



**CITY OF MENLO PARK
ADOPTED BUDGET
FISCAL YEAR 2015-16**



TABLE OF CONTENTS

CITY MANAGER'S BUDGET MESSAGE	5	FUND INFORMATION	107
Adopted Budget Message	7	Fund Descriptions	108
Transmittal of Proposed Budget	8	Fund Resources and Requirements	114
CITY OVERVIEW	17	FIVE-YEAR CAPITAL IMPROVEMENT PLAN	121
City Profile	18	CIP Process	122
Budget Process	20	Overview Schedule of Previously	126
Organizational Chart	24	Five-year Plan Summary	134
Demographics	25	Funded Projects	140
		FY 2015-16 Project Details	142
		FY 2016-20 Proposed Projects	160
		FY 2015-16 Non-funded Project Requests	165
		Previously Approved Non-funded Projects	174
		Five-year Summary by Funding Source	184
FINANCIAL TRENDS	27	APPENDIX	193
General Fund Resources	28	Gann Appropriations Limit	194
Major General Fund Tax Revenues	29	Full Time Equivalent Personnel	198
General Fund Requirements	32	Glossary	202
General Fund Ending Fund Balance	33		
Bonded Indebtedness	34		
Three-Year FTE History	36		
BUDGET SUMMARY	39		
Citywide Budget Summary	40		
General Fund Revenues	44		
General Fund Expenditures	45		
Full Time Equivalent Personnel	49		
Ten-year Forecast	50		
Revenue and Expenditure Assumptions	52		
DEPARTMENTAL SUMMARIES	63		
City Council	64		
City Attorney	66		
City Manager	68		
Community Development	72		
Community Services	76		
Finance	80		
Human Resources	84		
Library	88		
Police	92		
Public Works	96		
Non-Departmental	104		

BUDGET MESSAGE

Adopted Budget Message

Honorable Mayor Carlton and Members of the City Council:

I am pleased to present the fiscal year 2015-16 budget adopted by the City Council on June 23, 2015. In my budget message for the proposed budget, I stressed the theme of "It's Time to Invest." This investment was focused on adding the capacity, particularly staffing capacity, to meet the service-level demand for development processing, as well as to fund the City Council's priorities. This ambitious plan requested a total increase in headcount of 20.25 full-time equivalents over the prior fiscal year. This investment came at a cost, however, as the proposed budget for fiscal year 2015-16 called for General Fund expenditures to exceed revenues by nearly \$1.2 million.

Based on City Council feedback at the original budget adoption meeting on June 16, 2015, it was clear there was significant consternation about adopting a budget with a deficit in the General Fund, and as such, City Council requested that staff evaluate alternatives for closing the deficit and return the following week. After several days of intensive work from staff throughout the organization, I returned to City Council on June 23, 2015, and presented alternatives for City Council to consider. These alternatives considered making cuts to expenditures, increasing revenues, and/or advancing fund transfers.

Ultimately, the City Council decided to take the following actions to ensure balance in the General Fund:

1. Advancing the \$1,000,000 one-time transfer to the Capital Improvement Program Fund into fiscal year 2014-15 to accelerate the start of the Santa Cruz Sidewalks project.
2. Moving the Tennis Court Electronic Key Upgrade project to the unfunded list, which reduced the General Fund transfer to the Capital Improvement Program Fund by \$100,000.
3. Increasing parking fine revenues by \$55,243 to reflect the continuation of current parking enforcement regulations.

These actions yielded the optimal result for the City by establishing a balanced budget while maintaining the level of investment required to meet service-level demand and fund the City Council's priority goals. Your courageous step to unanimously adopt the fiscal year 2015-16 budget sent the clear message that it is indeed time to invest in the community. In fact, I think Mayor Pro Tem Cline captured the spirit of the message even better than I ever did in his comments during the budget adoption discussion by saying, "We are in the middle of Menlo Park's renewal, and we have to act boldly while the window is open. We missed the last one and it was four years of arctic winter."

By providing us with the ambitious resources we have requested, the City Council has firmly reinforced its commitment to the investment in this community to help ensure future fiscal sustainability. Now the pressure falls squarely on me, my executive team, and the entire staff to execute the plan and deliver the intended results.

We are up for the challenge.

Respectfully,



Alex D. McIntyre,
City Manager

Transmittal of Proposed Budget

Honorable Mayor Carlton and Members of the City Council:

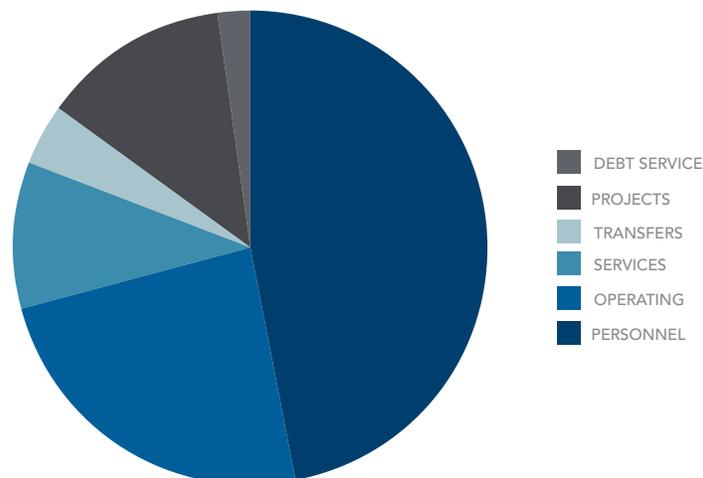
I am pleased to present for your review and consideration, the fiscal year 2015-16 budget. This budget, which represents a total citywide spending plan of \$78.1 million, continues providing for core services while funding all of City Council's priority goals. The theme for this budget is "It's Time to Invest," as this budget represents the most ambitious spending plan that has been presented during my time here and underscores the need to invest in Menlo Park's short term to better position it for the long term.

This budget is focused on investing in the community through the execution of the City Council's 2015-16 workplan. Over the past several years as our local economy has been increasingly robust, surpluses in the General Fund have increased reserves to a level beyond City Council policy, but this has come at a cost, as we have struggled to keep up with service-level demands related to development activity. This budget addresses this by aligning resources with service demand; however, in order to accomplish this, an investment is required. This investment comes in the form of spending that is expected to exceed revenues over the next three years, but as I will demonstrate later in this budget message, surpluses generated over the last two years are more than sufficient to cover the deficits created by the ambitious spending plan over the next three years. And while the thought of spending more than we are taking in is sure to create some consternation, it is important that we stay focused on what this plan represents, which is an investment in our community that positions us well for the future.

FISCAL YEAR 2015-16 PROPOSED OVERALL BUDGET

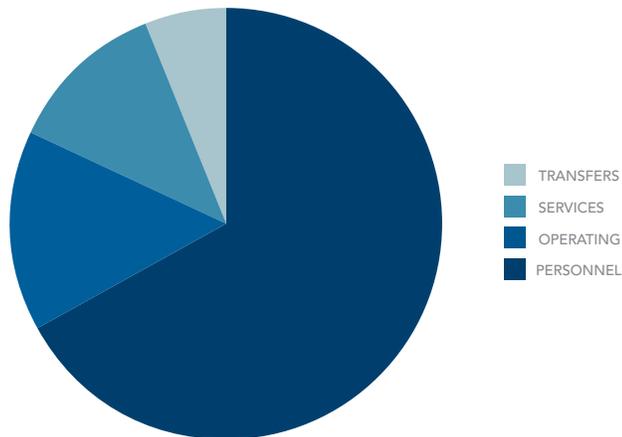
The City's proposed \$78.1 million spending plan continues to provide core services and fully funds the City Council's 2015 adopted goals. As proposed, it represents a \$6 million increase from the adopted fiscal year 2014-15 budget. These increases are predominantly in the areas of personnel (\$3 million), operating (\$1.7 million), and projects (\$1.6 million) and are slightly offset by reductions in other areas. Greater budget detail can be found later in this document. The City's overall spending plan is summarized below.

PROPOSED CITYWIDE BUDGET 2015-16



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PROPOSED GENERAL FUND BUDGET 2015-16



GENERAL FUND

The General Fund is the primary funding source for the vast majority of core services and is also the funding source for many of City Council's goals. The overall proposed spending plan for the General Fund in fiscal year 2015-16 totals \$49.3 million, which is a \$2.8 million increase over the adopted fiscal year 2014-15 budget. \$2.3 million of this increase is in personnel and represents the approved and newly proposed increases in staffing, which are discussed in detail in this budget message. The General Fund's proposed spending plan is summarized below.

BUDGET PRINCIPLES AND CITY COUNCIL GOALS

The development of the proposed budget was guided by City Council-approved budget principles. These principles, which were first introduced for fiscal year 2013-14 and then further refined in January 2014, call for the City to:

- Invest in baseline services and City Council goals.
- Invest in programs, services and capital--promoting long-term prosperity.
- Look for opportunities to leverage existing resources and consolidate services within and across government agencies.
- 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.
- Seek operational efficiencies and revenue enhancement opportunities.
- Invest in employee performance and/or production.
- Maintain existing infrastructure and invest in proven technologies to support the organization.
- Invest in the implementation of City Council-adopted plans and strategies.
- Evaluate one-time revenues for highest and best investment and/or use.
- Align and adjust the work program with staff capacity.
- Develop a budget format that is more useful for public consumption and internal control.
- Annually review the unfunded long-term liability of the CalPERS retirement plan and the reserve intended to help balance the annual financial obligation.

Transmittal of Proposed Budget

Using this guidance, the fiscal year 2015-16 budget focuses on maintaining core services and executing the City Council's work plan. This plan was developed at the annual goal-setting meeting in January, and the resources needed to execute these priorities are incorporated into this budget. Some of these priorities include:

- Continuing to work on the General Plan Update.
- Processing and/or completing major development projects such as Facebook, Stanford, Greenheart and Bohannon.
- Exploring options related to parking in the downtown.
- Developing a water master plan.
- Staying on track with grant-funded projects that have completion deadlines.
- Making progress on high-impact capital improvement projects.
- Implementing the administration building space planning recommendations.
- Addressing traffic and transportation issues.
- Implementing the Climate Action Plan.

And finally, the fiscal year 2015-16 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.

Investment in the Community

As previously noted, this ambitious spending plan represents a significant investment in the community. The foundation of that investment is providing core services to our residents and businesses. Providing core services related to development has proven difficult over the past several years as the demand for those services has exceeded available resources. Exacerbating the strain on our capacity are the City Council goals and priorities previously listed. While many of these goals are related to core service delivery, another area of focus is the backlog of projects in the Capital Improvement Plan, including a number of high-profile, high-impact projects.

To address this, I am proposing an ambitious staffing plan that builds on the plan I presented to you in April 2015. As you will recall, addressing some of our staffing issues, the City Council approved several key recommendations I made then:

- Converting seven limited-term positions into permanent positions
- Adding 8.75 full-time equivalent positions
- Approving salary schedule adjustments for several classifications considered difficult-to-hire.

The investment does not stop there; however, as the fiscal year 2015-16 budget contains an additional 11.5 full-time equivalent employees, bringing the total proposed increase in FTEs between April 1, 2015, and July 1, 2015, to 20.25.

Budgeted FTEs as of 4/1/15	Proposed FTEs as of 7/1/15
238.75	259

Transmittal of Proposed Budget

An 8 percent increase to the City’s FTE count is as ambitious as it appears, and I expect it to create some unease for the City Council and some in the community. This proposal, however, is essential to meeting service demands and positioning Menlo Park for the future. Further, there are three key points worth noting:

- This proposed budget requests authorization for the additional headcount, but just because the authorization is granted, it does not mean that each position will necessarily be hired. The actual need will be continually assessed and hiring will be done accordingly.
- While the fiscal year 2015-16 budget includes the FTEs, not all of them are budgeted for the entire year. Even if we were to hire all of the new positions, the process would not begin until July and could take several months to complete.
- The 10-year forecast assumes that not all of the positions will be needed on an ongoing basis. Specifically, as development activity recedes to a more sustainable level, the forecast assumes that a total of eight positions will be eliminated from the General Fund, with five planned for elimination in 2018-19 and the remaining three planned for 2019-20. It is expected these eliminations will occur through natural attrition.

As noted, this ambitious plan also comes at a cost, as the proposed budget for fiscal year 2015-16 and the first two years of the 10-year forecast each project an annual deficit. Similar to the reaction to the proposed additional headcount, I expect this to create some concern, as the proposition of intentionally spending more than we are bringing in, especially for three consecutive years, is not something Menlo Park is accustomed to doing. The problem with looking at the next three years in isolation is that it doesn’t take into consideration the last two fiscal years, 2013-14 and 2014-15. In fiscal year 2013-14, the General Fund closed with a gross operating surplus of \$5.6 million, and fiscal year 2014-15 is expected to close with a gross operating surplus of nearly \$2.6 million. Factoring in the development revenues, in excess of expenditures, from those two years that are assigned for future services (and programmed into the fiscal year 2015-16 budget), the net surplus from those two fiscal years is enough to cover the proposed deficits for the next three years:

FIVE YEAR SUMMARY (in millions)	Actuals 2013-14	Estimated Actuals 2014-15	Proposed Budget 2015-16	Forecast 2016-17	Forecast 2017-18	5-Year Total
Revenues	\$46.3	\$47.5	\$48.1	\$49.0	\$50.7	\$241.6
Expenditures	\$40.7	\$44.9	\$49.3	\$50.6	\$51.7	\$237.2
Gross Surplus/ (Deficit)	\$5.6	\$2.6	(\$1.2)	(\$1.6)	(\$1.0)	\$4.4
Assigned for Development	(\$0.8)	(\$0.5)	--	--	--	(\$1.3)
Net Surplus/ (Deficit)	\$4.8	\$2.1	(\$1.2)	(\$1.6)	(\$1.0)	\$3.1
Unrestricted Fund Balance	\$26.1	\$28.2	\$27.1	\$25.4	\$24.4	\$24.4
Fund Balance to Expenditures	64 %	63%	55 %	50%	47 %	47%

As the table demonstrates, the expected surpluses from the past two years are greater than the expected deficits projected for the next three years by \$3.1 million. Further, the projected \$24.4 million unrestricted fund balance at the end of fiscal year 2017-18 is well within the City Council-policy goal range of 43 to 55 percent of expenditures. As the 10-year forecast (see Budget Summary section) demonstrates, after the third year the surplus continues to grow as revenue growth is expected to slightly outpace expenditure growth. The other factor that increases my

Transmittal of Proposed Budget

level of comfort with proposing this budget is the fact that the organization remains flexible to adjusting to changing conditions. Many of the new positions being requested will remain unfilled well into the fiscal year, and may not be filled at all, and I do not expect that the result of upcoming negotiations will put the City in a position where it has long-term commitments that hamper its ability to adjust as the environment changes. As such, should major development projects that are expected to materially increase revenues be delayed or otherwise significantly changed, we are in position to adjust expenditures accordingly. While we expect the staffing plan presented in the budget to facilitate the development process for approved projects, allowing for on-schedule completion, we're able to course correct when factors outside of our control change.

And finally, we may not be finished with the investment. The investment incorporated into this budget is entirely focused on providing building, planning, and engineering the resources they need to meet service-level demands and to execute the City Council's workplan, including providing the necessary administrative support services. There are other areas where additional investment may be requested as we get into the fiscal year. One such area is Community Services, where the recently completed organizational study recommended additional staffing. The results of that study, along with the results of other organizational studies, are currently being evaluated, and to the extent recommendations for additional staffing are deemed appropriate, they will be brought forward for the City Council's consideration. Further, whether we come to City Council to request additional staffing or not, we do not foresee any additional staffing reductions due to the exploration of alternative service deliveries. The absence of willing partners, the incompatibility of various processes and systems, and the lack of financial gain have all been contributing factors in determining that continuing to actively explore alternative service deliveries was not a good use of limited resources. Of course, if an opportunity arises it will be evaluated; however, the proactive effort to explore alternative service delivery models will cease for the time being.

Budget challenges and Opportunities in the 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 makes assumptions about our revenues and expenditures. As we project out in time, the assumptions become broader, as we know less and less about 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 2015-16 budget and 10-year forecast attempt to present the most realistic scenario based on the information available at the time. With that said, there are a number of budget challenges and opportunities that can impact the 10-year forecast going forward.

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

- Revenue Growth – While the 10-year forecast projects robust growth for both property tax and transient occupancy tax based on development currently underway, two other major revenue sources, sales tax and the utility users' tax, are a concern. In mid-2014, the City lost one of its top-25 sales tax producers, and during the development of the fiscal year 2015-16 budget, the City learned that it will lose another by the end of 2015. The baseline revenue projection for sales tax has been adjusted to reflect this, and over time this loss is expected to be more than offset by increases in property tax and TOT. With that said, sales tax revenues fluctuate greatly with economic cycles, and analysis of real growth over time does not suggest the City should expect gains in sales tax revenues to keep up with increases in expenditures, nor do we expect new sales tax providers to come into the City to replace what we have lost.

Transmittal of Proposed Budget

Growth rates for utility users' tax are also of 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.

We are fortunate that other major revenue components are growing at a rate that we project over time will offset the lack of growth in sales tax and UUT; however, the fact that there are concerns with these two revenue sources underscores the importance of the efforts we are undertaking to invest in the community. This essential investment will facilitate the growth in property tax and TOT that is needed to sustain services in the short term and potentially grow them in the out years when revenue growth is expected to exceed expenditure growth.

- Excess ERAF – Excess educational revenue augmentation funds, which is described in more detail in the Budget Summary section of this document, has been a constant source of revenue to the City for over 10 years, but it remains vulnerable to State action. As such, only a 50 percent share, or \$700,000, has been forecast for the next two fiscal years, with no revenue forecast past fiscal year 2016-17. We believe this is the most prudent course of action given the uncertainty and minimizes our vulnerability to losing this revenue, as we believe at least a 50 percent share is a certainty in fiscal year 2015-16, leaving fiscal year 2016-17 as our primary vulnerability. Should we determine that there will be no excess ERAF past fiscal year 2015-16, we will adjust accordingly to accommodate that revenue loss.
- Market competitiveness for employees – The dilemma facing many cities in the area right now is maintaining competitiveness in the labor market while keeping employee compensation costs at a sustainable level. With many agencies ramping up hiring, especially in the areas of planning, building and engineering, to keep up with development demand, competition for good talent is at an all-time high. The City Council took steps recently to adjust salaries for these high-demand positions, and the 10-year forecast contains additional assumptions for modest salary and medical benefit increases, so we believe we are better positioned from a competitiveness standpoint. With that said, to the extent other agencies take similar actions to increase compensation, we will have to continue to attempt to strike the right balance between competitiveness and sustainability. The first step down that road is the compensation and classification study that recently commenced.
- Employee integration – Between existing vacancies, the new positions that were added as part of City Council's April 7, 2015, action and the new employees incorporated into the fiscal year 2015-16 budget, we expect to bring a significant number of new hires into the organization over the next year. While we are excited to begin ramping up staffing to meet the service-level demand, bringing new employees into the organization presents a number of challenges. Our space challenges are well-known, and with City Council's support, we are taking actions to create an adequate and professional space for our entire workforce. Beyond the office space challenges, however, are the challenges integrating new employees into the community and organizational culture. It is essential that we are able to manage and guide our new staff through the learning curve so they are able to be fully productive as quickly as possible.
- Economic and development cycle – The clock is ticking. The economy, particularly related to development activity in this area, is cyclical, and we are currently in a very robust portion of the cycle. Revenue forecasts include material increases in property tax and transient occupancy tax due to the expected completion of a number of significant development projects, most importantly being the Menlo Gateway project. So long as that project comes to fruition on schedule, the property tax and transient occupancy tax revenues included in the forecast should be

Transmittal of Proposed Budget

realized, if not exceeded. Should that project be delayed, or worse, not happen, the revenue baseline will have to be reset, with expenditures adjusted accordingly. This vulnerability underscores our ambitious staffing plan that will help us ensure approved development projects are moved through the process at an appropriate pace.

- 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. None of these funds is 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 five years, at which point the General Fund will have to take over as the source of funding, or service levels will have to decline.

While the challenges we face are daunting, I would be remiss if I didn't also note some of the opportunities we face going forward, particularly related to development activity that could materially increase revenues and provide capacity to increase service levels. The fiscal year 2015-16 budget captures the expected impact of development activity that is far enough along in the process such that those additional revenues can be reasonably projected and added. There are, however, a number of other large-scale projects currently at the early stages, such as the development of the recently-acquired land by Facebook that would result in significant additional revenues to the General Fund that are currently not incorporated into the 10-year forecast. To the extent the impact of these projects can be quantified and the projects themselves are far enough along for the revenues to prudently be included in the forecast, the forecast will be adjusted, which could create capacity for future service-level additions. Both the challenges and the opportunities will continue to be monitored closely, with changes affecting the fiscal year 2015-16 budget to be brought forward as needed.

Concluding remarks

In drafting this budget message, I reflected on each of my three previous budget messages. In doing so, I couldn't tell which was harder for me to believe, that this was already my fourth budget message or how much things have changed financially since I arrived. In my first budget, I stressed the theme of financial stabilization, as Menlo Park, like almost all other local jurisdictions throughout the country, was just starting to see some relief from the effects of the Great Recession. Just three years later, we are seeing a development boom that is poised to put the city in a great position for the future. We are at a critical juncture, however, as in order for this to occur, we must invest the staffing resources to make sure we are able to meet the significant service-level demand we are experiencing. This theme of "It's Time to Invest" is reflected in my ambitious budget, which calls for utilizing surpluses from the past two years to mitigate the need to spend more than we are expected to bring in during the next three years. And while I am aware of the unease this may cause, I believe this plan will generate long-term benefits that we would not see otherwise. Further, we continue to have a level of expenditure flexibility in the General Fund that will allow us to adjust quickly if conditions change, and I assure you that I will not hesitate to do so if necessary.

Transmittal of Proposed Budget

The delivery of the proposed budget to City Council, both during good economic times and bad, is the culmination of months of work from staff throughout the organization. Last year, we undertook an enormous effort to overhaul the budget structure and document to produce a budget format that is more clear and meaningful to its users. This year's process included building on last year's successes to continue to refine the document for better usability.

Developing the budget is a team effort, and there are a number of members of the team who I'd like to acknowledge. First, I want to thank the City Council for its leadership in articulating a vision for its goals and priorities and providing us with the resources to execute. Next, I'd like to thank my executive team for their efforts telling their story through their respective departmental budgets. I'd also like to thank Finance Director Drew Corbett and the finance department staff, particularly Geoff Buchheim and Stephen Green, for their work managing the budget development process and producing the numbers you see in this document.

Finally, a special thanks to Clay Curtin, Assistant to the City Manager, who again this year spent countless hours shepherding this document to completion.

Respectfully submitted,



Alex D. McIntyre
City Manager

CITY OVERVIEW

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 Silicon Valley. The city hosts such notable employers as SRI International, the U.S. Geological Survey, Facebook, Pacific Biosciences, TE Connectivity and CS Bio Co.

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 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 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 annually one-year terms by the City Council at its first meeting in December. 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 p.m. in the City Council Chambers located at 701 Laurel Str. 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 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 on policy matters, review specific subjects and carry out assignments as directed by the City Council or as prescribed by law. There are currently 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, FY 2013–2014

Facebook, Inc	23%
SRI International	7%
TE Corporation	5%
Intuit, Inc.	3%
SHR Hotel, LLC	3%
Evalve, Inc	2%
Pacific Biosciences of California	2%
Safeway Stores Inc	2%
United Parcel Service	2%
E*Trade Financial Corporation	2%

Budget Process

ANNUAL BUDGET CALENDAR

Like any complex organization with an annual budget of over \$75 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 final performance indicators from the prior fiscal year
- Encumbrances and project carryovers incorporated into budget
- Scoping meetings held for the five-year Capital Improvement Plan

October Through December

- Advisory commissions receive the draft five-year CIP for review and input
- Budget schedule developed

January Through March

- Budget schedule, directions and guidance provided to departments
- Annual City Council goal setting session identifies budget priorities
- Annual mid-year financial report presented to City Council
- Departments draft their operating budgets for the City Manager's review

April Through June

- Revenue projections finalized
- City Council approves the Master Fee Schedule during a public hearing
- 10-year forecast of revenues and expenditures developed
- Annual budget workshop/study session held for the public
- City Council holds a public hearing on budget and five-year CIP
- Final budget adopted by the City Council

FISCAL YEAR 2015-16 BUDGET PREPARATION PROCESS

The fiscal year 2015-16 budget marks the second year of the City's new budget structure and document. Prior to fiscal year 2014-15, the City of Menlo Park's 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 the 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 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.

During fiscal year 2013-14, a small team from the City Manager's Office and the Finance Department set out to restructure the way the City presented its budgetary information into a more traditional department/division structure, as well as reinvent the budget document itself to make it more usable and meaningful. The resulting product was a more clear and transparent financial communication tool. The fiscal year 2015-16 budget preparation process built upon the progress that was made in the prior fiscal year.

The development of the fiscal year 2015-16 operating budget began at the first of the calendar year with the departments updating revenue and expenditure estimates for fiscal year 2014-15, as well as developing their fiscal year 2015-16 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 workshop 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 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 2015-16 and developing the 10-year forecast. Also in April, an ambitious staffing plan went forward to City Council to approve a number of new positions, some immediately and some as a part of the adoption of the fiscal year 2015-16 budget, to appropriately staff in support of City Council's 2015 goals and objectives.

As the numbers were finalized, attention was then turned towards the design and creation of the budget document. While the foundation for the new document content was largely established for the fiscal year 2014-15 budget, the focus for fiscal year 2015-16 was refining that content and continuing to implement elements of the new citywide design standards.

SIGNIFICANT BUDGET CHANGES

Information Technology Internal Service Fund

Beginning with fiscal year 2015-16, the operating cost of the Information Technology division of the City Manager's Office will be accounted for in an internal service fund. Previously, IT costs were embedded in the General Fund. The creation of an internal service fund to account for IT costs accomplishes two important objectives. First, it better reflects the true operating

cost of the city departments that benefit from IT services. For example, the Police Department is a significant user of IT resources; however, prior to fiscal year 2015-16, the cost for this department's utilization of IT resources was not reflected in its budget. Second, utilizing an internal service fund allows for IT costs to be allocated to the various funds that have operations supported by IT. Previously, all IT costs were borne by the General Fund. Under the new methodology, funds such as the Water Operations Fund and the Landscaping/Tree Assessment Fund will receive their appropriate share of IT costs.

The methodology to allocate costs to the user departments was developed based on a number of factors, including work order information, systems/network usage data, and the number of users of various systems and technologies. As expected, the Police Department had the largest allocation of IT costs at 56 percent, followed by Public Works at 19 percent. Going forward and as more data becomes available, staff expects to continue to refine the allocation methodology to ensure it best reflects the distribution of IT costs. For the allocation to various funds, actual operating costs from fiscal year 2013-14 from applicable funds were utilized to determine how the Public Works allocation should be spread across funds. The majority of the Public Works allocation, 62 percent, remained in the General Fund, with another 17 percent going to the Water Operations Fund.

For the first year, this fund will capture all operating costs of the Information Technology division, as well as the first year of depreciation expenses for equipment and other technology that is being replaced in fiscal year 2015-16. The transition of existing equipment and technology into the internal service fund will occur as this equipment is replaced. Previously, certain equipment and technology purchases, such as the replacement of desktop computers, were funded in departmental operating budgets. The next replacement of these items will still come from the department operating budget, with the following replacement then coming from the IT internal service fund. Funds for that replacement will be collected over the useful life of that equipment, via a charge to the applicable department, and held in the internal service fund until the replacement is due.

Budget Process

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. Prior to fiscal year 2014-15, 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. To account for this natural attrition, personnel costs for the fiscal year 2014-15 budget assumed 2 percent of positions would remain vacant throughout the fiscal year. This lowered overall personnel costs in comparison to prior years' methodology for personnel budgeting, which allowed resources to be allocated to other priorities. Throughout the fiscal year, staff closely monitored personnel costs and overall the vacancy factor worked as expected. In fact, in several departments, vacancy rates remained above 2 percent throughout the year. For the fiscal year 2015-16 budget development, vacancies throughout the organization were assessed and department-specific vacancy factors of between 2 percent and 10 percent were assigned to offset total budgeted personnel costs. While this is an overall more aggressive vacancy factor than in fiscal year 2014-15, based on current staffing and the expected timeframe for adding a number of new positions, there should be no issue in achieving the expected vacancy savings. With that said, the impact of the vacancy factor will continue to be monitored citywide. If there are no vacancies throughout the year in a department and the vacancy factor became a challenge, the City Manager may opt to address this by administratively shifting funds from other departments to cover potential shortfalls. By policy, the City Manager may administratively move funds amongst the departments within the General Fund as long as it does not increase the General Fund's total appropriation. The vacancy factor will continue to be monitored, analyzed and refined each year to balance the inevitable turnover within an organization this size with the need to ensure that departments are appropriately budgeted for their personnel costs.

BUDGET POLICIES AND PRACTICES

Budget Management and Appropriations Control

The City Manager has responsibility for management of the overall budget and maintenance of appropriations control. By policy, 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

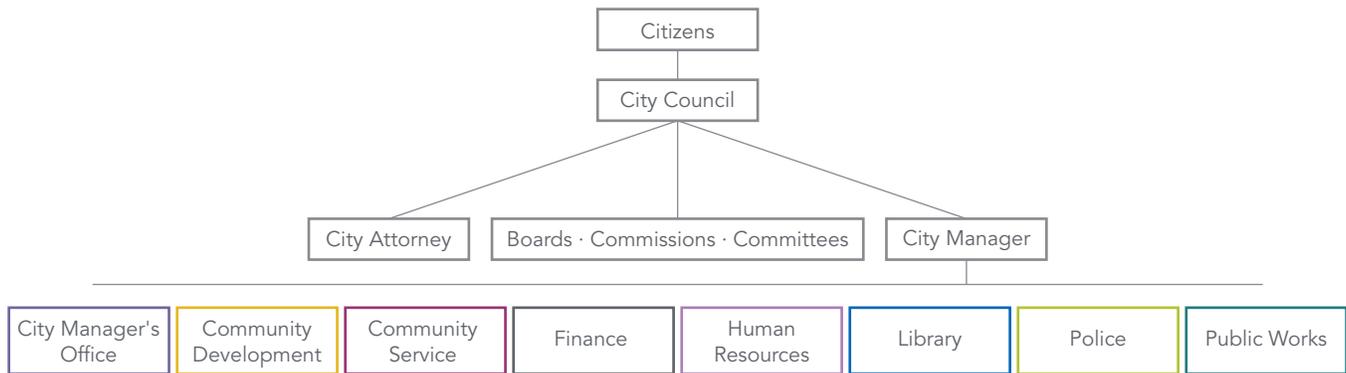
The city's financial information is organized by fund, with each fund being a separate and distinct entity. There are three types of funds: governmental, proprietary, and fiduciary. The General Fund, which is a governmental fund, is the city's main fund that accounts for the vast majority of the city's 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 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. 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 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.

Organizational Chart



City Council

Catherine Carlton
Mayor

Richard Cline
Mayor Pro Tem

Kirsten Keith
Councilmember

Peter Ohtaki
Councilmember

Ray Mueller
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

Jesse Quirion
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

Ethnicity	
White	70.20%
Asian	9.90%

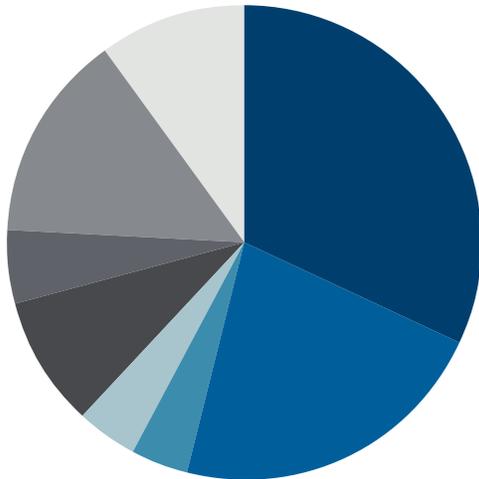
2010 U.S. CENSUS OF POPULATION AND HOUSING DATA

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

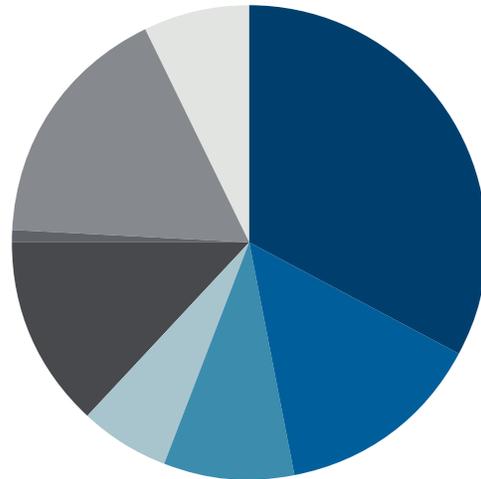
General Fund Resources

GENERAL FUND REVENUES
2004-05



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

GENERAL FUND REVENUES
2013-14



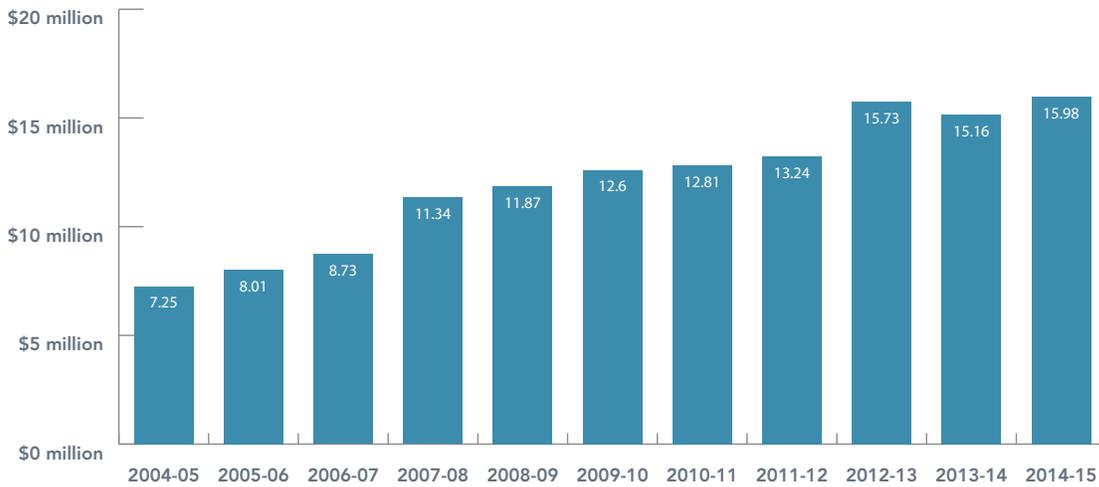
- OTHER REVENUE SOURCES
- CHARGES FOR SERVICES
- INTEREST AND RENTAL INCOME
- LICENSES AND PERMITS
- OTHER TAXES AND FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- SALES TAX
- PROPERTY TAXES

GENERAL FUND RESOURCES

These two pie charts depict General Fund revenue sources in fiscal year 2004-05 and in fiscal year 2013-14. Property tax continues to be the largest General Fund revenue source, covering approximately one-third of total General Fund resources in both fiscal year 2004-05 and fiscal year 2013-14. While property tax revenues have remained strong and consistent over this period, sales tax has become less prevalent as a General Fund resource, constituting only 14 percent of the total in fiscal year 2013-14. This is the result of a variety of factors, including the loss during this time period of a number of significant sales tax providers, including auto dealers. 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 increase in the tax rate from 10 percent to 12 that became effective in January 2013, and the addition of the utility users' tax, which was implemented in 2007.

Major General Fund Tax Revenues

PROPERTY TAX HISTORY 2005–15



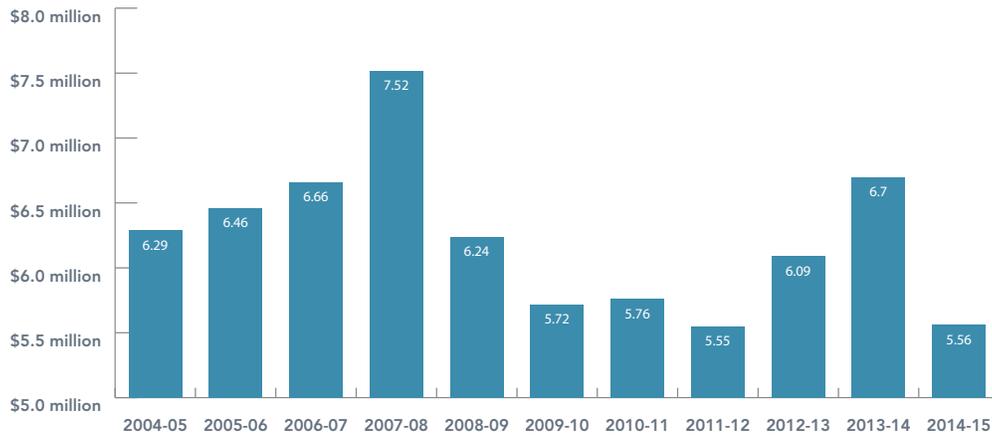
PROPERTY TAX

Property tax is the General Fund’s largest and most stable revenue source. From fiscal year 2004-05 to fiscal year 2013-14, assessed property tax values have increased annually, despite the impact of the Great Recession, which took a severe toll on the City’s sales tax revenues. The drop in revenue between fiscal year 2012-13 and fiscal year 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 fiscal year 2012-13 and fiscal year 2013-14, which is a better indicator of the overall health of this revenue source. In fact, between fiscal year 2004-05 and fiscal year 2013-14, assessed value grew at an average annual rate of nearly percent, which is demonstrated in the following table:

FISCAL YEAR ENDING JUNE 30	% CHANGE FROM THE PRIOR YEAR
2005	4.7%
2006	6.3%
2007	5.8%
2008	9.8%
2009	6.4%
2010	3.6%
2011	1.2%
2012	0.3%
2013	4.4%
2014	6.5%
AVERAGE	4.9%

Major General Fund Tax Revenues

SALES TAX HISTORY 2005–15

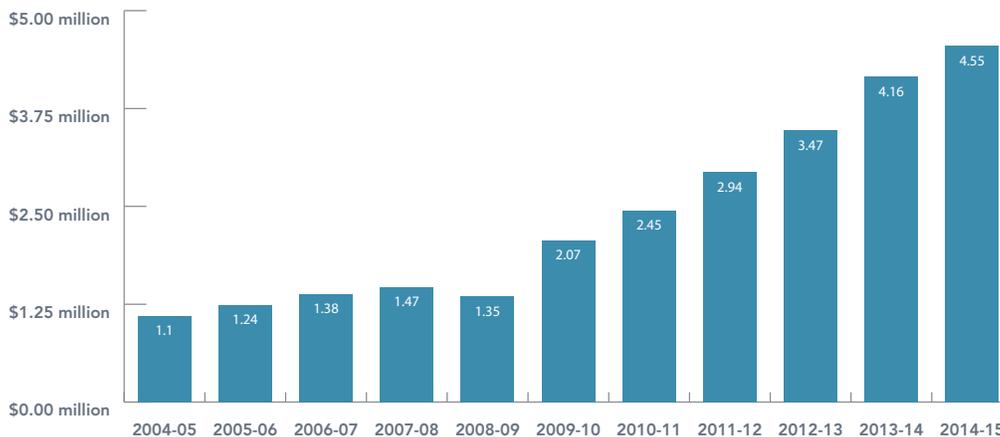


SALES TAX

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 fiscal year 2009-10 and fiscal year 2011-12, the trend over the past 10 years is one of decline for this revenue source. This trend has been exacerbated over the past fiscal year with the loss of a major sales tax generator, which is demonstrated by the expected drop between actual revenues in fiscal year 2013-14 and estimated revenues in fiscal year 2014-15. Future projections for sales tax are discussed in more detail in the Budget Summary section of this document.

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.

TRANSIENT OCCUPANCY TAX HISTORY 2005–15

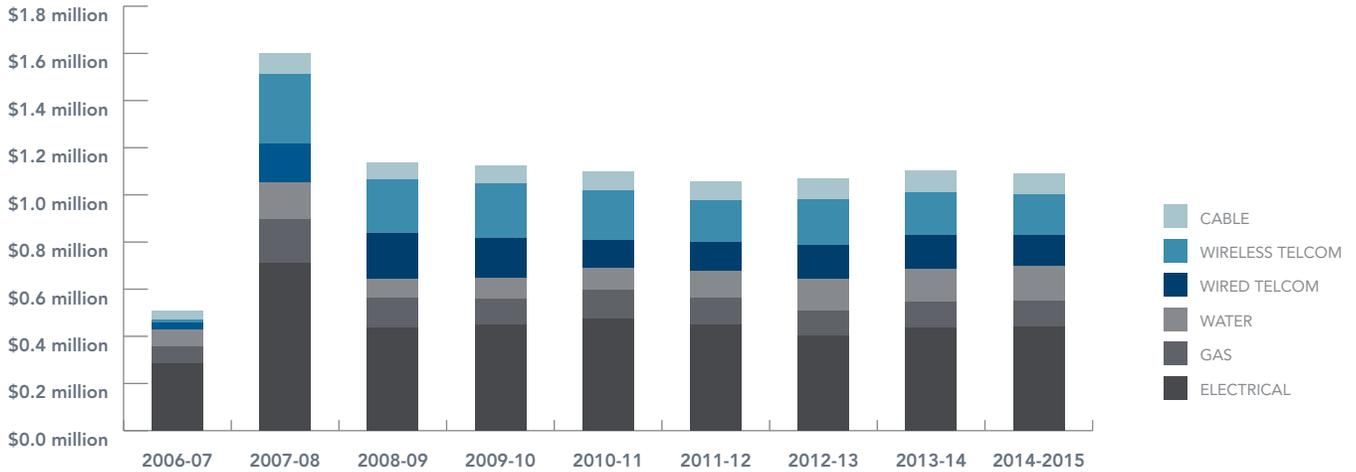


TRANSIENT OCCUPANCY TAX

Like sales tax, transient occupancy tax is largely dependent on the overall health of the economy. Also like sales tax, revenues declined in fiscal year 2008-09 at the onset of the Great Recession. Revenues rebounded in fiscal year 2009-10, and as demonstrated by the chart, have increased every year since. This is due to not just an improved economy, but also the completion of a new hotel and an increase to the tax rate from 10 percent to 12 percent, which became effective January 1, 2013.

Major General Fund Tax Revenues

UTILITY USERS TAX HISTORY 2006–15



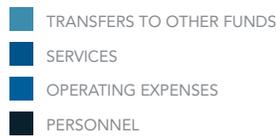
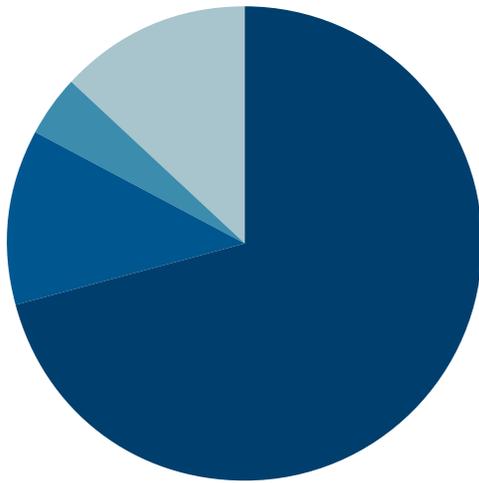
UTILITY USERS TAX

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 percent for gas, electrical, and water and 2.5 percent for cable, wired telecom, and wireless telecom. On October 1, 2007, the rate became 1 percent for all components.

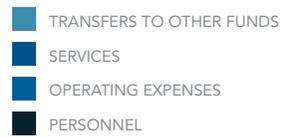
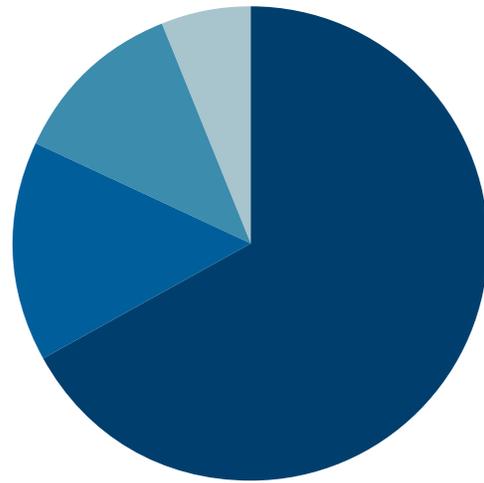
As the historical graph demonstrates, UUT is not a growing source of revenue, as changes in certain industries, notably the telecom and cable industries, are causing erosion in those revenue sources that is offsetting any growth from other sources of UUT.

General Fund Requirements

GENERAL FUND EXPENDITURES
2004-05



GENERAL FUND EXPENDITURES
2013-14

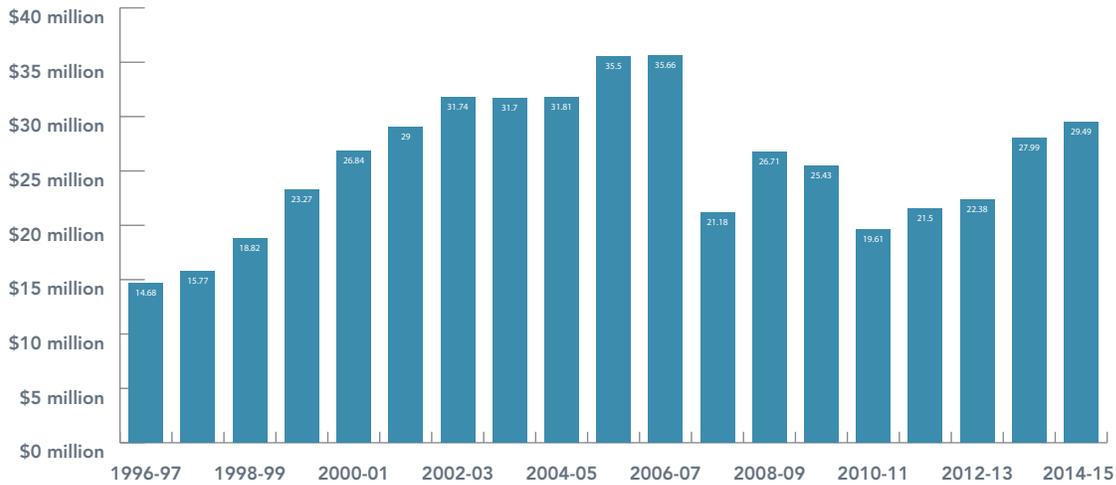


GENERAL FUND EXPENDITURES

These two pie charts show the different categories of General Fund expenditures and their proportionate share of total General Fund expenditures in fiscal year 2004-05 and fiscal year 2013-14. While the "Transfers to other funds" category is a larger share of the total than it normally would be in fiscal year 2004-05 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

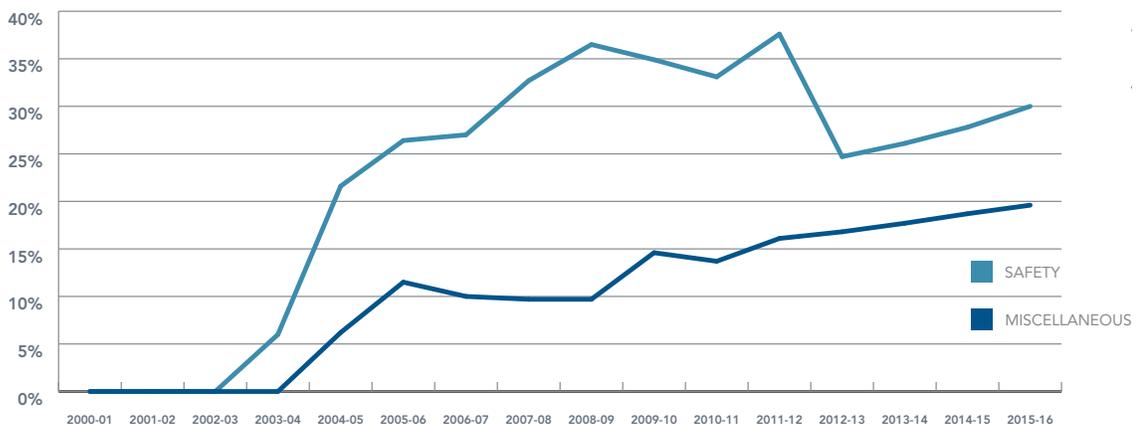
GENERAL FUND ENDING BALANCE



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 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.

EMPLOYER PENSION CONTRIBUTION RATES



EMPLOYER PENSION CONTRIBUTION RATES

As this chart demonstrates, pension expenditures have become an increasing part of the City’s annual budget over the past 15 years. In the early 2000s, investment returns at the California Public Employees Retirement System (CalPERS) were sufficient to fund pensions without an employer contribution; however, investment losses and enhanced benefits created an unfunded liability and required significant increases to employer contribution rates over the years. In fiscal year 2013-14, the City’s pension expenditures were nearly \$3.5 million. The significant drop in the employer contribution rate for the Safety plan between fiscal year 2011-12 and fiscal year 2012-13 was due to a one-time payment to pay off the fund’s “side fund” liability.

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	Prin. Outstanding at 6/30/15	2015–16 Debt service	Bond Rating	Payment Source
Series 1996 Library - Refunding	3.75–5.00%	2/1/1996	8/1/2016	4,630,000	435,000	440,750	AAA	Property taxes
Series 2009A Measure T/Parks	6.82–7.02%	7/1/2009	8/1/2039	1,080,000	830,000	104,875	AAA	Property taxes
Series 2009B Measure T/Parks (Build America Bonds)*	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	8,775,000	873,656	AAA	Property taxes
Total				\$24,900,000	\$19,400,000	\$1,870,324		

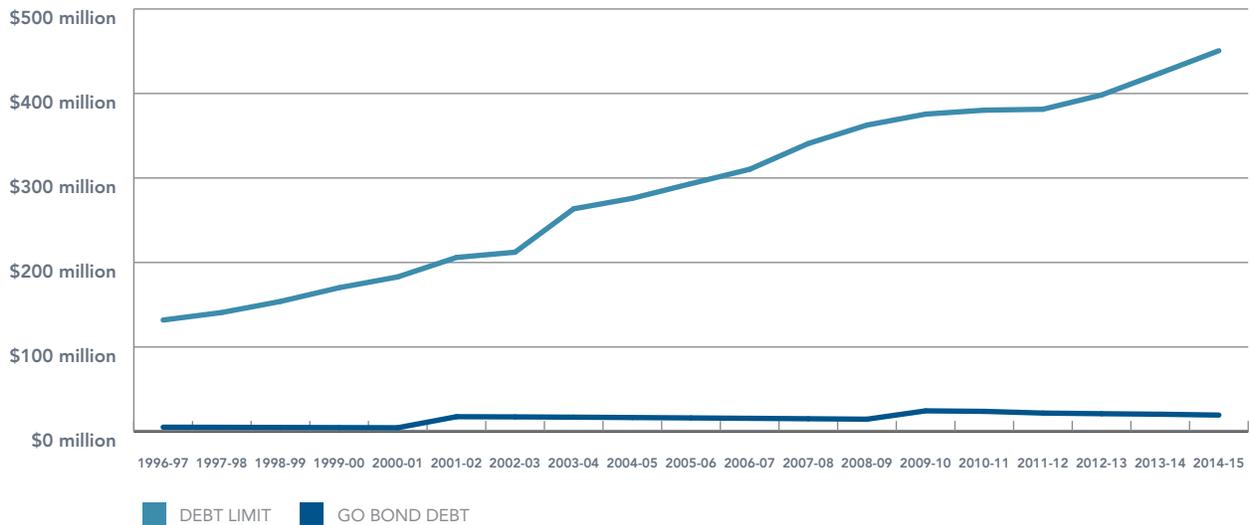
* The City receives a 31% rebate from the federal government from the Build America Bonds program, which is incorporated into this amount.

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
2016	1,055,000	1,022,696	\$2,077,696
2017	425,000	991,778	\$1,416,778
2018	440,000	974,653	\$1,414,653
2019	455,000	956,935	\$1,411,935
2020	475,000	938,528	\$1,413,528
2021–2025	2,685,000	4,387,923	\$7,072,923
2026–2030	3,250,000	3,851,227	\$7,101,227
2031–2035	4,400,000	3,020,309	\$7,420,309
2036–2040	6,215,000	2,306,070	\$8,521,070
2040	1,355,000	95,121	\$1,450,121
Total	\$19,400,000	\$18,450,119	\$38,850,119

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 percent 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 below table 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. The fiscal year 2014-15 value represents the headcount included in the budget as adopted.

FULL TIME EQUIVALENTS

	2012-13 FTEs	2013-14 FTEs	2014-15 FTEs
City Council	5	5	5
City Attorney	1	1	1
City Manager's Office	10	11	11.5
Community Development	16	16.75	21.75
Community Services	48.25	48.50	47.50
Finance	8	8	8
Human Resources	3.5	3.5	3.5
Library	13.75	13.75	13.75
Police Department	69.75	68.75	70.00
Public Works	54.50	54.50	55.50
Total Citywide	229.75	230.75	237.50

BUDGET SUMMARY

Budget Summary

FISCAL YEAR 2015–16 PROPOSED BUDGET

REVENUES	
Charges for services	29,670,007
Property tax	15,951,813
Intergovernmental revenue	5,462,512
Sales tax	5,243,064
Transient occupancy tax	4,972,835
Building permits	3,158,503
Special assessments	2,487,898
Franchise fees	1,940,013
Business licenses	1,615,000
Interest and rent income	1,608,474
Utility users tax	1,183,347
Fines	1,067,643
Other permits	958,000
Measure A	865,000
Gas Tax	717,084
Other resources	553,860
Donations and miscellaneous	244,250
SUBTOTAL REVENUES BY SOURCE	\$77,699,303
<hr/>	
Transfers in	1,770,544
Department In-lieu payments	431,099
Use of assigned fund balance development permitting	1,261,644
TOTAL RESOURCES	\$81,162,590

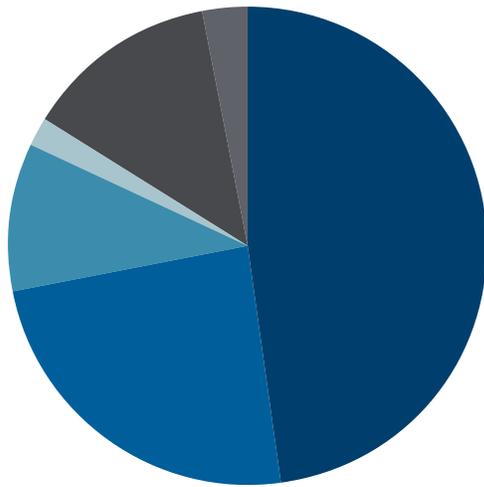
Budget Summary

FISCAL YEAR 2015–16 PROPOSED BUDGET

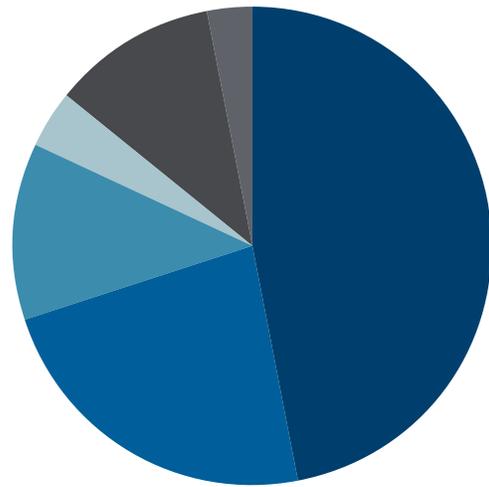
REQUIREMENTS	
Public Works	20,406,920
Police	16,521,505
Community Services	7,985,290
Community Development	5,140,492
Finance	3,815,255
City Manager's Office	3,307,406
Library	2,924,339
Human Resources	2,389,243
City Attorney	497,168
City Council	424,666
OPERATING EXPENDITURES BY DEPARTMENT	\$63,412,283
Projects	9,820,897
Debt service	1,908,371
Transfers out	1,770,544
TOTAL REQUIREMENTS	\$76,912,095
RESOURCES OVER REQUIREMENTS	\$4,250,459

Budget Summary

ADOPTED CITYWIDE BUDGET
2015-16



ADOPTED CITYWIDE BUDGET
2014-15



The total proposed budget for fiscal year 2015-16 is \$76.9 million. This is an increase of \$4.8 million, or 7 percent, from the fiscal year 2014-15 adopted budget. This increase reflects an investment to fully fund core services and City Council goals. These increases are predominantly in the areas of personnel (\$3 million), operating (\$1.7 million), and projects (\$1.5 million) and are slightly offset by reductions in other areas. Significant resources have been added in the areas of planning, building and engineering to meet service-level demand and make progress on existing and new capital projects.

General Fund Revenues

	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
REVENUES					
Property tax	\$15,731,889	\$ 15,156,065	\$15,986,324	\$ 16,462,868	\$15,951,813
Sales tax	6,043,870	6,444,292	6,348,146	6,414,816	5,243,064
Transient occupancy tax	3,468,256	4,158,809	4,549,694	4,649,694	4,972,835
Utility users tax	1,095,256	1,157,653	1,129,632	1,140,263	1,183,347
Franchise fees	1,765,216	1,841,851	1,863,110	1,892,199	1,940,013
Licenses and permits	4,447,630	5,782,225	4,880,128	5,576,587	5,890,363
Intergovernmental	866,287	888,131	936,360	1,436,924	864,541
Fines and forfeitures	998,259	1,253,261	1,319,980	1,287,096	1,067,643
Interest and rent income	568,051	684,562	715,004	783,881	1,128,598
Charges for services	7,088,160	7,681,433	8,012,908	7,903,934	8,185,335
Transfers and other	1,386,961	1,237,838	440,155	430,655	478,849
Use of assigned fund balance	0	0	1,865,712	0	1,261,644
TOTAL REVENUES	\$43,459,835	\$46,286,120	\$48,047,153	\$47,978,917	\$48,168,045

The table above shows General Fund revenues by major category. Property tax is the largest category, making up 33 percent of total revenue in fiscal year 2015-16. The next largest category in fiscal year 2015-16 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 33 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 67 percent of planned General Fund expenditures in fiscal year 2015-16. The next 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.

General Fund Expenditures

	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
EXPENDITURES BY DEPARTMENT					
City Council	981,619	1,032,141	395,479	399,481	424,666
City Attorney	375,294	380,496	362,990	365,968	371,572
City Manager's Office	1,463,349	1,590,790	3,324,154	3,053,762	2,175,093
Community Development	2,774,031	3,765,303	5,572,309	3,595,884	5,140,492
Community Services	7,104,442	7,480,372	7,826,081	7,674,123	7,860,090
Finance	1,422,105	1,478,364	1,656,825	1,616,992	1,581,183
Human Resources	778,589	876,428	1,159,280	977,179	1,371,783
Library	2,011,143	2,046,773	2,268,284	2,261,008	2,544,568
Police	13,809,282	14,284,054	15,423,291	15,089,953	16,400,105
Public Works	5,100,811	5,183,204	7,062,343	6,641,742	8,527,949
Non-Departmental	6,545,230	2,554,600	3,248,200	4,248,200	1,770,544
TOTAL EXPENDITURES	\$42,365,895	\$40,672,525	\$48,299,236	\$45,924,292	\$48,168,045

EXPENDITURES BY TYPE					
Salaries and wages	\$19,721,764	\$19,725,124	\$21,856,541	\$21,169,176	\$22,680,436
Benefits	7,628,902	7,476,381	8,734,996	8,385,912	10,229,575
Operating	2,518,236	2,774,763	3,527,297	3,157,105	4,366,790
Utilities	1,055,685	1,214,322	1,282,671	1,280,872	1,283,610
Services	4,318,165	5,027,229	7,575,747	5,783,710	5,824,978
Fixed assets and capital outlay	344,245	527,971	396,575	329,358	275,661
Travel and training	193,326	222,636	259,205	232,803	267,550
Repairs and maintenance	753,494	759,533	942,674	817,635	939,901
Special projects	337,853	389,966	475,330	519,521	529,000
Transfers out	5,494,225	2,554,600	3,248,200	4,248,200	1,770,544
TOTAL EXPENDITURES	\$42,365,895	\$40,672,525	\$48,299,236	\$45,924,292	\$48,168,045

ASSIGNED FOR DEVELOPMENT	0	766,510	0	495,135	0
SURPLUS/(DEFICIT)	\$1,093,940	\$4,847,085	(\$252,083)	\$1,559,490	0

Budget Summary

GENERAL FUND REVENUES BY TYPE

Total General Fund revenues for the proposed fiscal year 2015-16 budget are up \$1.7 million, or 3.6 percent, over the adopted fiscal year 2014-15 budget. This is driven by increases in several of the General Fund’s major revenues, including property tax, transient occupancy tax, and licenses and permits. The drop in sales tax is related to the loss of two top-25 generators, one of which occurred in 2014 and the other is expected by the end of 2015. In addition to the revenue increases, the use of nearly \$1.3 million of assigned fund balance is also proposed in the fiscal year 2015-16 budget. This assigned fund balance is from permitting and service charge revenue that exceeded expenditures in fiscal years 2013-14 and 2014-15 and will be utilized to provide funding for the heavy service demand for building and planning projected in fiscal year 2015-16.

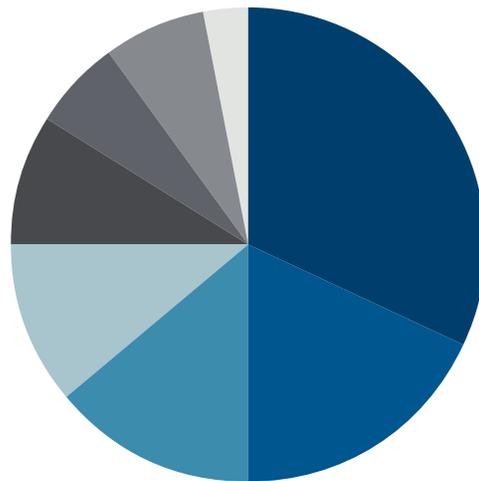
In terms of the distribution of General Fund resources, it remains relatively constant between fiscal years 2014-15 and 2015-16. Property tax remains the largest General Fund resource by far, with service charges, sales tax, license and permit revenue, and transient occupancy tax making up a significant portion of the remainder of the General Fund.

ADOPTED REVENUES
2015–16



- USE OF ASSIGNED FUND BALANCE
- OTHER REVENUE
- UTILITY USERS TAX / FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- SALES TAX
- LICENSES AND PERMITS
- CHARGES OF SERVICES
- PROPERTY TAXES

ADOPTED REVENUES
2014–15



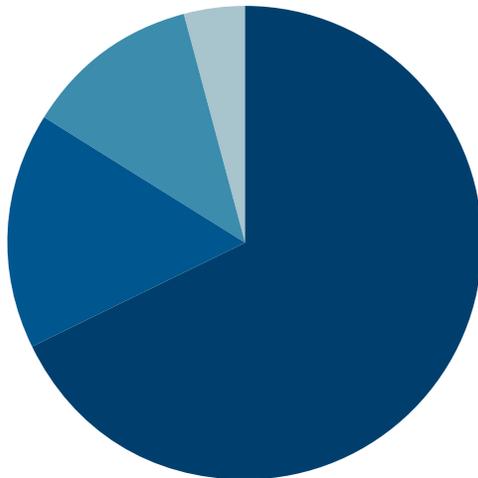
- USE OF ASSIGNED FUND BALANCE
- OTHER REVENUE
- UTILITY USERS TAX / FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- SALES TAX
- LICENSES AND PERMITS
- CHARGES OF SERVICES
- PROPERTY TAXES

Budget Summary

GENERAL FUND EXPENDITURES

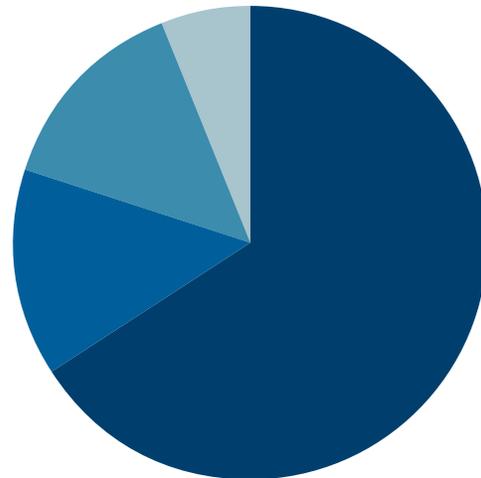
Total General Fund expenditures for the proposed fiscal year 2015-16 budget are \$48.2 million, which is up \$1.7 million, or 4 percent, over the adopted fiscal year 2014-15 budget. The distribution of General Fund expenditures reflects the budgeted increase in staffing to meet service-level demand in the planning, building and engineering areas. The large year-over-year increase in operating costs is the result of the transition of the Information Technology division of the City Manager's Office into an internal services fund. Rather than Information Technology staff being a personnel cost in the General Fund, those expenditures are now reflected as an operating service charge to the various departments.

ADOPTED EXPENDITURES
2015-16



- TRANSFERS
- SERVICES
- OPERATING
- PERSONNEL

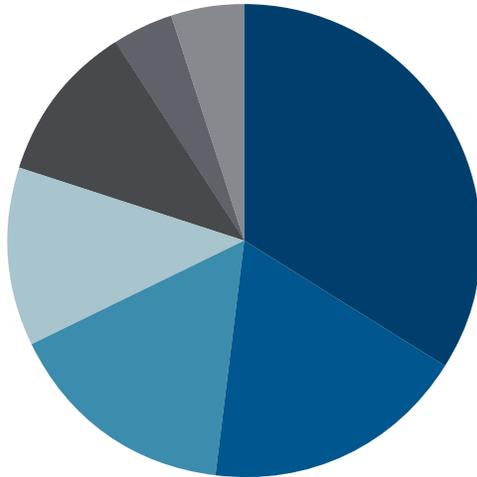
ADOPTED EXPENDITURES
2014-15



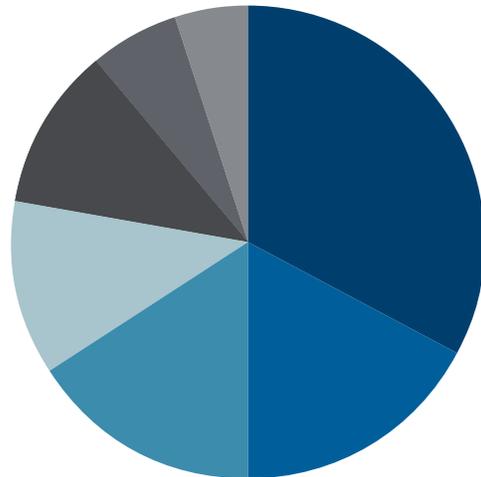
- TRANSFERS
- SERVICES
- OPERATING
- PERSONNEL

Budget Summary

ADOPTED EXPENDITURES
2015-16



ADOPTED EXPENDITURES
2014-15



As noted on the prior page, total General Fund expenditures for the proposed 2015-16 budget are up nearly 4 percent over the adopted fiscal year 2014-15 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.

Full Time Equivalent (FTE) Personnel

Proposed 2015–16 FTEs by Department

	General Fund	All Funds
City Attorney	0.92	1
City Council	5	5
City Manager's Office	8	12.5
Community Development	24.35	27.00
Community Services	48.75	48.75
Finance	7.67	8
Human Resources	4.15	4.75
Library	12.50	14.00
Police	70	70
Public Works	39.27	68.00
Total	219.69	259

10-year Forecast

	2014–15 Adjusted Budget	2014–15 Estimated Actuals	2015–16 Proposed Budget	2016–17 Forecast	2017–18 Forecast	2018–19 Forecast
Revenues						
Property tax	15,986,324	16,462,868	15,951,813	16,904,849	17,075,180	17,848,935
Sales tax	6,348,146	6,414,816	5,243,064	5,729,036	5,767,117	5,882,459
Transient occupancy tax	4,549,694	4,649,694	4,972,835	4,996,792	6,123,311	7,374,611
Utility users tax	1,129,632	1,140,263	1,183,347	1,215,433	1,233,924	1,242,347
Franchise fees	1,863,110	1,892,199	1,940,013	1,982,008	2,015,836	2,051,276
License and permit	4,880,128	5,576,587	5,890,363	6,378,008	6,510,486	5,520,220
Intergovernmental	936,360	1,436,924	864,541	881,032	897,852	915,010
Fines and forfeitures	1,319,980	1,287,096	1,067,643	1,088,996	1,110,776	1,132,991
Interest and rent income	715,004	783,881	1,128,598	1,153,710	1,192,084	1,255,726
Charges for services	8,012,908	7,903,934	8,185,335	8,295,570	8,365,109	8,154,591
Donations/Miscellaneous	35,000	25,500	61,250	36,250	36,250	36,250
Other financing sources	2,270,867	405,155	1,679,243	425,951	434,470	438,815
TOTAL REVENUES	\$48,047,153	\$47,978,917	\$48,168,045	\$49,087,634	\$50,762,395	\$51,853,232
Expenditures						
Salaries and wages	21,856,541	21,169,176	22,680,435	23,349,719	23,809,827	23,532,032
Benefits	8,734,996	8,385,912	10,229,576	10,786,181	11,139,321	11,269,080
Operating	3,527,297	3,157,105	4,366,790	4,454,126	4,543,208	4,634,072
Utilities	1,282,671	1,280,872	1,283,610	1,322,118	1,348,561	1,375,532
Services	7,575,747	5,783,710	5,824,978	5,761,478	5,676,707	5,590,241
Fixed assets and capital outlay	396,575	329,358	275,661	281,174	286,798	292,534
Travel and training	259,205	232,803	267,550	272,901	278,359	283,926
Repairs and maintenance	942,674	817,635	939,901	918,098	945,641	974,010
Special projects	475,330	519,521	529,000	539,580	550,372	561,379
Transfers out	3,248,200	4,248,200	1,770,544	2,985,366	3,104,780	3,228,972
TOTAL EXPENDITURES	\$48,299,236	\$45,924,292	\$48,168,045	\$50,670,741	\$51,683,574	\$51,741,778
GROSS SURPLUS (DEFICIT)	(252,083)	2,054,625	(0)	(1,583,106)	(921,180)	111,454
ASSIGNED FOR DEVELOPMENT	0	495,135	0	0	0	0
NET SURPLUS/(DEFICIT)	(252,083)	1,559,490	(0)	(1,583,106)	(921,180)	111,454

10-year Forecast

2019–20 Forecast	2020–21 Forecast	2021–22 Forecast	2023–24 Forecast	2023–24 Forecast	2024–25 Forecast	2025–26 Forecast
18,898,900	19,640,512	20,411,427	21,212,805	22,045,854	22,911,827	23,812,030
6,000,108	6,120,111	6,242,513	6,367,363	6,494,710	6,624,604	6,757,097
7,589,256	7,808,923	8,020,634	8,238,245	8,461,924	8,691,844	8,928,183
1,254,011	1,266,502	1,279,843	1,294,054	1,309,162	1,325,191	1,342,167
2,088,379	2,127,194	2,167,777	2,210,182	2,254,469	2,300,700	2,348,937
5,151,849	5,080,706	5,181,584	5,385,302	5,491,732	5,600,948	5,563,025
932,510	950,360	968,567	987,138	1,006,081	1,025,403	1,045,111
1,155,651	1,178,764	1,202,339	1,226,386	1,250,914	1,275,932	1,301,451
1,369,640	1,397,833	1,426,590	1,455,922	1,485,840	1,516,357	1,547,484
7,859,471	7,935,788	8,152,458	8,378,315	8,610,705	8,849,818	9,095,852
36,250	36,250	36,250	36,250	36,250	36,250	36,250
447,591	456,543	470,239	484,346	498,877	513,843	529,258
\$52,783,617	\$53,999,487	\$55,560,220	\$57,276,309	\$58,946,518	\$60,672,717	\$62,306,845
23,600,297	24,080,105	24,791,827	25,524,901	26,279,967	27,057,685	27,871,061
11,494,736	11,704,535	12,021,470	12,356,681	12,701,376	13,057,277	13,491,584
4,726,754	4,821,289	4,917,715	5,016,069	5,116,390	5,218,718	5,323,093
1,403,043	1,431,103	1,459,725	1,488,920	1,518,698	1,549,072	1,580,054
5,702,046	5,816,087	5,932,409	6,051,057	6,172,078	6,295,520	6,421,430
298,384	304,352	310,439	316,648	322,981	329,440	336,029
289,605	295,397	301,305	307,331	313,477	319,747	326,142
1,003,231	1,033,327	1,064,327	1,096,257	1,129,145	1,163,019	1,197,910
572,607	584,059	595,740	607,655	619,808	632,204	644,848
3,358,130	3,492,456	3,632,154	3,777,440	3,928,538	4,085,679	4,249,106
\$52,448,832	\$53,562,710	\$55,027,111	\$56,542,958	\$58,102,458	\$59,708,361	\$61,441,257
334,785	436,777	533,108	733,351	844,060	964,355	865,589
0	0	0	0	0	0	0
334,785	436,777	533,108	733,351	844,060	964,355	865,589

Budget Assumptions

REVENUE AND EXPENDITURE ASSUMPTIONS – 2015–16 BUDGET AND 10-YEAR FORECAST

Revenues and expenditures in the fiscal year 2015-16 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 2015-16 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 property tax, which represents the vast majority of the overall property tax, is the tax on real property and the structures on that real property. Secured Property Tax is projected to be \$14.8 million in 2015-16 and includes a \$700,000 share of excess ERAF, which is discussed in more detail later in this section.

- Unsecured property tax represents the tax on appurtenances such as furniture, machinery, and equipment and is projected to be \$412,000 in 2015-16.
- Supplemental property 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 and is projected to be \$278,000 in 2015-16.
- Documentary transfer tax is imposed on documents exchanged in the transfer of interest in real estate and is based on the value of the real estate. This revenue source is expected to be \$510,000 in 2015-16

Overall, the outlook for property tax is very 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 nearly 4 percent between fiscal year 2014-15 and fiscal year 2015-16, with revenues expected to be nearly \$16 million.

With excess ERAF considered, however, fiscal year 2015-16 property tax is expected to be down slightly when compared to fiscal year 2014-15. This decrease is the result of the City estimating to receive only a 50 percent share of its baseline excess ERAF amount (\$700,000), 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 tax entities via excess ERAF revenue. The ERAF shift began in 1992, and Menlo Park has received monies in the form of excess ERAF since 2004. As shown in the following table the amount actually received for the last five years has been well above the 50 percent baseline share the city has been budgeting, leading to the possibility that fiscal year 2015-2016 property tax revenues could be well above projections should the city receive another full share of excess ERAF. Otherwise, secured tax is projected to increase 8 percent in fiscal year 2015-16. This projection is based on the County Assessor's assessed value for fiscal year 2015-16 as

Budget Assumptions

Fiscal Year	Total Excess ERAF
2010-11	\$1.1 million
2011-12	\$1.2 million
2012-13	\$1.4 million
2013-14	\$1.6 million
2014-15	\$1.7 million

of late-April 2015. The secured tax revenue projection for the 10-year forecast factors in general growth in assessed value based on estimated California consumer price index growth and turnover in both residential and commercial properties, the assumed loss of excess ERAF after fiscal year 2016-17, and the impact of a number of large-scale development projects that are currently in process, including the Menlo Gateway project. Based on these different factors, the annual growth factor for secured tax ranges from 0.9 percent to 6.2 percent and averages approximately 4 percent.

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 2015-16 has been set based on historical trends, growing 3 percent 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 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 2015-16, supplemental property tax is projected to grow 3 percent, or approximately \$8,000, over fiscal year 2014-15. 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 \$600,000 in fiscal year 2006-07 to a low of \$280,000 just two years later. The fiscal year 2015-16 projection is nearly \$510,000 and is based on the average revenue over the past five years, excluding fiscal year 2014-15. 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. fiscal year 2014-15 was specifically excluded because revenues in that fiscal year are expected to be unsustainably high due to the sale of several significant commercial properties. The growth rate utilized throughout the 10-year forecast is 3 percent 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 2015-16 is \$5.2 million, which is an 18 percent decrease over the revised estimate for fiscal year 2014-15. This significant decrease is primarily due to the loss of two top-25 sales tax generators, one in mid-2014 and one expected by the end of 2015. Exacerbating this loss is the expected negative impact to the City of the winddown of the State-imposed triple flip, which is expected to occur in 2015-16. The Triple Flip is a mechanism used to repay State of California fiscal recovery bonds and results in the City having 25 percent of its sales tax diverted to the State and replaced with an equivalent amount of property tax. Because Triple Flip payments are advanced to cities based on estimates, with true-ups to actual revenues coming after the fact, the City is

Budget Assumptions

expecting 2014-15 Triple Flip payments to be higher than they should be due to the loss in 2014 of a significant sales tax generator. Therefore, the final closeout of the Triple Flip in 2015-16 will result in a negative true-up, which will reduce sales tax revenues beyond the impact of the loss of two top-25 generators.

In 2016-17, the forecast re-establishes a baseline amount for sales tax that is based on the City's standard 1 percent local share, and then an additional \$75,000 is added to account for the development agreement for the Commonwealth project. 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. Past 2016-17, projections reset to what is expected to be a more sustainable baseline, with modest annual growth (2 percent) projected throughout the 10-year forecast. It is important to note that beyond 2016-17 there are other projects in the pipeline, such as Menlo Gateway that have (or are expected to have) similar terms in their development agreements regarding qualifying construction contracts; however, the estimated impact on the City's sales tax has not been quantified, and thus the incremental revenue is not included in the forecast.

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 to \$5.7 million just two years later. While the economy has rebounded well since then and sales tax revenues had also been on the rise, the loss of revenue from two significant sales tax providers demonstrates the vulnerability of this revenue source.

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 percent share received by cities instead goes into a County pool for distribution. For example, if someone shops at the Staples in Menlo Park and purchases a computer, the City receives 1 percent of the sale price in sales tax revenue. If that same person buys that computer via Staples' website, the 1 percent 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 to each jurisdiction based on its share of total taxable sales. This is an important consideration because a jurisdiction's share of pooled revenue is directly tied to its proportion of the local 1 percent amount it receives in relation to the other jurisdictions in the County. To the extent Menlo Park's local 1 percent share increases or decreases in relation to other cities in the County, its share of pooled revenue moves accordingly. For the last reporting period, the fourth quarter of 2014, Menlo Park's share of the pool was 4.1 percent. For reference, the average quarterly pool share in 2012 was 4.35 percent and in 2013 was 4.85 percent. 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.

Transient Occupancy Tax

Transient occupancy tax is expected to continue to remain strong in the near term, with fiscal year 2015-16 revenue expected to be 7 percent above final estimates for fiscal year 2014-15. This estimate factors in the additional revenue for the new Marriott hotel, as well as the expectation that the hotel occupancy rates will decline over the next several years to a more sustainable level. Beyond 2015-16, base projections for the remainder of the 10-year forecast consider a

Budget Assumptions

number of factors; however, they are predominantly based on assumptions related to room and occupancy rates, with room rates projected to increase between 2.5 percent and 3 percent annually and occupancy dropping to 72 percent by fiscal year 2017-18 and then held flat at that level.

In addition, the hotel slated as a part of the Menlo Gateway development has been included in this version of the 10-year forecast, with an assumed opening date of the hotel set at Jan. 1, 2018. Revenue estimates are based on the number of rooms, average occupancy rates, and a room rate projection greater than the initial fiscal impact analysis completed by an outside consultant but substantially more conservative than the most recent fiscal impact provided by the developer. In its first full fiscal year of operation, which is projected to be fiscal year 2018-19, our forecast projects this new hotel will bring in nearly \$2.2 million, growing annually with expected increases in room rates. This value is utilized for projection purposes for the 10-year forecast only, and staff believes this to be a conservative estimate that factors in the volatility of TOT revenues during the various economic cycles. The developer's fiscal impact indicates this hotel will generate \$3.3 million annually in TOT, so should that come to fruition, there will be additional service capacity that is not currently incorporated into the forecast.

Utility Users Tax

The City's utility users' tax became effective April 1, 2007, imposing the voter-approved maximum 3.5 percent tax on gas, electrical and water usage and the maximum 2.5 percent 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 percent, which became effective Oct. 1, 2007, and remains in place currently for all utilities. 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 \$1.18 million in fiscal year 2015-16, which is a nearly 4 percent increase over final fiscal year 2014-15 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.

The single largest component of UUT is based on electrical usage, which makes up over 40 percent of all revenue from this source. Based on projected rate increases and usage rates, this component of UUT is estimated to increase 3 percent annually through fiscal year 2016-17 and then 2 percent annually for the remainder of the forecast. This is the same projection made for the gas component, which comprises 10 percent of all UUT revenue. Water-related UUT revenue is projected to grow at a rate of 5 percent 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 over time. For traditional wired telecommunications, there are a number of trends that are driving the expected decline in UUT revenues, with the most significant being wireless services as an alternative, especially in the residential arena. As a result of these trends, wired telecom-related UUT revenues are projected to decline between 2 percent and 3 percent annually throughout the entire 10-year 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 demonstrate continued growth over the next several years before starting a slow decline of 2 percent annually for the remainder of the forecast. Competition and an increase in alternatives to paid cable television are expected to cause a decline

Budget Assumptions

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 1 percent and 3 percent 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 1.3 percent throughout the 10-year forecast. This lack of growth is of concern, as this revenue source, which makes up approximately 2.5 percent 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 over \$1.9 million in fiscal year 2015-16, which is a 2.5 percent increase over final estimates made for fiscal year 2014-15. 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 percent annual decline was projected. This is based on the projected decline in utilization of traditional cable television services, which was previously discussed.

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 2015-16 revenues are projected to be nearly \$5.9 million, which is a 5.6 percent increase over final estimates for fiscal year 2014-15. Revenues in this category are currently at an unsustainably high level due to the level of development activity underway right now. This above average level of activity is expected to continue through fiscal year 2017-18 before beginning to taper off over the course

of two years, returning revenues to a more sustainable baseline level in fiscal year 2019-20. 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 2015-16. 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 in the 10-year forecast, with \$150,000 annually programmed starting in fiscal year 2015-16. Per the development agreement, this \$150,000 is programmed for a 10-year period.

Intergovernmental

Intergovernmental revenues are predominantly grants from other governmental entities, including the federal and state government. Total intergovernmental revenue for fiscal year 2015-16 is expected to be \$865,000, which is a nearly 40 percent decrease from final fiscal year 2014-15 estimates. This was anticipated, as certain payments from the State of California for mandated costs from previous years that the City received in fiscal year 2014-15 were one-time payments.

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 2015-16 (\$1 million) reflect expected revenues based on a fully operational traffic enforcement program; however, it also assumes the loss of \$350,000 annually in parking-related fines

Budget Assumptions

from downtown. With a new baseline set, this revenue source is projected to grow 2 percent 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 2015-16 (\$656,000) and beyond reflect the contractual terms of the various leases, including the recent change to the lease terms of the Cornerstone building on El Camino. For interest earnings, the fiscal year 2015-16 projection of \$473,000, 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 3.5 percent in fiscal year 2019-20 and then increasing slightly from there on an annual basis.

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 2015-16 comes from Community Services (60 percent) and from development-related charges from Community Development and Public Works (27 percent). Service charge revenue is projected to be nearly \$8.2 million in fiscal year 2015-16, which is a 3.6 percent increase over final estimates for fiscal year 2014-15. 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 continue over the next several years before beginning to taper off to a more sustainable baseline by fiscal year 2019-20.

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 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 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 department, Human Resources department and the City Manager's Office. The fiscal year 2015-16 transfer amount of \$417,599 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 years 2014-15 and 2015-16 is the inclusion of the utilization of assigned fund balance as a resource to fund General Fund requirements. The use of assigned fund balance takes into consideration two factors. First, to the extent funds go unspent in one fiscal year but are encumbered for spending in the following fiscal year, those funds are not available for other purposes. Those funds are assigned for utilization in the following fiscal year and are shown in the budget as an available resource. The second factor is related to development-related revenues for the Community Development Department. Significant development activity has generated permitting and planning fees that have exceeded expenditures. These excess revenues will be necessary to meet service demand in future fiscal years, and as such, have been assigned for that purpose. In both 2013-14 (\$766,509) and 2014-15 (estimated \$495,135), Community Development revenues have exceeded expenditures. The fiscal year 2013-14 amount was initially programmed in as a resource in fiscal year 2014-15, but since revenues are again expected to exceed expenditures that amount has been reprogrammed to be utilized in fiscal year 2015-16. The expected excess for fiscal year 2014-15 is reflected

Budget Assumptions

in the 10-year forecast as “Assigned for Development” in 2014-15 and is netted out of the gross surplus so that it is clear that these funds cannot be utilized for other purposes. This amount is also reprogrammed as a resource in fiscal year 2015-16, bringing the total programmed use of assigned fund balance to \$1,261,644.

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 nondiscretionary 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 68 percent of total General Fund expenditures, and total \$32.9 million for fiscal year 2015-16. 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 overtime are initially based on existing contractual agreements or assumptions about the outcome of ongoing and future 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 nonpersonnel items, remaining resources were utilized to assume modest salary increases through the forecast. It is important to note 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 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 five years, peaking at 23.9 percent of pay for Miscellaneous employees and 35.4 percent for Safety employees. In year six, 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 3-4 percent annually, which may not keep pace with actual increases in premiums. As such, the forecast assumes that based on available resources, the City may only be able to cover a portion of the increase in premiums, with the remainder covered by employees. Whether this actually

Budget Assumptions

comes to fruition is a function of the same factors related to potential salary increases that were previously discussed.

As discussed in detail in the City Manager's budget message, the fiscal year 2015-16 budget has 20.25 additional full-time equivalent employees over the fiscal year 2014-15 budget. These positions are all directly related to Council's 2015 work plan and are predominantly focused in the areas of building, planning and engineering. Approximately 13 of these FTE's are directly budgeted in the General Fund, and the 2015-16 budget anticipates that not all of these positions will be filled immediately July 1. Specifically, the 2015-16 budget assumes that seven of the positions will remain vacant until at least Nov. 1, 2015. Furthermore, the 10-year forecast anticipates that some of these additional positions will not be needed on an ongoing basis. Specifically, as development-related activity returns to a more sustainable baseline level, it is expected that the current service-level demand will also taper off. To account for this, the 10-year forecast assumes that five of the new FTEs in this budget will be eliminated in fiscal year 2018-19, with another three being eliminated in fiscal year 2019-20. It is expected that these positions can be eliminated through natural attrition within the organization.

Non-Personnel Costs

The remaining 32 percent, or \$15.3 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 \$4.4 million in fiscal year 2015-16, 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 \$729,000 for the General Fund's share of the City's General Liability Internal Service

Fund and \$231,000 for credit card fees (the fees the City is charged for accepting credit card payments). The largest operating expenditure (\$1.05 million) is new for the fiscal year 2015-16 budget. Before this budget, all costs for the Information Technology Division were in the General Fund. To better reflect departmental operating costs, as well as appropriately charge all applicable funds for the cost of information technology, the Information Technology Division has been moved into an internal service fund. This fund is paid for with charges to the user departments. The \$1.05 million operating expense in the General Fund represents this charge to the various departments for information technology services. For the duration of the 10-year forecast, operating costs are projected to increase at a rate of 2 percent annually to factor in general price inflation.

Utilities

Utilities expenditures, which total nearly \$1.3 million in fiscal year 2015-16, are for City utilities costs, including gas, electricity, water and telecommunications. Of the total, 57 percent goes toward gas and electricity, 37 percent goes toward water, and the remaining 6 percent is for telecommunications. For the 10-year forecast, the annual inflationary increase is set at 2 percent. These increases consider expected growth in costs, offset with increased conservation efforts.

Services

Budgeted expenditures in this category total \$5.8 million in fiscal year 2015-16 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 \$5.8 million total in fiscal year 2015-16 is slightly above the normal baseline for service expenditures due to additional funds being added for plan checking and other development-related services to address the heavy activity currently underway. Between 2016-17 and 2018-19, expenditures for services in this area are projected to drop to a more sustainable baseline level. Other services are estimated to increase annually at 2 percent for the duration of the 10-year forecast.

Budget Assumptions

Fixed Assets and Capital Outlay

Budgeted expenditures for fiscal year 2015-16 are \$276,000 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 percent annually throughout the 10-year forecast.

Travel and Training

The travel and training category, budgeted at nearly \$268,000 in fiscal year 2015-16, 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 percent annually throughout the 10-year forecast.

Repairs and Maintenance

This category has budgeted expenditures of nearly \$940,000 in fiscal year 2015-16, which covers a wide variety of repair and maintenance activity. One of the largest expenditures in this category is gasoline and oil for the City's vehicle fleet (\$200,000). 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 percent annual inflation factor has been utilized for the 10-year forecast. The baseline for this expenditure category drops in fiscal year 2016-17 to account for one-time expenditures in 2015-16.

Special Projects

Expenditures in this category, \$529,000 in fiscal year 2015-16, 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 percent annually throughout the 10-year forecast.

Transfers Out

This category of funding, totaling \$1,770,544 in fiscal year 2015-16, 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 was originally proposed to be \$2,870,544 but was dropped by \$1.1 million at budget adoption, as discussed in the City Manager's adopted budget message. The original transfer amount is inflated annually by 4 percent 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)

As detailed in the City Manager's budget message, the fiscal year 2015-16 budget and 10-year forecast reflects a substantial investment in this community. Significant resources have been committed to executing Council's work plan, with the predominance of resources going into the areas of planning, building and engineering. This investment, which is expected to materially increase property tax and transient occupancy tax revenues over the course of the forecast, project deficit spending in the General Fund in 2016-2017 and 2017-2018. During this period, spending is programmed to exceed revenues for two main reasons. First, additional staffing has been incorporated into the plan to ensure that the service demand related to the current level of development activity can be met. This increased level of spending, however, will facilitate the completion of major development projects, such as the Menlo Gateway project that will create the additional revenue streams that bring the budget back into balance and lead to projected surpluses in years three through 10 of the forecast. Second, the budget and 10-year forecast assumes 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. San Mateo County, which administers excess ERAF, keeps the cities updated as to the status 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

Budget Assumptions

guidance drove Menlo Park's strategy to budget 50 percent 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.

Overall, the outlook based on the 10-year forecast is healthy, despite the projected deficits in years 2016-2017 and 2017-2018. A closer look at the plan demonstrates this, as the deficit spending is projected to peak in fiscal year 2016-17 before tapering off over the next two years and then turning into an increasing surplus over the remaining years of the forecast. The reduction in the annual deficit starting in fiscal year 2017-18 is a function of increasing revenues from the projected opening of the Menlo Gateway project's hotel. The projected elimination of the deficit occurs in 2018-19 as the revenue baseline adjusts to reflect a full year of the new hotel and a reduction of development-related revenues to a more sustainable level, with the latter offset by the first wave of reductions to the additional staffing that is required to meet service level demand. The surplus continues to grow in 2019-20, as the ongoing revenue baseline has been established while the final wave of reductions to the additional staffing is projected. At this point, the ongoing expenditure baseline is set, and with revenues projected to grow at a slightly faster rate than expenditures during the latter portion of the forecast, growing surpluses are projected. The projected surplus drops in year 10 of the forecast to reflect the sunset of the \$150,000 annual payment from Facebook related to the West Campus development agreement.

As is the case each year, this version of the 10-year forecast is built on assumptions based on the information available at the time. Thoughtful and conscientious decisions are made about what to include and not include in the plan, and as such, the forecast contains both upside opportunity and downside risk. On the opportunity side, only a portion of the revenue impact of planned development is included in the forecast. For example, there is nothing specifically assumed about the revenue impact of the most recent land acquisitions by Facebook. Should most of the development in process come to fruition, the long-term revenue forecast should be much better than what

is presented in this version of the forecast. With that said, development activity is cyclical and can be highly volatile. This forecast assumes significant property tax and transient occupancy tax increases related to the Menlo Gateway project. Should that project be delayed or the scope changed materially, the revenue forecast will need be revised downward, and expenditure forecast will need to follow accordingly. This uncertainty is inherent in forecasting, especially the further out on the 10-year plan we get. Because of this, the forecast is monitored closely and updated on a regular basis, with material changes to assumptions highlighted in this section of the budget, as well as in the City Manager's budget message.

DEPARTMENT INFORMATION

City Council

OVERVIEW

The City Council consists of the 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.

2014–15 HIGHLIGHTS

- Adopted an urgency ordinance to implement the State Water Resources Control Board’s emergency mandatory regulations for water conservation.
- Continued to implement the Belle Haven Neighborhood Action Plan based on community needs and input.
- Initiated a number of events and improvements in the downtown area including a Family Fitness Extravaganza, using a faux Paseo for the Mayor’s State of the City address, implemented a pilot project for enhanced downtown outdoor seating, and initiated the food truck market on Wednesdays at the Caltrain station.
- Entered into a lease agreement with the Rotary Club of Menlo Park to operate a community garden.
- Initiated a number of international connections including Galway, Ireland; Bizen, Japan; Kochi, India; and Xinbei, China.

SUMMARY

FTEs	5
Total Requested Budget	\$425,000
Funding Sources	General Fund

- Formed the General Plan Advisory Committee to provide community input on the General Plan update, and met jointly with the Planning Commission twice to discuss principles and to provide general direction regarding the General Plan.
- Approved a loan of up to \$3.2 million of Below Market Rate funding for Mid-Pen Housing to renovate existing units and build new units in the 1200 block of Willow Road

2015–16 BUDGET

The City Council budget maintains its current level of requirements and includes slight annual adjustments to the stipends for health care costs. The budget reflects an increase for travel due to the establishment of several new international relationships. The budget also reflects an increase in the community grant funding to \$175,000.

CITY COUNCIL WORKLOAD INDICATORS

	FY 2011–12	FY 2012–13	FY 2013–14	Est. FY 2014–15
City Council meetings	35	30	30	39
City ordinances adopted	9	18	7	7
City resolutions adopted	73	69	43	60

CITY COUNCIL EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	391,138	416,944	38,399	-	38,399
Salaries Part Time	38,707	38,505	-	39,397	-
Overtime	1,217	1,837	-	-	-
Temporary Staff	23,696	10,067	-	250	-
Vacation Cashout	5,672	16,068	-	-	-
Other Pays	22,505	48,182	-	-	-
Salaries and Wages Subtotal	482,935	531,603	38,399	39,647	38,399
Retirement and OPEB	83,700	91,165	8,731	7,833	8,696
Medical and Dental	131,274	75,875	89,669	71,684	86,794
Workers' Compensation	4,451	4,553	4,632	4,632	5,300
Other Fringe Benefits	13,502	13,921	(2,704)	1,264	-
Fringe Benefits Subtotal	232,927	185,514	100,328	85,413	100,790
TOTAL PERSONNEL COSTS	\$715,862	\$717,117	\$138,727	\$125,059	\$139,189
Printing and Postage	91	186	-	100	500
Memberships	43,275	47,696	47,000	52,000	60,400
Travel and Training	23,771	33,007	10,000	18,000	20,000
Utilities	9,642	10,119	-	3,500	-
Fixed Assets and Capital outlay	12,748	2,427	-	-	-
Other Operating Costs	13,618	53,062	9,122	7,822	9,577
Contract Services	25,222	30,156	29,000	20,000	20,000
Legal Services	-	-	-	-	-
Other Services	3,391	-	-	-	-
Software License and Application	-	-	-	-	-
TOTAL NON-PERSONNEL COSTS	131,758	176,653	95,122	101,422	110,477
TOTAL OPERATING BUDGET	\$847,619	\$893,769	\$233,849	\$226,481	\$249,666
Special Projects Expenditures	134,000	138,370	161,630	173,000	175,000
TOTAL	\$981,619	\$1,032,139	\$395,479	\$399,481	\$424,666
Sources of Funding, by Fund					
General Fund	981,619	1,032,139	395,479	399,481	424,666
TOTAL SOURCES OF FUNDING	\$981,619	\$1,032,139	\$395,479	\$399,481	\$424,666

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.

2014-15 HIGHLIGHTS

- Assisted in the development and implementation of the Housing Element Update.
- Assisted in acquisition of two duplexes on Willow Road for immediate Below Market Rate housing and potential land banking for future circulation improvements.
- Provided assistance and counsel on election matters.
- Assisted in resolving complex land use matters.
- Provided assistance and guidance on the CORE 60 unit development in cooperation with Veterans Affairs

SUMMARY

FTEs	1
Total Requested Budget	\$500,000
Funding Sources	Enterprise Fund General Fund Internal Service Fund Special Revenue Fund

2015-16 BUDGET

The City Attorney's budget reflects 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 2015-16 budget contains nearly \$728,000 for outside legal services. Approximately \$333,000 of this amount is in the City Attorney's budget, with the remaining amount distributed between other departments, including Community Development (\$100,000) and Human Resources (\$295,000).

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.

CITY ATTORNEY WORKLOAD INDICATORS

	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
City Contracts reviewed	177	179	175	185
City Council meetings attended	35	30	30	39
City ordinances reviewed and adopted	9	18	7	7
City resolutions reviewed and adopted	73	69	43	60

City Attorney's Office

CITY ATTORNEY'S OFFICE EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	108,000	108,273	108,000	102,105	107,645
Other Pays	-	-	299	-	-
Salaries and wages subtotal	108,000	108,273	108,299	102,105	107,645
Retirement and OPEB	19,719	51,374	24,556	21,952	25,461
Medical and Dental	33,307	12,461	22,465	25,616	27,492
Workers' Compensation	1,595	9,143	(1,403)	2,162	1,668
Fringe Benefits Subtotal	55,151	73,492	46,526	50,638	55,659
TOTAL PERSONNEL COSTS	\$163,151	\$181,765	\$154,825	\$152,743	\$163,304
Printing and postage	-	-	-	-	-
Travel and training	-	-	-	-	-
Utilities	-	-	-	-	-
Fixed assets and capital outlay	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other operating costs	1,093	1,047	1,224	1,224	864
Contract services	-	-	-	-	-
Legal services	347,664	230,910	350,312	309,960	333,000
Other services	-	40,000	-	-	-
Software license and application	-	-	-	-	-
TOTAL NON-PERSONNEL COSTS	\$348,757	\$271,957	\$351,536	\$311,184	\$333,864
TOTAL OPERATING BUDGET	\$511,908	\$453,722	\$506,361	\$463,927	\$497,168
Special projects expenditures	-	-	-	-	-
TOTAL	\$511,908	\$453,722	\$506,361	\$463,927	\$497,168
Sources of Funding, by Fund					
Enterprise Fund	-	-	-	10,000	10,000
General Fund	375,294	380,496	362,990	365,968	371,572
Internal service Fund	136,614	73,226	143,371	86,959	113,597
Special Revenue Fund	-	-	-	1,000	2,000
TOTAL SOURCES OF FUNDING	\$511,908	\$453,722	\$506,361	\$463,927	\$497,168

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, Economic Development, and Information Technology.

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.



SUMMARY

FTEs	12.5
Total Requested Budget	\$3.3 million
Funding Sources	General Fund Internal Service Fund

The City Manager's Office also 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.

In addition, the City Clerk is 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 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 advisory Commissions/Committees. 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 organization, supporting operations

City Manager's Office

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.

Economic Development

This division ensures that Menlo Park addresses the needs of our local businesses and provides opportunities for their success. This includes identifying new businesses that will enhance the community and the City's overall economic health. Economic Development acts as a business concierge, assisting with expeditious, thorough and effective development approvals. This also includes regular outreach to local businesses to offer assistance through referrals to State and Federal programs, strategic planning for expansion approval, and marketing/networking opportunities. Economic Development creates and maintains partnerships 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.

2014–15 HIGHLIGHTS

- Oversaw and developed the annual budget and Capital Improvement Program.
- Produced an electronic weekly digest for the City Council and the public.
- Maintained the city website to improve information access and efficiency.
- Oversaw an election cycle which included two city council contests and a local ballot measure.
- Implemented the Downtown Enhanced Outdoor Seating pilot program, as well as phase one of the Economic Development Plan update.
- Supported downtown community events including 100|OCT Car Show, the Family Fitness Extravaganza, Movie Night on the Paseo and the State of the City.
- Initiated a classification and compensation study for all non-sworn positions.
- Held several joint meetings between the City Council and individual commissions.

- Evaluated and introduced technologies across city departments producing efficiencies, increasing productivity, and reducing costs.
- Initiated work on the CIP project for the city council chambers audio/video upgrade.
- Designed improvements and enhancements for core IT network and systems infrastructure.
- Introduced an internal services fund to centralize and consolidate technology service costs.

2015–16 BUDGET

The fiscal year 2015-16 department budget remains largely unchanged, with the exception of one new position in Information Technology to support the City's rapidly expanding technology initiatives. This budget also includes \$75,000 for communications, \$30,000 for the Community Schools Initiative for the Ravenswood City School District and \$50,000 for a third-party organizational analysis. The City Clerk's Office plans to review and update the records retention schedule since there is no municipal election this year. Economic Development will be highly involved in assisting with the implementation of "parklets" for outdoor seating along Santa Cruz Avenue as well as implementing the Economic Development Strategic Plan.

FUTURE GOALS & INITIATIVES

- Build the capacity of the staff.
- 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.
- Implement software for electronic filing of the Form 700-Statement of Economic Interest.
- Streamline staff report and agenda formats.
- Complete the Economic Development Strategic Plan.
- Facilitate and develop public benefit policy recommendations
- Implement the Classification and Compensation Study subject to financial constraints.

City Manager's Office

CITY MANAGER'S OFFICE WORKLOAD INDICATORS				
	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
Administration				
City Council digests published	13	39	50	50
City Council meetings attended	35	30	30	39
City Clerk's office				
Board and Commissioner appointments/orientations	5	16	27	24
City Council agenda items posted	203	212	196	301
City Council agendas published	35	30	30	39
City Council commendations and proclamations processed	71	60	537	60
City ordinances adopted	9	18	7	7
City resolutions adopted	73	69	43	60
Public records requests	56	159	106	65
Economic Development				
Business attraction leads	N/A	11	21	24
Business retention visits	N/A	32	60	234
Economic Development community events	N/A	0	3	5
New business welcome letters	N/A	35	50	116
Information technology				
Applications supported (server and desktop)	N/A	N/A	101	115
Average monthly helpdesk tickets completed	156	126	200	235
City facilities networked	14	14	14	14
Computer workstations supported	270	285	275	300
Network servers supported	N/A	N/A	50	56
User accounts supported	N/A	N/A	336	345

CITY MANAGER'S OFFICE EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	550,994	508,564	1,190,875	1,179,067	1,330,039
Salaries Part Time	371	27,169	35,738	1,859	41,003
Overtime	6,946	4,939	5,000	10,262	11,000
Temporary Staff	26,924	21,063	34,200	27,191	35,600
Vacation Cashout	11,718	13,190	34,868	29,262	32,324
Other Pays	21,163	40,002	46,185	43,350	40,610
Salaries and Wages Subtotal	618,116	614,927	1,346,866	1,290,992	1,490,575
Retirement and OPEB	105,665	113,798	263,763	253,225	306,315
Medical and Dental	73,192	51,895	168,028	146,863	238,642
Workers' Compensation	3,916	4,025	11,116	11,116	12,720
Other Fringe Benefits	18,470	20,641	43,731	32,998	25,178
Fringe Benefits Subtotal	201,243	190,358	486,638	444,201	582,854
TOTAL PERSONNEL COSTS	\$819,359	\$805,285	\$1,833,504	\$1,735,193	\$2,073,429
Printing and postage	37,811	32,292	55,500	49,000	75,500
Memberships	26,760	12,290	43,350	28,470	33,755
Travel and training	6,958	12,088	48,825	52,919	53,750
Utilities	18,696	17,801	40,055	50,595	27,045
Fixed assets and capital outlay	73,768	44,692	124,000	136,500	47,000
Other operating costs	226,176	139,244	436,120	312,793	378,543
Contract services	54,634	325,308	433,739	449,292	306,500
Legal services	-	-	-	21,000	10,000
Other services	15,721	10,843	51,700	7,500	5,000
Software license and application	185,238	195,853	257,361	210,500	247,200
TOTAL NON-PERSONNEL COSTS	\$645,761	\$790,411	\$1,490,650	\$1,318,569	\$1,184,293
TOTAL OPERATING BUDGET	\$1,465,120	\$1,595,696	\$3,324,154	\$3,053,762	\$3,257,722
IT internal service charge	-	-	-	-	49,684
TOTAL	\$1,465,120	\$1,595,696	\$3,324,154	\$3,053,762	\$3,307,406
Sources Of Funding, By Fund					
General Fund	1,463,349	1,590,789	3,324,154	3,053,762	2,175,093
Internal Service Fund	-	-	-	-	1,132,313
Trust and Agency Fund	1,772	4,907	-	-	-
TOTAL SOURCES OF FUNDING	\$1,465,120	\$1,595,696	\$3,324,154	\$3,053,762	\$3,307,406

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 evaluate 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

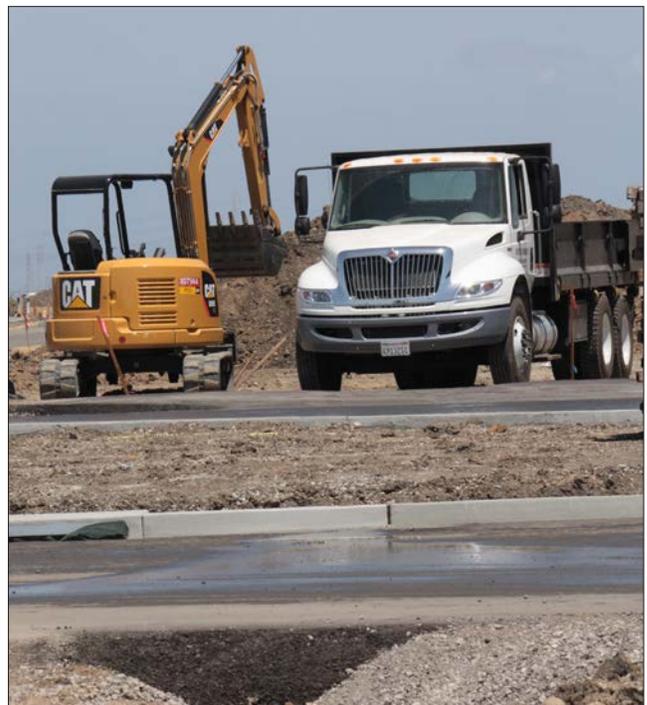
SUMMARY

FTEs	27
Total Requeste Budget	\$5.1 million
Funding Sources	General Fund
Advisory Commission	Planning

California Building Standards Code and municipal codes, as well as maintaining historical property records.

Additionally, this division coordinates interdepartmental and interagency review of project plans, conducts review of construction plans and supporting documentation for compliance with all state and municipal 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.



Community Development

2014–15 HIGHLIGHTS

- Completed substantial work on the General Plan update, including a visioning effort that involved an educational speaker series, stakeholder interviews and community workshops, data collection and analysis, General Plan Advisory Committee, commission and City Council meetings, acceptance of guiding principles, and commission and City Council consideration of land use alternatives.
- Completed review of the housing element annual report and the housing successor report by the City Council. The reports were submitted to the California Housing and Community Development department and the Governor's Office of Planning and Research by the April 1 deadline.
- Partnered with 13 jurisdictions in San Mateo County plus San Mateo County and the City of Palo Alto in the preparation of an affordable housing nexus study, which will provide a defensible analysis to maintain the legal justification for inclusionary zoning and affordable housing impact fees.
- Completed revisions to the El Camino Real/Downtown Specific Plan, including environmental review.
- Completed the construction of the undercrossing at Bayfront Expressway which provides bicycle and pedestrian connectivity to the Bay Conservation and Development Commission (BCDC) Bay Trail and Bedwell Bayfront Park.
- Completed several major development projects including the Facebook MPK20 building (also known as the West Campus), 389 El Camino Real residential project, 1460 El Camino Real mixed-use project, Marriot Residence Inn and Beechwood School.
- Managed the review and/or construction of major housing projects, including Anton Menlo, Greenheart/Hamilton, Graystar/Haven, MidPen/Willow and CORE Veteran's housing, all of which were identified as housing opportunity sites in the 2015-2023 Housing Element.
- Completed and/or continued the review of an unprecedented number of large-scale development projects, including Menlo Gateway, Commonwealth

Corporate Center, SRI Campus Modernization, mixed use office and residential projects at 500 and 1300 El Camino Real, Menlo Park Fire Protection District Station #6, a residential development on the former Roger Reynolds Nursery site, and an office development at 1020 Alma Street.

- Based on the review process flowcharting work completed in the prior year, established an interdepartmental team to identify and implement changes that can increase efficiencies and further streamline the review process.
- Partnered with the engineering and information technology divisions to launch an interactive geographic information systems website, allowing customers 24/7 access to parcel-specific information such as zoning, Federal Emergency Management Agency flood zone status, and street sweeping schedule.

2015–16 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 2015–2023 Housing Element.

Simultaneously, 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 requirements, reflected in salaries and benefits and in contract services.

Much of current planning, building permitting and inspection are self-supported through the collection of fees set to recover service costs. However, not all services are fully cost recovered, and non-personnel related expenditures remain largely unchanged from 2014–15.

Community Development

FUTURE GOALS & INITIATIVES

- Continue work on the General Plan Update with a focus on selection of the land use alternative to be studied in the environmental and fiscal documents, preparation of the environmental and fiscal documents, as well as the General Plan document and zoning ordinance amendments for further community consideration and possible adoption.
- Consider affordable housing nexus study findings and potential changes to the below market rate housing program to support local housing needs.
- Initiate a comprehensive package of housing-related zoning ordinance amendments to be able to provide clarity and create efficiencies in the implementation of the zoning ordinance.
- Issue the city's second notice of funding availability for up to \$4.8 million designated for the acquisition, rehabilitation or new construction of housing that will provide long term affordability.
- Conduct three-year review of the El Camino Real/Downtown Specific Plan.
- Align staff resources and contract services necessary to continue the timely processing of small-, mid- and large-scale development projects, including Menlo Gateway, Facebook's TE Connectivity site, and other residential, commercial and mixed-use projects.
- In partnership with the city manager's office and engineering division, launch the open data portal with robust information from the planning and building divisions that will help to promote transparency, as well as save staff time previously spent manually responding to information requests.
- Implement new technologies to increase self-help options and increase operational efficiencies, including use of tablets at the development services front counter to expedite building permit applications, use of online permit applications, and use of a voice recognition system for building inspection requests.

COMMUNITY DEVELOPMENT WORKLOAD INDICATORS

	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
Administrative permits reviewed	3	2	0	1
City Council reports	24	35	32	32
Commercial building permits issued	231	228	195	190
Community workshops and meetings supported or staffed	N/A	N/A	22	38
Development review team meetings	50	27	26	25
Environmental documents prepared	7	8	11	11
Inspections conducted	9893	10447	10123	10500
Land use applications received	90	110	72	90
Planning Commission reports	28588	64699	85652	70200
Public notices mailed	306	441	498	480
Public notices prepared	102	110	103	80
Residential building permits issued	652	727	885	800
Sign applications reviewed	31	25	22	20
Zoning compliance letters prepared	5	3	6	5

COMMUNITY DEVELOPMENT EXPENDITURES

	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	1,418,776	1,471,847	1,634,378	1,401,493	2,045,031
Salaries Part Time	83,525	65,331	81,640	64,589	90,480
Overtime	12,152	16,019	22,000	14,514	16,000
Temporary Staff	613	17,328	10,000	4,649	10,000
Vacation Cashout	19,582	48,714	14,961	4,200	27,017
Other Pays	28,309	27,893	28,367	30,671	11,252
Salaries and Wages Subtotal	1,562,958	1,647,131	1,791,346	1,520,116	2,199,780
Retirement and OPEB	283,770	294,198	357,744	315,282	453,126
Medical and Dental	259,659	254,446	273,108	215,881	392,909
Workers' Compensation	10,715	9,873	12,765	12,765	20,093
Other Fringe Benefits	35,271	38,765	32,963	39,912	61,691
Fringe Benefits Subtotal	589,415	597,282	676,580	583,840	927,819
TOTAL PERSONNEL COSTS	\$2,152,373	\$2,244,414	\$2,467,926	\$2,103,955	\$3,127,599
Printing and postage	1,610	1,728	3,500	4,500	19,000
Memberships	2,493	3,608	4,500	4,500	7,500
Travel and training	6,873	10,657	21,600	21,500	24,100
Utilities	14,453	16,878	15,675	12,400	15,675
Fixed assets and capital outlay	11,036	15,823	18,500	11,500	11,500
Other operating costs	71,493	77,055	92,994	91,844	103,444
Contract services	26,531	396,388	1,038,533	381,000	300,000
Legal services	107,085	74,696	129,178	85,000	100,000
Other services	376,085	919,971	1,754,903	854,685	1,255,000
Software license and application	-	86	-	-	-
TOTAL OPERATING COSTS	\$617,659	\$1,516,889	\$3,079,383	\$1,466,929	\$1,836,219
TOTAL NON-PERSONNEL COSTS	\$2,770,032	\$3,761,303	\$5,547,309	\$3,570,884	\$4,963,818
IT internal service charge	-	-	-	-	146,674
Special projects expenditures	4,000	4,000	25,000	25,000	30,000
TOTAL	\$2,774,032	\$3,765,303	\$5,572,309	\$3,595,884	\$5,140,492
Sources Of Funding, By Fund					
General Fund	2,774,032	3,765,303	5,572,309	3,595,884	5,140,492
TOTAL SOURCES OF FUNDING	\$2,774,032	\$3,765,303	\$5,572,309	\$3,595,884	\$5,140,492

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 citywide 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



SUMMARY

FTEs	48.75
Total requested budget	\$8 million
Funding sources	General Fund Special Revenue Fund Trust Agency Fund
Advisory commission	Parks & Recreation

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 children 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 and more.

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.

Community Services

Child care & 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.

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, July 4th 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 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 housing program, which is managed through an area nonprofit. There are currently 66 BMR units occupied with 200 households on the BMR waitlist. Additionally, plans for two new affordable housing developments, which are supported by BMR funds, are planned to add over 150 affordable rental units in the near future.

2014–15 HIGHLIGHTS

- Completed a comprehensive operational review.
- Increased program and event sponsorships by 25 percent.
- Supported the second year of the Belle Haven Neighborhood Action Plan implementation including youth diversion and family support processes
- Expanded “Concerts in the Park” program to Kelly Park with over 200 in attendance.
- New nutrition/meal program at the Senior Center increased to 45-50 average daily meals served.
- Deployed a new state-of-the-art hydraulic mobile stage, used at Halloween Hoopla and the State of the City event.
- Menlo Movie Series on the Chestnut Street Paseo featured three family-friendly movies with 200-250 participants.
- Belle Haven Child Development Center preschool program began operation at full capacity for the first time in three years, serving 96 children in full- and part-day slots.

Community Services

2015–16 BUDGET

The Community Services Department budget remains largely unchanged from 2014-15, at \$7.9 million. Staffing changes include the elimination of one community services manager and conversion of two program assistants, to create three recreation supervisors. This will improve service delivery and create operational efficiencies. Additionally, this year’s budget includes \$85,000 for year three implementation of the Belle Haven Neighborhood Action Plan.

FUTURE GOALS & INITIATIVES

- Update the department strategic plan for 2015-2025.
- Continuous improvements to customer service, including implementing staff uniform and “welcome” standards for all facilities.
- Continue refinements to program marketing, capacity analysis and delivery in order to maintain cost recovery.
- Improve community outreach.
- Implement new graphic standards and improve social media presence.

COMMUNITY SERVICES WORKLOAD INDICATORS

	FY 2011–12	FY 2012–13	FY 2013–14	Est. FY 2014–15
Attendance at special events and performing arts programs	10,800	12,335	12,566	12,750
Department cost recovery level	76%	80%	82%	83%
Percentage of field usage	66%	82%	85%	87%
Programs meeting City Council cost recovery target	10 of 14	12 of 14	13 of 14	14 of 14
Recreation programs conducted	12,570	13,970	14,000	14,020
Total annual participant hours	37,964	1,662,457	1,475,000	1,600,000
Total annual participants	88,032	706,830	730,000	740,000

COMMUNITY SERVICES EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	2,358,081	2,230,151	2,278,190	2,308,377	2,360,808
Salaries Part Time	324,671	361,386	521,081	386,676	490,615
Overtime	19,744	36,908	29,300	43,103	34,250
Temporary Staff	806,833	927,740	908,250	977,853	944,250
Vacation Cashout	58,498	106,490	54,155	32,346	68,184
Other Pays	88,758	75,405	49,295	96,279	22,430
Salaries and Wages Subtotal	3,656,585	3,738,081	3,840,271	3,844,634	3,920,536
Retirement and OPEB	527,226	536,567	599,266	573,134	611,965
Medical and Dental	739,929	739,872	859,501	740,929	941,114
Workers' Compensation	69,247	80,319	63,774	63,773	77,991
Other Fringe Benefits	125,325	125,008	119,968	138,653	150,519
Fringe Benefits Subtotal	1,461,727	1,481,767	1,642,509	1,516,489	1,781,590
TOTAL PERSONNEL COSTS	\$5,118,312	\$5,219,848	\$5,482,780	\$5,361,122	\$5,702,126
Printing and postage	46,746	58,264	78,315	68,653	72,668
Memberships	6,070	20,428	15,525	18,034	18,750
Travel and training	16,931	28,659	32,225	22,354	29,400
Utilities	311,622	365,062	339,735	350,035	352,690
Fixed assets and capital outlay	651,017	162,789	98,700	123,143	83,800
Other operating costs	608,025	600,093	634,588	629,337	645,600
Contract services	878,696	1,043,102	998,700	989,564	866,000
Legal services	50,511	5,920	9,000	-	10,000
Other services	108,934	73,618	50,963	36,082	7,530
Software license and application	9,128	8,162	10,550	10,250	10,250
TOTAL OPERATING BUDGET	\$2,687,679	\$2,366,097	\$2,268,301	\$2,247,452	\$2,096,688
TOTAL NON-PERSONNEL COSTS	\$7,805,992	\$7,585,945	\$7,751,081	\$7,608,574	\$7,798,814
IT internal service charge	-	-	-	-	16,976
Special projects expenditures	1,702,929	67,049	157,200	151,700	169,500
TOTAL	\$9,508,921	\$7,652,994	\$7,908,281	\$7,760,274	\$7,985,290
Sources Of Funding, By Fund					
Expendable Trust	700	700	700	700	-
General Fund	7,104,442	7,480,385	7,826,081	7,674,123	7,860,090
Special Revenue Fund	861,323	171,909	81,500	85,451	125,200
Trust Agency Fund	1,542,456	(0)	-	-	-
TOTAL SOURCES OF FUNDING	\$9,508,921	\$7,652,994	\$7,908,281	\$7,760,274	\$7,985,290

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 preparing 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.

SUMMARY

FTEs	8
Total Requested Budget	\$3.8 million
Funding Sources	Enterprise Fund General Fund Internal Service Fund Special Revenue Fund
Advisory Commission	Finance and Audit Committee

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.

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.

Finance Department



2014–15 HIGHLIGHTS

- The Comprehensive Annual Financial Report for fiscal year 2012-13 was recognized with a Certificate of Excellence from the Government Finance Officers Association. The City applies for and strives to receive this recognition every year.
- The department successfully completed the second phase of the payroll upgrade project, which was to replace the City's obsolete payroll-to-general ledger interface with a new product better integrated to our existing payroll system. The final phase, which is the implementation of electronic timecards, is currently underway.
- The department completed an upgrade of the existing financial system to the most current version, providing several key improvements to functionality, including the ability to pull information from the system directly into Microsoft Excel.
- The department successfully deployed updated business license software that allows online applications and renewals. During the 2015 renewal cycle, 21 percent of renewals were done online.
- In partnership with Information Technology, the department established an internal service fund for information technology operations and equipment costs and allocated those costs to the appropriate user departments and funds starting with the fiscal year 2015-16 budget.

2015–16 BUDGET

The department's budget remains largely unchanged from last year, as there are no substantial 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 change to the budget was a reduction in operating expenses to reflect the change in accounting for a property tax-related transaction. Prior to fiscal year 2015-16, the fee the County of San Mateo charges for administering property tax was charged against the finance department budget. This fee is not an actual expenditure however; as it is reflected by the County as reduction in the revenues it remits to the city. Thus, the apparent reduction in the department's operating budget is offset by a reduction in property tax revenues, as this fee is now netted out of property tax revenues.

FUTURE GOALS & INITIATIVES

- Effectively and efficiently, execute the day-to-day operation of the department.
- Finalize successful transition to electronic timecard reporting.
- Increase outreach on business license software capability to encourage more renewals and applications online.
- Analyze options for refunding the debt of the former Community Development Agency into a structure that is more beneficial to the applicable taxing entities.
- Develop and implement a solution for developer fee billings.

Finance Department

FINANCE WORKLOAD INDICATORS				
	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
Number of payroll checks/direct deposits	11,155	10,844	11,100	11,320
Number of vendor payments	4,358	4,402	4,879	4,200
Number of new business licenses	829	811	770	800
Number of business license renewals	N/A	N/A	4,406	3,200
Number of separate funds included in annual financial statements	50	43	43	43
Number of annual regulatory reports/audits completed and submitted to the appropriate agency	10	8	8	7

FINANCE DEPARTMENT EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	708,098	776,418	733,246	757,410	762,317
Salaries Part Time	-	-	-	-	-
Overtime	6,056	6,969	5,000	3,828	5,000
Temporary Staff	43,544	27,230	6,000	3,309	15,000
Vacation Cashout	112,685	30,269	16,146	31,870	21,904
Other Pays	13,978	14,200	9,425	18,789	3,840
Salaries and Wages Subtotal	884,361	855,086	769,817	815,207	808,061
Retirement and OPEB	136,094	153,085	157,019	159,673	163,467
Medical and Dental	139,940	156,328	172,507	142,949	163,246
Workers' Compensation	5,171	5,023	7,392	7,392	8,459
Other Fringe Benefits	25,710	19,578	16,868	20,731	21,016
Fringe Benefits Subtotal	306,916	334,014	353,786	330,745	356,188
TOTAL PERSONNEL COSTS	\$1,191,276	\$1,189,100	\$1,123,603	\$1,145,951	\$1,164,249
Printing and postage	2,898	2,185	3,500	3,500	10,000
Memberships	760	460	820	820	875
Travel and training	27,618	27,748	29,700	28,300	30,000
Utilities	8,049	8,655	4,900	4,900	8,700
Fixed assets and capital outlay	59	2,591	4,000	-	2,500
Other operating costs	1,860,172	1,852,894	1,571,603	2,460,256	1,765,972
Contract services	36,114	98,982	175,000	175,000	137,000
Legal services	13,648	11,596	12,041	7,000	30,000
Other services	297,986	343,941	463,328	338,500	380,800
Software license and application	-	-	-	-	-
TOTAL NON-PERSONNEL COSTS	\$2,247,302	\$2,349,051	\$2,264,892	\$3,018,276	\$2,365,847
TOTAL OPERATING BUDGET	\$3,438,578	\$3,538,151	\$3,388,495	\$4,164,227	\$3,530,096
IT internal service charge	-	-	-	-	44,138
Special projects expenditures	224,153	215,233	233,434	229,934	241,021
TOTAL	\$3,662,731	\$3,753,385	\$3,621,929	\$4,394,161	\$3,815,255
Sources Of Funding, By Fund					
Enterprise Fund	504,794	594,653	633,596	633,239	649,887
General Fund	1,422,104	1,478,364	1,656,825	1,616,992	1,581,183
Internal Service Fund	1,678,263	1,628,296	1,278,561	2,092,801	1,526,962
Special Revenue Fund	57,570	52,072	52,947	51,129	57,223
TOTAL SOURCES OF FUNDING	\$3,662,731	\$3,753,385	\$3,621,929	\$4,394,161	\$3,815,255

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 departments in positive employee relations, talent management, succession planning and employee engagement. Human Resources also implements 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.

SUMMARY

FTEs	4.75
Total Requested Budget	\$2.4 million
Funding Sources	Enterprise Fund General Fund Internal Service Fund

Talent Management

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



Human Resources Department

2014–15 HIGHLIGHTS

- Organized two employee recognition events.
- Conducted recruitment and selection processes for 30 regular positions resulting in 16 promotions and 14 new hires.
- Restructured the administration of health benefits to increase efficiency and improve employee accessibility.
- 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 three successor memoranda of understandings.
- Published and implemented three new MOU's between the City and its bargaining groups.
- Continued to post job descriptions, memoranda of understandings, and employment opportunities on the city website, providing transparency to the public.
- Responded to numerous public records act requests for employment-related records.

2015–16 BUDGET

The Human Resources budget remains largely unchanged from fiscal year 2014-15. The one significant increase arises from continued efforts to update, modernize and improve the overall service delivery to our customers. Human Resources continues 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 staffing changes 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.

FUTURE GOALS & INITIATIVES

- Continue transition to an automated Human Resources Information System (HRIS).
- Create and maintain an electronic master city policy manual.
- Revamp the new employee orientation process.
- Establish new supervisor training for all newly hired/promoted supervisors.
- Address the impact of the Affordable Care Act, as the City will be required to offer enrollment for qualified medical benefit plans to eligible employees.
- Implement the Healthy Workplace Healthy Family Act of 2014 (AB 1522) for all affected employees and ensure a smooth transition through a citywide training effort.

Human Resources Department

HUMAN RESOURCES WORKLOAD INDICATORS

	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
Employee trainings	28	28	30	27
New hires	15	15	24	18
New/active administrative investigations	N/A	5	4	2
New/active employee discipline cases	N/A	6	3	2
New/active Fair Employment inquiries	N/A	7	9	6
New/active grievances filed	N/A	4	6	4
New/active Meet & Confer requests from bargaining units	N/A	12	14	13
Open successor MOU negotiations	4	2	4	4
Open Workers' Compensation claims	5	7	14	15
Recruitments	13	31	30	25

HUMAN RESOURCES DEPARTMENT EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	241,685	233,690	325,027	305,736	417,186
Salaries Part Time	-	-	27,164	-	40,170
Overtime	925	796	1,000	-	1,000
Temporary Staff	4,292	7,095	-	-	-
Vacation Cashout	3,517	13,072	9,574	8,775	8,373
Other Pays	10,168	58,991	99,973	135,755	102,281
Salaries and Wages Subtotal	260,587	313,645	462,738	450,266	569,010
Retirement and OPEB	47,303	44,834	76,108	72,791	100,960
Medical and Dental	587,708	593,142	602,155	508,737	612,602
Workers' Compensation	1,234	1,199	4,029	4,029	3,604
Other Fringe Benefits	187,417	119,371	65,775	30,768	12,772
Fringe Benefits Subtotal	823,663	758,546	748,067	616,325	729,938
TOTAL PERSONNEL COSTS	\$1,084,250	\$1,072,190	\$1,210,805	\$1,066,591	\$1,298,949
Printing and postage	154	128	150	150	150
Memberships	768	1,466	4,500	4,500	4,500
Travel and training	20,625	27,630	19,655	10,305	19,700
Utilities	5,025	5,262	4,650	4,150	4,800
Fixed assets and capital outlay	4,234	932	2,000	2,000	2,000
Other operating costs	19,503	14,098	234,125	135,123	212,451
Contract services	10,148	121,789	86,180	86,430	112,000
Legal services	75,545	170,654	146,516	146,516	295,000
Other services	107,307	33,817	97,000	56,000	49,000
Software license and application	-	-	-	-	-
TOTAL NON-PERSONNEL COSTS	\$243,310	\$375,777	\$594,776	\$445,174	\$699,601
TOTAL OPERATING BUDGET	\$1,327,560	\$1,447,968	\$1,805,581	\$1,511,765	\$1,998,549
IT internal service charge	-	-	-	-	22,635
Special projects expenditures	90,574	99,090	268,884	75,648	368,059
TOTAL	\$1,418,134	\$1,547,058	\$2,074,465	\$1,587,413	\$2,389,243
Sources Of Funding, By Fund					
Enterprise Fund	-	-	-	211	-
General Fund	778,589	876,422	1,159,280	977,179	1,371,783
Internal Service Fund	639,544	670,636	915,185	610,023	1,017,460
TOTAL SOURCES OF FUNDING	\$1,418,134	\$1,547,058	\$2,074,465	\$1,587,413	\$2,389,243

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 percent 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 nonfiction 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.



SUMMARY

FTEs	14
Total Requested Budget	\$2.9 million
Funding Sources	Library Bond Fund Expendable Trust Fund General Fund Special Revenue Fund
Advisory Commission	Library

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

Assistance to children from infant through high school including reference and readers' advisory services, story times, craft programs, special guest enrichment programs (like musical events, parent education events and author visits), school visits, a summer reading club, 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.

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.

Branch Library Services

The Belle Haven Branch Library, located on the campus of the Belle Haven Elementary School, offers the full range of library services. The emphasis of the library is in library service to school age youth especially learning related to the elementary school curriculum. Project Read English as a Second Language classes are held twice a week at the branch.

Library



2014–15 HIGHLIGHTS

- Added a new collection of 4,100 e-audio books available only to Menlo Park library card holders.
- Added two new story times for children: Munchkin Music and Toddlers, increasing weekly story times to 10.
- Added more than 400 items to the quick pick collection with a rewarding average of 12.5 circulations per item in a 9-month period.
- Completed work on the library organizational and management review and began work on recommendations from the report.
- Initiated use of Decision Center, a collection development analysis tool, to monitor collection turnover rates
- Library volunteers contributed time equivalent to 1.70 FTE.

FUTURE GOALS & INITIATIVES

- Complete a comprehensive strategic planning process that will serve as a management tool to guide the library to achieve the selected priorities.
- Begin proof of concept phase of non-place-based services for the Belle Haven branch library
- Open an 8-week summer learning camp at the Belle Haven branch library
- Add an additional .25 FTE librarian III to begin the realignment of staff as recommended by the library review
- Renovation of the automated materials sorting room and library exterior landscape.
- Work with the consultant in the library internal audit

2015–16 BUDGET

The library's budget has remained largely unchanged for several years. The recently completed library management and organizational review has recommended a change in the library staffing model from primary usage of part time/temporary staff to a more balanced permanent full time staffing model.

The fiscal year 2015-16 budget will add .25 FTE moving one permanent library supervisor position from part-time to full-time. Additional staff time will be used for the Belle Haven summer learning camp but it will be reimbursed from a San Mateo County Measure A grant.

Non-personnel expenditures were adjusted to consider historical spending and known changes to requirements. A required upgrade from routers to layer 3 switches to the library network will be added, as will replacement of all of the monitors in the self-check circulation computers and a replacement of the computer session management software. The cost of the shared Peninsula Library System's e-book collection will be increased and Menlo Park will add additional e-books, e-audio books and e-zines to address the growing demand for e-materials.

Library

LIBRARY WORKLOAD INDICATORS

	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
Main Library				
Audio/visual circulation	224,066	225,426	219,390	220,000
Book circulation	400,603	437,518	418,943	420,000
Children's program attendance	25,095	27,349	21,186	22,000
Internet sessions	92,999	49,848	40,553	38,000
Reference questions answered	36,257	42,764	42,169	42,000
Belle Haven Branch Library				
Audio/visual circulation	4,331	3,837	3,296	3,300
Book circulation	8,200	6,186	8,203	10,000
Children's program attendance	7,449	7,405	4,745	6,000
Internet Sessions	7,703	6,168	3,621	4,000
Reference questions answered	14,238	14,504	13,005	14,000

LIBRARY EXPENDITURES

	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	659,529	667,948	516,345	664,462	639,550
Salaries Part Time	354,769	317,264	483,295	352,132	463,473
Overtime	9,054	5,818	2,800	2,847	30,500
Temporary Staff	281,674	278,054	409,266	371,966	441,220
Vacation Cashout	21,310	27,171	8,078	10,533	19,747
Other Pays	38,734	42,190	36,996	42,688	45,471
Salaries and Wages Subtotal	1,365,069	1,338,445	1,456,780	1,444,627	1,639,961
Retirement and OPEB	201,766	202,628	221,138	225,215	237,895
Medical and Dental	157,018	148,836	188,936	162,392	195,145
Workers' Compensation	14,244	13,984	25,138	25,138	16,985
Other Fringe Benefits	49,701	43,416	49,958	57,887	57,143
Fringe Benefits Subtotal	422,729	408,864	485,170	470,631	507,168
TOTAL PERSONNEL COSTS	\$1,787,798	\$1,747,309	\$1,941,950	\$1,915,259	\$2,147,128
Printing and postage	895	15	1,475	100	1,275
Memberships	31,489	30,423	35,800	35,900	36,000
Travel and training	233	1,808	4,550	3,300	4,550
Utilities	65,683	71,815	69,500	69,500	69,500
Fixed assets and capital outlay	8,608	7,270	50,250	10,092	49,000
Other operating costs	354,272	369,319	496,227	436,432	564,424
Contract services	-	-	38,000	850	48,500
Legal services	-	-	-	-	-
Other services	-	-	-	-	-
Software license and application	-	-	-	-	-
TOTAL NON-PERSONNEL COSTS	\$461,181	\$480,650	\$695,802	\$556,174	\$773,249
TOTAL OPERATING BUDGET	\$2,248,979	\$2,227,959	\$2,637,752	\$2,471,433	\$2,920,378
IT internal service charge	-	-	-	-	3,961
Special projects expenditures	-	-	-	265	-
TOTAL	\$2,248,979	\$2,227,959	\$2,637,752	\$2,471,698	\$2,924,339
Sources Of Funding, By Fund					
1990 Library Bond Fund	1,275	-	40,000	2,500	40,000
Expendable Trust Fund	60,221	52,645	95,170	24,447	85,626
General Fund	2,011,144	2,046,772	2,268,284	2,261,008	2,544,568
Special Revenue Fund	176,338	128,542	234,298	183,743	254,145
TOTAL SOURCES OF FUNDING	\$2,248,979	\$2,227,959	\$2,637,752	\$2,471,698	\$2,924,339

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 emergency and non-emergency calls. Patrol services includes traffic and parking enforcement, community service and community safety police officer programs, code enforcement, special events coordination, SWAT, field training, traffic collision investigation team, and the crisis intervention team. This division is also responsible for staffing the new Belle Haven Neighborhood Service Center.

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

SUMMARY

FTEs	70 (48 sworn)
Total Requested Budget	\$16.5 million
Funding Sources	General Fund Special Revenue Fund

frauds, crimes against children and homicides. The narcotics enforcement team, 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, and is considered an area Public Safety Answering Point. 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 cellphone callers with 98 percent 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

2014–15 HIGHLIGHTS

- Promoted a new police commander from within the department.
- Completed a partial reorganization by creating a new rank of corporal which took the place of the special assignments of acting watch commander and field training officer.
- Completed the modernization of the dispatch center, with the installation of the Next Generation 911 system which allows the center to eventually accept “text to 911” calls along with multimedia messaging (photos and video) to 911 from mobile devices.
- Implemented a “body worn camera” program and equipped every police officer and community service officer with a wearable video recording device.
- Became the first police agency in San Mateo County, and one of the few statewide, to place the police department policy manual online.
- Purchased and deployed a taser device to every officer following a successful one year trial period.
- Trained every city employee in Menlo Park in the Federal Emergency Management Agency required ICS 100 and 700 with the assistance of the department’s contract emergency preparedness manager.
- Realized an 11 percent decrease in the most serious classifications of crime from calendar year 2013 to 2014.
- For the first time in a decade, had no gang related shootings in the 2014 calendar year.
- Began integration of new SUV police vehicles into the existing fleet.
- Purchased and placed into service a fully electric police motorcycle.

2015–16 BUDGET

The police department’s budget remains largely unchanged from fiscal year 2014-15. Minor changes including non-personnel expenditures which were adjusted to consider historical spending and known increases in existing service contracts. The anticipated installation of a fifth red light camera has been stalled by Caltrans, decreasing anticipated red light camera violation fees. These lower revenues have been offset by the implantation of a full time traffic unit which consists of two motorcycle officers. Partially due to the fully staffed traffic unit, citations have increased by 20 percent year to date. Salaries and wages also realized a small decrease due to the loss of senior personnel who were replaced by new employees at lower pay rates.

FUTURE GOALS & INITIATIVES

- Provide quarterly reports to the City Council on the results of the Taser and automated license plate reader programs.
- Replace the existing police radio antenna adjacent to the City Hall building.
- Continue integration of new SUV police vehicles into the existing fleet
- Purchase and implement a new online parking permit application.
- Be the first dispatch center in San Mateo County to accept “text to 911” calls.

Police Department

POLICE DEPARTMENT WORKLOAD INDICATORS

	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
911 emergency calls	12,386	10,168	10,776	11,000
Calls answered in 10 seconds or less	12,272	9,838	9,983	10,000
Cases reviewed and processed	3,754	3,869	4,083	4,500
Detective cases assigned	262	178	102	120
Dispatch calls for service	52,944	41,206	40,964	42,000
Moving citations processed	8,129	5,762	7,140	8,000
Overall clearance rate	36%	34%	34%	34%
Parking citations processed	16,776	17,423	18,412	12,000
Patrol calls for service	24,983	22,383	21,021	22,000
Pedestrian stops	16,251	11,280	12,355	12,000
Property crime clearance rate	11%	11%	15%	15%
Serious crime clearance rate	48%	36%	60%	40%
Vehicle stops	15,107	10,257	11,332	12,000

POLICE DEPARTMENT EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	6,701,715	6,856,521	7,131,090	7,350,679	7,185,309
Salaries Part Time	81,663	48,173	69,876	64,128	71,786
Overtime	716,447	752,201	730,872	782,530	730,872
Temporary Staff	266,135	140,348	169,200	94,458	169,200
Vacation Cashout	204,259	170,204	224,281	186,472	190,172
Other Pays	775,923	795,464	874,305	849,243	860,861
Salaries and Wages Subtotal	8,746,143	8,762,911	9,199,624	9,327,510	9,208,200
Retirement and OPEB	1,778,431	1,868,336	2,128,077	2,098,501	2,208,387
Medical and Dental	966,656	921,031	1,235,678	977,323	1,368,807
Workers' Compensation	255,243	238,800	417,548	417,548	539,729
Other Fringe Benefits	208,942	195,914	162,509	216,392	239,615
Fringe Benefits Subtotal	3,209,272	3,224,080	3,943,812	3,709,765	4,356,538
TOTAL PERSONNEL COSTS	\$11,955,414	\$11,986,992	\$13,143,436	\$13,037,275	\$13,564,738
Printing and postage	900	2,240	2,230	1,150	2,350
Memberships	2,240	1,994	7,000	3,800	7,000
Travel and training	102,492	91,115	90,900	87,400	93,900
Utilities	95,032	115,603	115,521	94,615	108,321
Fixed assets and capital outlay	107,718	217,660	112,246	38,500	96,361
Other operating costs	1,028,908	1,245,549	1,344,202	1,159,101	1,264,303
Contract services	-	-	-	-	-
Legal services	265	-	-	-	-
Other services	466,816	555,275	606,175	589,000	589,697
Software license and application	34,234	35,243	37,715	44,312	68,896
TOTAL NON-PERSONNEL COSTS	\$1,838,605	\$2,264,678	\$2,315,989	\$2,017,878	\$2,230,828
TOTAL OPERATING BUDGET	\$13,794,019	\$14,251,670	\$15,459,425	\$15,055,153	\$15,795,566
IT internal service charge	-	-	-	-	633,439
Special projects expenditures	144,718	160,650	91,200	91,200	92,500
TOTAL	\$13,938,737	\$14,412,320	\$15,550,625	\$15,146,353	\$16,521,505
Sources Of Funding, By Fund					
General Fund	13,809,282	14,284,054	15,423,291	15,089,953	16,400,105
Special Revenue Fund	129,454	128,266	127,334	56,400	121,400
TOTAL SOURCES OF FUNDING	\$13,938,737	\$14,412,320	\$15,550,625	\$15,146,353	\$16,521,505

Public Works

OVERVIEW

The Public Works department is responsible for providing efficient and sound infrastructure, facilities and services regarding streets, sidewalks, water, stormwater, parks, trees, transportation and the 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, 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 mains and wells, and community building facilities. The program is managed by staff and supported by 6–15 consultants. The CIP division is presently working on 66 projects, with 33 additional projects being added in 2015–16 totaling approximately \$8.7 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 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 within Menlo Park. This ensures that the infrastructure

SUMMARY

FTEs	68
Total Requested Budget	\$20.4 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

constructed both on-site and in the right of way meets the appropriate engineering standards and regulatory requirements for grading, drainage, Federal Emergency Management Agency 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, St. Anton, Greystar, Hamilton Apartments, El Camino Real developments, Alma Station development, Encinal Avenue residential project, MidPen senior housing project, Menlo Gateway, etc.) and the overall increase in private development, the program is increasingly dependent on the services of consulting plan checkers and contract inspectors.

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 other 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

Public Works

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 park maintenance. Both city staff and private contractors are used to maintain Menlo Park's 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 department also manages 160 acres at Bedwell Bayfront Park, a closed municipal, nonhazardous 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 various 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 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.

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 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

Public Works

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 distribution, storm drain and solid waste collection systems that are efficiently managed and reasonably priced.

The water program provides potable water to approximately 16,000 customers through 70 miles of water mains and approximately 4,000 service connections. The water distribution system includes one pump station and two reservoirs, which hold 5.5 million gallons of potable water. Management of the water system includes development of efficient landscaping requirements and conservation programs such as water machine and high efficiency toilet rebates, lawn replacement incentives and landscape analysis programs.



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 permit, coordinating with regional entities in managing creeks through bank stabilization, removal of creek vegetation, creek cleanups and public education.

Menlo Park owns and operates the Bayfront Bedwell Park landfill, which was closed in 1984. Under the landfill program, the utilities division is responsible for managing the leachate and gas collection and handling systems in accordance with State Water Resources Control Board and Bay Area Air Quality Management District regulations.

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

2014–15 HIGHLIGHTS

- Sharon Heights pump station replacement
- Trinity Drive water main replacement
- 2014-15 Resurfacing of Federal Aid Routes project
- Replacement of El Camino Real Trees-Phase 3
- Oak Grove and Merrill Street lighted crosswalk installation
- Sharon Heights area Tuesday shoppers' shuttle service added to offset decreases in SamTrans service
- El Camino Real Corridor study completion
- Urgency ordinance adopted to implement the State Water Resources Control Board's mandatory emergency water conservation regulations
- Established a water conservation plan
- Energy services contract for power purchase agreements at the Arrillaga Family Gymnasium, Arrillaga Family Gymnastics Center, Onetta Harris Center and Corporation Yard
- Menlo Park Rotary Club partnership for a community garden in the Belle Haven neighborhood
- Lighting replacement at the Arrillaga Family Gymnastics
- Willow/Middlefield traffic signal improvements
Durham/VA/Willow Road traffic signal improvements

2015–16 BUDGET

An important change and increase to the General Fund and other funds of the department budget is the increase in development review for onsite improvements which is expected to generate more revenue and augment budget for contract services. In addition, the department will be hiring an additional 12.5 FTEs to meet the demand in plan review.

FUTURE GOALS & INITIATIVES

- Complete design and construction of Santa Cruz Avenue sidewalks
- Address downtown parking/parking structure
- Implement transit improvements including transportation management association
- Explore Dumbarton Rail Corridor activation and/or reuse
- Address traffic issues on Willow Road
- Design review of Caltrain electrification program within Menlo Park
- Construction of the city corporation yard emergency groundwater well
- Completion of the 2014-15 street resurfacing project
- Complete the water rate study
- Update to the urban water management plan
- Construction of the water main replacement at railroad undercrossing along Alma Street and at O'Brien and Kavangh.
- Library landscaping project
- Replacement of the administration and library chillers.
- Administration building space planning
- -Design and installation of the energy management system for the administration and library buildings
- City facility solar panel installations
- Reservoir roof replacement project

Public Works



PUBLIC WORKS WORKLOAD INDICATORS				
	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
CIP DIVISION				
Projects completed	9	11	11	11
Projects in construction	6	11	8	7
Projects in design phase	6	13	9	10
Projects in planning/study phase	14	25	21	8
Regional projects supporting	6	6	6	5
Total active projects				
UTILITIES DIVISION				
Backflow assemblies tested	532	532	801	1050
Events related increasing recycling, reuse, or use of recycled materials	16	14	15	14
High efficiency toilet rebates processed	41	25	41	69
High efficiency washing machine rebates processed	70	58	74	106
Large landscape audits completed	4	3	4	5
Lawn Be Gone Rebates processed (rebate paperwork, conducting inspections, etc.)	2	13	5	29
Participants at waste management events	315	476	263	175
Participants in water efficient landscaping classes	139	88	127	130
Pounds of trash cleared from creek hotspot	143	240	1100	4000
Storm drain inspections	980	980	980	980
Storm drains cleaned	N/A	126	140	160
Stormwater pollution prevention inserts distributed	7856	7856	7856	7856
Water conserving mixture distributions	42	146	344	400
Water samples collected	260	260	260	260

PUBLIC WORKS WORKLOAD INDICATORS

	FY 2011-12	FY 2012-13	FY 2013-14	Est. FY 2014-15
MAINTENANCE DIVISION				
Acres of park turf mowed	1275	1275	1275	1275
Acres of school turf mowed	477	477	477	477
Buildings maintained	24	26	26	26
City vehicles & motorized equipment (mower, generator, etc)	200	200	200	207
Facilities work orders completed	N/A	254	270	571
Fleet work orders completed	497	473	493	410
Graffiti removal work orders completed	N/A	409	430	400
Heritage tree appeals received & processed	3	2	2	3
Miles of streets swept	N/A	6586	6586	6586
Preventative maintenance inspections	209	177	179	200
Smaller motorized equipment (saws, blowers etc)	50	50	50	50
State-licensed pesticide applicators	5	5	5	5
Street signs repaired	N/A	147	131	150
Tree removal permits reviewed	418	400	358	450
Trees trimmed	2917	1150	1025	3900
West Bay Sanitation vehicles maintained	0	30	30	30
ENGINEERING DIVISION				
Grading and off-site plan plan checks completed for development projects	30	45	36	42
Grading plan checks completed for single family homes	150	100	140	120
Inspections completed	1200	2500	3000	3600
Map reviews completed	28	35	45	33
Off-site / ROW plan checks completed	299	340	364	400
Planning applications received	63	50	63	85
TRANSPORTATION & ENVIRONMENT DIVISION				
Public or school engagement events	3	1	5	14
Shuttle ridership	80754	83058	82420	84000
Signal call out (repairs)	61	60	59	65
Street light call outs (repair)	135	85	203	150
Streetlights maintained	2233	2233	2233	2233
Traffic control plan reviews	186	203	200	240
Truck route permits issued	167	143	121	180

PUBLIC WORKS EXPENDITURES					
	2012-13 Actual	2013-14 Actual	2014-15 Adjusted Budget	2014-15 Estimated Actual	2015-16 Proposed Budget
Salaries Full Time	2,931,179	2,926,042	3,599,804	3,326,181	4,278,101
Salaries Part Time	98,513	91,243	129,868	72,150	167,570
Overtime	37,698	31,601	7,000	120,294	75,000
Temporary Staff	227,909	225,261	353,800	270,568	316,600
Vacation Cashout	74,196	153,581	87,640	62,836	103,720
Other Pays	109,316	102,635	48,515	125,218	32,900
Salaries and Wages Subtotal	3,478,811	3,530,364	4,226,627	3,977,247	4,973,892
Retirement and OPEB	579,707	589,524	790,583	724,702	948,101
Medical and Dental	683,595	669,334	873,789	721,924	994,066
Workers' Compensation	134,984	120,427	191,094	191,094	297,361
Other Fringe Benefits	90,176	88,895	95,570	100,039	147,231
Fringe Benefits Subtotal	1,488,462	1,468,181	1,951,036	1,737,759	2,386,759
TOTAL PERSONNEL COSTS	\$4,967,273	\$4,998,544	\$6,177,663	\$5,715,006	\$7,360,651
Printing and postage	27,279	18,653	58,775	56,150	87,094
Memberships	111,861	124,476	143,732	142,102	173,282
Travel and training	22,362	31,715	51,850	30,368	56,410
Utilities	5,375,631	5,710,409	6,783,095	6,766,213	6,818,656
Fixed assets and capital outlay	149,691	423,577	815,475	630,122	768,950
Other operating costs	1,259,503	1,359,802	1,772,151	1,137,007	1,776,942
Contract services	718,724	733,286	1,288,801	1,359,120	938,058
Legal services	54,495	11,757	-	-	-
Other services	865,611	885,144	1,754,663	1,548,474	1,858,238
Software license and application	6,820	8,173	22,867	7,000	21,500
TOTAL NON-PERSONNEL COSTS	\$8,591,977	\$9,306,992	\$12,691,409	\$11,676,556	\$12,499,130
TOTAL OPERATING BUDGET	\$13,559,250	\$14,305,537	\$18,869,072	\$17,391,562	\$19,859,781
IT internal service charge	-	-	-	-	214,806
Special projects expenditures	1,397,988	1,774,152	305,774	324,602	332,332
TOTAL	\$14,957,238	\$16,079,689	\$19,174,846	\$17,716,164	\$20,406,919
Sources Of Funding, By Fund					
Enterprise Fund	6,727,179	7,569,597	7,732,418	7,726,532	7,896,653
Expendable Trust Fund	92,217	114,388	148,062	131,614	130,477
General Fund	5,100,811	5,183,204	7,062,343	6,641,743	8,527,949
Internal Service Fund	169,881	142,167	417,285	379,864	400,000
Special Revenue Fund	2,867,150	3,070,333	3,814,738	2,836,407	3,451,840
TOTAL SOURCES OF FUNDING	\$14,957,238	\$16,079,689	\$19,174,846	\$17,716,160	\$20,406,919

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 were pulled out of the Finance Department's budget and reflected in a separate section referred to as Non-Departmental Expenditures. Prior year actuals have been restated to reflect these expenditures removed from the Finance Department's budget.

As reflected in the table, fiscal year 2015–16 expenditures in the Non-Departmental category are budgeted at \$3,678,915. This includes \$1,908,371 for debt service related to the Library General Obligation Bond and the Recreation (Measure T) General Obligation Bonds. The remaining \$1,770,544 reflects transfers from the General Fund to other funds, the largest of which is the \$1,430,944 transfer to the Capital Improvement Plan Fund.

SUMMARY

Total Requested Budget	\$3.6 million
Funding Sources	Debt Service General Fund
Advisory Committees	Finance and Audit Committee



NON-DEPARTMENTAL EXPENDITURES

	2012–13 Actual	2013–14 Actual	2014–15 Adjusted Budget	2014–15 Estimated Actual	2015–16 Proposed Budget
Debt Service	2,021,435	1,856,705	2,078,979	2,074,379	1,908,371
Transfers to Other Funds	6,545,231	2,554,600	3,248,200	4,248,200	1,770,544
TOTAL	\$8,566,666	\$4,411,305	\$5,327,179	\$6,322,579	\$3,678,915

Sources Of Funding, By Fund

Debt Service	2,021,435	1,856,705	2,078,979	2,074,379	1,908,371
General Fund	6,545,231	2,554,600	3,248,200	4,248,200	2,870,544
TOTAL SOURCES OF FUNDING	\$8,566,666	\$4,411,305	\$5,327,179	\$6,322,579	\$3,678,915

FUND INFORMATION

Fund Descriptions

The General Fund is the City's main fund and accounts for the vast majority of 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 that contain the remainder of the City's financial information. There are three types of funds: fiduciary, governmental and proprietary. Each type of fund, as well as the individual funds within each fund category that have budgeted revenues and/or expenditures in fiscal year 2015-16, is discussed in detail below. The fiscal year 2015-16 ending fund balance takes into consideration the carry-over of assigned project funds from fiscal year 2014-15.

FIDUCIARY FUNDS

The City's fiduciary funds are agency funds used to account for certain assets held on behalf of others, where the City's role 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.

GOVERNMENTAL FUNDS

Besides the General Fund, governmental funds include the capital projects funds, debt service funds and special revenue funds. Capital projects funds and special revenue funds 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.

Capital Projects Funds

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

Capital Improvement General Fund

This fund uses an annual contribution from the General Fund to provide adequate funding for maintenance of

the city's current infrastructure. In fiscal year 2015-16 that contribution is budgeted at \$1.4 million. \$3.6 million in projects is planned for fiscal year 2015-16 and includes the Santa Cruz Avenue sidewalks study, General Plan update, Willow Place bicycle bridge, and Nealon Park sports field sod and irrigation replacement. Ending fund balance is projected to be \$953,427.

Library Addition Fund

This fund was established to account for the proceeds of the 1990 library improvements bond and used to construct improvements to the existing library. In fiscal year 2015-16, \$40,000 in expenditures is budgeted for building repairs, maintenance and equipment. The expected ending fund balance at the conclusion of fiscal year 2015-16 is \$87,455.

Measure T-Bonds

This fund was established to account for the proceeds of the 2002 Measure T recreation improvements bond and used to construct improvements to the city's parks and recreation facilities. Interest income of \$2,500 is expected in fiscal year 2015-16. Ending fund balance is projected to be \$274,681.

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 2015-16 is \$446,750. This fund will be paid off in fiscal year 2015-16, and the debt service can be paid from existing fund balance, so no assessment will be collected.

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 2015-16 is

Fund Descriptions

\$1.46 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.

Special Revenue Funds

Bedwell Bayfront Park Maintenance Fund

This fund accounts for prior year fees residing in the fund balance that were charged to the public for trash hauled to the City 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. In addition to minimal investment earnings, fund balance is declining due to increased maintenance costs (projected to be \$108,535 in fiscal year 2015-16). 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 2015-16 is expected to be \$408,108.

Below Market Rate Housing Fund

This fund is accounts for fees collected from developers of 10 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 2015-16, \$3,600,000 in fee revenue and interest income is expected to be generated, and \$97,200 is budgeted to be expended. Projected fund balance in this fund at the end of fiscal year 2015-16 is \$18,862,736.

Construction Impact Fee Fund

This fund accounts for developer fees paid to mitigate pavement damage due to heavy construction activity. Revenues of \$1,725,000 are expected in fiscal year 2015-16, and expenditures are budgeted at \$376,485. 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 2015-16 is \$5,484,220.

County Transportation Tax Fund (Measure A)

This fund accounts for the city's portion of the countywide half-cent sales tax used for transportation purposes. In fiscal year 2015-16, over \$1.5 million in revenue is expected, and just under \$1.5 million in expenditures is budgeted. Major efforts in this fund in fiscal year 2015-16 include downtown parking utility undergrounding, Chilco Street sidewalk installation, and shuttle services. Fund balance at the end of fiscal year 2015-16 is projected to be \$302,999.

Downtown Parking Permits Fund

This fund was established to provide adequate parking within the central business district and uses parking permit revenue for median landscaping. Expected fiscal year 2015-16 revenue is \$425,000 with expenditures budgeted at \$360,059, which includes a downtown parking structure study. Fund balance at the end of fiscal year 2015-16 is expected to be \$2,617,491.

Francis Mack Trust

This fund is an expendable trust that earns interest annually on its fund balance. Interest income in the amount of \$1,600 is expected in fiscal year 2015-16, and expenditures are budgeted to be \$24,119. Expenditures from this fund are utilized to supplement the library's operational budget. Ending fund balance is projected to be \$154,598.

Highway Users Tax Fund

This fund accounts for revenues and expenditures related to the city's allocation of the State gasoline tax. In fiscal year 2015-16, the City expects to receive \$732,084 in gas tax and other revenues. Budgeted expenditures in fiscal year 2015-16 total \$141,457 and include the street resurfacing project. Projected fund balance at the end of fiscal year 2015-16 is \$2,377,577.

Housing Fund

This fund was established to service the low and moderate income housing loans created by the former community development agency. The loans were transferred to this fund upon dissolution of the agency. Expenditures of \$30,000 are expected in fiscal year 2015-16 for the purpose of maintaining the housing

Fund Descriptions

loans. The fund balance projected for the end of the fiscal year 2015-16 is \$437,308.

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 Bedwell Bayfront Park. In fiscal year 2015-16, \$760,000 in revenue is projected and \$385,394 in expenditures is budgeted. Projects this year include an upgrade to the on-site restrooms. Typical post-closure costs include leachate collection, the landfill gas flare, and the gas collection system improvements study. Fund balance 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 2015-16 is projected to be \$4,313,744.

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-owned street trees. In fiscal year 2015-16, revenues from the assessments are estimated to be \$562,668, with the primary other source of funding being a \$159,600 transfer from the General Fund. Expenditures for street tree maintenance are budgeted at \$782,031. Projected fund balance at the end of fiscal year 2015-16 is \$131,969.

Library Donations

This fund is utilized to account for donations to the library and related expenditures of those donated funds. Donations in the amount of \$26,000 are expected in fiscal year 2015-16, and \$61,507 in expenditures is budgeted. Ending fund balance in this fund is expected to be \$196,875.

Literacy Grants Fund

This fund was established to provide literacy services to adult learners. Typical expenditures from this fund include Project Read classes and related materials. In fiscal year 2015-16, \$240,000 in revenue is estimated, and \$233,302 in expenditures is budgeted. Fund balance at the end of fiscal year 2015-16 is projected

to be (\$7,921) This negative fund balance is expected to be resolved over the next few years as revenues exceed expenditures.

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 \$11,175 is projected for fiscal year 2015-16. Ending fund balance is projected to be \$1,562,999 in aggregate for these funds.

Public Library Fund

This fund accounts for supplementary funds to public libraries to encourage cities and counties to maintain local support for community libraries. No revenues are projected in fiscal year 2015-16, and \$20,843 in expenditures is budgeted. These funds will be used for computer cataloging upgrades and a volunteer appreciation event. Fund balance at the end of fiscal year 2015-16 is projected to be \$64,207.

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 existing recreation facilities. \$191,000 in revenue is expected in fiscal year 2015-16, and \$912,902 in expenditures is budgeted. These funds are expected to be used for the relocation of the Nealon Park dog park, Willow Oaks dog park, Belle Haven pool deck lighting and library landscaping projects. Ending fund balance in fiscal year 2015-16 is projected to be \$561,742.

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 2015-16, and the estimated fund balance at the end of the fiscal year is \$44,702.

Fund Descriptions

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 2015-16, revenues are projected to be \$196,230 and expenditures \$202,174. Projected fund balance at the end of fiscal year 2015-16 is \$84,247.

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. \$353,753 in revenue is expected in fiscal year 2015-16, while \$358,074 in expenditures is budgeted. Projects include development of a zero waste policy to reduce waste sent to the landfill. Projected fund balance at the end of fiscal year 2015-16 is \$907,869.

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 \$6,000 in fiscal year 2015-16, and there are no expenditures budgeted. Fund balance at the end of fiscal year 2015-16 is projected to be \$106,354.

Stormwater Management Fund

This fund accounts for the local requirements outlined in the stormwater management plan and is funded by a citywide parcel fee. Revenues are projected to be \$334,000 in fiscal year 2015-16, while expenditures are budgeted at \$353,035. Projected ending fund balance for fiscal year 2015-16 is \$375,272.

Supplemental Law Enforcement Services Fund

This fund accounts for monies received from the San Mateo County Supplemental Law Enforcement Services Account (SLESA). These funds, which are budgeted at \$100,000 in fiscal year 2015-16, are to provide additional front-line law enforcement services. The anticipated fund balance in this fund at the end of fiscal year 2015-16 is \$71,593.

Transportation Impact Fees Fund

This fund accounts for traffic improvement fees charged to developers and used to mitigate local traffic issues that result either directly or indirectly from development. In fiscal year 2015-16, \$4.5 million is expected in revenue, while over \$4 million in expenditures has been budgeted. Major projects utilizing these fees in fiscal year 2015-16 include Haven Avenue streetscape improvements, citywide bicycle & pedestrian visibility improvements and other transit improvements. Final fund balance at the end of fiscal year 2015-16 is expected to be \$1,958,759.

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 2015-16 are \$8,942, and the estimated ending fund balance is \$55,392.

PROPRIETARY FUNDS

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

Enterprise Funds

Water Capital Improvement Fund

This fund accounts for proceeds from the capital surcharge billed to Menlo Park Municipal Water District customers and is utilized for construction improvements of the water system infrastructure. Revenue of \$1.1 million is budgeted in fiscal year 2015-16, and \$423,046 in budgeted expenditures. Expected expenditures include the water main replacements, an emergency water tank and water system master plan. Fund balance is expected to be \$4,916,054 at the end of fiscal year 2015-16.

Fund Descriptions

Water Operations Fund

This fund accounts for the water services provided by the Menlo Park Municipal Water District. Revenues are expected to be approximately \$8.5 million in fiscal year 2015-16 and primarily come from residential and commercial water customers. Expenditures for this fund, which are approximately \$8.5 million in fiscal year 2015-16, are primarily for water purchased by the water district for resale to customers. Fund balance is expected to be \$9,430,724 at the end of fiscal year 2015-16.

INTERNAL SERVICES FUNDS

Information Technology Fund

This fund was established to account for a variety of business services provided by the Information Technology division to other city departments. Departments are charged based on their respective utilization. The cost in fiscal year 2015-16 is \$1,132,313, and total collections are expected to match total requirements.

Liability and Fire Insurance Fund

This fund accounts for the administration of the City's self-insured general liability insurance program. Revenues in this fund are primarily collected from the operational departments. Total projected revenues in fiscal year 2015-16 are \$806,000, and expenditures are \$746,119. Expenditures cover the cost of claims and program administration. Ending fund balance in fiscal year 2015-16 is expected to be \$563,038.

Other Post-Employment Benefits Fund

This fund accounts for the financial administration and funding of retiree medical benefits, as the benefits are earned. This cost in fiscal year 2015-16 is \$928,059, and total collections, which are collected from all departments, are expected to match total requirements. Ending fund balance is expected to be \$204,585 in fiscal year 2015-16.

Vehicle Replacement Fund

This fund accounts for the vehicle and equipment replacement for various City departments. Total collections from departments and other revenues in

fiscal year 2015-16 are projected to be \$403,500 while expenditures in the amount of \$400,000 are planned. The ending fund balance in fiscal year 2015-16 is expected to be \$784,984.

Workers' Compensation Insurance Fund

This fund accounts for the administration of the City's self-insured workers' compensation insurance program. Revenues are primarily collected from the operational departments, and are expected to be \$1,020,000 in fiscal year 2015-16. Expenditures, which total nearly \$983,841 in fiscal year 2015-16, cover the cost of claims and program administration. Ending fund balance in fiscal year 2015-16 is projected to be (\$889,237). Staff is currently developing a strategy to present to City Council to improve the status of this fund.

Fund Resources and Requirements

	SPECIAL REVENUE FUNDS				
	Literacy Grants	Public Library	Vintage Oaks Landscape	Sharon Hills Park	Supplemental Law Enforcement Services
BEGINNING FUND BALANCE	(14,619)	98,050	63,634	57,002	71,193
RESOURCES					
Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Inter Governmental Revenue	28,000	0	0	0	100,000
Fines	0	0	0	0	0
Interest and Rent Income	0	0	700	700	400
Charges for Services	0	0	0	0	0
Donations	157,000	0	0	0	0
Other Financing Sources	55,000	0	0	0	0
Total resources	\$240,000	\$0	\$700	\$700	\$100,400
REQUIREMENTS					
Personnel	221,231	10,766	0	0	0
Operating	10,071	10,077	4,692	0	29,000
Fixed Assets & Capital Outlay	0	0	0	0	71,000
Services	2,000	0	4,250	13,000	0
Transfers to Other Funds	0	0	0	0	0
Total requirements	\$233,302	\$20,843	(\$8,942)	\$13,000	\$100,000
Resources over requirements	6,698	(20,843)	(8,242)	(12,300)	400
Project Carryover from 2014-15	0	(13,000)	0	0	0
ENDING FUND BALANCE	(\$7,921)	\$64,207	\$55,392	\$44,702	\$71,593

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
5,202,394	118,295	973,722	4,208,621	3,553,970	1,498,212
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	395,000	0
3,256,860	0	8,753	0	0	25,000
0	0	0	0	0	0
40,000	1,000	10,000	35,000	30,000	16,000
1,200,000	5,000	335,000	725,000	0	150,000
0	0	0	0	0	0
0	0	0	0	0	0
\$4,496,860	\$6,000	\$353,753	\$760,000	\$425,000	\$191,000
452,748	0	188,098	32,699	26,612	9,842
492	0	104,140	147,701	40,153	0
2,253,183	0	0	25,000	0	903,060
1,383,652	0	20,000	171,500	266,099	0
0	0	45,836	8,494	27,195	0
\$4,090,075	\$0	\$358,074	\$385,394	\$360,059	\$912,902
406,785	6,000	(4,321)	374,606	64,941	(721,902)
(3,650,420)	(17,941)	(61,532)	(269,483)	(1,001,420)	(214,568)
\$1,958,759	\$106,354	\$907,869	\$4,313,744	\$2,617,491	\$561,742

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	510,643	177,117	232,382	15,359,936	1,126,070
RESOURCES					
Taxes	0	0	0	0	865,000
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	6,000	1,600	0	100,000	8,000
Charges for Services	0	0	0	3,500,000	95,000
Donations	0	0	26,000	0	0
Other Financing Sources	0	0	0	0	0
Total resources	\$6,000	\$1,600	\$26,000	\$3,600,000	\$1,557,358
REQUIREMENTS					
Personnel	12,377	16,896	16,885	0	396,153
Operating	14,484	7,223	39,622	5,200	671,942
Fixed Assets & Capital Outlay	5,000	0	5,000	0	70,450
Services	63,040	0	0	92,000	321,425
Transfers to Other Funds	13,634	0	0	0	0
Total requirements	\$108,535	\$24,119	\$61,507	\$97,200	\$1,459,970
Resources over Requirements	(102,535)	(22,519)	(35,507)	3,502,800	97,388
Project Carryover from 2014-15	0	0	0	0	(920,459)
ENDING FUND BALANCE	\$408,108	\$154,598	\$196,875	\$18,862,736	\$302,999

Fund Resources and Requirements

SPECIAL REVENUE FUNDS						
Highway Users Tax	Landscape/Tree Assessment	Sidewalk Assessment	Storm Water Management (NPDES)	Construction Impact Fee	Housing Fund	Miscellaneous Fund
3,475,405	188,432	320,753	394,307	5,310,183	496,308	1,551,824
717,084	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	0	0	0	0	0
15,000	0	0	0	25,000	7,000	11,175
0	3,300	0	5,000	1,700,000	0	0
0	0	0	0	0	0	0
0	159,600	0	0	0	0	0
\$732,084	\$725,568	\$196,230	\$334,000	\$1,725,000	\$7,000	\$11,175
53,295	409,867	62,609	160,917	180,702	0	0
19,526	85,884	2,649	56,815	45,783	0	0
68,636	4,500	115,683	0	50,000	0	0
0	200,260	800	96,500	100,000	30,000	0
0	81,520	20,433	38,803	0	0	0
\$141,457	\$782,031	\$202,174	\$353,035	\$376,485	\$30,000	\$0
590,627	(56,463)	(5,944)	(19,035)	1,348,515	23,000	11,175
(1,688,455)	0	(230,562)	0	(1,174,478)	0	0
\$2,377,577	\$131,969	\$84,247	\$375,272	\$5,484,220	\$473,308	\$1,562,999

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	837,040	1,073,652	327,972	12,956,602	126,455
RESOURCES					
Taxes	0	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	590,000	0
Fines	0	0	0	0	0
Interest and Rent Income	4,000	1,800	2,500	0	1,000
Charges for Services	0	0	0	0	0
Donations	0	0	0	0	0
Other Financing Sources	0	0	0	1,555,944	0
Total resources	\$4,000	\$1,401,800	\$2,500	\$2,145,944	\$1,000
REQUIREMENTS					
Personnel	0	0	0	1,289,381	0
Operating	446,750	1,461,621	0	32,098	15,000
Fixed Assets & Capital Outlay	0	0	0	1,543,664	25,000
Services	0	0	0	654,810	0
Transfers to Other Funds	0	0	0	0	0
Total requirements	\$446,750	\$1,461,621	\$0	\$3,519,953	\$40,000
Resources over Requirements	(442,750)	(59,821)	2,500	(1,374,009)	(39,000)
Project Carryover from 2014-15	0	0	(55,791)	(10,629,166)	0
ENDING FUND BALANCE	\$394,290	\$1,013,831	\$274,681	\$953,427	\$87,455

Fund Resources and Requirements

ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS				
Water Capital Improvement	Water Operating	Workers' Compensation	Liability/Fire Insurance	Other Post-Employment Benefits	IT Services	Vehicle Replacement
13,386,352	9,459,195	(925,396)	503,157	204,585	0	781,484
RESOURCES						
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	0	0	0	0	0
130,000	3,000	20,000	6,000	500	0	3,500
1,000,000	8,520,000	1,000,000	800,000	927,559	1,132,313	386,500
0	0	0	0	0	0	0
0	0	0	0	0	0	13,500
\$1,130,000	\$8,523,000	\$1,020,000	\$806,000	\$928,059	\$1,132,313	\$403,500
387,131	1,000,081	97,027	31,119	550,000	647,713	0
2,817	6,470,481	875,814	590,000	368,059	178,900	0
0	139,500	0	0	0	40,000	400,000
33,098	738,000	11,000	125,000	10,000	265,700	0
0	195,185	0	0	0	0	0
\$423,046	\$8,543,247	\$983,841	\$746,119	\$928,059	\$1,132,313	\$400,000
706,954	(20,247)	36,159	59,881	0	0	3,500
(9,177,252)	(8,224)	0	0	0	0	0
\$4,916,054	\$9,430,724	(\$889,237)	\$563,038	\$204,585	\$0	\$784,984

CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

INTRODUCTION

This five-year Capital Improvement Plan (CIP) is the community's vision for short- and long-range development, maintenance, improvement and acquisition of infrastructure assets to benefit our residents, businesses, property owners and visitors. It provides a linkage between the 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 five years.

The CIP 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-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 THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN

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 ability to adjust 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 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 and modifications to or reprioritization of existing. These requests, along with supporting information, are sent to the Capital Improvement Plan committee in advance of the annual budget preparation.

Requests include estimated costs, benefits, risks with not completing the project/purchase, funding source(s), availability of funds, estimated timeframe 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 membership includes the City Manager or his/her designee; directors of Community Development, Community Services, Finance and Public Works departments; 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 update of the five-year CIP is an integral part of the budget process. Early development of the plan 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 to encourage public input during this review process. The public also has to comment on the plan through the review processes of the various commissions and during public meetings held prior to the adoption of the plan by the City Council.

Capital Improvement Plan

PRIORITIZATION CRITERIA

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

- Capacity to deliver/impacts to other projects
- 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

Projects that are not ranked high enough to be included in this five-year plan are recorded in an index of non-funded projects attached to the CIP.

FUNDING PLANS FOR FIVE-YEAR CIP

Each year, the City Council approves the updated five-year CIP including all prioritized short- and long-term projects.

PROJECT DEVELOPMENT AND SELECTION PROCESS

Projects proposed in the five-year CIP were derived from a variety of sources, including but not limited to, recommendations from the City's Infrastructure study (2007), master plans, City Council's annual goals getting regulatory obligations, the climate action plan (2009), and the FY 2009–14 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 costing over \$25,000 are included in the CIP. Budget information relating to studies and capital expenditures less than \$25,000 are included in the operating budget.

This five-year CIP includes 33 new projects recommended for implementation commencing in FY 2015–16 and 36 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 where grant funding is being sought but has not yet been awarded.

Capital Improvement Plan

PROPOSED PROJECTS

Several projects in this five-year 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 infrastructure maintenance are identified. Projects approved in prior fiscal years that have not yet been completed are listed as well.

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

PROJECT FUNDING SOURCES

The proposed five-year CIP coordinates physical improvements with financial planning, allowing maximum benefits from available funding sources. It 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 (approximately \$2.6 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	FUNDING FY 2015-16	PERCENT OF TOTAL CIP FY 2015-16
City Buildings	325,000	4%
Environment	100,000	1%
Parks & Recreation	1,400,000	16%
Stormwater	90,000	1%
Streets & Sidewalks	2,065,000	24%
Technology & Others	325,000	4%
Traffic & Transportation	4,262,260	49%
Water	50,000	1%
TOTALS	\$8,617,260	100%

Capital Improvement Plan

GENERAL PLAN CONSISTENCY

The projects listed in the 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 the five-year plan is not a project, as defined in the California Environmental Quality Act, and an environmental review is not required. Individual projects listed herein may be subject to CEQA and environmental reviews will be conducted at the appropriate time during implementation of those projects.

FUNDING SOURCES	USES	PRIMARY SOURCE OF FUNDS
Bedwell Bayfront Park Maintenance/Operations	Park maintenance	Interest earned on sinking fund.
Bedwell Bayfront Park Landfill	Landfill post-closure maintenance and repairs	Surcharge on solid waste collection fees paid by customers
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 ongoing 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
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
Public Library Fund	Library projects and programs.	State grants
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
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 CIP Projects

PROJECT NAME	2014-15		2015-16			
	3	4	1	2	3	4
CITY BUILDINGS						
Admin Building Conference Room Furniture Replacement						
Administration Building Emergency Generator						
Administration Building Space Planning Implementation						
Automated Library Materials Return Area Renovation						
Belle Haven Child Development Center Flooring Replacement						
Belle Haven Youth Center Improvements						
City Council Chambers Landscaping						
Facility Energy Retrofit						
Fire Plans and Equipment Replacement						
Kitchen Upgrade at Onetta Harris Community Center						
Library Furniture Replacement						
Library Space Needs Study						
Main Library Interior Wall Fabric Replacement						
Menlo Childrens Center Carpet Replacement						
Police Front Office Counter Remodel/Security Upgrade						
Water Conservations Upgrade for City Facilities						
ENVIRONMENTAL						
Bedwell Bayfront Leachate Collection System Replacement						
Bedwell Bayfront Park Gas Collection System Improvements Study and Conceptual Design						
Bedwell Bayfront Park Gas Collection System Repair						
Climate Action Plan						
Community Zero Waste Policy Draft						
Heritage Tree Ordinance Programs Evaluation						
Implement Strategic Plan to Improve Public Area Trash and Recycling Citywide						
Requirement for Pharmacy to Take back Pharmaceuticals Draft Ord.						
Sustainable/Green Building Standards						

 IN PROGRESS

Overview Schedule of CIP Projects

PROJECT NAME	2014-15		2015-16			
	3	4	1	2	3	4
PARKS & RECREATION						
Bedwell Bayfront Park Electrical Panel Upgrade						
Bedwell Bayfront Park Master Plan						
Belle Haven Pool Analysis and Audit						
Belle Haven Pool Deck Lighting						
Belle Haven Youth Center Playground Replacement						
Burgess Pool Deck Repairs						
Burgess Sports Field						
Gate House Fence Replacement						
Gate House Landscaping						
Jack Lyle Memorial Park Restrooms - Construction						
La Entrada Baseball Field Renovation						
La Entrada & Willow Oaks Tennis Courts Restoration & Resurfacing						
Library Landscaping						
Measure T Funds Evaluation/Project Ranking						
Nealon Park Sports Field Sod and Irrigation System Replacement						
Park Pathways Repair (Replacement)						
Playground Equipment Assessment & Replacement						
Relocation of Dog Park at Nealon Park						
Willow Oaks Dog Park (Renovation)						
STREETS & SIDEWALKS						
Chilco Street and Sidewalk Installation						
Civic Center Sidewalk & Irrigation System Upgrades						
Downtown Parking Utility Underground						
Downtown Streetscape Improvement Project (Specific Plan)						
El Camino Real Median and Side Trees Irrigation System Upgrades						
Parking Plaza 7 Renovation (Design and Construction)						
Santa Cruz Avenue Sidewalks Implementation						
Sidewalk Repair Program (ANNUAL)						
Street Resurfacing (ANNUAL)						

■ IN PROGRESS

Overview Schedule of CIP Projects

PROJECT NAME	2014-15		2015-16			
	3	4	1	2	3	4
STORMWATER						
Atherton Channel Flood Abatement						
Bay Levee Project (Design)						
Chrysler Pump Station Improvements						
Pope/Chaucer Bridge Replacement						
Storm Drain Fee Study						
Trash Capture Device Installation						
Willow Place Bridge Abutment Repair						
TRAFFIC & TRANSPORTATION						
Caltrain Bike/Pedestrian Undercrossing Design						
Citywide Bicycle & Pedestrian Visibility Project						
Downtown Parking Structure Study						
Dumbarton Rail Corridor Planning Support						
El Camino Real Corridor Study & Design implementation						
Expand Downtown outdoor seating pilot program						
Florence/Marsh & Bay/Marsh Signal Modification						
Haven Avenue Streetscape Improvements						
Menlo Park – Atherton Bike/Pedestrian Improvements Project						
Menlo Park – East Palo Alto Connectivity Project						
Pedestrian/Bicycle Master Plan Update						
Rail Coordination						
Ravenswood Avenue/Caltrain Grade Separation Study						
Sand Hill Road Signal Interconnect						
Sand Hill Road Signal Modification Project						
Safe Routes to Encinal School Plan Implementation						
Transit Improvements (TMA)						
Willow Road Signal Interconnect						
Willow Road Transportation Study						
Willow Road Improvements at Newbridge and Bayfront Expressway						
101/Willow Road interchange – Caltrans Improvements Design & Construction						

■ IN PROGRESS

Overview Schedule of CIP Projects

PROJECT NAME	2014-15		2015-16			
	3	4	1	2	3	4
TECHNOLOGY & OTHER						
Council Chambers Audio/Video, Mics and Voting Equipment						
General Plan Update (M-2 Plan)						
Radio Infrastructure Replacement (& Antenna)						
WATER						
Automated Water Meter Reading						
Develop a recycled water program						
Emergency Water Supply (Well #1 & #2)						
Recycled water study for Sharon Heights Golf and Country Club and West Bay Sanitary District						
Re-roof Reservoir #2						
Reservoirs #1 and #2 Mixers						
Urban Water Management Plan (Update)						
Water Main Replacements						
Water Rate Study						
Water System Master Plan						

■ IN PROGRESS

Five-year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2015-16	2016-17	2017-18	2018-19	2019-20	
CITY BUILDINGS							
Administration Building Conference Room Furniture Replacement	General Fund	—	—	—	200,000	—	\$200,000
Belle Haven Youth Center Improvements	General Fund	—	—	150,000	—	—	\$150,000
City Buildings (Minor)	General Fund	325,000	325,000	350,000	350,000	350,000	\$1,700,000
City Council Chambers Landscaping	General Fund	—	—	—	—	500,000	\$500,000
Kitchen Upgrade at Onetta Harris Community Center	General Fund	—	—	—	30,000	—	\$30,000
Library Furniture Replacement	General Fund	—	—	450,000	—	—	\$450,000
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 Front Office Counter Remodel/Security Upgrade	General Fund	—	—	70,000	—	—	\$70,000
TOTAL		\$325,000	\$475,000	\$1,080,000	\$580,000	\$850,000	\$3,310,000
ENVIRONMENTAL							
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
Climate Action Plan Implementation	General Fund	100,000	100,000	100,000	100,000	100,000	\$500,000
Community Zero Waste Policy Draft	Solid Waste	—	50,000	—	—	—	\$50,000
TOTAL		\$100,000	\$150,000	\$1,200,000	\$100,000	\$100,000	\$1,650,000

Five-year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2015-16	2016-17	2017-18	2018-19	2019-20	
PARKS & RECREATION							
Bedwell-Bayfront Park Electrical Panel Upgrade	Bedwell Landfill	—	100,000	—	—	—	\$100,000
Bedwell-Bayfront Park Master Plan	Rec in Lieu	—	175,000	—	—	—	\$175,000
Belle Haven Pool Deck Lighting	Rec in Lieu	30,000	—	—	—	—	\$30,000
Belle Haven Youth Center Playground Replacement	Rec in Lieu	230,000	—	—	—	—	\$230,000
Burgess Pool Deck Repairs	General Fund	—	135,000	—	—	—	\$135,000
Burgess Sports Field	General Fund	—	—	—	250,000	—	\$250,000
Gate House Fence Replacement	General Fund	—	—	—	220,000	—	\$220,000
Gate House Landscaping	General Fund	—	—	—	—	470,000	\$470,000
Jack Lyle Park Restrooms - Construction	Rec in Lieu	40,000	200,000	—	—	—	\$240,000
La Entrada Baseball Field Renovation	General Fund	—	—	170,000	—	—	\$170,000
Library Landscaping	Rec in Lieu	200,000	—	—	—	—	\$200,000
Measure T Funds Evaluation/Project Ranking	Measure T	—	125,000	—	—	—	\$125,000
Nealon Park Sports Field Sod and Irrigation System Replacement	General Fund	250,000	—	—	—	—	\$250,000
Park Improvements (Minor)	General Fund	150,000	150,000	170,000	170,000	170,000	\$810,000
Park Pathways Repairs	General Fund	—	—	—	200,000	—	\$200,000
Playground Equipment Assesment & Replacement	TBD	TBD	—	—	—	—	TBD
Relocation of Dog Park at Nealon Park	Rec in Lieu	250,000	—	—	—	—	\$250,000
Restoration & Resurfacing of La Entrada & Willow Oak Tennis Courts	General Fund/ USTA Grant	—	—	—	—	200,000	\$200,000
Willow Oaks Dog Park	Rec in Lieu	250,000	—	—	—	—	\$250,000
TOTAL		\$1,400,000	\$885,000	\$340,000	\$840,000	\$840,000	\$4,305,000

Five-year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED					TOTAL
		2015-16	2016-17	2017-18	2018-19	2019-20		
STREETS & SIDEWALKS								
Chilco Street and Sidewalk Installation	Development Project Fees	50,000	—	—	—	—	\$50,000	
Civic Center Sidewalk Replacement and Irrigation System Upgrades	General Fund	—	—	—	400,000	—	\$400,000	
Downtown Parking Utility Underground	Downtown Parking/Rule 20A	—	4,150,000	—	—	—	\$4,150,000	
Downtown Streetscape Improvement Project (Specific Plan)	General Fund	115,000	165,000	110,000	—	—	\$390,000	
El Camino Real Median and Side Trees Irrigation System Upgrade	General Fund	—	—	85,000	—	—	\$85,000	
Parking Plaza 7 Renovations	Downtown Parking	—	—	—	200,000	—	\$200,000	
Santa Cruz Avenue Sidewalks Implementation	General Fund	1,000,000	—	—	—	—	\$1,000,000	
Sidewalk Repair Program	General Fund/ Sidewalk Assessment	300,000	300,000	300,000	300,000	300,000	\$1,500,000	
Street Resurfacing	Highway Users Tax/ Construction Impact Fees	600,000	5,500,000	600,000	6,000,000	—	\$12,700,000	
TOTAL		\$2,065,000	\$10,115,000	\$1,095,000	\$6,900,000	\$300,000	\$20,475,000	
STORMWATER								
Bay Levee Project	General Fund	90,000	90,000	—	—	—	\$180,000	
Chrysler Pump Station Improvements	General Fund/ Gas Tax	—	6,200,000	—	—	—	\$6,200,000	
Trash Capture Device Installation	General Fund	—	60,000	—	—	—	\$60,000	
Willow Place Bridge Abutment Repairs	General Fund	—	\$250,000	—	—	—	\$250,000	
TOTAL		\$90,000	\$6,600,000	—	—	—	\$6,690,000	

Five-year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2015-16	2016-17	2017-18	2018-19	2019-20	
TECHNOLOGY & OTHERS							
Cost of Service/Fee Study	General Fund	100,000	—	—	—	—	\$100,000
Radio Infrastructure Replacement	General Fund	100,000	—	—	—	—	\$100,000
Technology Master Plan and Implementation	General Fund	125,000	TBD	TBD	TBD	TBD	\$125,000
TOTAL		325,000	—	—	—	—	\$325,000
TRAFFIC & TRANSPORTATION							
Caltrain Bike/Ped Undercrossing Design	TIF	—	—	500,000	—	—	\$500,000
Citywide Bicycle/Pedestrian Visibility	TIF/TDA Grant	487,000	—	—	—	—	\$487,000
Downtown Parking Structure Study	Downtown Parking	250,000	—	—	—	—	\$250,000
Dumbarton Rail Corridor Planning Support	TIF	150,000	—	—	—	—	\$150,000
Florence/Marsh and Bay/Marsh Signal Modification	TIF	—	—	—	345,000	—	\$345,000
Haven Avenue Streetscape Improvement	TIF/SMC Grant	700,000	—	—	—	—	\$700,000
Menlo Park-Atherton Bike/Pedestrian Improvements Project	TIF/OBG Grant	900,260	—	—	—	—	\$900,260
Menlo Park-East Palo Alto Connectivity Project	TIF/SMC Grant	550,000	—	—	—	—	\$550,000
Pedestrian/Bicycle Master Plan Update	General Fund	—	—	—	250,000	—	\$250,000
Rail Coordination	General Fund	50,000	50,000	50,000	—	—	\$150,000
Ravenswood Avenue Caltrain Grade Separation	TIF/ Measure A Grant	750,000	—	—	—	—	\$750,000
Sand Hill Road Signal Modification Project	TIF	125,000	—	—	—	—	\$125,000
Transit Improvements	TIF	150,000	—	—	—	—	\$150,000
Willow Road Transportation Study	TIF	150,000	—	—	—	—	\$150,000
TOTAL		\$ 4,262,260	\$50,000	\$550,000	\$ 595,000	—	\$ 5,457,260

Five-year Plan Summary

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2015-16	2016-17	2017-18	2018-19	2019-20	
WATER							
Automated Water Meter Reading	Water	—	—	500,000	1,200,000	1,200,000	\$2,900,000
Emergency Water Supply Project (2nd Well)	Water	—	—	—	TBD	—	TBD
Urban Water Management Plan	Water	25,000	—	—	—	140,000	\$165,000
Water Rate Study	Water	25,000	—	—	—	80,000	\$105,000
Water Main Replacements	Water	—	300,000	2,200,000	—	—	\$2,500,000
TOTAL		\$50,000	\$300,000	\$2,700,000	\$1,200,000	\$1,420,000	\$5,670,000
FISCAL YEAR TOTALS		\$ 8,617,260	\$18,575,000	\$ 6,965,000	\$10,215,000	\$3,510,000	\$47,882,260

Funded Projects

	FY 2015-16 BUDGET	FIVE-YEAR TOTAL BUDGET
CITY BULIDINGS (MINOR)		
City Buildings (Minor)	325,000	1,700,000
ENVIRONMENT		
Climate Action Plan Implementation	100,000	500,000
PARKS & RECREATION		
Belle Haven Pool Deck Lighting	30,000	30,000
Belle Haven Youth Center Playground Replacement	230,000	230,000
Jack Lyle Park Restrooms - Construction	40,000	240,000
Library Landscaping	200,000	200,000
Nealon Park Sports Field Sod and Irrigation System Replacement	250,000	250,000
Park Improvements (Minor)	150,000	810,000
Relocation of Dog Park at Nealon Park	250,000	250,000
Willow Oaks Dog Park Renovation	250,000	250,000
STORMWATER		
Bay Levee Project	90,000	180,000
STREETS&SIDEWALKS		
Chilco Street and Sidewalk Installation	50,000	50,000
Downtown Streetscape Improvement Project (Specific Plan)	115,000	390,000
Santa Cruz Avenue Sidewalks Implementation	1,000,000	1,000,000
Sidewalk Repair Program	300,000	1,500,000
Street Resurfacing	600,000	12,700,00
TECHNOLOGY & OTHERS		

Funded Projects

	FY 2015-16 BUDGET	FIVE-YEAR TOTAL BUDGET
Cost of Service/Fee Study	100,000	100,000
Radio Infrastructure Replacement	100,000	100,000
Technology Master Plan and Implementation	125,000	125,000
TRAFFIC & TRANSPORTATION		
Citywide Bicycle/Pedestrian Visibility	487,000	487,000
Downtown Parking Structure Study	250,000	250,000
Dumbarton Rail Corridor Planning Support	150,000	150,000
Haven Avenue Streetscape Improvement	700,000	700,000
Menlo Park-Atherton Bike/Pedestrian Improvements Project	900,260	900,260
Menlo Park-East Palo Alto Connectivity Project	550,000	550,000
Rail Coordination	50,000	150,000
Ravenswood Avenue Caltrain Grade Separation	750,000	750,000
Sand Hill Road Signal Modification Project	125,000	125,000
Transit Improvements	150,000	150,000
Willow Road Transportation Study	150,000	150,000
WATER		
Urban Water Management Plan	25,000	165,000
Water Rate Study	25,000	105,000
TOTAL	\$8,617,260	\$25,237,260

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	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund – CIP	325,000	325,000	350,000	350,000	350,000	1,700,000
Subtotal	325,000	325,000	350,000	350,000	350,000	1,700,000

Environment

CLIMATE ACTION PLAN IMPLEMENTATION

The City Council adopted a Climate Action Plan (CAP) in 2009. Following this, a supplemental assessment report was adopted in July 2011. The City also adopted a GHG reduction target of 27 percent below 2005 levels by 2020. Annually, the City completes a greenhouse gas inventory and adopts a five-year climate action plan strategy to assess progress towards the GHG reduction target. The purpose of this project is to provide an annual funding source to continue implementation of the CAP programs and strategies.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund CIP	100,000	100,000	100,000	100,000	100,000	\$500,000
Subtotal	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

Parks & Recreation

BELLE HAVEN POOL DECK LIGHTING

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.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Recreation In-lieu	30,000	—	—	—	—	\$30,000
Subtotal	\$30,000	—	—	—	—	\$30,000

BELLE HAVEN YOUTH CENTER PLAYGROUND REPLACEMENT

The Belle Haven Youth Center is located in the Belle Haven neighborhood. The Belle Haven After School and Camp Menlo programs operate at the Youth Center facility. Belle Haven Youth Center playground is outdated and doesn't meet current playground and ADA standards for the similar play structures.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Recreation In-lieu	205,000	—	—	—	—	\$205,000
San Mateo County Grant	25,000	—	—	—	—	\$25,000
Subtotal	\$230,000	—	—	—	—	\$230,000

Parks & Recreation

JACK LYLE PARK RESTROOM CONSTRUCTION

This project will involve engaging the neighboring community in developing a conceptual design, then constructing restrooms at Jack Lyle Park.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Rec In lieu	40,000	200,000	—	—	—	\$240,000
Subtotal	\$40,000	200,000	—	—	—	\$240,000

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	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Rec In lieu	200,000	—	—	—	—	\$200,000
Subtotal	\$200,000	—	—	—	—	\$200,000

Parks & Recreation

NEALON PARK SPORTS FIELD SOD AND IRRIGATION SYSTEM REPLACEMENT

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. The project will also add a new water connection to increase the water pressure at Nealon Softball field so that the irrigation system has full coverage.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund	250,000	—	—	—	—	\$250,000
Subtotal	\$250,000	—	—	—	—	\$250,000

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 fibar to play equipment.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund-CIP	150,000	150,000	170,000	170,000	170,000	\$810,000
Subtotal	\$150,000	150,000	170,000	170,000	170,000	\$810,000

Parks & Recreation

RELOCATION OF DOG PARK AT NEALON PARK

This project will consist of re-locating the Nealon Park Dog Park from the baseball field to another area within Nealon Park.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Rec In Lieu	250,000	—	—	—	—	\$250,000
Subtotal	\$250,000	—	—	—	—	\$250,000

WILLOW OAKS DOG PAK

This project will included a scoping and design phase in fiscal year 2014-15, then construction in fiscal year 2015-16 of upgrades and replacement at the Willow Oaks Dog Park.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Recreation In-Lieu	250,000	—	—	—	—	\$250,000
Subtotal	\$250,000	—	—	—	—	\$250,000

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	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund-CIP	90,000	90,000	—	—	—	\$180,000
Subtotal	\$90,000	90,000	—	—	—	\$180,000

Streets & Sidewalks

CHILCO STREET AND SIDEWALK INSTALLATION

This project will involve engineering design and construction of landscaping, sidewalks, and bicycle facility improvements as identified during the Belle Haven Visioning/Implementation Plans and Connect Menlo General Plan Update process. The project would include landscaping, lighting, signing/stripping modifications, and pedestrian and bicycle facility improvements. The current funding shown for this project is anticipated to provide staff time for design support, and is funded from a contribution by the Sobrato Organization provided during the approvals of the Commonwealth Corporate Center Project. Future allocations would be necessary for construction.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Development Project Fees	50,000	—	—	—	—	\$50,000
Subtotal	\$50,000	—	—	—	—	\$50,000

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	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund-CIP	115,000	165,000	110,000	—	—	390,000
Subtotal	\$115,000	\$165,000	\$110,000	—	—	\$390,000

Streets & Sidewalks

SANTA CRUZ AVENUE SIDEWALK IMPLEMENTATION

In March 2015, the City Council identified a preferred design concept for Santa Cruz Avenue between Johnson Street and Olive Street. This project will fund construction of sidewalks and crosswalk improvements.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund - CIP	1,000,000	—	—	—	—	\$1,000,000
Subtotal	\$1,000,000	—	—	—	—	\$1,000,000

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	2015-16	2016-17	2017-18	2018-19	2019-20	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

Streets & Sidewalks

STREET RESURFACING

This ongoing project will include the detailed design and selection of streets to be resurfaced throughout the City during Fiscal Year. This project will utilize the City's Pavement Management System (PMS) to assess the condition of existing streets and assist in the selection process.

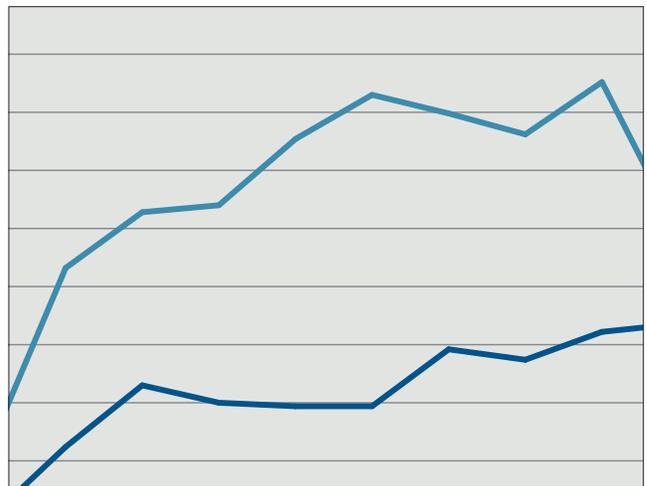


FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Highway Users Tax	200,000	—	200,000	2,500,000	—	\$2,900,000
Construction Impact Fees	400,000	5,500,000	400,000	3,500,000	—	\$9,800,000
Subtotal	\$600,000	\$5,500,000	\$600,000	\$6,000,000	—	\$12,700,000

Technology & Others

COST OF SERVICE/FEE STUDY

Identifying the cost components of providing services in integral in the establishment of fees and cost recovery rates. A detailed cost study was last completed in 2008 and entailed the development of a cost allocation plan, overhead rate study, labor rate study, and a comprehensive fee and service charge study. The results of these studies led to the development of a cost recovery strategy and guided how fees were set in the Master Fee Schedule. In order for cost recovery levels to be maintained, the underlying studies must be periodically updated. This project will provide for a comprehensive update of the studies that were initially completed in 2008.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund	100,000	—	—	—	—	\$100,000
Subtotal	\$ 100,000	—	—	—	—	\$ 100,000

Technology & Others

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	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund-CIP	100,000	—	—	—	—	\$100,000
Subtotal	\$100,000	—	—	—	—	\$100,000

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 best type of replacement in priority order. This work would be done together with a consultant, and 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 existing systems.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund – CIP	125,000	0	0	0	0	\$125,000
Subtotal	\$125,000	0	0	0	0	\$125,000

Traffic & Transportation

CITYWIDE BICYCLE AND PEDESTRIAN VISIBILITY PROJECT

The purpose of this project is to provide intersection and facility improvements to the City’s bicycle and pedestrian infrastructure to close gaps in the existing multi-modal transportation system. This includes enhancements and upgrades to on-street bicycle facilities, intersection crossings, and crosswalks for bicyclists and pedestrians at multiple locations in the City:

- Add green-colored pavement to existing bike lanes on high-use corridors of Countywide significance at vehicle-bicycle interaction points (e.g., where right-turning motorists cross bicycle lanes) at highly traveled corridors. Protection of Infrastructure
- Install branded bicycle racks in the Downtown area, the area bounded by Oak Grove Avenue, Menlo Avenue, University Drive (North and South), and El Camino Real.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
TIF	139,140	—	—	—	—	\$139,140
TDA Article 3 Grant	347,860	—	—	—	—	\$347,860
Subtotal	\$487,000	—	—	—	—	\$487,000

DOWNTOWN PARKING STRUCTURE STUDY

This project would build on the preliminary parking structure concepts prepared as part of the 2012 El Camino Real/Downtown Specific Plan. The Plan identified a potential parking structure on Parking Plazas 1, 2, and/or 3. The purpose of this project would be to prioritize the potential locations and identify a preferred location and design concept. Additionally, this project would develop a complementary Downtown Access and Public Space Plan based on the identified parking structure location, to identify and prioritize public space amenities, pedestrian and bicycle access routes and accommodations to improve Downtown access if a parking structure were to be pursued.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund-CIP	250,000	—	—	—	—	\$250,000
Subtotal	\$250,000	—	—	—	—	\$250,000

Traffic & Transportation

DUMBARTON RAIL CORRIDOR PLANNING SUPPORT

This project would provide planning support for the Dumbarton Rail Corridor project within Menlo Park, including coordination with local and regional stakeholders, potential station planning, alternatives analysis, and exploration of project phasing opportunities. It would build on the land use and circulation planning work currently underway in the Connect Menlo General Plan Update.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
TIF	150,000	—	—	—	—	\$150,000
Subtotal	\$150,000	—	—	—	—	\$150,000

HAVEN AVENUE STREETScape IMPROVEMENT

The Haven Avenue Streetscape Project will provide new bicycle and pedestrian facilities to Haven Avenue, connecting Menlo Park, San Mateo County and Redwood City residents and employees. The project area includes Haven Avenue, between Marsh Road and the San Mateo County border (where the existing bicycle lanes terminate). It provides a direct connection to the San Francisco Bay Trail, and will function as an interim gap closure of the Bay Trail between Bedwell-Bayfront Park and Seaport Avenue, better serving both commute and recreational needs.



- Adding Class II on-street bicycle lanes with horizontal buffers where roadway widths allow and green treatments in vehicle-bicycle interaction zones
- Closing sidewalk gaps
- Adding a new pedestrian and bicycle bridge over the Atherton Channel.

- Providing enhanced pedestrian crossing improvements to the Marsh Road-Haven Avenue-Bayfront Expressway intersection including: widened sidewalks, replacement of curb ramps to comply with current ADA standards, realigning the existing crosswalk on the northwest (Haven Ave.) leg of the intersection, and improving the existing median to provide a crossing refuge island.

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Measure A (SMCTA Grant)	170,000	—	—	—	—	\$170,000
Transportation Impact Fees	530,000	—	—	—	—	\$530,000
Subtotal	\$700,000	—	—	—	—	\$700,000

Traffic & Transportation

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 for this and other rail-related issues.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund	50,000	50,000	50,000	—	—	\$150,000
Subtotal	\$50,000	\$50,000	\$50,000	—	—	\$150,000

MENLO PARK-ATHERTON BIKE/PEDESTRIAN IMPROVEMENTS PROJECT

This project will improve the bicycle and pedestrian infrastructure on existing streets within Menlo Park and Atherton including Valparaiso Avenue-Glenwood Avenue, El Camino Real, and Middlefield Road. The improvements were identified through the Valparaiso Corridor Safe Routes to School Plan, adopted by the City of Menlo Park and review and supported by the Town of Atherton.

The project includes the following elements:

- Adding green paint to existing Class II on-street bicycle lanes on Valparaiso Avenue from Elder Avenue to El Camino Real and Glenwood Avenue from El Camino Real to Laurel Street
- Closing sidewalk gaps on the south side of Valparaiso Avenue between Elder Avenue and University Drive, adding a new pedestrian and bicycle bridge over the Atherton Channel.
- Adding two (2) in-roadway warning light crosswalk systems on Valparaiso Avenue at Elder Avenue and at Emilie Avenue
- Adding two (2) Speed Feedback display signs on Valparaiso Avenue near Elena Avenue and near Crane Street
- Adding audible pedestrian signals to six (6) traffic signals on El Camino Real at Valparaiso, Oak Grove Avenue, Ravenswood Avenue, Roble Avenue, Middle Avenue and Cambridge Avenue
- Remove and replace bicycle lane striping on Middlefield Road between Prior Lane and Oak Grove Avenue



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
OBAG (CMAQ Grant)	797,000	—	—	—	—	\$ 797,000
TIF	103,260					\$103,260
Subtotal	\$900,260	—	—	—	—	\$ 900,260

Traffic & Transportation

MENLO PARK –EAST PALO ALTO CONNECTIVITY

The Project would improve the bicycle and pedestrian infrastructure across the Cities’ boundaries to better serve both communities. The project area is generally defined by the area bounded by Willow Road, US 101, University Avenue, and San Francisquito Creek. Specific elements of the proposed project include:

- Adding Class III bicycle routes and shared lane markings (“sharrows”):
 - Durham Street
 - Donohoe Avenue
 - Menalto Avenue
 - Gilbert Street
 - O’Connor Street
 - W. Bayshore Avenue
 - Manhattan Street
 - Woodland Avenue
 - Euclid Street
- Add missing sidewalk sections on O’Connor Street and Menalto Avenue



- Enhance the Willow Road/Gilbert Avenue intersection with bicycle and pedestrian accommodations:
 - Enhancing existing pedestrian crossings
 - Providing ADA-compliant curb ramps
 - Providing sharrows on the Gilbert Avenue approaches to the intersection to improve visibility and positioning of bicyclist.

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Measure A (SMCTA Grant)	395,000	—	—	—	—	\$ 395,000
TIF	155,000					155,000
Subtotal	\$550,000	—	—	—	—	\$550,000

Traffic & Transportation

RAVENSWOOD AVENUE/CALTRAIN GRADE SEPARATION

The existing Ravenswood Avenue Caltrain crossing is a critical rail crossing within the Menlo Park corridor. It is within the Menlo Park El Camino Real/Downtown Specific Plan Area and falls within the City's Priority Development Area. The proposed project would expand on the 2003-2004 grade separation studies prepared by BKF Engineers and complete an in depth study of alternatives. The prior study identified six alternatives for Ravenswood Avenue; however, no alternative has been recommended as a preferred alternative. This project would refine the preliminary concepts previously identified in order to develop design concepts and seek community consensus around a preferred alternative.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Measure A Grade Separation Program Grant	750,000	—	—	—	—	\$750,000
Subtotal	\$750,000	—	—	—	—	\$ 750,000

SAND HILL ROAD SIGNAL MODIFICATION PROJECT

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 the Manual on Uniform Traffic Control Devices standard.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
TIF	125,000	—	—	—	—	\$125,000
Subtotal	\$125,000	—	—	—	—	\$ 125,000

Traffic & Transportation

TRANSIT IMPROVEMENTS

The purpose of this project is to support development of transit options and improvements in Menlo Park. Opportunities to be evaluated and prioritized include: enhancements to the existing shuttle program, coordination with current and future SamTrans fixed-route service options, a transportation management association for the downtown and/or M2 areas, and bus stop amenities in Menlo Park.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
TIF	150,000	—	—	—	—	\$150,000
Subtotal	\$150,000	—	—	—	—	\$150,000

WILLOW ROAD TRANSPORTATION STUDY

Travel time and congestion on Willow Road between Middlefield Road and Bayfront Expressway has increased significantly since 2013 as a result of regional traffic growth in the mid-Peninsula region. In 2008, the San Mateo City/County Association of Governments (C/CAG) completed the Gateway Corridor Study, which identified transportation improvements for Willow Road, University Avenue, and Bayfront Expressway and analyzed cost-benefits of each improvement. The proposed study would build on the C/CAG study and the City's current Connect Menlo General Plan Update to identify any short-term modifications and prioritize the long-term projects that the City can advocate for regionally to improve traffic conditions on Willow Road. Coordination with C/CAG, the City of Palo Alto and East Palo Alto, and Caltrans is an important aspect of this project.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
TIF	150,000	—	—	—	—	\$150,000
Subtotal	\$150,000	—	—	—	—	\$150,000

URBAN WATER MANAGEMENT PLAN UPDATE

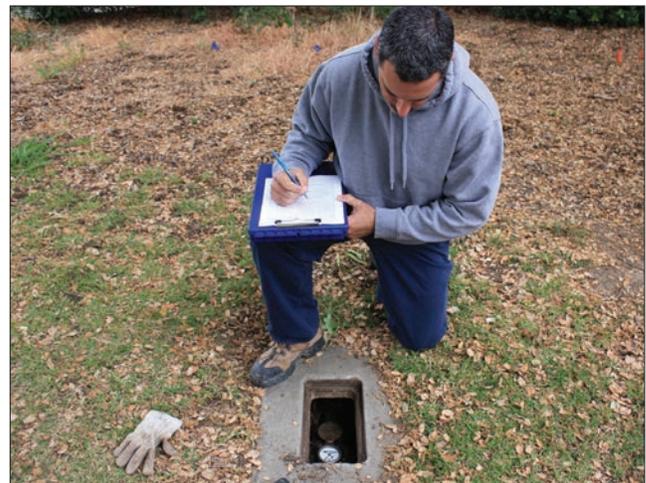
The project will prepare an Urban Water Management Plan. The Project was partially funded in fiscal year 2014-15, funding for fiscal year 2015-16 will be utilized to complete the project.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Water Fund – Capital	25,000	—	—	—	140,000	\$165,000
Subtotal	\$25,000	—	—	—	140,000	\$165,000

WATER RATE STUDY

The project will analyze the water operating budget and make recommendations for proposed water rates. The Project was partially funded in fiscal year 2014-15, funding for fiscal year 2015-16 will be utilized to complete the project.



FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Water Fund – Capital	25,000	0	0	0	80,000	\$105,000
Subtotal	\$25,000	0	0	0	80,000	\$105,000

Projects Proposed for FY 2016–17 through FY 2019–20

CITY BUILDINGS		
Administration Building Conference Room Furniture Replacement	2018–19	The project would replace the chairs and tables in the conference rooms and public areas of the administration building that were purchased in 1999.
Belle Haven Youth Center Improvements	2017–18	The project is to replace the floor ceiling, and cabinets, as well as repaint is to the interior of the Belle Haven Youth Center.
City Council Chambers Landscaping	2019–20	The existing landscaping around the Council Chambers is the original from the 1970's Major updating is needed to blend it with the existing water fall and existing the civic center landscaping.
Kitchen Upgrade at Onetta Harris Community Center	2018–19	The current kitchen is outdated and does not meet the needs of current renters. The renovation includes new counter tops, cabinets, sink, etc. The Onetta Harris Community Center has seen a significant increase in weekend rentals over the past two years. In addition, with the increase in weekday classes, a renovated kitchen may provide the opportunity for increased usage in the form of cooking-related classes.
Library Furniture Replacement	2017–18	The existing furniture is over 20 years old and the chairs and tables require consistent repairs due to heavy use. Also, the existing furniture fabric is difficult to clean. The project will replace furniture that will make it easier to maintain.
Main Library Interior Wall Fabric Replacement	2016–17	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	Due to the extensive use of the Menlo Children's Center facility and normal wear and tear, carpets need to be replaced. The existing carpets were installed when the building was remodeled in 2006.
Police Front Office Counter Remodel Security Upgrade	2017–18	Improved security at the police department was recommended along with the perimeter of the entire police department. This project would reconstruct the front counter to include ballistic glass between the public and staff.

Projects Proposed for FY 2016–17 through FY 2019–20

ENVIRONMENT		
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.
Community Zero Waste Policy Draft	2016–17	This project was indentified 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 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 2016–17 through FY 2019–20

PARKS & RECREATION		
Bedwell Bayfront Park Master Plan	2016–17	The master plan will provide a long term vision and general development guide for the park and its facilities, including how to best protect park resources, provide quality visitor experiences, manage visitor use, and plan for future park development.
Bedwell Bayfront Park Electrical Panel Upgrade	2016-17	The Bedwell Bayfront Park restrooms are in need of repair. The project includes replacement of the electrical panel replacement, toilets, and sewer connection to improve capacity and efficiency.
Gate House Fence Replacement	2018-19	Portions of the existing Gate House fence along Ravenswood Avenue need to be replaced. Due to its intricate details, and the need to match existing, the fence is expensive to replace.
Gate House Landscaping	2019–20	The project will landscape the area around the Gate House adjacent to the Menlo Children Center. The existing landscaping is the original 1970 landscaping and needs to be updated to match the new the Civic Center landscaping.
La Entrada & Willows Oaks Tennis Courts Restoration & Resurfacing	2019–20	This project includes restoring and resurfacing two tennis courts at La Entrada and four courts at Willow Oaks Park. The project includes repairing cracks, color coating, and adding quick-start lines to all courts, as well as lighting fixture installation at Willow Oaks Park.
Burgess Pool Deck Repairs	2016–17	Pool chemicals are corrosive and erode the concrete pool decks making the pool age significantly, impacting aesthetics, and increasing the risk of safety issues from slips/trips. This project includes 11,600 feet of pool deck surface with protective coating similar to what was used at Belle Haven Pool in 2011.
Burgess Sport Field	2018-19	The project includes turf replacement, drain cleaning and field leveling. Also, removal of a portion of the baseball field infield will increase the turf area to allow a large sports field. The existing field is 15 years old, five years beyond normal life expectancy.
La Entrada Baseball Field Renovation	2016-17	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.
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 would relocate the existing dog park from the baseball field to another area within Nealon Park.
Measure T Funds Evaluation /Project Ranking	2016-17	This project will consist of community engagement activities to get input from the public in developing priorities for the Measure T Fund

Projects Proposed for FY 2016–17 through FY 2019–20

STREETS & SIDEWALKS		
Civic Center Sidewalk Replacement and Irrigation System Upgrades	2018–19	Many areas of the Civic Center sidewalk network have been damaged over the years resulting in extensive cracking and uplifts. The project would replace sidewalks north of Burgess Field, between the recreation center, administration building, council chambers and library. Replacements would use thicker paving sections with reinforcing bars where necessary. In addition, the existing irrigation is a patch work due to several previous building replacement/remodel projects. This irrigation system upgrade will reduce the number of controllers and be connected to the City's weather station making it more water efficient.
Downtown Parking Utility Underground	2016–17	The City would begin the process to create an underground utility district in the downtown area. Alternatively, the project could be funded and managed by PG&E's Rule 20A program resulting in a 3-5 year implementation and a more expensive installation; however, no up-front capital expenditure by the City would be required.
El Camino Real Median and Side Trees Irrigation System Upgrades	2017–18	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 new irrigation system allows staff to control the system remotely and provides for automatic shut off at times of rain or breaks in the irrigation system.
Parking Plaza 7 Renovation	2018–19	This project provides construction of needed improvements at Parking Plaza 7 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with the downtown parking utility underground project.
STORMWATER		
Chrysler Pump Station Improvements	2016–17	Improvements will include design and construction of upgrades to the aging equipment (may consist of pumps, motors, electrical system, heaters, fans, flap gates, generator).
Trash Capture Device Installation	2016–17	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.
Willow Place Bridge Abutments Repairs	2016–17	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.

Projects Proposed for FY 2016–17 through FY 2019–20

TRAFFIC & TRANSPORTATION		
Caltrain Bike/Pedestrian Undercrossing Design	2017–18	This project will design the 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 fiscal year 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	2018–19	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.
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.
WATER		
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.

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.
Kelly Park Sound Wall	Estimated Cost: \$1,430,000 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 and will be coordinated with the Downtown Specific Plan prior to any improvements to the parking plaza.
Parking Management Plan	Estimated Cost: TBD Source: City 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 a member of the chamber of commerce, a 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

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 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.
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 fiscal year 2010-11, (\$100,000) in fiscal year 2011-12 and additional funding (\$400,000) was planned for fiscal year 2013-14, work in this project did not start prior to the dissolution of the RDA.
Streetscape – Overall 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.
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 Pierce Road.
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.

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.
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 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 inadequate for the current weekend and weeknight 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 a second restroom.

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 City 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 created 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.
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 preferred 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.
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.

Non-Funded Project Requests

TRAFFIC & TRANSPORTATION		
Laurel Upper School Safe Routes to School Plan	Estimated Cost: \$100,000 Source: Staff	The Laurel Upper School is a Menlo Park City School District elementary school planned on Elliott Drive to open for school year 2016-2017. This project is to identify suggested bicycling and walking routes as well as identify education, encouragement and enforcement programs to support walking and bicycling to the school. Emphasis on connecting routes between the existing Laurel Elementary School and the future Laurel Upper School would also be identified and evaluated as part of this plan. This project would build on the Menlo Park-East Palo Alto connectivity project identified for fiscal year 2015-2016.
Middle Avenue Bicycle Implementation	Estimated Cost: TBD Source: Staff	This project will implement the Middle Avenue Fehr & Peers 2012 Plan to include bicycle lanes.
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 residents and businesses. 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 creation of 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 – 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. This could be subject to other regulations because of school specific bus requirements.
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.

Non-Funded Project Requests

TRAFFIC & TRANSPORTATION

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 needs for 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	Estimated Cost: \$55,000 Source: Environmental Quality Commission & Green Ribbon Citizens Committee	Under City contract, 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.
Home Remodels Energy Upgrades- Pilot Program	Estimated Cost: \$110,000 Source: Staff	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 considering of home improvements and may be more inclined to make significant energy upgrades. The goal is to reduce greenhouse gas emissions through residential energy conservation. This project is a high ranking measure in the Climate Action Plan.
Requirement for Pharmacies to take back Pharmaceuticals Draft Ordinance	Estimated Cost: \$25,000 Source: Staff	A required take back program would increase disposal options for residents and avoid potentially disposing of these chemical in a landfill or sewer system. This project would include drafting an ordinance for city council consideration and the community engagement involved in preparing the ordinance for adoption.
Strategic Plan to Increase Local Food Production through Social Marketing, Education, and Community Garden Programs	Estimated Cost: \$600,000 Source: Staff	Part of the Climate Action Plan's five year strategy approved by Council 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 famer's markets . Consider an 'Eat Local Campaign' similar to Portland, Oregon program that promotes eating foods grown within a specific mile radius.
Suburban Park Streetlight Conversion	Estimated Cost: \$100,000 Source: Staff	Take streetlights in the Suburban Park area off the high-voltage PG&E system and convert to low-voltage parallel-wiring system.

Non-Funded Project Requests

PARKS & RECREATION		
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 requires retrofit parts discontinued due to the shower equipment.
Burgess Baby Pool Analysis/Preliminary Design	Estimated Cost: \$200,000 Source: Staff	Increased demand for recreational pool space has grown 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, 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 age range and more space.
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 in the long term based upon the continued increase in water rates.
Flood Park Joint Use	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.
Tennis Court Electronic Key Upgrade	Estimated Cost: \$100,000 Source: Staff	The Tennis Court Electronic Key Upgrade would include the installation of electronic access to 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.

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 and the City's preparation of Fiscal Impact Analysis. The project would involve an update of the City's Transportation Impact Analysis Guidelines while maintaining consistency with the current General Plan policies regarding the level of service 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 received \$200,000 in funding in fiscal year 2010-11 and \$300,00 in fiscal year 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.

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. The Menlo Science & Technology Center already has 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.
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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
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
Bicycle/Pedestrian	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

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
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			
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 Summary by Funding Source

5-YEAR SUMMARY BY FUNDING SOURCE

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
General Fund - CIP						
Available Balance	3,847,389	3,573,380	354,380	1,243,380	3,025,380	
Revenues	3,245,944	3,100,000	2,800,000	4,100,000	3,000,000	
Operating Expenditures and Commitments	994,953	24,000	26,000	28,000	30,000	
Recommended Projects						
Administration Building Conference Room Furniture Replacement	—	—	—	200,000	—	\$200,000
Bay Levee Project	90,000	90,000	—	—	—	\$180,000
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	—	4,700,000	—	—	—	\$4,700,000
City Buildings (Minor)	325,000	325,000	350,000	350,000	350,000	\$1,700,000
City Council Chambers Landscaping	—	—	—	—	500,000	\$500,000
Civic Center Sidewalk Replacement and Irrigation System Upgrades	—	—	—	400,000	—	\$400,000
Climate Action Plan Implementation	100,000	100,000	100,000	100,000	100,000	\$500,000
Cost of Service/Fee Study	100,000	—	—	—	—	\$100,000
Downtown Streetscape Improvement Project (Specific Plan)	115,000	165,000	110,000	—	—	\$390,000
El Camino Real Median and Side Trees Irrigation System Upgrade	—	—	85,000	—	—	\$85,000
Gate House Fence Replacement	—	—	—	220,000	—	\$220,000
Gate House Landscaping	—	—	—	—	470,000	\$470,000
Rail Coordination	50,000	50,000	50,000	—	—	\$150,000

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Nealon Park Sports Field Sod and Irrigation Replacement	250,000	—	—	—	—	\$ 250,000
Kitchen Upgrade at Onetta Harris Community Center	—	—	—	30,000	—	\$ 30,000
Recommended Projects - Continued						
La Entrada Baseballfield Renovation	—	—	170,000	—	—	\$170,000
La Entrada & Willow Oak tennis Courts Restoration & Oak Tennis Courts Restoration & Resurfacing	—	—	—	—	200,000	\$200,000
Library Furniture Replacement	—	—	450,000	—	—	\$450,000
Main Library Interior Wall Fabric Replacement	—	150,000	—	—	—	\$150,000
Menlo Children's Center Carpet Replacement	—	—	60,000	—	—	\$60,000
Park Improvements (Minor)	150,000	150,000	170,000	170,000	170,000	\$810,000
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
Radio Infrastructure Replacement	100,000	—	—	—	—	\$100,000
Santa Cruz Avenue Sidewalks Implementation	1,000,000	—	—	—	—	\$1,000,000
Sidewalk Repair Program	120,000	120,000	120,000	120,000	120,000	\$600,000
Technology Master Plan Project and Implementation	125,000	—	—	—	—	\$125,000
Trash Capture Device Installation	—	60,000	—	—	—	\$60,000
Willow Place Bridge Abutment Repairs	—	250,000	—	—	—	\$250,000
Total	\$2,525,000	\$6,295,000	\$1,925,000	\$2,290,000	\$1,190,000	\$15,045,000
Ending Fund Balance	3,573,380	354,380	1,243,380	3,025,380	4,085,380	

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Bedwell Bayfront Park Landfill						
Available Balance	3,939,138	4,313,744	4,583,744	3,843,744	4,193,744	
Revenues	760,000	760,000	760,000	760,000	760,000	
Operating Expenditures and Commitments	385,394	390,000	400,000	410,000	420,000	
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	—	—	\$1,000,000
Total	—	\$100,000	\$1,100,000	—	—	\$1,200,000
Ending Fund Balance	4,313,744	4,583,744	3,843,744	4,193,744	4,533,744	

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Construction Impact Fees						
Available Balance	2,635,000	3,900,000	240,000	1,680,000	200,000	
Revenues	1,725,000	1,900,000	1,900,000	1,900,000	1,900,000	
Operating Expenditures and Commitments	60,000	60,000	60,000	60,000	60,000	
Recommended Projects						
Street Resurfacing	400,000	5,500,000	400,000	3,500,000	—	\$9,800,000
Total	\$400,000	\$5,500,000	\$400,000	\$3,500,000	—	\$9,800,000
Ending Fund Balance	3,900,000	240,000	1,680,000	200,000	1,860,000	

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Highway Users Tax						
Available Balance	1,786,950	2,319,034	1,519,034	2,019,034	219,034	
Revenues	732,084	700,000	700,000	700,000	700,000	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
Chrysler Pump Station	—	1,500,000	—	—	—	\$1,500,000
Street Resurfacing	200,000	—	200,000	2,500,000	—	\$2,900,000
Total	200,000	\$1,500,000	\$200,000	\$2,500,000	—	\$4,400,000
Ending Fund Balance	2,319,034	1,519,034	2,019,034	219,034	919,034	

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Downtown Parking Permits						
Available Balance	2,552,550	2,617,491	2,917,491	3,217,491	3,317,491	
Revenues	425,000	4,570,000	430,000	440,000	450,000	
Operating Expenditures and Commitments	110,059	120,000	130,000	140,000	150,000	
Recommended Projects						
Downtown Parking Utility Underground ¹	—	4,150,000	—	—	—	\$4,150,000
Downtown Parking Structure Study	250,000	—	—	—	—	\$250,000
Parking Plaza 7 Renovations	—	—	—	200,000	—	\$200,000
Total	\$250,000	\$4,150,000	—	200,000	—	\$4,600,000
Ending Fund Balance	2,617,491	2,917,696	3,217,491	3,317,491	3,617,491	

1. City to be reimbursed from PG&E with Rule 20A funds revenue shown in FY 2016-17.

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Rec-in-Lieu Fund						
Available Balance	1,283,644	474,644	299,644	499,644	699,644	
Revenues	191,000	200,000	200,000	200,000	200,000	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
Bedwell Bayfront Park Master Plan	—	175,000	—	—	—	\$175,000
Belle Haven Pool Deck Lighting	30,000	—	—	—	—	\$30,000
Belle Haven Youth Center Playground Replacement ¹	230,000	—	—	—	—	\$230,000
Library Landscaping	200,000	—	—	—	—	\$200,000
Relocation of Dog Park at Nealon Park	250,000	—	—	—	—	\$250,000
Willow Oaks Dog Park Renovation	250,000	—	—	—	—	\$250,000
Jack Lyle Park Restrooms - Construction	40,000	200,000	—	—	—	\$240,000
Total	\$1,000,000	\$375,000	—	—	—	\$1,375,000
Ending Fund Balance	474,644	299,649	499,644	699,644	899,644	5,332,215

1. The City will receive 25,000 from the San Mateo County for the Belle Haven Playground Replacement Project.

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Measure A						
Available Balance	205,611	302,999	1,862,969	1,962,969	2,062,969	
Revenues	1,557,358	1,600,000	1,600,000	1,600,000	1,600,000	
Operating Expenditures and Commitments	1,409,970	1,450,000	1,500,000	1,500,000	1,500,000	
Recommended Projects						
Chilco Street and Sidewalk installation ¹	50,000	—	—	—	—	\$50,000
Total	\$50,000	—	—	—	—	\$50,000
Ending Fund Balance	302,999	1,862,969	1,962,969	2,062,969	3,162,969	

1. Funded by Development Project Fees

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Measure T						
Available Balance	272,181	274,681	8,169,681	8,172,681	8,174,681	
Revenues	2,500	8,020,000	2,500	2,500	2,500	
Operating Expenditures and Commitments	—	—	—	—	—	
Recommended Projects						
Measure T Funds Evaluation/Project Ranking	—	125,000	—	—	—	\$125,000
Total	—	\$125,000	—	—	—	\$125,000
Ending Fund Balance	274,681	8,169,681	8,172,181	8,174,681	8,177,181	

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Sidewalk Assessment						
Available Balance	90,191	84,247	82,247	85,247	93,247	
Revenues	196,230	200,000	205,000	210,000	215,000	
Operating Expenditures and Commitments	22,174	22,000	22,000	22,000	22,000	
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	84,247	82,247	85,247	93,247	106,247	

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Solid Waste Service Fund						
Available Balance	912,190	901,869	813,869	807,869	839,869	
Revenues	353,753	350,000	400,000	450,000	500,000	
Operating Expenditures and Commitments	358,074	394,000	406,000	418,000	430,000	
Recommended Projects						
Community Zero Waste Policy Draft	—	50,000	—	—	—	\$50,000
Total	—	\$50,000	—	—	—	
Ending Fund Balance	907,869	813,869	807,869	839,869	909,869	

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Transportation Impact Fees						
Available Balance ¹	1,551,974	1,958,759	2,433,759	2,408,759	2,538,759	
Revenues	4,496,860	500,000	500,000	500,000	500,000	
Operating Expenditures and Commitments	127,815	25,000	25,000	25,000	25,000	
Recommended Projects						
Citywide Bicycle/Pedestrian Visibility ¹	487,000	—	—	—	—	\$487,000
Caltrain Bike/Ped Undercrossing Design	—	—	500,000	—	—	\$500,000
Dumbarton Rail Corridor Planning Support	150,000	—	—	—	—	\$150,000
Haven Avenue Streetscape Improvement ⁴	700,000	—	—	—	—	\$700,000
Florence/Marsh and Bay/Marsh Signal Modification	—	—	—	345,000	—	\$345,000
Menlo Park-East Palo Alto Connectivity Project ³	550,000	—	—	—	—	\$550,000
Ravenswood Avenue Caltrain Grade Separation ²	750,000	—	—	—	—	\$750,000
Sand Hill Road Signal Modification Project	125,000	—	—	—	—	\$125,000
Transit Improvements	150,000	—	—	—	—	\$150,000
Menlo Park-Atherton Bike/Pedestrian Improvements Project ⁵	900,260	—	—	—	—	\$900,260
Willow Road Transportation Study	150,000	—	—	—	—	\$150,000
Total	\$ 3,962,260	—	\$500,000	\$345,000	—	\$ 4,807,260
Ending Fund Balance	1,958,759	2,433,759	2,408,759	2,538,759	3,013,759	

1. TDA grant of \$347,860 to be reimbursed for the Citywide Bicycle/Ped Visibility Project

2. Measure A Grade Separation Program Grant of \$750,000

3. Measure A (SMCTA Grant): \$395,000 for the Menlo Park -East Palo Alto Connectivity Project

4. Measure A (SMCTA Grant): \$170,000 and Developer Contribution (bonded): \$530,000 for the Haven Avenue Streetscape Improvement

5. ABAG (CMAQ Grant) of \$797,000 for the Menlo Park-Atherton Bike/Pedestrian Improvements Project

5-Year Summary by Funding Source

FUNDING SOURCE	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
Water Fund - Capital						
Available Balance	4,209,100	4,916,054	5,566,054	3,814,054	3,560,054	
Revenues	1,130,000	1,000,000	1,000,000	1,000,000	1,000,000	
Operating Expenditures and Commitments	373,046	50,000	52,000	54,000	56,000	
Recommended Projects						
Automated Water Meter Reading	—	—	500,000	1,200,000	1,200,000	\$2,900,000
Emergency Water Supply Project (2nd Well)	—	—	—	TBD	—	TBD
Urban Water Management Plan	25,000	—	—	—	140,000	\$165,000
Water Main Replacements	—	300,000	2,200,000	—	—	\$2,500,000
Water Rate Study	25,000	—	—	—	80,000	\$105,000
Total	\$50,000	\$300,000	\$2,700,000	\$1,200,000	\$1,420,000	\$5,670,000
Ending Fund Balance	4,916,054	5,566,054	3,814,054	3,560,054	3,084,054	
FISCAL YEAR TOTALS	8,717,260	18,575,000	6,965,000	10,215,000	3,510,000	47,982,260

APPENDIX

Gann Appropriation Limit

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

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 fiscal year 1990-91 and fiscal year 1991-92 appropriations limits. Beginning with the fiscal year 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.

The following page provides the calculation for the appropriations limit for fiscal year 2015-16, as well as the total appropriations subject to the limit. The adjustment factors utilized for the fiscal year 2015-16 calculation include the growth in California per capita income and the population growth within the City of Menlo Park. Those two factors yielded the most favorable appropriations limit for the City. As the table demonstrates, the City’s appropriations subject to the limit (\$31.2 million) are well below the appropriations limit itself (\$51.8 million).

Gann Appropriation Limit

CITY OF MENLO PARK APPROPRIATIONS LIMIT FISCAL YEAR 2015–16

	AMOUNT	SOURCE
A Last Year's Limit	\$49,308,784	Prior Year
B Adjustment Factors		
1. Population	1.0109	State Department of Finance
2. Inflation	1.0382	County Assessor
	1.0495	(B1*B2)
Total Adjustment %	0.0495	(B1*B2-1)
C Annual Adjustment	\$2,441,592	(B*A)
D This Year's Limit	\$51,750,376	(A+C)
E Tax proceeds subject to the limit		
Property Tax	15,951,813	2015–16 Budget
Sales Tax	5,243,064	2015–16 Budget
Other Tax	8,636,182	2015–16 Budget
Special Assessments	1,087,898	2015–16 Budget
Interest Allocation	306,984	2015–16 Budget
Total	\$31,225,941	
Amount Under/(Over) Limit	\$20,524,435	(D-E)

Gann Limit Resolution

RESOLUTION NO. 6276

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16

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 City of Menlo Park population percentage change over the prior year is 1.09 percent and the growth in California per capita personal income is 3.82 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 23, 2015 hereby establishes the appropriations limit as the amount of \$51,750,376 for Fiscal Year 2015-16, 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 sixteenth day of June, 2015, by the following votes:

AYES: Carlton, Cline, Keith, Mueller, Ohtaki

NOES: None

ABSENT: None

ABSTAIN: None

IN WITNESS WHERE OF, I have hereunto set my hand and affixed the Official Seal of said City on this sixteenth day of June, 2015.



Pamela I. Aguilar
City Clerk

Full Time Equivalent (FTE) Personnel

Proposed 2015–16 FTEs by Classification

Accountant	1
Accounting Assistant II	3
Administrative Assistant	1
Assistant City Manager	1
Assistant Community Development Director	2
Assistant Engineer	1
Assistant Planner	1
Assistant Public Works Director	1
Assistant to the City Manager	1
Associate Engineer	13.5
Associate Planner	6
Branch Library Manager	1
Building Custodian	2
Building Inspector	4
Business Manager – Development Services	1
Child Care Teacher – Title 22	7.5
Child Care Teacher – Title 5	5
City Arborist	1
City Attorney	1
City Clerk	1
City Councilmember	5
City Manager	1
City Service Officer	2.5
Code Enforcement Officer	1
Commander	2
Communications Officer	4.5
Communications Training Officer	2
Community Development Director	1
Community Development Technician	1
Community Service Officer	2
Community Services Director	1
Community Services Manager	1
Computer Support Technician	2.5
Construction Inspector	2

Full Time Equivalent (FTE) Personnel

Proposed 2015–16 FTEs by Classification

Contract Specialist	1
Corporal	4
Custodial Services Supervisor	1
Deputy City Clerk	1
Development Services Technician	4
Economic Development Manager	1
Economic Development Specialist	1
Engineering Technician II	1
Environmental Programs Specialist	2
Environmental Programs Manager	1
Equipment Mechanic	1
Executive Secretary To The City Mgr	1
Facilities Supervisor	1
Finance Director	1
Financial Analyst	1
Financial Services Manager	1
Fleet Supervisor	1
Gymnastics Instructor	2.25
Gymnastics Program Coordinator	1
Human Resources Analyst	3
Human Resources Assistant	0.75
Human Resources Director	1
Information Services Manager	1
Lead Communications Officer	1
Librarian II	1.25
Librarian III	3
Library Assistant I	2
Library Assistant II	3.75
Library Assistant III	1
Library Director	1
Literacy Program Manager	1
Maintenance Worker I – Streets	2
Maintenance Worker I – Trees	2
Maintenance Worker II – Building	1

Full Time Equivalent (FTE) Personnel

Proposed 2015–16 FTEs by Classification

Maintenance Worker II – Parks	4
Maintenance Worker II – Streets	1
Maintenance Worker III – Building	1
Maintenance Worker III – Parks	4
Maintenance Worker III – Streets	1
Maintenance Worker III – Trees	1
Management Analyst	1
Night Clerk	0.75
Office Assistant II	0.75
Office Assistant III	3
Parks And Trees Supervisor	1
Permit Planner	1
Plan Checker	1
Police Chief	1
Police Officer	33
Police Records Officer	2
Police Records Training Officer	1
Principal Planner	2
Program Assistant	10
Program Supervisor – Title 22	1
Program Supervisor – Title 5	1
Property and Court Officer	1
Public Works Director	1
Public Works Superintendent	1
Recreation Program Coordinator	5
Recreation Supervisor	1
Red Light Photo Enforcement Facilitator	1.75
Revenue And Claims Manager	1
Secretary	4.5
Senior Building Inspector	1
Senior Civil Engineer	5
Senior Computer Support Technician	1
Senior Engineering Technician	2
Senior Planner	2

Full Time Equivalent (FTE) Personnel

Proposed 2015–16 FTEs by Classification

Sergeant	8
Streets And Water Supervisor	1
Teacher's Aide	6
Technical Services Manager	1
Traffic Engineering Technician II	1
Transportation Driver	0.75
Transportation Engineer	1
Transportation Management Coordinator	1
Transportation Manager	1
Water Quality Technician	1
Water Service Worker	1
Water Systems Supervisor	1
Youth Services Coordinator	1
Total	259

Glossary of budget terms

ACCOUNTS PAYABLE

A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government

ACCOUNTS RECEIVABLE

An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS OF ACCOUNTING

A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

ADOPTED BUDGET

The City Council approved annual budget establishing the legal authority for the expenditure of funds as set forth in the adopting Council budget resolution.

AMORTIZATION

The process of decreasing or allocating a lump sum amount over a period of time, particularly for loans and other forms of finance, including related interest and other finance charges.

APPROPRIATION

Legal authorization granted to the City Manager by the City Council to expend monies, and/or to incur legal obligations for specific departmental purposes. An appropriation is usually limited in amount, as well as to the time when it may be expended.

ASSESSED VALUATION

A dollar value placed upon real estate or other property by San Mateo County as a basis for levying property taxes.

ASSETS

Property owned by a government, which has monetary value.

AUDIT

Prepared by an independent certified public accountant

(CPA), the primary objective of an audit is to determine if the City's financial statements fairly present the City's financial position and results of operations in conformity with generally accepted accounting principles.

AUTHORIZED POSITIONS

Regular positions authorized in the budget to be employed during the fiscal year

BASIS OF ACCOUNTING

The timing of recognition for when the effects of transactions or events are recognized for financial reporting or budgeting purposes. The three basis of accounting for governmental agencies are: (1) cash basis (when cash is received or paid), (2) accrual basis (when the underlying transaction or event takes place), and (3) modified accrual basis (revenues are recognized in the accounting period in which they become available and measurable and expenditures are recognized in the accounting period in which the fund liability occurred).

BALANCE SHEET

A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specific date.

BALANCED BUDGET

When the total of revenues and other financing sources is equal to or greater than the total of expenditures and other financing uses, the budget is balanced.

BEGINNING FUND BALANCE

Fund balance available in a fund from the end of the prior year for use in the following year.

BOND

A city may raise capital by issuing a written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, together with periodic interest at a special rate.

BOND RATING

An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full.

Glossary of budget terms

BUDGET

A plan of financial and program operation listing an estimate of proposed appropriations or expenses and the proposed means of financing them, for a particular time period. The budget is proposed or preliminary until it has been adopted by the City Council.

BUDGET CALENDAR

The schedule of key dates or milestones which a government follows in preparation and adoption of a budget.

BUDGET ADOPTION

Formal action by the City Council, which sets the spending path for the year.

BUDGETARY CONTROL

The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

CALPERS

State of California Public Employee's Retirement System.

CAPITAL ASSET

A tangible, fixed asset that is long-term in nature, of significant value, and obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land, buildings, equipment, improvements to buildings and infrastructure (i.e., streets, highways, bridges and other immovable assets). A capital asset is defined as an asset with a useful life extending beyond a single accounting period.

CAPITAL BUDGET

A financial plan of proposed capital improvement projects and the means of financing them for a given period of time.

CAPITAL OUTLAY

A budget category which budgets all equipment having a unit cost of more than \$5,000 and an estimated useful life of more than one year. Capital Outlay items are budgeted in the operating budget.

CAPITAL IMPROVEMENT PROGRAM (CIP)

Improvements that cost over \$25,000 and have a useful life of three years or more, or involve public works construction. The City may own completed projects, or the City may maintain a legal interest in the completed project. Examples of projects owned by the City include a new park, street resurfacing, modifications to buildings and construction of water mains. An example of a project in which the City maintains a legal interest is a privately owned housing project with an outstanding promissory note to the City.

CASH BASIS OF ACCOUNTING

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CITY MANAGER'S BUDGET MESSAGE

A general discussion of the proposed budget as presented in writing by the City Manager to the City Council. The message contains an explanation of the principal budget items and summarizes the proposed budget relative to the current year adopted budget.

COMMUNITY PRIORITIES

Strategic work objectives that require collaborative action by several City departments and partnerships with other elements of the community.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The official annual report of the City's financial condition at the conclusion of the fiscal year. The report is prepared to conform to Generally Accepted Accounting Principles (GAAP) for governmental units and presentation of the financial data in conformity with the Adopted Budget.

CONSUMER PRICE INDEX

A statistical description of price levels provided by the U.S Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

CONTINGENCY

A budgetary reserve set aside for emergency or unanticipated expenditures, revenue shortfalls, and/or unknown expenditures.

Glossary of budget terms

DEPARTMENT

An operational and budgetary unit designated by the City Council to define and organize City operations, or a group of related operations within a functional area.

DEBT

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

DEBT FINANCING

Issuance of bonds and other debt instruments to finance municipal improvements and services.

DEBT SERVICE

Debt service refers to the interest and principal payments on bond issues and includes the issuance costs related to bond funding.

DEFICIT

The excess of an entity's liabilities over its assets, or the excess of expenditures or expenses over revenue during a single accounting period.

DEPRECIATION

- (1) Expiration in the service life of capital outlay assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.
- (2) The portion of the cost of a capital asset that is charged as an expense during a particular period.

DIVISION

An organizational unit consisting of program(s) or activity(ies) within a department which furthers the objectives of the City Council by providing services or a product.

ENCUMBRANCES

Financial commitments related to unperformed contracts for goods or services for which part of an appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

ENTERPRISE FUND

A type of fund established to account for the total costs of those governmental facilities and services which are

operated in a manner similar to private enterprises. These funds are entirely or mostly self-supporting.

ENVIRONMENTAL IMPACT REPORT (EIR)

An analysis of the environmental implications related to a specific action. For example the increase in traffic in an area proposed for new development.

EXPENDITURE

The payment made for cost of services rendered, materials, and equipment and capital improvements.

EXPENSE

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

FEE

The payment for direct receipt of a public service by the party who benefits from the service.

FIDUCIARY FUND

A fund type to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension, trust funds, investment trust funds, private-purpose trust funds and agency funds.

FISCAL YEAR

A 12-month accounting period of time to which the budget applies; for Menlo Park, it is July 1 through June 30.

FRINGE BENEFITS

Benefits including employee retirement, Social Security, health, dental, vision, life insurance, workers' compensation, uniforms and deferred compensation plans.

FTE

Full Time Equivalent Employee (FTE) Hours per year = 1.0 Full-Time Equivalent position.

FUND

An independent fiscal and accounting entity used to record all financial transactions related to the specific

Glossary of budget terms

purpose for which the fund was created. There are three major types of fund: Governmental (general, special revenue, debt service, capital projects and permanent), Proprietary (enterprise and internal service), and Fiduciary (trust and agency).

FUND BALANCE

The amount of financial resources immediately available for use. Generally, this represents the excess of unrestricted current assets over current liabilities.

GANN APPROPRIATION LIMIT

Article XIII B of the state constitution was amended by Proposition 4 (Gann initiative) in 1979. Article XIII B limits growth in the spending of tax proceeds to tax proceeds appropriated in the "base year" of 1978-79 times the product of the allowable annual percentage change in a cost-of-living factor and the allowable annual percentage change in a population change factor. The cost-of-living factor is the larger of the annual percentage change in the State per capita personal income or the annual percentage change in the local non-residential assessed valuation due to new construction. The population change factor is the larger of the annual percentage change of the jurisdiction's population or the annual percentage population change of the county in which the jurisdiction is located.

GENERAL FUND

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. Examples of departments financed by the General Fund include the police and library departments.

GENERAL OBLIGATION BOND

A type of bond that is backed by the full faith, credit, and taxing power of the City.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a

particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

GOVERNMENTAL ACCOUNTING

The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)

The authoritative accounting and financial reporting standard-setting body for government entities.

GOVERNMENTAL FUND

A fund type to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

GRANT

Contributions or gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity or facility. An example is the Community Development Block Grant given by the federal government.

INFRASTRUCTURE

Facilities on which the continuance and growth of a community depend on such as roads, water lines, sewers, public buildings, parks and airports.

INTERFUND TRANSACTIONS

These budgetary transactions consist of quasi-external transactions which would be treated as revenues and expenditures if they involved organizations external to the governmental unit, reimbursements of expenditures initially made in one fund which are attributable to another fund, and operating transfers where monies are appropriated from one fund to another fund to reimburse expenses which are of benefit to the first fund.

Glossary of budget terms

INTERNAL SERVICE FUND

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, on a cost reimbursement basis.

LIABILITY

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. Note: This term does not include encumbrances.

LINE ITEM DETAIL

A budget that lists detailed expenditure categories (permanent salaries, utilities, travel, training, etc.) separately, along with the amount budgeted for each specified category.

LONG-TERM DEBT

Debt with a maturity of more than one year after the date of issue.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

Basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable; expenditures are recognized in the accounting period in which the fund liability is incurred (if measurable), except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

MUNICIPAL CODE

A compilation of City Council approved ordinances currently in effect. The Code defines City policy in various categories, for example, Civil Service rules, traffic regulations, sanitation and health standards, building regulations, and planning and zoning regulations.

OPERATING BUDGET

A financial, programmatic and organizational plan for furthering the goals of the City Council through the departments of the City, which does not include one-time capital improvements projects.

ORDINANCE

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution.

PAY-AS-YOU-GO BASIS

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

PROPRIETARY FUND

Funds that focus on the determination of operating income, changes in net assets (cost recovery), financial position and cash flows. There are two types of proprietary funds: Enterprise and Internal Service Funds.

PURCHASE ORDER

A document issued to authorize a vendor to deliver specified merchandise or render a specified service for a stated estimated price. Outstanding purchase orders are called encumbrances.

RE-APPROPRIATION

The amount of money that is budgeted for a project in a prior year but is not spent or encumbered and needs to be appropriated again in the current year in order to continue the program originally intended.

REIMBURSEMENTS

Payments of amounts remitted on behalf of another party, department or fund. They are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed (see Interfund Transactions).

RESERVE

An account used to set aside a portion of the fund balance as legally segregated for a specific use

Glossary of budget terms

RESOLUTION

A special order of the City Council which requires less legal formality than an ordinance in terms of public notice and the number of public readings before approval. A resolution has lower legal standing than an ordinance. The adopted City budget is approved by resolution and requires a majority vote of the Council members present at budget adoption time.

REVENUE

Sources of income used to finance City governmental services.

SELF-INSURANCE

A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or the activity of the agency.

SPECIAL REVENUE FUNDS

A Special Revenue Fund is separately administered because restrictions have been placed on how revenues may be spent by the City Council, the State of California or the federal government. Two examples are the State of California Gas Tax Fund and Measure A Transportation fund.

TAXES

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. This term does not include charges for services rendered only to those paying such charges, for example refuse collection.

TRANSIENT OCCUPANCY TAX (TOT)

A tax on hotel/motel stays 30 days or less. The rate in the City of Menlo Park is currently 12 percent.

TRUST AND AGENCY FUNDS

Types of fiduciary funds which account for assets held by the City in a trustee capacity. The budget does not appropriate fiduciary funds.

VEHICLE LICENSE FEE

Vehicle License Fee (VLF) is an annual fee on the ownership of a registered vehicle in California. It has been assessed on all privately owned registered vehicles in California in place of taxing vehicles as personal property since 1935. The VLF is paid to the Department of Motor Vehicles (DMV) at the time of annual vehicle registration. A portion of VLF had traditionally been apportioned to cities on a per capita basis. However, effective July 1, 2011, virtually all VLF revenues previously apportioned to cities were shifted to fund law enforcement grants as a part of efforts to solve the State's chronic budget problems.

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