



menlofocus

special budget issue

A newsletter for the community from the City of Menlo Park Fall 2011

A Balanced Budget for 2011-2012

This year's City budget is set within an environment of a very slow economic recovery following the most severe economic downturn since the Great Depression. Government services at all levels are squeezed by increasing costs and revenues that are slow to recover. Even so, Menlo Park Council Members and staff worked to achieve a balanced budget, in both the current fiscal year and the coming year, without significant service cuts or tax increases. Highlights of the coming year's budget, which began on July 1, include:

- Maintenance of significant healthy reserves (currently close to 50% of the annual budget)
- Significant concessions from employee labor groups and staff cuts
- Assumption of minimal revenue growth including historically low yields on the City's investment portfolio
- Loss of state revenues for police services, library services and the child care program in Belle Haven
- No increase in the current reduced Utility Users Tax (UUT) at 1% on all utilities
- Continued funding for infrastructure maintenance (\$2.16 million), rare for most cities

GENERAL FUND SUMMARY	2008-2009 Actual	2009-2010 Actual	2010-2011 Adjusted Budget	2011-2012 Adopted Budget
Revenues	35,660,625	35,216,845	36,794,676	37,358,599
Expenditures	35,846,645	36,109,167	36,794,676	37,358,599
Net Operating Revenue	(186,020)	(892,322)	0	0
Downtown/ECR Specific Plan Expenses	(387,555)	(388,795)	(103,000)	0
Total Draw on General Fund Reserves	(573,515)	(1,281,117)	(103,000)	0

For a complete copy of the FY 2011-12 Budget, go to
http://www.menlopark.org/departments/fin/2011_12_AdoptedBudget.pdf

2011-12 Budget Report ~ Revenues

In total, fiscal year 2011-12 General Fund revenues are expected to increase a mere 1.5% (about \$550,000) when compared to 2010-11. In particular, revenues from investment earnings from the City's portfolio reflect a continued drop as interest rates are held to historic lows. A large drop in intergovernmental revenues is anticipated as State funding declines and the expiration of the 5-year dispatch contract with San Carlos expires. An increase in charges for services is anticipated with the completion of new recreation facilities.

GENERAL FUND Revenue Summary	2006-2007 Actual	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Adjusted Budget	2011-2012 Adopted Budget
Taxes	18,945,064	23,570,898	22,731,159	22,834,592	24,045,000	24,796,000
Permits	3,279,751	4,005,693	2,843,479	2,738,638	3,169,610	3,307,140
Intergovernmental	3,751,252	2,009,244	1,827,065	1,811,140	1,809,977	1,227,631
Use of Money & Property	2,700,614	2,745,485	1,746,993	849,023	1,009,000	925,438
Charges for Services	4,948,444	4,564,918	4,639,203	5,210,044	5,056,787	5,425,265
Fines & Other	1,440,181	1,623,338	1,872,726	1,773,408	1,704,302	1,677,125
Total Revenue	35,065,306	38,519,576	35,660,625	35,216,845	36,794,676	37,358,599

2011-12 Budget Report ~ Expenditures

In the 2010-11 budget, cost reduction strategies included restructuring various programs within the organization and other operating efficiencies. This approach continues to provide cost reductions for the 2011-12 budget:

- Payoff of the Safety Side Fund – Paying this \$7 million pension liability to CalPERS saves the City approximately \$800,000 annually, as the liability (and 7.75% interest) will no longer be included in the City's pension costs for Police.
- Cost Recovery – All departments are setting fees to cover program costs as appropriate, especially for discretionary services. This frees up general tax dollars to be available for greater public benefit.
- Control of Labor Costs – All labor contracts are being negotiated this year, and anticipated concessions from all labor groups contributed to balancing the City's 2011-12 budget.
- Alternative Service Delivery – The City expanded specific contracts (for such services as custodial and aquatics programs), and is identifying other areas that could be contracted out without impairing service quality.

GENERAL FUND Revenue Summary	2006-2007 Actual	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Adjusted Budget	2011-2012 Adopted Budget
Personnel	22,798,667	25,471,178	27,282,856	26,960,643	26,998,899	26,929,726
Operating	4,490,278	4,688,423	4,534,018	4,726,739	5,210,233	5,292,416
Contract Services	2,124,512	2,218,830	2,295,571	2,289,129	2,317,594	2,758,657
Transfers Out	3,263,578	2,502,525	1,734,200	2,132,656	2,267,950	2,377,800
Total Expenditure	32,677,035	34,880,956	35,846,645	36,109,167	36,794,676	37,358,599
Add: Downtown: ECR Specific Plan Expenses	0	215,061	387,555	388,795	103,000	0
Total Expenditures	32,677,035	35,096,017	36,234,200	36,497,962	36,897,676	37,358,599

2010-2011 Highlights

Despite the challenging economy and diminished staff resources, City staff accomplished several important improvement projects during the past 12 months. Highlights include:

- The opening of the new Arrillaga Family Gymnasium
- The complete renovation of the Arrillaga Family Recreation Center
- Release of the draft Environmental Impact Report for the El Camino Real / Downtown Specific Plan
- Initial implementation of a plan supporting new business development in the Willow Business Area
- Negotiation of a new five-year contract for Aquatics services providing annual savings to the City of over \$100,000
- The complete renovation of Kelly Park with a turf field, tennis courts, basketball court and running track
- Installation of 450 LED streetlights throughout the community



Arrillaga Family Gymnasium



Arrillaga Family Recreation Center



Kelly Park

Major projects planned for the coming year

Menlo Park's Capital Improvement Plan, which is the community's plan for short and long range development and maintenance improvement projects, includes several projects for the coming year of benefit to the City's residents, businesses, property owners and visitors.

Gymnastics Center: Thanks to a generous contribution from John Arrillaga, the City is demolishing the old gymnastics center and building a new facility on the same site. The City will fund \$6.2 million from Measure T and Rec-in-Lieu funds with Mr. Arrillaga contributing the remainder.



Parking Plaza 7 Renovations: This project includes new trees and lighting, improvements to the storm water system and rehabilitation of the pavement.

Water conservation upgrades: This project includes evaluation, prioritization and installation of water efficient fixtures like low flow toilets and sensor activated faucets in City buildings, resulting in water conservation and utilities cost savings.

For a complete list of next year's projects, see the City's web site at:
<http://www.menlopark.org/cip/5yCIP.pdf>

Menlo Park has healthy resources

One very important factor in assessing an entity's fiscal health is the amount of money set aside for the future. In a household budget this would equate to the amount of savings available for emergencies or specific future needs, such as college tuition. For governments, these savings are called reserves. Reserves are that part of fund balance that is spendable – not tied up in outstanding accounts receivable or restricted as to their use. For all entities, it's very beneficial to have an understanding of how much savings should be maintained and the circumstances under which tapping into these funds would be appropriate.

The City of Menlo Park has always maintained a high level of General Fund reserves, contributing to good standings with credit rating agencies, providing financial flexibility in economic downturns, contributing a source of investment income for general operations, and assuring financial coverage in emergencies. Recently, the City Council adopted a Fund Balance Policy articulating the amount of funds that should be retained as General Fund reserves. Specifically, \$6 million was set aside ("committed") to allow for quick and decisive response to natural disasters, catastrophic accidents, or other declared emergency incidents. An additional \$8 million was committed to protect the City's fiscal health against fluctuations in revenues and costs due to economic volatility. Council approval would be required before expending any portion of this fund balance for any purpose. The total goal range for the City's reserves was established as 43-55% of annual General Fund expenditures.

The schedule below shows that General Fund reserves have declined in past years largely due to the strategic identification and pay-off of long-term liabilities. In many cases these one-time "extraordinary items" served to significantly reduce future operating costs. In addition, a minimum amount of reserves were expended during the recent economic downturn as the City endeavored to maintain quality services in an environment of decreased municipal revenues. Even so, as of June 30, 2011, the City will meet the goal range for its reserves with over 45% of the 2011-12 budgeted expenditures in reserves.

GENERAL FUND SUMMARY	2005-2006 Actual	2006-2007 Actual	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Adjusted Budget	2011-2012 Adopted Budget
Revenues	31,102,850	35,065,305	38,519,576	35,660,628	35,216,846	36,794,676	37,358,599
Expenditures	27,441,508	32,677,035	35,096,015	36,234,200	36,497,964	36,897,676	37,358,599
Net Operating Revenue	4,391,554	2,388,270	3,423,561	(573,572)	(1,281,118)	(103,000)	0
Extraordinary Items*		(2,230,775)	(11,800,000)			(6,587,358)	0
Total Addition/Draw on General Fund Balance	4,391,554	157,495	(8,376,439)	(573,572)	(1,281,118)	(6,690,358)	0
Total General Fund Balance	35,500,676	35,658,171	27,281,732	26,708,160	25,427,042	18,736,684	18,736,684
Restricted Reserves	1,887,470	536,867	678,658	1,963,667	1,596,031	1,596,031	1,596,031
Total General Fund Reserves	33,613,206	32,151,304	26,603,074	24,744,493	23,831,011	17,140,653	17,140,653

1) Reserves reflect the unrestricted portion of the General Fund Balance

*2006-07: \$2.2 million funding for Internal Service Funds: Workers' Compensation and Liability/Fire Insurance
 2007-08: \$9.2 million fully fund past retiree medical liability; \$2.6 million Menlo-Atherton Performing Arts Center
 2010-11: \$6.6 million General Fund portion of Public Safety pension liability payoff

Crime Reports.com goes live in Menlo Park

As of June 7th, the Menlo Park Police Department went live with CrimeReports.com. This collaboration allows the department to share information regarding current crimes, traffic stops and other officer initiated stops simply by logging on and searching for the City of Menlo Park. By using police data combined with a Google based mapping system, the department is able to keep the community informed on the police activity that is taking place within the community.

By using the date range function, residents can select specific dates ranging from three days to thirty days. There is also a feature that allows residents to select the type of incident they would like to view by using the incident layer tab. Another component provides the ability to see the incidents occurring within the police beats of the Menlo Park Police Department by using the map layer tool. There is also a feature that allows community members to submit a tip about crime taking place in their neighborhood. All of the elements are easy to find. The website is user friendly and updated every four hours.

CrimeReports.com is the largest, most comprehensive, and most accurate crime mapping network in the world, and is currently working with over 1,600 law enforcement agencies across North America. The main purpose of CrimeReports.com is to publish and aggregate crime data into useable maps, e-mail crime alerts, and analytics for law enforcement agencies and the public.

How you can use CrimeReports.com

- You can access the crime map and data 24 hours a day through the CrimeReports.com website or through the CrimeReports iPhone App, which is available for free.
- You can look up information on specific crime types or when a registered sex offender moves into a specific geographic area.
- You can sign up for free, customizable e-mail alerts, so that you can stay on top of crime in your neighborhood. These alerts are available daily, weekly, or monthly.
- CrimeReports is a purely voluntary tool. You can sign up for alerts in your area or just go on line anytime and check the crime data information.
- For information, log on to www.crimereports.com/agency/menlopark.

Access City Services 24/7

Did you know that you can access City services seven days a week, 24 hours a day? Just go to the City's web site at www.menlopark.org and click on Menlo Park Direct Connect. The system will step you easily through the process for asking your question, leaving a request for service or a making a comment. It's as easy as 1-2-3:

1. Choose a category and subcategory that matches the subject of your inquiry or comment.
2. Create an account so you can track the status and any responses online, 24 hours a day, 7 days a week.
3. Write and submit your comment or question.

You'll get an immediate response back that we received your information. You'll get a response back on the process of resolving your concern or addressing your question within 3 business days.



El Camino Real/Downtown Specific Plan



Key Attributes of the Draft Plan

Establishes a Comprehensive, Community-Oriented Vision

The plan sets up a long-term (20 to 30 years) framework based on extensive community input. While certain projects can currently apply for individual exceptions, the plan would set up consistent rules that apply to everyone.

Facilitates Development of Blighted and Vacant Parcels

The plan promotes infill development of empty lots through new development regulations, while still maintaining Menlo Park's unique small-town feel through detailed rules for building height and size.

Improves Parking for Customers

Parking garages would provide new options for employees and other long-term parkers, opening up surface spaces for retail business patrons.

Enhances the Farmer's Market's Home

The parking plaza currently used by the market would be improved with new landscaping, paving, and other features. Longer-term, the expanded Santa Cruz Avenue sidewalks and new Central Plaza could serve as a new home for the market and other special events.

Emphasizes Sustainability

Under the plan, LEED Silver (or "green building") certification would be required for most new development projects.

The long-range planning for Menlo Park's El Camino Real corridor and Downtown is reaching an important stage with the holding of public meetings for comments on the draft plan (summer/fall 2011). The City wants to make sure the community's contributions continue!

Get Involved

Read the Draft Plan

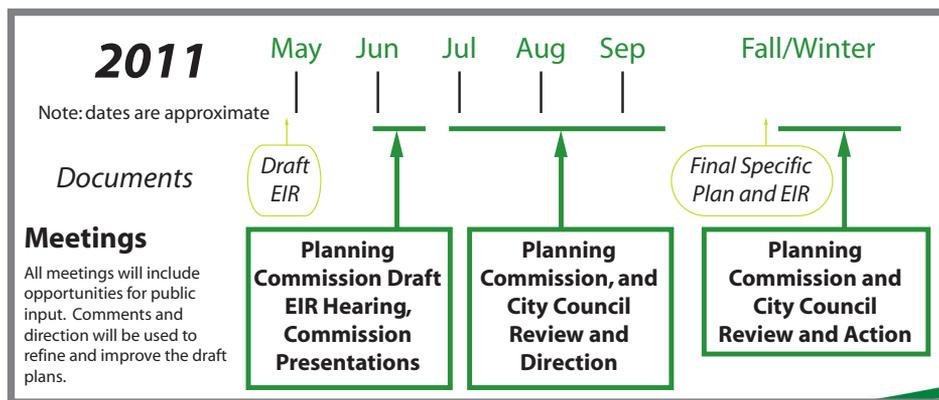
Curious about details? Review the draft plan itself on the project web page.

Project Email List

Sign up to get updates when meetings are scheduled and when new information is available.

Contact City Representatives with Questions

If you have any questions on the draft plan or the upcoming review process, feel free to contact any staff or Council member listed on the reverse page.



Get a phone call when emergencies are occurring!

Did you know the City has an emergency telephone notification system allowing us to simultaneously send thousands of personalized messages about floods, water main breaks, road closures, earthquakes and other natural disasters? The system can send voice messages to home phones, work phones, and cell phones. Text messages can be sent to cell phones and other text-based devices. Messages can also be sent to TTY/DD receiving devices for the hearing impaired.

Residents and businesses can register in our secure database. Please visit the City of Menlo Park's website at www.menlopark.org, click on the "Emergencies" Quicklink on the main page, and then click on the "City of Menlo Park's Emergency Notification System-Sign up Now" link to register.

If you don't have computer access, call Carolina Gaskin at the Menlo Park Police Department at 650-330-6327. Please leave a message with your name and a call back number.

Get the latest breaking news emailed right to you!

Are you signed up as an email subscriber to the City's regular updates? You can get regular updates about news releases, community meetings or information about meetings you are interested in by visiting the City's web site at www.menlopark.org and signing up for our subscription service. Just follow the link under the Latest News Releases banner under the Police Press Releases banner or under the Upcoming Community Meetings banner to select the groups you are interested in following. You'll get a notification whenever a new item is posted!

Compost Giveaway Events

Looking for a way to enrich your garden soil? Menlo Park residents are invited to our FREE compost giveaway events! The compost comes from residential recycling of organic material through the curbside collection program.

When: Every 1st Saturday of every month through November 2011 from 9am to Sunset.

Where: Bedwell Bayfront Park (intersection of Marsh road and Bayfront Expressway)

Requirements:

- *Menlo Park residents must show proof of residency.
- *Menlo Park residents are allowed up to one cubic yard (up to six garbage cans).
- *Please bring your own shovels and containers.

For more information contact:

Regina Wheeler at (650) 330-6740
rmwheeler@menlopark.org



FREE Water-Efficient Landscaping Class

To encourage the efficient use of water in the landscape, BAWSCA has again partnered with the City of Menlo Park to provide a FREE water-efficient landscaping class this fall!

When: Saturday, September 24th from 9am-noon.

Where: Menlo Park City Council Chambers

Class Description: Sustainable gardening with Noelle Marquis. This landscape education class will cover water-efficiency in the landscape, creating healthy soil, and the benefits of using California native plants.

Registration is required to attend. To register, Email: landscape@bawasca.org, or call (650) 349-3000.

For more information contact:

Vanessa Marcadejas at (650) 330-6768
vamarcadejas@menlopark.org





Menlo Park Housing Programs

Below Market Rate Housing Program

The BMR Program is intended to increase the supply of affordable housing in Menlo Park. As part of the program, residential and commercial/industrial developers who build in the City are required to contribute BMR housing units and/or BMR housing in-lieu fees to support the creation of BMR units, which can be available for rent or for purchase. BMR sales prices and rents are based on what is affordable to households with low- to moderate-incomes, as defined by the State and the U.S. Department of Housing and Urban Development. BMR units are usually part of market-rate developments and remain permanently affordable over time. The Housing Division maintains a wait-list of income-qualified households for BMR units as they are made available through the program. Applications are available at the City Administration Building or on the Housing Division web page at www.menlopark.org/departments/dep_housing.html
Contact Meg Nee at 650-330-6728.

Housing Rehabilitation Loan Program

The program offers a 3 percent interest, 30-year amortized loan or a 3 percent interest, 5-year deferred payment loan for income-qualified homeowners in Menlo Park. City staff provides assistance with preparing work specifications, conducting the bid process to obtain a contractor, contract review and technical evaluation of the completed rehabilitation work.
Contact George Starmer at 650-330-6739.

Emergency Repair Loan Program

Loans of up to \$10,000 are offered at an interest rate of 3%, amortized over a 5-year term, with possible exceptions to the stated loan structure for special needs. The Emergency Repair Loan Program is a low-interest loan and technical assistance program intended to assist income-qualified homeowners with repairs of hazardous conditions threatening their health and/or the safety of their home. Contact George Starmer at 650-330-6739.

Purchase Assistance Loans

The PAL Program is an affordable second mortgage loan program designed to help low- to moderate-income first time homebuyers purchase homes in Menlo Park. Under the program, the maximum loan amount is \$75,000 or up to 20 percent of a home's purchase price, whichever amount is less. The loan term is 35 years. Contact Meg Nee at 650-330-6728.

*Pick up applications at the Housing Office in the City Administration Building or visit the Division web-site at www.menlopark.org/departments/dep_housing.html
Phone: 650-330-6706, Fax: 650-327-1759*

B-Day Parties?