal year from “the proceeds of taxes.”

The State Legislature, in 1980, added Section 9710 to the Government Code, providing that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year. The appropriation limit for any fiscal year was equal to the previous year’s limit, adjusted for population changes and the changes in the US Consumer Price Index (or California per capita personal income, if smaller). The necessary statistical information is provided by the California Department of Finance.

However, the original Article XIII-B (Proposition 4) and its implementing legislation were modified by Proposition 111 and SB 88 by the voters in June 1980. The changes were incorporated into the FY 1990–91 and FY 1991–92 Appropriations Limits. Beginning with the FY 1990–91 Appropriations Limit, a city may choose annual adjustment factors. The adjustment factors include the growth in the California Per Capita Income or the growth in the non-residential assessed valuation due to construction within the City and the population growth within the county or the city.

Below is the calculation for the appropriations limit for fiscal year 2014–15, as well as the total tax proceeds subject to the limit. The adjustment factors utilized for the fiscal year 2014–15 calculation include the growth in non-residential assessed valuation due to construction with the City of Menlo Park and the population growth within the county. Those two factors yielded the most favorable appropriations limit for the City. As the table demonstrates, the City’s appropriations subject to the limit (\$30.6 million) are well below the appropriations limit itself (\$49.3 million).

CITY OF MENLO PARK APPROPRIATIONS LIMIT FISCAL YEAR 2014–15

	AMOUNT	SOURCE
A Last Year’s Limit	\$48,680,644	Prior Year
B Adjustment Factors		
1. Population	1.0117	State Department of Finance
2. Inflation	1.0012	County Assessor
	1.0129	(B1*B2)
Total Adjustment %	0.0129	(B1*B2-1)
C Annual Adjustment	\$628,140	(B*A)
D This Year’s Limit	\$49,308,784	(A+C)
E Tax proceeds subject to the limit		
Property Tax	14,698,775	2014–15 Budget
Sales Tax	6,618,595	2014–15 Budget
Other Tax	7,974,632	2014–15 Budget
Special Assessments	1,087,898	2014–15 Budget
Interest Allocation	203,960	2014–15 Budget
Total	\$30,583,860	
Amount Under/(Over) Limit	\$18,724,924	(D-E)

Gann Limit Resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014–15

WHEREAS, Article XIII B of the Constitution of the State of California places various limitations on the City's powers of appropriation; and

WHEREAS, Division 9 (commencing with Section 7900) of the Government Code implements said Article XIII B and requires that each local jurisdiction shall, by resolution, establish its appropriations limit for the following year; and

WHEREAS, the County of San Mateo population percentage change over the prior year is 1.17 percent and the growth in the non-residential assessed valuation due to construction within the City is 0.12 percent, both factors in calculating the appropriations limit.

NOW THEREFORE, BE IT RESOLVED that the City Council of Menlo Park at its regular meeting of June 17, 2014 hereby establishes the appropriations limit as the amount of \$49,308,784 for Fiscal Year 2014–15, calculated in accordance with the provisions of Division 9 (commencing with Section 7900) of the California Government Code.

I, Pamela I. Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the seventeenth day of June, 2014, by the following votes:

AYES: Carlton, Keith, Ohtaki, Mueller

NOES: None

ABSENT: Cline

ABSTAIN:None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this seventeenth day of June, 2014.

Pamela Aguilar
City Clerk

Budget Adoption Resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING THE BUDGET FOR FISCAL YEAR 2014-15 AND ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR THE FISCAL YEAR

WHEREAS, the City of Menlo Park, acting by and through its City Council, having considered the proposed budget document dated June 2014 and related written and oral information at the meeting held June 17, 2014, and the City Council having been fully advised in the matter and good cause appearing therefore.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt the budget for the fiscal year 2014-15 as set forth in the budget presented to the City Council; and

BE IT FURTHER RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt the Capital Improvement Program for the fiscal year as set forth in the draft budget presented to the City Council.

I, Pamela I. Aguilar, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the seventeenth day of June 2014, by the following vote:

AYES: Carlton, Keith, Ohtaki, Mueller

NOES: None

ABSENT: Cline

ABSTAIN:None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this seventeenth day of June, 2014.

Pamela Aguilar
City Clerk

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