

The background of the entire page is a photograph of a tree with white blossoms and green leaves. The blossoms are in the foreground, slightly out of focus, while the green leaves and branches of the tree are in the background. A solid green horizontal band is overlaid on the middle of the image, containing the title text. A solid teal vertical band is on the left side of the page.

CITY OF MENLO PARK ADOPTED BUDGET FISCAL YEAR 2016–17

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BUDGET MESSAGE

Transmittal letter

Honorable Mayor Cline and Members of the City Council:

I am pleased to present the fiscal year 2016-17 budget. It is balanced and represents a total citywide spending plan of \$116 million. This budget builds upon a solid foundation of prior years' budgets and financial strategies and invests wisely into the City Council's adopted work plan. In this, my fifth budget, we remain on a positive continuum of performance and results.

Our theme for this year's budget is "A Year of Action: Getting Things Done!" which I've coopted from Mayor Cline's statement at the City Council work plan meeting earlier this year.

The City Council has invested heavily in our human resources to build up organizational capacity and launched an extraordinary action effort. Hopes are high and consequences are great, but the staff understands City Council and community expectations and the need for positive results. This budget continues providing core services while responsibly funding City Council's ambitious work plan with the 72 unique items imbedded into the respective departmental budgets.

The budget also augments staffing, makes a modest attempt to restore certain services and fully funds the City's capital needs. Differently this year, however, the budget team is asking City Council to re-authorize prior years' capital budgets to reflect more clearly both the associated workload and funding. This results in an additional \$30 million in capital that was "carried over" in prior years.

Most importantly, the City is financially solid with significant reserves over our 44 funds and we continue to boast the AAA bond rating. Our financial prosperity will only be strengthened as the City, while balancing community impacts, completes a number of projects, including:

- ConnectMenlo, the City's General Plan update process
- The Menlo Gateway mixed-use project including a 220-room hotel; as well as the boutique hotel planned for El Camino Real
- Facebook's continued expansion and the likely benefits that will follow
- Nearly 1,400 housing units currently being entitled or under construction, which should increase community vibrancy
- Those projects resulting from the overall strength of the real estate industry and economy

BUDGET PRINCIPLES

The City Council-approved budget principles guided the development of this budget. The City Council introduced these principles in the fiscal year 2013-14 budget process and has reviewed them annually. They call for the City's budget to:

- Promote the City's long-term fiscal sustainability through strategic investments in programs, services and infrastructure
- Enhance and maintain baseline city services and infrastructure to positively affect the quality of life in Menlo Park
- Align and adjust staff capacity to implement the City Council adopted initiatives and strategies and to meet current demands for service
- Invest in staff development and new technologies that drive efficiency and productivity
- Actively pursue revenue enhancement opportunities and strive to achieve full cost recovery for all fee-based services, except where the City Council sees a clear public interest in providing a subsidy
- Continue to refine the budget document to enhance the public's access to the City's financial information while also providing for proper internal controls over the city's resources
- Monitor and report on changes in CalPERS retirement plan liabilities and include those changes in the City's 10-year financial plan
- Develop an assumption for the employee vacancy factor and discuss that assumption in the context of the long-term financial forecast
- Evaluate one-time revenues for highest and best investment and recognize the benefit of leveraging near term investments for long-term gains in financial sustainability and/or quality of life

BUDGET ASSUMPTIONS

Municipal budgeting is more of an art than a science. While the science of the numbers adds and balances, the art relies upon economic and operational assumptions made by my office. Menlo Park has traditionally practiced conservative budgeting; that is, revenue and expenditure estimates are restrained. The coming fiscal year will be no exception. We do not foresee the need to look to reserves to balance this year's budget and remain confident that despite increasing resource demands, revenues will be sufficient to meet operational needs.

This year's major revenue assumptions include:

- Another year of strong growth in property tax base
- Half funding of the excess ERAF rebate revenue (nearly \$1 million in property taxes)
- Modest increases in transient occupancy taxes and sales taxes
- Maintaining the utility users' tax
- Continued strength in development activity
- Strong cost recovery in service providing departments
- Carrying over the accrued CIP fund balance

Transmittal letter

Major expenditure assumptions include:

- Known compensation and benefit adjustments, including CalPERS, for all represented and nonrepresented employees
- An overall vacancy factor of 4.6 percent
- An increase in the number of employees by 3.0 full-time equivalents
- Restoration of materials budgets for the library to pre-recession levels
- Continued focus on the information technology support function for the organization
- Reorganization of the Library, Community Services and Administrative Services departments to better align existing staff resources with needs of the community and organization

NEW ELEMENTS IN THE 2016-17 BUDGET

Last summer, the City sustained a leadership exodus with the departure of six senior level managers. Seizing upon the opportunity, I reorganized departments and reporting relationships. I hired Chip Taylor as the city's new assistant city manager who now oversees all development-related activities including the Community Development and Public Works departments with a focus on greater coordination and the directive to "get 'things' done!" Similarly, I created the Administrative Services department and hired Nick Pegueros to oversee and coordinate the functions of finance, human resources and information technology. While the budget document still reflects separate departments of Community Development and Public Works, it now collapses the administrative services functions into one Administrative Services department.

Capital Improvement Plan

The Capital Improvement Program budget is a multiyear plan to improve or extend the useful life of the City's infrastructure assets such as roads, parks, building and water mains. When the City Council appropriates funds to pay for a Capital Improvement Plan project, any unspent funds at the end of each fiscal year are automatically carried over to the next fiscal year so that staff can continue their work on the project. In this year's budget, the \$30 million cumulative total of the carry-over appropriations is reflected both at the highest-level overview and on the detailed project level.

In addition to the \$30 million carry-over, the fiscal year 2016-17 Capital Improvement Plan budget totals \$10.8 million and includes several new projects including:

1. Annual street resurfacing (\$5.5 million) and water main replacements (\$1.0 million)
2. Middle Avenue bicycle and pedestrian rail crossing (\$0.7 million)
3. Downtown streetscape improvements and outdoor dining (\$0.5 million)
4. Bedwell Bayfront Park master planning (\$0.2 million) and citywide parks and recreation master planning (\$0.125 million)

The Capital Improvement Plan section provides descriptions for these and all other new capital improvement projects.

Service level enhancements

Included in the fiscal year 2016-17 budget are several service level enhancements resulting in changes to authorized classifications in operating departments. Consistent with the City Council’s adopted work plan, the changes provide benefit to both the community and the organization as a whole. In summary, the budget includes 2.0 new full-time equivalent employees, transition of three part-time employees to full-time employees for an increase in 1.0 full-time equivalents, an increase in the library’s materials budget, and promotion/upgrades to five authorized full-time employees. The changes result in an increase, net of revenue and collateral personnel savings, in the General Fund of \$278,900 as detailed below:

- **Expand program capacity at the Belle Haven Child Development Center, Senior Center and Menlo Children’s Center**

The Belle Haven Child Development Center budget includes 1.0 new full-time equivalent teacher’s aide position, which will result in eight new full-day child care slots, an increase of 9 percent. Grant revenue from the State of California substantially offsets the cost of this position. The Senior Center budget includes a 0.25 full-time equivalent increase in staff hours for a position that is currently part-time. The new staff capacity will allow the center to increase operating hours by two hours per day or 25 percent per week. Finally, at the Menlo Children’s Center, the budget upgrades three Title 22 teacher positions to Title 5 teacher. This change provides greater staffing flexibility for the department.

- **Expand community event programming both citywide and at both the main library and Belle Haven branch library location**

Shared by Community Services and Library, the budget includes a new 1.0 full-time position that will organize and manage new programming desired by Library and Community Services patrons. Partial funding of the position comes from the Frances Mack Trust and for that reason, is included in the Library’s head count. This is in partial response to Economic Development Division absorbing the demands of housing activities and spinning off communitywide events planning.

- **Increase investment in library materials**

In alignment with the 2015 library organizational review’s recommendations, the budget includes funding necessary to restore the buying power of the library’s materials budget to prior levels. This increase allows the library to keep up with the dynamically expanding realm of resources required of a 21st century library and to provide the high level of direct customer service that Menlo Park residents deserve.

- **Expand and reorganize staffing in finance, human resources and information technology to better serve the organization**

The Administrative Services Department’s budget includes conversion of two part-time employees to full-time employees for an increase of 0.75 full-time equivalent employees and upgrades the revenue and claims manager and financial analyst to the management analyst service. The added staff time allows the department to meet the significantly expanded needs of the organization resulting from new employees and initiatives arising out of the City Council’s adopted work plan.

2015-16 Budgeted FTEs	2016-17 Budgeted FTEs
259	262

Transmittal letter

ON THE HORIZON

While the budget document outlines the spending plan for the fiscal year beginning July 1, 2016, the City also uses this opportunity to assess the long-term financial strength of the General Fund using the 10-year General Fund forecast. The forecast is staff's best guesstimate of changes in revenue and expenditures based on experience and anticipated future activity. A key measure of financial stability is the ratio of fund balance to expenditures. As detailed in the Budget Summary section, the 10-year forecast shows the General Fund balanced in each of the next 10 years, slowly adding to the unassigned fund balance.

As a percentage of expenditures, the forecasted fund balance remains relatively stable at between 65 percent and 67 percent. This forecast relies on assumptions that three new hotels will generate transient occupancy tax at various points throughout the 10-year cycle. Also included are assumptions relative to increases in personnel costs and annual changes in the consumer's price index that affects both revenue and expenditures. A significant assumption of note is complete loss of excess ERAF revenue beginning in 2020-21. The Budget Summary section of the budget document provides a more detailed discussion of this topic.

Another key event in the near term is completion of the classification study. Consistent with the City Council adopted work plan, staff has worked diligently to update the City's antiquated classification system. The study, conducted by an independent-third party consultant with extensive expertise in classification analysis, involved all levels of the City's nonsworn personnel with the goal of documenting the duties and responsibilities performed by the City workforce in 2015. The consultant's final report to the City, anticipated in late June 2016, will recommend reclassification of several positions. Given that separate City Council action is required to adopt the salary schedule for the new classifications, the budget includes allowances for the known reclassifications at this time in the event the City Council approves the consultant's recommendations.

A YEAR OF ACTION: GETTING THINGS DONE!

The budget is balanced, representing staff's fair and true effort in anticipating the community's needs and the funding to deliver them. We have built an excellent team of public professionals to ensure the fiscal year 2016-17 budget year will be "A Year of Action." However, the challenge remains in our ability to attract and retain quality talent in Silicon Valley. We plan to remain flexible, as further staff turnover must be anticipated.

The delivery of the budget to City Council is the culmination of months of work from staff throughout the organization. This year, we built this budget with a number of Menlo Park first-timers. This includes newly hired Administrative Services Director Nick Pegueros and Finance and Budget Manager Rosendo Rodriguez, and partnering with our longtime Revenue and Claims Manager John McGirr who valiantly worked to create a balanced and true budget. They were aided by first-timers Brandon Cortez and Angela Lam, as well as the balance of the finance division staff. Finally, a special thanks to Clay Curtin, assistant to the city manager, and Andrea Heining, graphic artist, who 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. Excellent public and private schools serve its many young families, 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 Administrative Services, City Manager's Office, Community Development, Community Services, 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. Heritage trees, a running fountain and a duck pond surround the City Hall/Administration Building. The campus also includes a nine-acre park, recreation facilities and the city's 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, whose members are elected at-large to four-year overlapping terms in general municipal elections. The full City Council selects the Mayor and Mayor Pro Tem annually at a meeting in December, each serving a one-year term. 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 p.m. in the City Council Chambers located at 701 Laurel St. Menlo Park's councilmembers serve part-time, retaining their positions in private industry, personal enterprise, business or the professions.

Employer name	Total employees	Percentage of labor force
Facebook, Inc.	6,068	31%
SRI International	1,373	7%
TE Corporation	598	3%
SHR Hotel, LLC	457	2%
E*TRADE Financial Corporation	432	2%
United Parcel Services	388	2%
Pacific Biosciences of California	293	2%
Intuit, Inc.	275	1%
Safeway Stores, Inc.	245	1%
City of Menlo Park	237	1%
Subtotal Top 10 Employers	10,366	54%
TOTAL CITY LABOR FORCE	19,300	100%

Budget process

ANNUAL BUDGET CALENDAR

Like any complex organization with an annual budget of over \$100 million, the process to develop and produce the budget is continuous throughout the fiscal year, which runs from July 1 to June 30:

July through September

- Departments report on indicator performance from prior fiscal year
- Encumbrances and project carryovers incorporated into budget
- Scoping meetings for the five year Capital improvement plan

October through December

- Five year capital improvement plan drafted and reviewed for prioritization
- Operating budget schedule developed

January through March

- Budget schedule, directions, and budget guidance provided to departments
- Annual City Council work plan session
- Annual midyear financial report presented to City Council
- Department operating budgets drafted and reviewed with the city manager

April through June

- Revenue projections finalized
- Master fee schedule approved by the City Council (public hearing held)
- 10-year forecast developed
- Annual budget workshop/study session
- Public hearing on budget and five year capital improvement plan
- Budget adopted

FISCAL YEAR 2016-17 BUDGET PREPARATION PROCESS

The fiscal year 2016-17 budget marks the third year of the City's department-based budget structure and document. Before fiscal year 2014-15, the City of Menlo Park budgeted by program and service as opposed to department and division. The program/service budget structure allocates resources to specific services provided by the City, which ideally allows users of the budget to understand what services the City provides and how much it spends on them. While this can be a great way to present budget information, from a practical perspective, it made the city 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 set out to restructure the way the City presented its budgetary information into a more traditional department/division structure, as well as re-invent the budget document itself to make it more usable and meaningful. The resulting product was a more clear and transparent financial communication tool.

The development of the fiscal year 2016-17 operating budget began in early February with the departments updating revenue and expenditure estimates for the current year, as well as developing next year's 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 work plan workshop in January, which provided additional direction on priorities for additions to the base budget.

Development of departmental operating budgets continued into March and April, while the Finance Division worked to prepare the annual midyear report, 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 April 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 2016-17 City Council Work Plan. 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 May, the budget process turned toward establishing what service-level increases could be accommodated in fiscal year 2016-17 and developing the 10-year forecast.

As the numbers were finalized, attention was then turned toward the design and creation of the budget document. While the foundation for the new document content was largely established for the 2014-15 budget, additional attention was paid to refining that content and continuing to implement the new citywide design standards.

SIGNIFICANT BUDGET CHANGES

City Council-adopted work plan

In January 2016, the City Council established its work plan for the coming 18 months. As part of that discussion, the City Council agreed on and prioritized numerous initiatives within the constraints of budgeted staff resources. Subsequent to the goal setting session, the City Council reviewed and adopted the 2016-17 work plan items as found in the Appendix of this document. In addition to maintaining core and existing service levels, the fiscal 2016-17 budget includes funding for those work plan items ranked as "extremely important" and "very important."

Vacancy factor

While not a change, it is critical to highlight the continued inclusion of a vacancy factor as part of the personnel budget. 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. Before 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. In an attempt to account for the attrition that occurs, personnel costs for the fiscal year 2014-15 budget assumed that 2 percent of positions would remain vacant throughout the fiscal year. This lowered overall personnel costs in comparison to prior years' methodology for budgeting personnel, which allowed resources to be allocated to other priorities. Over the course of the fiscal year, personnel costs were monitored, and overall, the vacancy factor worked as expected. In fact, in several departments, vacancy rates remained above 2 percent throughout the year. During budget development, vacancies throughout the organization were assessed, and a vacancy factor of between approximately 0.6 percent and 7.4 percent was assigned to each department to offset total budgeted personnel costs. In sum, the fiscal year 2016-17 budget assumes that 4.6 percent of all staff hours budgeted, approximately 25,000 staff hours, will not be paid due to vacancies resulting from attrition.

The impact of the citywide vacancy factor is closely monitored and the City Manager, by policy, has the ability administratively to move funds amongst the departments within the General Fund as long as it does not increase the General Fund's total appropriation. Should the vacancy factor have an impact beyond a department's control, such as if there are no vacancies throughout the year, the City Manager may opt to address this by shifting funds from other departments to cover potential shortfalls. 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 process

BUDGET POLICIES AND PRACTICES

Budget management and appropriations control

The City Manager has responsibility for management of the overall City budget and maintenance of appropriations control. The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Appropriations, which become effective each July 1, lapse at the end of the fiscal year, with the exception of appropriations for capital improvement projects. Due to the nature of these projects, which often span multiple fiscal years, unexpended capital improvement project funds are automatically carried forward to the following fiscal year as part of the project budget and do not require re-appropriation by the City Council.

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 capital and operations) and internal services. The City's fiduciary funds are agency funds that are used to account for certain assets held on behalf of others, and the City's role in these funds is strictly custodial in nature. The City does not budget its fiduciary funds. More information on the City's various funds can be found in the Fund Information section of this document.

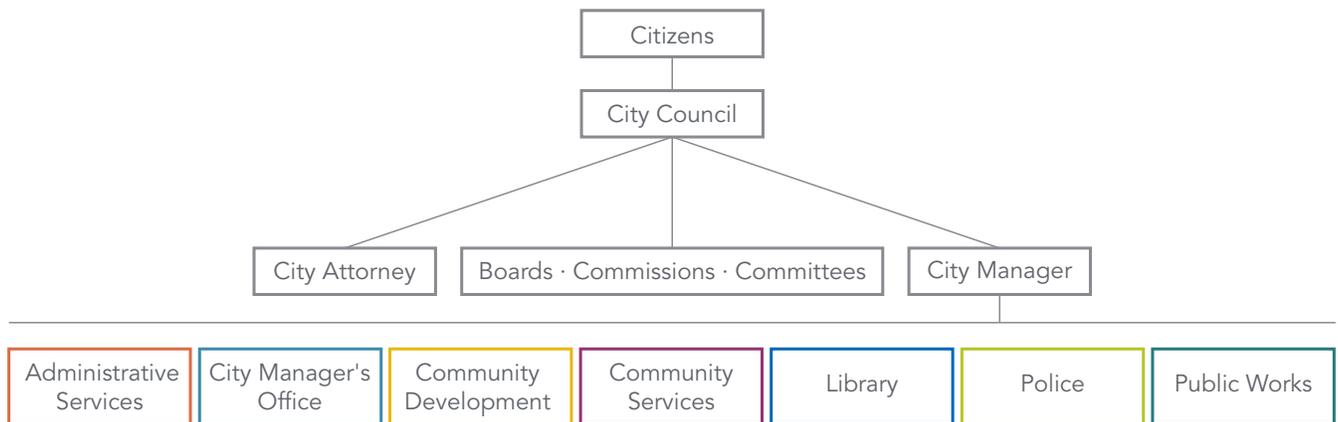


Basis of budgeting

Basis of budgeting refers to the method used to recognize revenues and expenditures in the budget, and in Menlo Park, the basis of budgeting is the same as the basis for accounting. For governmental and fiduciary funds, the modified accrual basis is followed. Under the modified accrual basis, revenues are recognized only when they become susceptible to accrual, which means when they become both measureable and available. Revenue is measureable when the amount of the transaction can be determined, and it is available when it is collectible in a manner that allows it to be used to pay for liabilities in the current period. Governments normally define an availability period for revenue recognition, and the City of Menlo Park considers revenues related to a particular fiscal year available if they are collected within 60 days after that fiscal year's end. 60 days is a common revenue recognition period. Expenditures are typically recorded when the liability is incurred, with the exception of debt service expenditures. Debt service expenditures are recorded when payment is due.

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

Organizational chart



Richard Cline
Mayor

Kirsten Keith
Mayor Pro Tem

Peter Ohtaki
City Councilmember

Ray Mueller
City Councilmember

Catherine Carlton
City Councilmember

William McClure
City Attorney

Alex D. McIntyre
City Manager

Chip Taylor
Assistant City Manager

Nick Pegueros
Administrative Services Director

Arlinda Heineck
Community Development Director

Cherise Brandell
Community Services Director

Susan Holmer
Library Director

Robert Jonsen
Police Chief

Justin Murphy
Public Works Director

Demographics

2010 U.S. Census population and housing data

POPULATION	
Male	48.4%
Female	51.6%
2000 to 2010 change in population	5.0%
1990 to 2010 change in population	14.4%
1980 to 2010 change in population	21.5%
TOTAL POPULATION	32,026

AGE	
0–17 years	23.0%
18–24 years	5.7%
25–44 years	31.5%
45–64 years	26.1%
65+ years	13.7%

MEDIAN AGE	38.9
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ETHNICITY	
White	70.2%
Asian	9.9%
Other	8.7%
Black or African American	4.8%
Two or more races	4.5%
Pacific Islander	1.4%
American Indian and Alaska Native	0.5%
TOTAL	100%
Note: Hispanic (all races)	18.4%

2010 U.S. Census population and housing data

NUMBER OF HOUSEHOLDS	
Family Households	7,573
Non-Family Households	4,774
TOTAL HOUSEHOLDS	12,347

AVERAGE HOUSEHOLD SIZE	2.53
------------------------	------

TOTAL HOUSING UNITS	
Owner Occupied Units	6,927
Renter Occupied Units	5,420
TOTAL OCCUPIED HOUSING UNITS	12,347

MEDIAN HOUSEHOLD INCOME (2008–2012)	\$113,774
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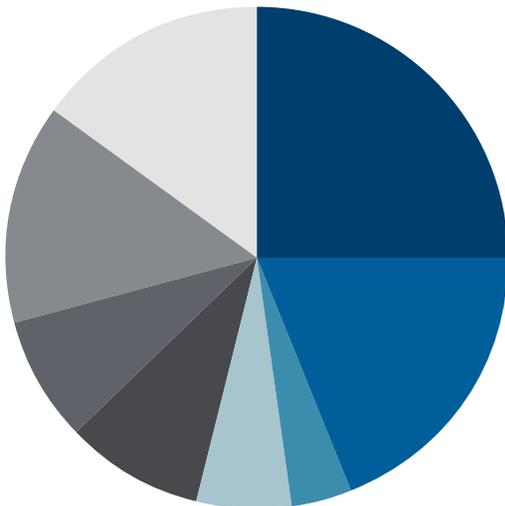
FINANCIAL TRENDS

General Fund resources

GENERAL FUND REVENUES

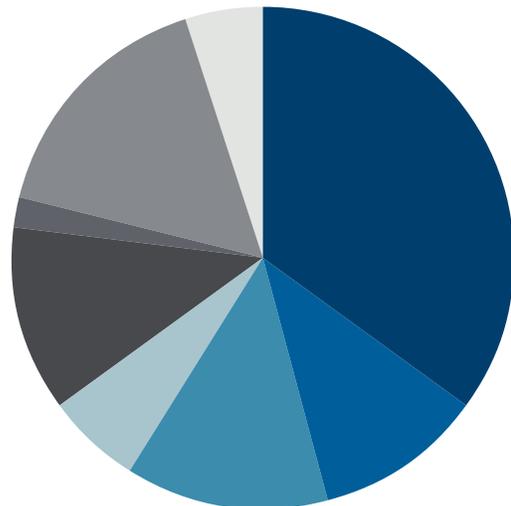
These two pie charts depict General Fund revenue sources in fiscal years 2006-07 and in 2015-16. Property tax continues to be the largest General Fund revenue source, covering approximately one-third of total General Fund resources in both fiscal year 2006-07 and fiscal year 2015-16. While property tax revenues have remained strong and consistent over this period, sales tax has become less prevalent as a General Fund resource, constituting only 13 percent of the total in fiscal year 2015-16. This is the result of a variety of factors, including the loss during this 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 recent hotel developments and the increase in the tax rate from 10 percent to 12 percent that became effective in January 2013, and the implementation of the utility users' tax in 2007.

GENERAL FUND REVENUES
2006-07



- 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
2015-16



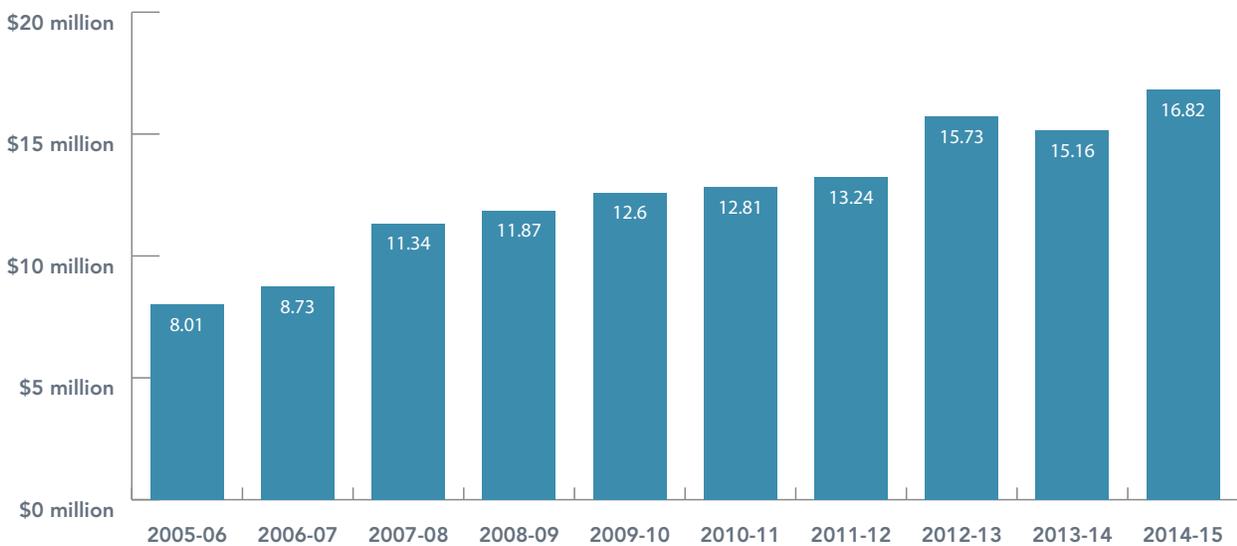
- OTHER REVENUE SOURCES
- CHARGES FOR SERVICES
- INTEREST AND RENTAL INCOME
- LICENSES AND PERMITS
- OTHER TAXES AND FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- SALES TAX
- PROPERTY TAXES

Major General Fund tax revenues

PROPERTY TAX

Property tax is the General Fund’s largest and most stable revenue source. From fiscal year 2005-06 to fiscal year 2014-15, 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 years 2012-13 and 2013-14 is a function of one-time revenues received in fiscal year 2012-13 related to the dissolution of the City’s former Community Development Agency. Actual assessed valuation grew between fiscal years 2012-13 and 2013-14, which is a better indicator of the overall health of this revenue source. In fact, between fiscal years 2005-06 and 2014-15, assessed value grew at an average annual rate of 5.4 percent, as shown in the following table:

PROPERTY TAX HISTORY 2005–15



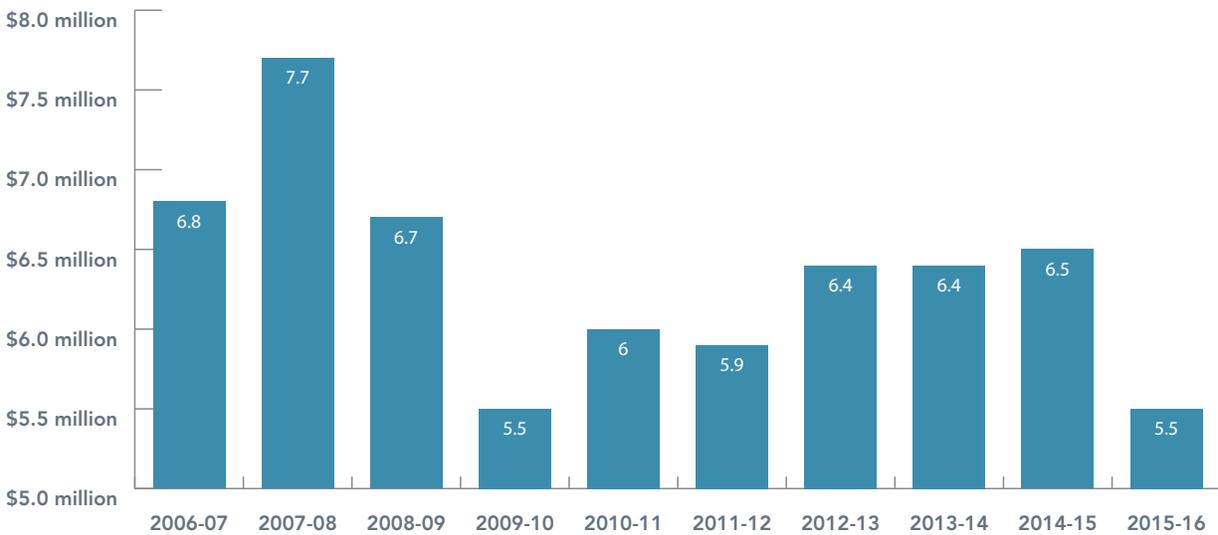
FISCAL YEAR ENDING JUNE 30	% CHANGE FROM THE PRIOR YEAR
2006	6.3%
2007	5.8%
2008	9.8%
2009	6.4%
2010	3.6%
2011	1.2%
2012	0.3%
2013	4.4%
2014	6.5%
2015	10.9%
AVERAGE	5.5%

Major general fund tax revenues

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 fiscal year 2007-08 and then dropping to \$5.7 million just two years later. Primarily due to the Great Recession and its impact on sales tax revenues between fiscal years 2009-10 and 2011-12, the trend over the past 10 years is one of decline. This trend intensified over the past two fiscal years with the loss of a major sales tax generator, as demonstrated by the drop between revenues in fiscal years 2013-14, 2014-15 and continuing into fiscal year 2015-16. The Budget Summary section of this document provides further details of future sales tax projections.

SALES TAX HISTORY 2006–16



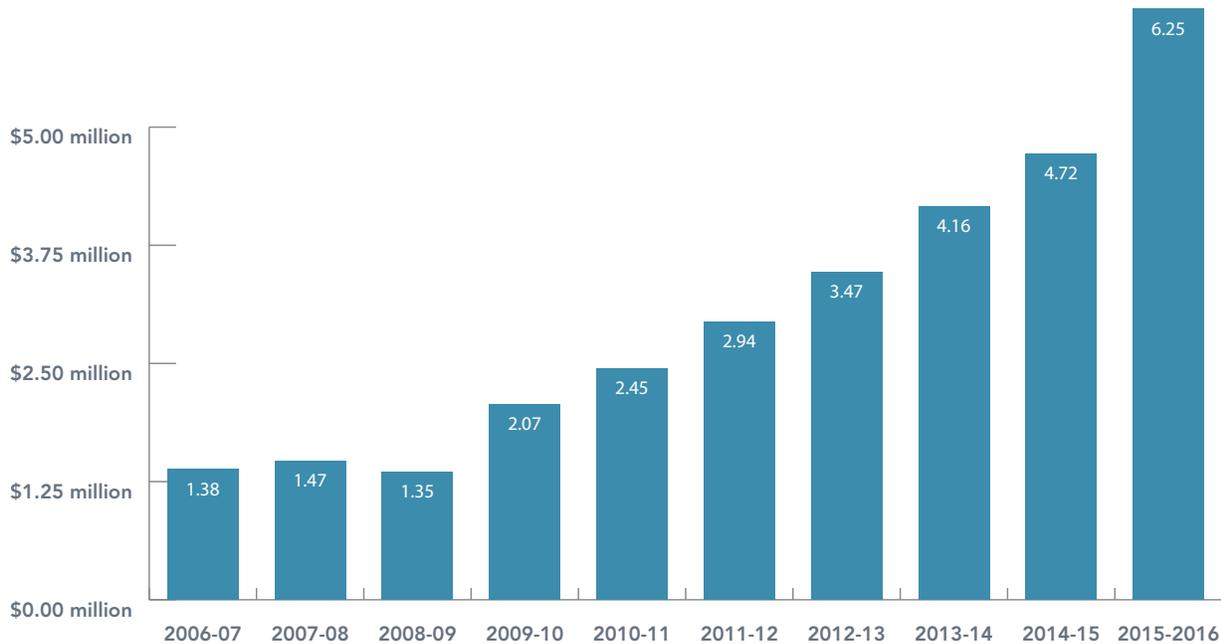
*To keep revenue on the same basis, this chart considers the City's 1 percent local share of sales tax and does not incorporate the impact of the Triple Flip.

Major general fund tax revenues

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 new hotels and an increase to the tax rate from 10 percent to 12 percent, which became effective Jan. 1, 2013.

TRANSIENT OCCUPANCY TAX HISTORY 2006–16



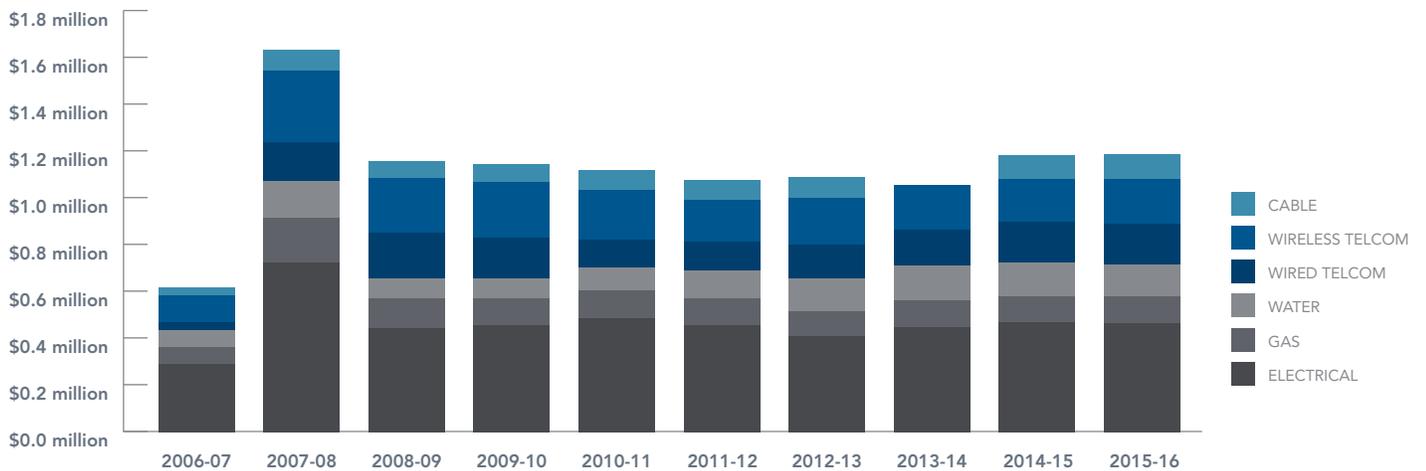
Major general fund tax revenues

UTILITY USERS' TAX

The utility users' tax, approved by the voters in November 2006, became effective April 1, 2007. From April 1, 2007, to Sept. 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 Oct. 1, 2007, the rate became 1 percent for all components.

As the historical graph demonstrates, utility users' tax 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 utility users' tax.

UTILITY USERS TAX HISTORY 2006-16

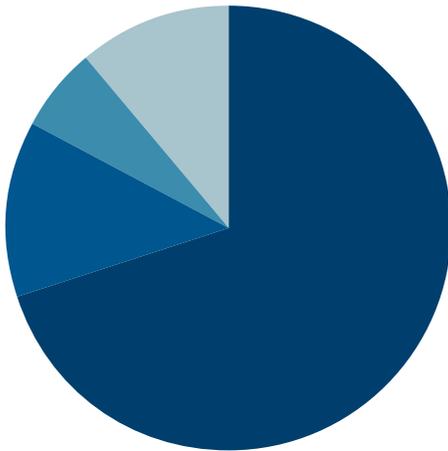


General fund requirements

GENERAL FUND EXPENDITURES

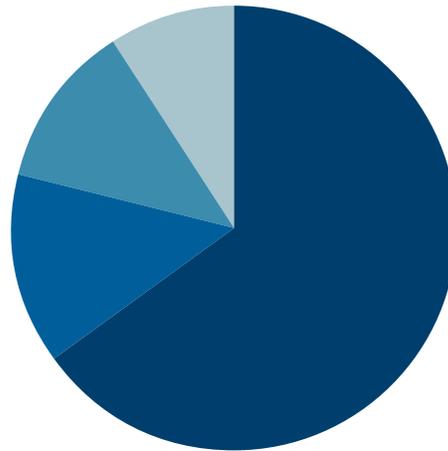
These two pie charts show the different categories and their proportionate share of total General Fund expenditures in fiscal years 2006-07 and 2015-16. While the “Transfers to other funds” category is a larger share of the total than it normally would be in fiscal year 2015-16 due to several one-time transactions, these charts demonstrate an interesting trend in how the City spends its General Fund resources. Over the 10-year timeframe, personnel costs as a percentage of the total have decreased, while expenditures on services have become a larger percentage of the total. As personnel costs 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 EXPENDITURES
2006–07



- TRANSFERS TO OTHER FUNDS
- SERVICES
- OPERATING EXPENSES
- PERSONNEL

GENERAL FUND EXPENDITURES
2015–16



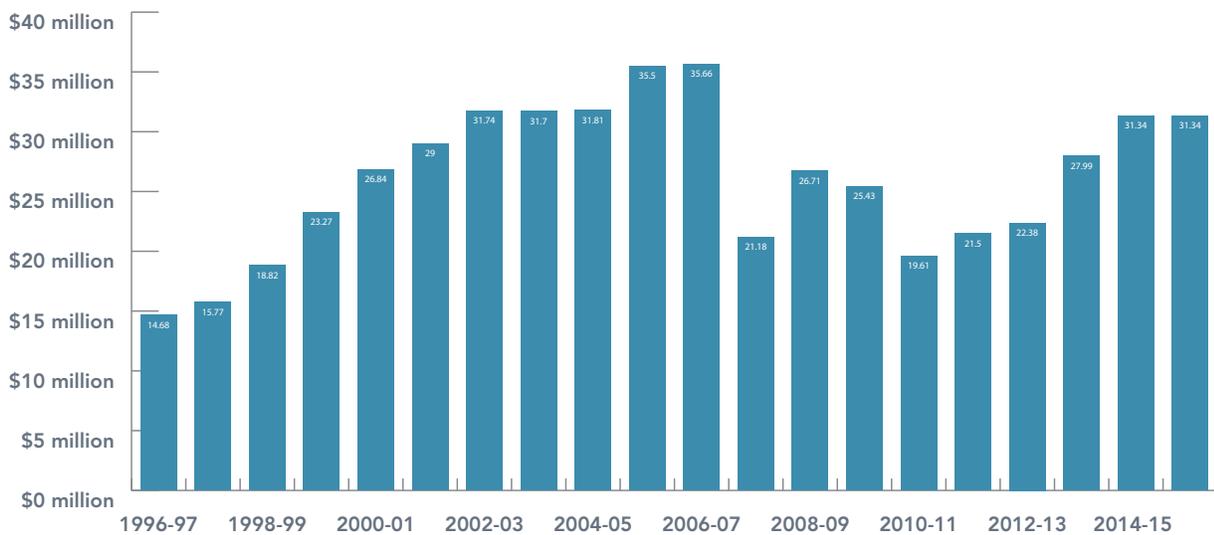
- TRANSFERS TO OTHER FUNDS
- SERVICES
- OPERATING EXPENSES
- PERSONNEL

Financial trends

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 grows as the City sets aside funds to maintain service levels when economic conditions are less favorable (rather than adding services at an unsustainable level). 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.

GENERAL FUND ENDING BALANCE HISTORY

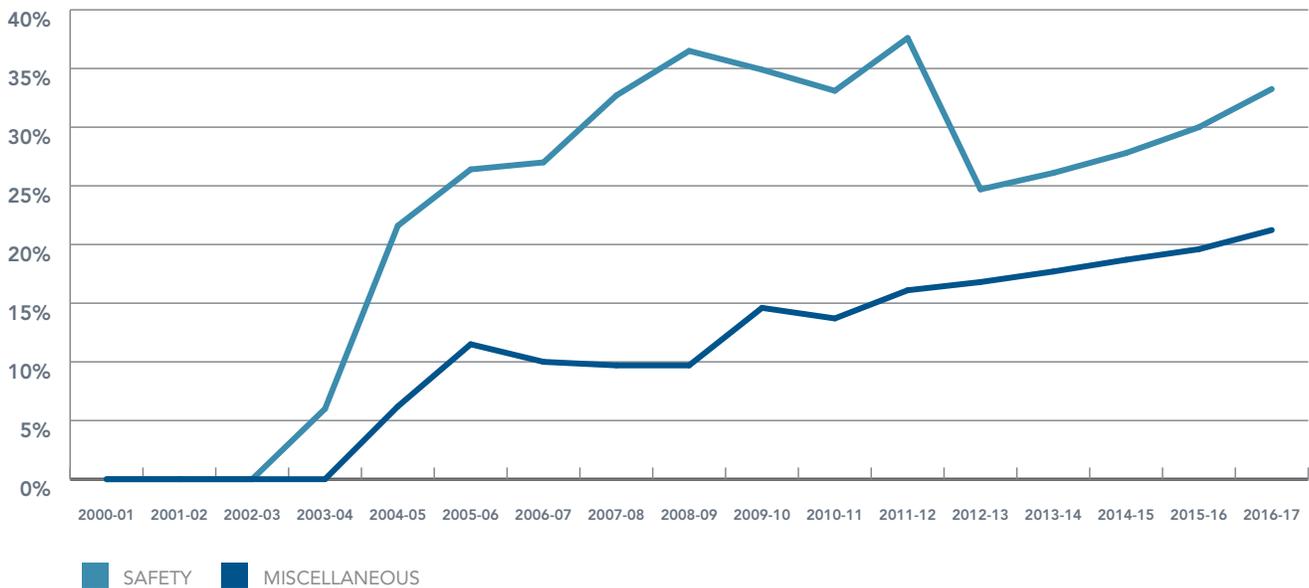


EMPLOYER PENSION CONTRIBUTION RATES

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 2015-16, estimated pension expenditures total approximately \$4.1 million.

The significant drop in the employer contribution rate for the Safety plan between fiscal years 2011-12 and 2012-13 was due to a one-time \$7.2 million payment by the City to CalPERS to pay off the "side fund" liability.

HISTORICAL EMPLOYER PENSION CONTRIBUTION RATES



Bonded indebtedness

BONDED INDEBTEDNESS

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

	Interest Rates	Issued Date	Maturity Date	Principal Issued	Principal Outstanding on 6/30/16	2016-17 Debt service	Bond Rating	Payment Source
Series 2009A Measure T/Parks	6.82 - 7.02%	7/1/2009	8/1/2039	1,080,000	765,000	105,342	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	453,049	AAA	Property taxes
Series 2012 Measure T/Parks - Refunding	3.75%	1/1/2012	1/1/2033	9,830,000	8,220,000	663,250	AAA	Property taxes
TOTAL				\$20,270,000	\$18,345,000	\$1,221,641		

* The City receives a 31% rebate from the federal government from the Build America Bonds program; fiscal year 2015-16 debt service is net of the rebate.

All three of these bonds are for recreation facilities and 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 AND INTEREST PAYMENTS DUE

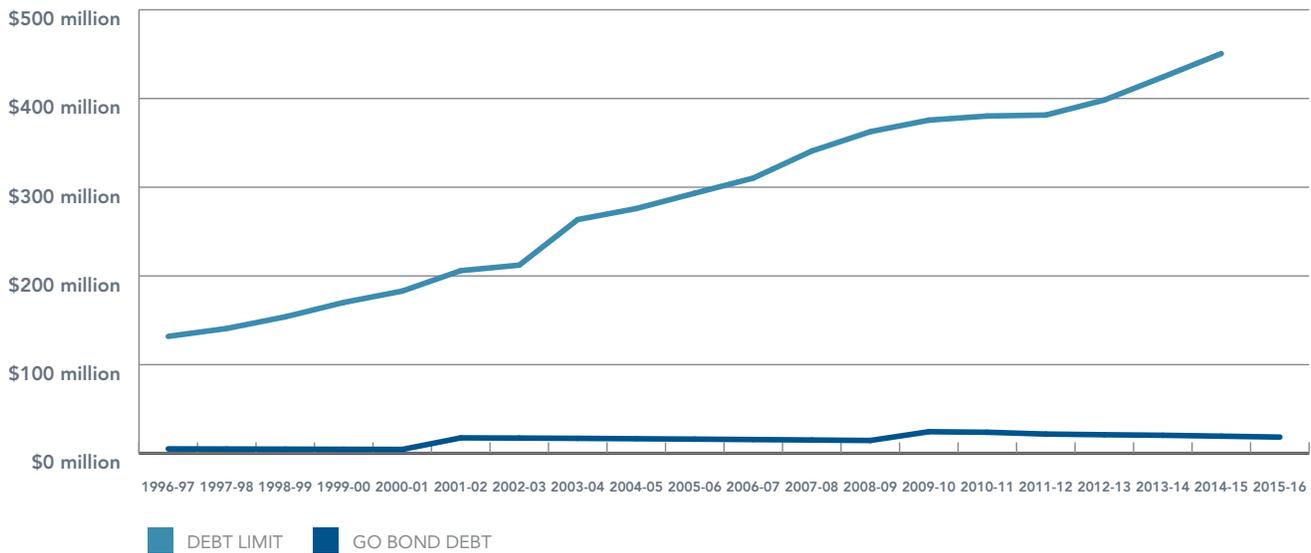
Year Ending June 30	Principal Payable	Interest Payable	TOTAL
2017	425,000	991,778	\$1,416,778
2018	440,000	974,653	\$1,414,653
2019	455,000	956,935	\$1,411,935
2020	475,000	938,528	\$1,413,528
2021-2025	2,685,000	4,387,923	\$7,072,923
2026-2030	3,250,000	3,851,227	\$7,101,227
2031-2035	4,400,000	3,020,309	\$7,420,309
2036-2040	6,215,000	2,306,070	\$8,521,070
TOTAL	\$18,345,000	\$17,427,423	\$35,772,423

Bonded indebtedness

GENERAL OBLIGATION BONDED INDEBTEDNESS

The final graph, related to the City's bonded indebtedness, compares the City's general obligation debt against the legal debt limit. State law sets the debt limit as a percentage of total assessed property value. 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.

HISTORICAL GENERAL OBLIGATION BONDED INDEBTEDNESS



Three-year FTE history

CITYWIDE EMPLOYEE COUNT

The table below shows citywide staffing over the previous three years by department. Staffing is listed by full time equivalents (FTE) and considers full-time and part-time staffing. It does not include temporary help, such as seasonal employees that work during certain times of year or do not have a regular work schedule. The fiscal year 2015-16 value represents the headcount included in the budget as adopted.

FULL TIME EQUIVALENTS			
	2013-14 FTEs	2014-15 FTEs	2015-16 FTEs
Administrative Services	15	15	17.25
City Council	5	5	5
City Attorney	1	1	1
City Manager's Office	7.5	7.5	8
Community Development	16.75	16.75	17
Community Services	48.5	48.5	48.75
Library	13.75	13.75	14
Police	68.75	68.75	70.00
Public Works	54.50	54.5	68
TOTAL CITYWIDE	230.75	230.75	259

BUDGET SUMMARY

Budget assumptions

REVENUE AND EXPENDITURE ASSUMPTIONS

Revenues and expenditures in the fiscal year 2016-17 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 2016-17 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 affecting 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 in certain revenues 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

As the City's largest revenue source, property taxes are essential to understanding the fiscal health of the City in current and future years. For Menlo Park and the surrounding area, property taxes have proven quite resilient even through the depths of the Great Recession. This resiliency is attributed to location, land use decisions, significant investment in real estate improvements, and turnover in the housing stock to yield new base year assessed valuations in accordance with State law which caps the base property tax rate at 1 percent of base year assessed valuation adjusted annually for cost of living not to exceed 2 percent (Proposition 13).

The City's property tax revenue for fiscal year 2016-17 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 \$16.1 million. Consistent with past practice, the projection includes a conservative assumption relative to Educational Revenue Augmentation Fund (ERAF) revenue in excess of what is required by State law and budgeted roughly 50 percent of the amount received in fiscal year 2015-16 and will be 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 \$440,000.
- Supplemental property tax, projected to be \$278,000, is the result of reassessing the value of real property when there is a change of ownership or new construction is completed after the official lien date.
- Documentary transfer tax is a tax imposed on documents exchanged in the transfer of interest in real estate and is based on the value of the real estate. This revenue source is expected to be \$510,000.

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 revenue, are expected to grow nearly 7 percent between fiscal years 2015-16 and 2016-17, with revenues expected to be \$17.4 million.

While assessed values, the basis for property tax revenue, increased significantly in fiscal years 2015-16 and 2016-17, when excess ERAF revenue considered, fiscal year 2016-17 property tax is expected to be up only slightly when compared to fiscal year 2015-16 estimated actual revenue. This slight increase is the result of the City estimating to receive only a 50 percent share of its baseline excess ERAF monies amount (\$900,000), which has been the City's ongoing policy due to the very uncertain nature of that revenue source.

The Educational Revenue Augmentation Fund was established in 1992 by the State as a means to divert local property tax dollars away from cities and counties

Budget assumptions

to kindergarten through 12th grade (K-12) education in order to reduce the State’s contribution to education. When local property tax dollars shifted into the ERAF exceed what is necessary to fund K-12 schools, those excess funds are returned to the local taxing entities via the excess ERAF revenue. The City of Menlo Park has received revenue in the form of excess ERAF since 2004. As shown in the table below, 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 2016-17 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 7 percent in fiscal year 2016-17. This projection is based on the County Assessor’s assessed value as of late-May 2016. 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 2019-20, and the impact of a number of large-scale development projects that have recently broke ground, including the Menlo Gateway project, and other major projects that were recently approved and/or are currently in the entitlement process. Based on these different factors, the annual growth factor for secured tax ranges from 0.5 percent to 6.5 percent and averages approximately 2.7 percent per year.

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 2016-17 has been set based on historical trends, growing 2 percent annually throughout the remainder of the 10-year forecast.

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
2015-16	\$1.8 million

The supplemental property tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher or lower value on the property immediately by using a floating lien date, and the added or reduced assessed value is placed on a separate property tax bill. Revenue from the supplemental roll is dependent strictly upon timing of sales and thus is difficult to forecast. Another factor that makes this revenue source difficult to forecast is the fact that it is a pooled revenue at the County level. Therefore, all supplemental property tax collected by the County is allocated to the cities based on a formula and not on transactions within each jurisdiction. As such, the turnover in property that generates supplemental property tax represents activity countywide, not Menlo Park-specific activity. Thus, projections for future revenues take into account broader assumptions since local activity is not necessarily an indicator of revenue trends. For fiscal year 2016-17, supplemental property tax is projected remaining flat over fiscal year 2015-16. A growth rate of 2 percent 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, unlike the supplemental property tax, is not pooled and most closely reflects the title transfers occurring in the Menlo Park. This revenue 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 2016-17 budget is \$650,000 and is based on the average revenue over the past three years. This was considered to be the most applicable time period to set the revenue baseline, not including years that were thought to be unsustainably high or abnormally low. 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.

Budget assumptions

Sales and use tax

The sales and use tax revenue estimate for fiscal year 2016-17 is \$5.5 million, which is flat compared to the estimate for fiscal year 2015-16. The noted lack of growth in this revenue is primarily due to the loss of two top sales tax generators, one in mid-2016 and one expected in late of 2016.

Sales tax grows on average of 1.8 percent per year throughout the 10-year forecast. It is important to note that beyond fiscal year 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 recovered 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 the 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. 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 2016-17 revenue expected to be 3 percent above final estimates for fiscal year 2015-16. This estimate assumes that hotel room and occupancy rates will remain steady for fiscal year 2016-17 and grow over the next several years as new hotels come online.

With the recent groundbreaking of the Menlo Gateway development and recent approval of a boutique hotel, both facilities have been factored into the 10-year forecast. 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.

The positive outlook on hotel tax revenue indeed strengthens the City's long-term financial condition, however, staff recommends caution when planning for increased operating expenditures. While the number of hotel rooms and the average nightly rate will undoubtedly increase as a result of these new hotels, at some point in the next 10-year cycle, the region will experience an economic slowdown. Conservative estimates have been factored into the 10-year forecast to account for a decreases in occupancy and room rates.

Utility users' tax

The 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. Additionally, there is a cap of \$12,000 on the combined annual amount that a user can pay for electric, gas and water.

Utility users' tax is projected to be approximately \$1.2 million in fiscal year 2016-17, which is a nearly 2.2 percent increase over final fiscal year 2015-16 estimates. For the 10-year forecast, each individual component was analyzed separately to determine the appropriate growth or decline rate to use. Staff's projections, especially in the early years of the forecast,

Budget assumptions

were heavily based on the projections from a consulting firm who specializes in assisting utility users' tax client cities with compliance activities, legal and legislative issues and utility users' tax revenue forecasting.

The single largest category is electrical usage, which makes up approximately 40 percent of all revenue from this source. Based on projected rate increases and usage rates, this component is estimated to increase 3 percent annually throughout the 10-year forecast. This is the same projection made for the gas component, which comprises 10 percent of all utility tax revenue. Water-related utility tax revenue is projected to grow at a rate of 3 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 utility users' tax 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 tax 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 utility users' tax 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 utility users' tax calculation. For these reasons, the projections for wireless tax 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 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 utility tax 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 utility

users' tax revenues of 3 percent throughout the 10-year forecast. This lack of growth is of concern as this revenue source, which makes up approximately 2.4 percent of General Fund revenues, is not keeping up with expenditure growth or the growth in other tax revenues. 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 approximately \$1.98 million in fiscal year 2016-17, which is a 2.4 percent increase over final estimates made for fiscal year 2015-16. 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.

Budget assumptions

Licenses and permits

This category of revenues mainly consists of development-related permitting, including revenue from development agreements, and the business license tax. Fiscal year 2016-17 revenues are projected to be nearly \$6.1 million, which is a 1.5 percent increase over final estimates for fiscal year 2015-16. Revenues in this category are estimated to be at an unsustainably high level due to the level of development activity underway. 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 2016-17. This amount increases in fiscal year 2017-18 to \$900,000 continuing 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 through fiscal year 2025-26.

Intergovernmental

Intergovernmental revenues are predominantly grants from other governmental entities, including the federal and state government. Total intergovernmental revenue for fiscal year 2016-17 is expected to be \$990,000, which is a nearly 7.8 percent decrease from final fiscal year 2015-16 estimates. This was anticipated, as one-time payments from the State of California for motor vehicle license in lieu fees were received in fiscal year 2015-16.

Staff reviews grant revenues annually to determine if they are expected to be ongoing, and if so, ensures that 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 2016-17 (approximately

\$1 million) reflect expected revenues based on a fully operational traffic enforcement program; however, it also assumes the loss of \$50,000 annually in vehicle impound cost recovery fees per City Council direction in April 2015. 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 2016-17 (\$636,000) 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 2016-17 projection of \$465,000, 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 2 percent in fiscal year 2020-21 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 2016-17 comes from Community Services (62 percent) and from development-related charges from Community Development and Public Works (28 percent). Service charge revenue is projected to be nearly \$8 million in fiscal year 2016-17, which is a 2.2 percent decrease over final estimates for fiscal year 2015-16. This decrease includes one-time receipts of miscellaneous revenue in fiscal year 2015-16 and the reduction in the vehicle impound fee. 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 2020-21.

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

This category of revenues also includes the reimbursement the City receives from Facebook to cover the cost of one police officer through 2018-19 in a

Budget assumptions

maximum reimbursement amount of \$44,000 per year.

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 finance, human resources and the City Manager's Office. The fiscal year 2016-17 transfer amount of \$432,169 was set based on the percentage increase in staffing costs for the applicable departments. The 10-year forecast reflects a similar methodology, with the transfer anticipated to increase based on projected increases in staffing costs.

One significant additional item in this category in fiscal year 2016-17 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 fiscal year 2015-16, it is estimated that Community Development revenues will exceed expenditures by \$370,000, adding to prior year assigned fund balance of approximately \$1.2 million.

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 City control. Because of that, assumptions for expenditure growth are generally 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 65 percent of total General Fund expenditures and total \$33.8 million for fiscal year 2016-17. 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.

This category includes base salary and all salary related compensation such as overtime and incentive pays. These pays are based on existing contractual agreements and assumptions have been made regarding the continuation of these pays into the future although future negotiations have the potential to change either types or rates of special pay. This means 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 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 future salary increases, including the City's economic condition and changes in revenue and nonoperating costs as well as the City's ability to attract and retain skilled employees in a competitive marketplace.

As previously noted, the cost to the City for its CalPERS pension expense is an area where the City can exert control over changes. 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 four years, peaking at 23.9 percent of pay for nonsworn employees and 35.4 percent for sworn employees. In year five, 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.

Budget assumptions

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%-4.5% 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 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 transmittal letter, the fiscal year 2016-17 budget has 3.0 additional full-time equivalent (FTE) employees over last year's budget. In fiscal year 2015-16, the budget included 20.25 new FTE positions in order to support the City Council's work plan and were predominantly focused in the areas of building, planning and engineering. 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 through natural attrition. To account for this reduction, the 10-year forecast assumes reductions in the workforce through natural attrition within the organization.

Nonpersonnel costs

The remaining 37 percent, or \$17.6 million, of the General Fund's expenditures consists of nonpersonnel costs. For the purpose of the 10-year forecast, nonpersonnel 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 expenditures, which total \$5.1 million in fiscal year 2016-17, 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 \$206,000 for credit card fees (the fees the City is charged for accepting credit card payments). The largest operating expenditure in this category, first established in the prior fiscal year, 2016-17 continues operation of the City's information technology internal service fund.

As part of this structure, all operating and capital costs associated with information technology are centralized in a distinct fund. This fund is paid for with charges to the user departments totaling \$1.6 million in fiscal year 2016-17 with 84 percent of that amount born by the General Fund. The \$1.36 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 \$1.36 million in fiscal year 2016-17, are for City utilities costs, including gas, electricity, water and telecommunications. Of the total, 56 percent goes toward gas and electricity, 37 percent to water and the remaining 7 percent 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 and the new solar panels.

Services

Budgeted expenditures in this category total \$6.5 million in fiscal year 2016-17 and cover a wide variety of service areas, including plan checking services, legal services, the annual financial audit, consultants for special studies, the median landscaping contract, and street sweeping, just to name a few. The \$6.5 million total in fiscal year 2016-17 is above the normal baseline for service expenditures due to the transition of studies and plans out of the capital improvement fund. In fiscal year 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.

Fixed assets and capital outlay

Budgeted expenditures for fiscal year 2016-17 are \$243,000 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

The travel category, budgeted at nearly \$121,000 in fiscal year 2016-17, consists predominantly of travel costs related to attending meetings, training and seminars, including the cost for mileage reimbursements. Expenditures in this category are inflated 2 percent annually throughout the 10-year forecast.

Budget assumptions

Repairs and maintenance

This category has budgeted expenditures of nearly \$907,000 in fiscal year 2016-17, which covers a wide variety of repair and maintenance activity. 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, approximately 20 percent, 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.

Special projects

Expenditures in this category, \$445,000 in fiscal year 2016-17, 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 \$2.8 million in fiscal year 2016-17, is primarily the annual General Fund transfer to the CIP Fund to maintain the City's infrastructure (streets, sidewalks, buildings, etc.) in its current condition, thereby preventing the more costly repairs and upgrades needed when maintenance is deferred. This transfer is inflated annually at 3 percent over the course of the 10-year forecast to account for inflation.

Annual surplus

As detailed in the City Manager's Letter of Transmittal, the General Fund is balanced in fiscal year 2016-17. As a result of the assumptions outlined previously, the healthy fiscal condition anticipated in fiscal year 2016-17 is expected to continue throughout the next decade. The annual surpluses, which range between \$112,000 and \$1,053,000 per year, add to the City's fund balance and better prepare the City for unforeseen negative economic impacts.

As is the case each year, this version of the 10-year forecast is built on assumptions using 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, modest assumptions have been factored in for anticipated improvements on the new Facebook campus. 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. Additionally, assumptions made relative to the continuation of excess ERAF can also markedly change the forecast surplus.

With that said, the uncertainty inherent in forecasting, especially further out on the 10-year plan, requires close monitoring and regular updates as new data becomes available. Staff will continue to monitor the 10-year forecast on an annual basis as part of the budget and provide interim updates should material changes in assumptions adversely impact the anticipated annual surpluses.

Budget summary

FISCAL YEAR 2016-17 BUDGET

REVENUES	
Charges for services	30,387,301
Property tax	17,393,400
Transient occupancy tax	6,430,000
Sales tax	5,502,000
Intergovernmental revenue	5,132,265
Building permits	3,200,000
Special assessments	2,523,405
Franchise fees	1,978,000
Business licenses	1,715,000
Other permits	1,606,860
Interest and rent income	1,419,324
Utility users tax	1,215,000
Fines	1,067,643
Measure A	865,000
Gas tax	700,000
Donations and miscellaneous	308,750
SUBTOTAL REVENUES BY SOURCE	\$81,443,948
Use of assigned fund balance - Capital projects carry-over	30,012,140
Transfers in	3,272,294
Use of assigned fund balance - Community Development	1,300,000
TOTAL RESOURCES	\$116,028,382

Budget summary

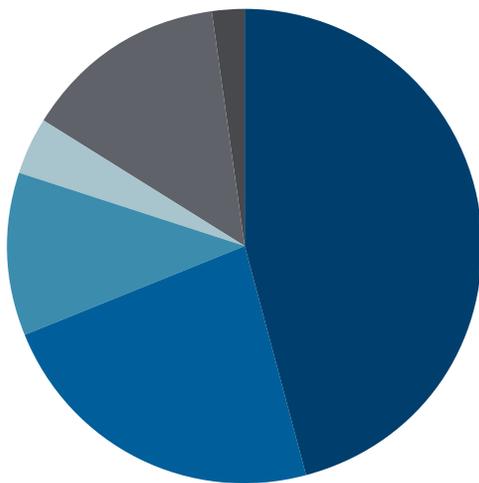
FISCAL YEAR 2016-17 BUDGET

REQUIREMENTS	
Public Works	21,140,381
Police	16,729,666
Community Services	8,164,779
Administrative Services	7,594,431
Community Development	6,183,765
City Manager's Office	3,085,148
Library	3,080,280
City Council	457,341
City Attorney	401,651
OPERATING EXPENDITURES BY DEPARTMENT	\$66,837,442
Project carry-over appropriations	30,012,141
New project funding	10,840,000
Transfers out	3,272,294
Debt service	1,705,085
TOTAL REQUIREMENTS	\$112,666,962
RESOURCES OVER REQUIREMENTS	\$3,361,420

Budget summary

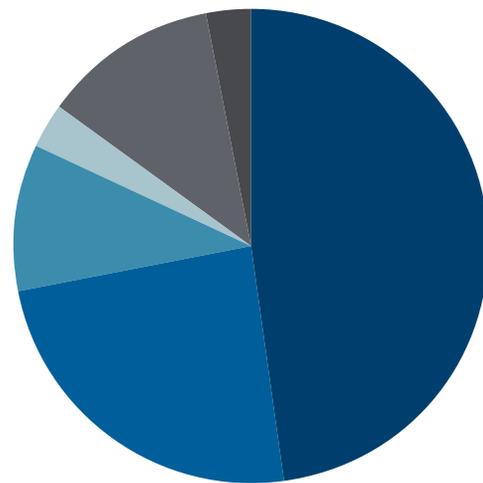
The total budget for the City of Menlo Park for fiscal year 2016-17 is \$112 million. This is an increase of \$35.7 million, or 46.5 percent, from the fiscal year 2015-16 adopted budget due almost exclusively to the inclusion of project carry-over appropriations of \$30 million. This increase reflects the City's investment to fund fully the City Council's goals and core services. These increases are predominantly in the areas of projects (\$10.8 million of new projects and \$30 million of carry-over projects), personnel (\$1.2 million), services (\$1.1 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.

ADOPTED CITYWIDE BUDGET
2016-17



- DEBT SERVICE
- PROJECTS
- TRANSFERS
- SERVICES
- OPERATING
- PERSONNEL

ADOPTED CITYWIDE BUDGET
2015-16



- DEBT SERVICE
- PROJECTS
- TRANSFERS
- SERVICES
- OPERATING
- PERSONNEL

General Fund revenues

	2013-2014 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
REVENUES					
Property tax	15,156,065	16,827,342	17,241,813	17,263,249	17,393,400
Sales tax	6,444,292	6,527,498	5,202,594	5,537,000	5,502,000
Transient occupancy tax	4,158,809	4,720,226	5,947,835	6,250,000	6,430,000
Utility users tax	1,157,653	1,187,020	1,183,347	1,189,500	1,215,000
Franchise fees total	1,841,851	1,900,746	1,940,013	1,930,810	1,978,000
Licenses and permits	5,782,225	5,107,365	5,890,363	6,053,860	6,141,860
Intergovernmental revenue	888,131	1,397,895	864,541	1,073,500	990,052
Fines	1,253,261	1,346,449	1,067,643	972,047	1,067,643
Interest and rent income	684,562	694,524	1,128,598	1,128,598	1,101,199
Charges for services	7,681,433	8,080,973	8,077,135	8,171,500	7,992,815
Transfers and other	1,237,838	434,283	478,849	473,349	484,919
Use of assigned fund balance	-	-	1,261,644	-	1,300,000
TOTAL REVENUES	\$46,286,121	\$48,224,322	\$50,284,375	\$50,043,413	\$51,596,888

The table above shows General Fund revenues by major category. Property tax is the largest category, making up 34 percent of the total revenue in fiscal year 2016-17. The next largest category in fiscal year 2016-17 is charges for services, which are predominantly fees, related to the 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 32 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 66 percent of planned General Fund expenditures in fiscal year 2016-17. The next largest category is for services, which includes a wide variety of areas such as plan checking, financial audit and street sweeping, just to name a few.

General Fund expenditures

	2013-2014 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
EXPENDITURES BY DEPARTMENT					
Administrative Services	2,354,792	3,385,195	3,084,148	2,574,319	2,901,582
City Attorney	380,496	352,228	385,650	387,147	385,525
City Council	1,032,141	403,147	424,666	384,547	457,341
City Manager's Office	1,590,790	2,007,540	2,284,073	2,003,595	2,381,469
Community Development	3,765,303	3,150,348	5,140,492	3,901,364	5,863,186
Community Services	7,480,372	7,877,842	7,887,009	7,726,995	8,068,979
Library	2,046,773	2,214,447	2,576,568	2,211,981	2,661,581
Non-Departmental	2,554,600	4,293,930	9,161,877	9,161,877	2,842,125
Police	14,284,054	14,919,521	16,505,886	16,390,522	16,604,266
Public Works	5,183,204	6,270,908	8,829,871	7,853,175	9,251,508
TOTAL EXPENDITURES	\$40,672,526	\$44,875,107	\$56,280,241	\$52,595,522	\$51,417,562

EXPENDITURES BY TYPE					
Salaries and wages	19,725,124	20,596,422	23,584,148	21,506,343	23,961,274
Fringe benefits	7,476,381	8,831,762	9,357,863	9,066,632	9,843,747
Operating	2,774,763	3,226,111	4,714,033	4,197,844	5,058,541
Utilities	1,214,322	1,230,749	1,283,610	1,248,731	1,362,481
Services	5,027,229	5,112,449	6,307,447	5,729,258	6,489,166
Fixed assets and capital outlay	527,971	281,707	280,240	279,794	243,061
Travel and training	222,635	94,720	107,900	84,860	120,820
Repairs and maintenance	759,533	729,248	954,123	824,453	906,848
Special projects	389,966	478,008	529,000	495,730	589,500
Transfers out	2,554,600	4,293,930	9,161,877	9,161,877	2,842,125
TOTAL EXPENDITURES	\$40,672,526	\$44,875,107	\$56,280,211	\$52,595,522	\$51,417,562

Assigned for development	766,510	-	-	-	-
Surplus/(Deficit)	4,847,084.90	3,349,215	(5,995,866)	(2,552,109)	179,326

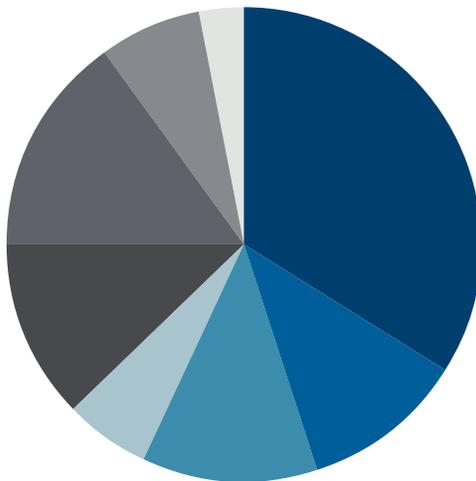
Budget summary

GENERAL FUND REVENUES BY TYPE

Total General Fund revenues for the fiscal year 2016-17 budget are up \$3.4 million, or 7.12 percent, over the adopted fiscal year 2015-16 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 charges for services is primarily related reductions in abandoned vehicle and vehicle impound fees as well as planning fees related to delayed developments. In addition to the revenue increases, the use of \$1.3 million of assigned fund balance is included in the fiscal year 2016-17 budget. This assigned fund balance is from permitting and service charge revenue that exceeded expenditures in fiscal years 2014-15 and 2015-16 and will be utilized to provide funding for the heavy service demand for building and planning projected in fiscal year 2016-17.

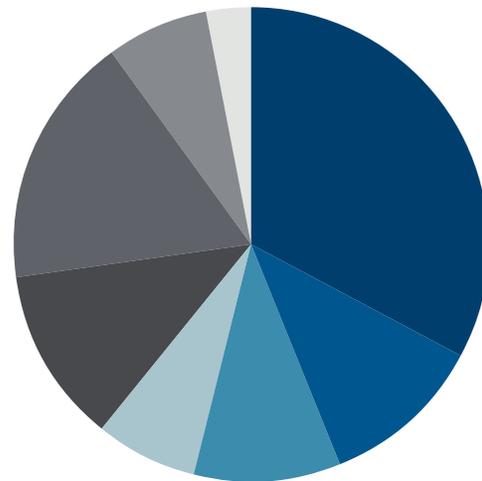
In terms of the distribution of General Fund resources, it remains relatively constant between fiscal years 2015-16 and 2016-17. Property tax remains the largest General Fund resource by far, with service charges, sales tax, license and permit revenue, and transient occupancy tax making up a significant portion of the remainder of the General Fund.

PROPOSED REVENUES
2016-17



- 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
2015-16

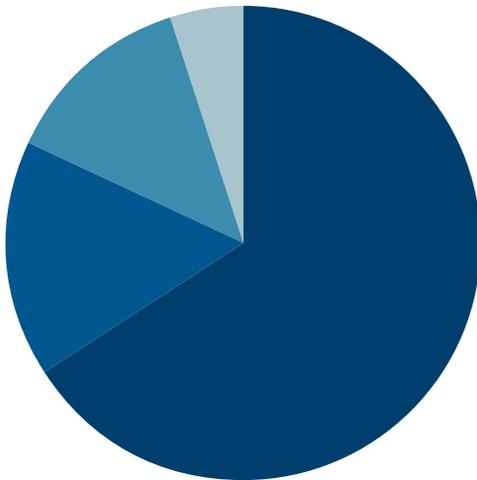


- USE OF ASSIGNED FUND BALANCE
- OTHER REVENUE
- UTILITY USERS TAX / FRANCHISE FEES
- TRANSIENT OCCUPANCY TAX
- LICENSES AND PERMITS
- SALES TAX
- CHARGES OF SERVICES
- PROPERTY TAXES

GENERAL FUND EXPENDITURES

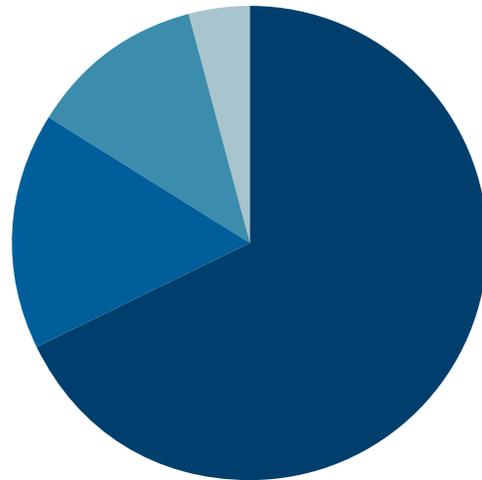
Total General Fund expenditures for the fiscal year 2016-17 budget are \$51.4 million, which is an increase of \$3.2 million, or 6.75 percent, over the adopted fiscal year 2015-16 budget. The distribution of General Fund expenditures reflects the budgeted increase in staffing to meet service-level demand in the planning, building and engineering areas.

PROPOSED EXPENDITURES
BY TYPE
2016-17



- TRANSFERS
- SERVICES
- OPERATING
- PERSONNEL

ADOPTED EXPENDITURES
BY TYPE
2015-16

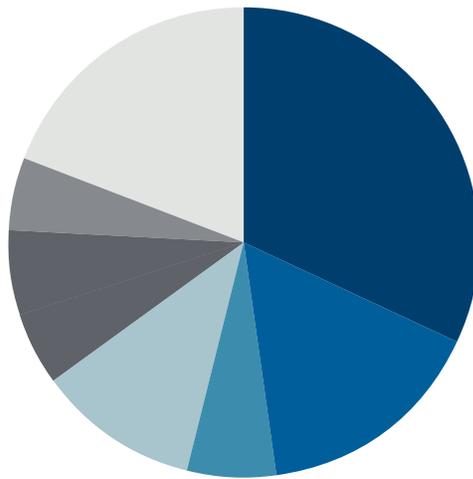


- TRANSFERS
- SERVICES
- OPERATING
- PERSONNEL

Budget summary

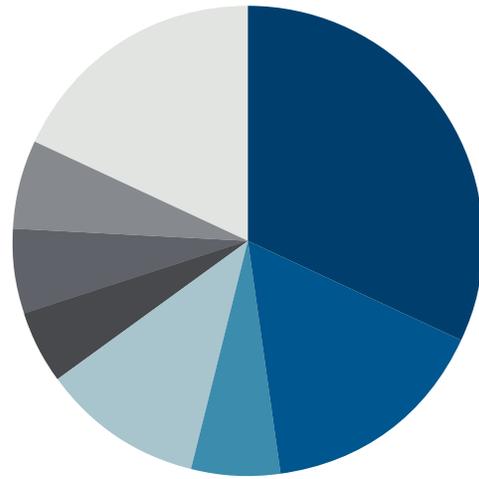
As noted on the previous page, total General Fund expenditures for the fiscal year 2016-17 budget increased by 6.75 percent over the adopted fiscal year 2015-16 budget. At the department level, much of this is attributed to increased expenditures in Community Development and Public Works to provide resources for development related activity.

ADOPTED EXPENDITURES
BY DEPARTMENT
2016-17



- PUBLIC WORKS
- NONDEPARTMENTAL
- CITY MANAGER'S OFFICE
- LIBRARY
- COMMUNITY DEVELOPMENT
- ADMINISTRATIVE SERVICES
- COMMUNITY SERVICES
- POLICE

ADOPTED EXPENDITURES
BY DEPARTMENT
2015-16



- PUBLIC WORKS
- NONDEPARTMENTAL
- CITY MANAGER'S OFFICE
- LIBRARY
- COMMUNITY DEVELOPMENT
- ADMINISTRATIVE SERVICES
- COMMUNITY SERVICES
- POLICE

Full Time Equivalent (FTE) personnel

	General Fund	All Funds	General Fund % of total	Non General Fund % of total	Total % by Department
FTES BY DEPARTMENT					
Administrative Services	11.38	18.00	4.34%	2.53%	6.87%
City Attorney	0.92	1.00	0.35%	0.03%	0.38%
City Council	5	5.00	1.91%	0.00%	1.91%
City Manager's Office	8.86	11.00	3.38%	0.82%	4.20%
Community Development	25.85	27.00	9.87%	0.44%	10.31%
Community Services	37.5	50.00	14.31%	4.77%	19.08%
Library	13.25	15.00	5.06%	0.67%	5.73%
Police	61.5	70.00	23.47%	3.24%	26.72%
Public Works	36.99	65.00	14.12%	10.69%	24.81%
TOTAL	\$201.25	\$262.00	76.81%	23.19%	100.00%

Ten-year forecast

	2015-16 Amended Budget	2015-16 Estimated Actuals	2016-17 Adopted Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
REVENUES						
Property taxes	17,241,813	17,263,249	17,393,400	17,487,000	18,224,000	18,841,000
Sales taxes	5,202,594	5,537,000	5,502,000	5,670,000	5,790,000	6,050,000
Transient occupancy tax	5,947,835	6,250,000	6,430,000	6,630,000	8,780,000	10,420,000
Utility users' tax	1,183,347	1,189,500	1,215,000	1,231,000	1,247,000	1,261,000
Franchise fees	1,940,013	1,930,810	1,978,000	1,998,000	2,018,000	2,040,000
Licenses and permits	5,890,363	6,053,860	6,141,860	6,193,000	6,317,000	6,398,000
Intergovernmental revenue	864,541	1,073,500	990,052	991,000	998,000	1,005,000
Fines and forfeitures	1,067,643	972,047	1,067,643	1,079,000	1,090,000	1,100,000
Interest and rent income	1,128,598	1,128,598	1,101,199	1,121,000	1,141,000	1,164,000
Charges for services	8,077,135	8,171,500	7,992,815	8,153,000	8,316,000	8,399,000
Donations/miscellaneous	61,250	53,750	52,750	54,000	55,000	56,000
Subtotal operating revenues	\$48,605,132	\$49,623,814	\$49,864,719	\$50,607,000	\$53,976,000	\$56,734,000
TOTAL TRANSFERS IN AND USE OF ASSIGNED FUND BALANCE	\$1,679,243	\$419,599	\$1,732,169	\$1,746,000	\$455,000	\$464,000
TOTAL REVENUES	\$50,284,375	\$50,043,413	\$51,596,888	\$52,353,000	\$54,431,000	\$57,198,000
EXPENDITURES						
Salaries and wages	23,609,148	21,506,343	23,961,274	23,460,000	24,280,000	25,010,000
Benefits	9,357,863	9,066,632	9,843,747	11,530,000	11,976,000	12,522,000
Subtotal personnel	\$32,967,011	\$30,572,975	\$33,805,021	\$34,990,000	\$36,256,000	\$37,532,000
Operating	4,714,033	4,197,844	5,058,541	5,160,000	5,264,000	5,370,000
Utilities	1,283,610	1,248,731	1,362,481	1,352,000	1,344,000	1,360,000
Services	6,307,447	5,729,258	6,489,166	5,905,000	6,024,000	6,145,000
Fixed assets and training	280,240	279,794	243,061	248,000	253,000	259,000
Travel	107,900	84,860	120,820	124,000	127,000	130,000
Repairs and maintenance	954,123	824,453	906,848	925,000	944,000	963,000
Subtotal operating	\$13,647,353	\$12,364,940	\$14,180,916	\$13,714,000	\$13,956,000	\$14,227,000
TOTAL OPERATING EXPENDITURES	\$46,614,364	\$42,937,915	\$47,985,937	\$48,704,000	\$50,212,000	\$51,759,000
Transfers out and Nonoperating Expenditures	4,343,533	4,310,263	3,431,625	3,537,000	3,608,000	3,709,000
TOTAL EXPENDITURES	\$50,957,897	\$47,248,178	\$51,417,562	\$52,241,000	\$53,820,000	\$55,468,000
NET REVENUE	\$(673,522)	\$2,795,235	\$179,326	\$112,000	\$611,000	\$1,730,000

Ten-year forecast

2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
17,908,000	18,035,000	18,201,000	18,448,000	18,914,000	19,390,000	19,876,000
6,160,000	6,160,000	6,260,000	6,420,000	6,550,000	6,710,000	6,880,000
11,400,000	11,600,000	12,610,000	13,340,000	13,810,000	14,280,000	14,850,000
1,277,000	1,293,000	1,308,000	1,324,000	1,342,000	1,358,000	1,352,000
2,062,000	2,084,000	2,108,000	2,132,000	2,158,000	2,184,000	2,211,000
6,188,000	6,188,000	6,336,000	6,507,000	6,683,000	6,874,000	7,094,000
1,013,000	1,021,000	1,028,000	1,036,000	1,044,000	1,052,000	1,059,000
1,111,000	1,123,000	1,134,000	1,145,000	1,157,000	1,168,000	1,180,000
1,188,000	1,214,000	1,242,000	1,272,000	1,304,000	1,339,000	1,376,000
7,979,000	7,979,000	8,219,000	8,465,000	8,719,000	8,981,000	9,295,000
57,000	58,000	59,000	60,000	61,000	62,000	63,000
\$56,343,000	\$56,755,000	\$58,505,000	\$60,149,000	\$61,742,000	\$63,398,000	\$65,236,000
\$468,000	\$468,000	\$473,000	\$482,000	\$492,000	\$504,000	\$517,000
\$56,811,000	\$57,223,000	\$58,978,000	\$60,631,000	\$62,234,000	\$63,902,000	\$65,753,000
25,290,000	25,910,000	26,740,000	27,540,000	28,330,000	29,100,000	30,120,000
12,369,000	12,683,000	13,011,000	13,329,000	13,657,000	13,935,000	14,268,000
\$37,659,000	\$38,593,000	\$39,751,000	\$40,869,000	\$41,987,000	\$43,035,000	\$44,388,000
5,424,000	5,424,000	5,479,000	5,589,000	5,701,000	5,844,000	5,991,000
1,366,000	1,372,000	1,386,000	1,395,000	1,416,000	1,432,000	1,440,000
6,207,000	6,207,000	6,270,000	6,396,000	6,524,000	6,688,000	6,856,000
262,000	262,000	265,000	271,000	277,000	284,000	292,000
132,000	132,000	134,000	137,000	140,000	144,000	148,000
973,000	973,000	983,000	1,003,000	1,024,000	1,050,000	1,077,000
\$14,364,000	\$14,370,000	\$14,517,000	\$14,791,000	\$15,082,000	\$15,442,000	\$15,804,000
\$52,023,000	\$52,963,000	\$54,268,000	\$55,660,000	\$57,069,000	\$58,477,000	\$60,192,000
3,814,000	3,922,000	4,032,000	4,146,000	4,264,000	4,384,000	4,508,000
\$55,837,000	\$56,885,000	\$58,300,000	\$59,806,000	\$61,333,000	\$62,861,000	\$64,700,000
\$974,000	\$338,000	\$678,000	\$825,000	\$901,000	\$1,041,000	\$1,053,000

DEPARTMENT INFORMATION

City Council

OVERVIEW

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

The City Council defines goals and sets objectives for the City by establishing policies, priorities and appropriating resources.

This department's budget includes the basic operating expenses of the Mayor and City Council in the conduct of their duties as elected officials.

2015-16 HIGHLIGHTS

- Adopted new water rates to ensure the fiscal health of the municipal water district and invest in related capital improvement projects.
- 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.
- Formed the Sister City and Friendship Committee to further international relationships with Galway, Ireland; Bizen, Japan; Kochi, India; and Xinbei, China
- Provided direction for the ConnectMenlo – General Plan update process
- Hosted joint meetings with commissions to discuss goals and priorities

Summary

FTEs	5.0
Total requested budget	\$0.5 million
Funding source	General Fund

2016-17 BUDGET

The City Council budget maintains its current level of requirements and includes slight annual adjustments to the Mayor and City Council stipends for health care costs.



CITY COUNCIL WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
City Council meetings	30	30	40	28
City ordinances adopted	18	7	7	3
City resolutions adopted	69	43	66	60

CITY COUNCIL EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	416,944	38,505	38,399	37,616	38,399
Salaries - Permanent part-time	38,505	-	-	-	-
Salaries - Overtime	1,837	-	-	-	-
Salaries - Temporary help	10,067	159	-	-	-
Vacation buy back	16,068	-	-	-	-
Other pay	48,182	-	-	-	-
Salaries and wages subtotal	\$531,603	\$38,663	\$38,399	\$37,616	\$38,399
Retirement and other post-employment benefits	91,165	7,075	8,696	7,728	8,434
Health and dental	75,875	73,246	86,794	86,522	119,922
Workers' compensation internal service charge	4,553	4,632	5,300	5,300	603
Other fringe benefits	13,921	1,263	-	1,181	(345)
Fringe benefits subtotal	\$185,514	\$ 86,216	\$100,790	\$100,731	\$128,614
TOTAL PERSONNEL COSTS	\$717,117	\$124,880	\$139,189	\$138,346	\$167,014
Operating expense	99,896	67,404	70,477	57,827	68,327
Utilities	10,119	2,806	-	2,374	2,000
Services	30,156	22,800	20,000	23,000	25,000
Fixed assets and capital outlay	2,427	-	-	-	-
Travel	33,007	21,757	20,000	18,000	20,000
Repairs and maintenance	1,049	-	-	-	-
Special projects expenditures	138,370	163,500	175,000	145,000	175,000
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$315,023	\$278,267	\$285,477	\$246,201	\$290,327
TOTAL OPERATING BUDGET	\$1,032,139	\$403,147	\$424,666	\$384,547	\$457,341
SOURCES OF FUNDING, BY FUND					
General Fund	1,032,139	403,147	424,666	384,547	457,341
TOTAL SOURCES OF FUNDING	\$1,032,139	\$403,147	\$424,666	\$384,547	\$457,341

City Attorney

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 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.

2015-16 HIGHLIGHTS

- Assisted in the ConnectMenlo – General Plan update process
- Reviewed city agreements and contracts prior to approval and posting online
- Assisted in resolving complex land use matters
- Provided assistance and guidance on major development projects, including the Menlo Gateway project

Summary

FTEs	1.0
Total requested budget	\$0.4 million
Funding sources	Enterprise Fund General Fund Internal Service Fund Special Revenue Fund

2016-17 BUDGET

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

FUTURE GOALS AND INITIATIVES

- Provide legal support for the General Plan and all City Council Goals.
- Assist in interpreting the code to efficiently process development projects.
- Provide assistance and counsel on election matters.
- Work with staff on the Below Market Rate developments.

CITY ATTORNEY WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
City contracts reviewed	179	175	183	185
City Council meetings attended	30	30	40	28
City ordinances adopted	18	7	7	3
City resolutions adopted	69	43	66	60

CITY ATTORNEY EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	108,273	108,487	108,000	107,824	108,000
Salaries - Permanent part-time	-	-	-	-	-
Salaries - Overtime	-	-	-	-	-
Salaries - Temporary help	-	-	-	-	-
Vacation buy back	-	-	-	-	-
Other pay	-	-	-	-	-
Salaries and wages subtotal	\$108,273	\$108,487	\$108,000	\$107,824	\$108,000
Retirement and other post-employment benefits	51,374	21,706	25,537	23,819	23,721
Health and dental	12,461	28,989	27,568	29,517	28,344
Workers' compensation internal service charge	514	908	1,039	1,039	1,696
Other fringe benefits	9,143	2,151	1,161	1,962	1,026
Fringe benefits subtotal	\$73,492	\$53,754	\$55,304	\$56,338	\$54,787
TOTAL PERSONNEL COSTS	\$181,765	\$162,241	\$163,304	\$164,162	\$162,787
Operating expense	1,047	1,224	864	864	864
Utilities	-	-	-	-	-
Services	270,910	306,933	347,079	236,100	238,000
Fixed assets and capital outlay	-	-	-	-	-
Travel	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Special projects expenditures	-	-	-	-	-
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$271,957	\$308,157	\$347,943	\$236,964	\$238,864
TOTAL OPERATING BUDGET	\$453,722	\$470,398	\$511,247	\$401,126	\$401,651

SOURCES OF FUNDING, BY FUND					
General Fund	380,496	352,237	385,650	387,147	385,525
Internal Service Funds	73,226	105,859	113,597	13,979	14,127
Special Revenue Funds	-	4,322	2,000	-	2,000
Enterprise Funds	-	7,980	10,000	-	-
TOTAL SOURCES OF FUNDING	\$453,722	\$470,398	\$511,247	\$401,126	\$401,651

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 city administration, the city clerk's office, housing and economic development and environmental programs.

City administration

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

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

City Clerk

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

The City Clerk is also the custodian of a wide range of official documents and permanent City records, including contracts, agreements, recorded documents, minutes, resolutions and ordinances. The City Clerk is responsible for responding to requests for public information under the California Public Records Act. The City Clerk is also the primary liaison to the City Council-appointed commissions/committees who serve as advisory bodies to the City Council.

Summary

FTEs	11
Total requested budget	\$3.1 million
Funding sources	Enterprise Fund General Fund Special Revenue Fund
Commissions/committees supported	Environmental Quality Housing Sister City and Friendship

Additionally, the City Clerk is the local Elections Official, responsible for posting legal notices and processing candidate filings, campaign reports and financial disclosures.

Housing and economic development

This division manages the City's affordable housing programs, which encompass below market rate housing, purchase assistance loans and affordable housing units in new developments. There are currently 66 BMR units occupied with 200 applicants on the BMR waitlist. Recent housing development activities will soon bring hundreds of new affordable units to the community.

In addition, this division addresses the needs of our businesses and provides opportunities for their success. This includes identifying new businesses that will enhance the community and the City's overall economic health. Acting as a business concierge, staff helps obtain expeditious, thorough and effective development approvals. This includes outreach to local businesses to assist with referrals to State and Federal programs, strategic planning for expansion approval and marketing/networking opportunities. The staff collaborates 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.

Environment programs

This division promotes environmental consciousness through awareness, education, programs. Environmental efforts protect 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, as well as heritage tree ordinance appeals.



2015–16 HIGHLIGHTS

- Produced a weekly digest of news and updates
- Streamlined staff report and agenda formats
- Implemented electronic voting system in the City Council Chambers
- Updated the city contracts and agreements templates
- Facilitated the appointment and onboarding of new commissioners and committee members
- Completed the city facility solar panel installation project
- Phase 2 of the Santa Cruz Street Café program
- Supported community events, including the Mayor's annual State of the City and a new Wine Walk event downtown
- Supported the sister city and friendship program
- Organized joint meetings for the City Council with the city commissions

2016–17 BUDGET

The department budget has been changed to reflect the transfers of information technology to administrative services and environmental programs from public works. It includes provide more clearly defined information regarding City operations, specifically compartmentalized by departments and divisions.

FUTURE GOALS AND INITIATIVES

- Continue to build staff capacity through professional development and training
- Manage the election for two City Council seats
- Continue systems improvements to reduce overhead and increase efficiency
- Implement software for electronic filing of the Form 700 – Statement of Economic Interest
- Implement the housing element and economic development plan
- Develop and support the work of the new Sister City and Friendship Committee
- Implement the Peninsula Clean Energy program to provide electricity alternatives

City Manager's Office

CITY MANAGER'S OFFICE WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Administration				
City Council digests published	39	50	42	43
City Council meetings attended	30	30	40	28
City Clerk's Office				
Board and Commissioner appointments/orientations	16	27	29	27
City Council agenda items posted	212	196	303	345
City Council agendas published	30	30	40	28
City Council commendations and proclamations processed	60	537	51	58
City ordinances adopted	18	7	7	3
City resolutions adopted	69	43	66	60
Public Records Act requests	159	106	153	116
Economic Development				
Business attraction leads	11	21	13	24
Business retention visits	32	60	163	250
Economic Development community events	0	3	3	3
New Business welcome letters	35	50	0	100
Environmental Programs				
Events related increasing recycling, reuse, or use of recycled materials	14	15	14	15
High efficiency toilet rebates processed	41	41	37	50
High efficiency washing machine rebates processed	70	74	81	70
Large landscape audits completed	3	4	0	4
Lawn Be Gone Rebates processed (rebate paperwork, conducting inspections, etc.)	2	6	14	40
Participants at waste management events	476	948	564	600
Participants in water efficient landscaping classes	169	127	169	180
Pounds of trash cleared from creek hotspot	240	810	143	2700

CITY MANAGER'S OFFICE EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	508,563	894,957	958,392	943,811	1,127,128
Salaries - Permanent part-time	27,169	1,180	-	-	-
Salaries - Overtime	4,939	3,628	11,000	2,404	2,500
Salaries - Temporary help	21,063	18,802	15,600	10,089	38,000
Vacation buy back	13,190	24,792	26,559	29,133	9,218
Other pay	40,002	55,251	40,610	53,137	43,221
Salaries and wages subtotal	\$614,926	\$998,610	\$1,052,160	\$1,038,573	\$1,220,068
Retirement and other post-employment benefits	113,798	193,308	211,685	205,253	247,730
Health and dental	51,895	120,339	153,783	127,851	154,202
Workers' compensation internal service charge	4,025	7,411	8,480	8,480	23,605
Other fringe benefits	20,641	24,572	(392)	26,471	24,541
Fringe benefits subtotal	\$190,359	\$345,631	\$373,556	\$368,055	\$450,077
TOTAL PERSONNEL COSTS	\$805,285	\$1,344,241	\$1,425,716	\$1,406,628	\$1,670,145
Operating expense	167,003	242,611	389,482	286,513	500,857
Utilities	17,801	14,064	8,745	8,954	8,970
Services	532,002	359,290	411,980	276,000	825,378
Fixed assets and capital outlay	44,692	4,758	7,000	2,000	7,000
Travel	12,088	39,794	37,150	23,500	39,400
Repairs and maintenance	16,825	2,961	4,000	-	4,775
Special projects expenditures	-	-	-	-	28,623
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$790,411	\$663,479	\$858,357	\$596,967	\$1,415,003
TOTAL OPERATING BUDGET	\$1,595,696	\$2,007,720	\$2,284,073	\$2,003,595	\$3,085,148

SOURCES OF FUNDING, BY FUND					
General Fund	1,590,789	2,007,720	2,284,073	2,003,595	2,381,469
Special Revenue Fund	-	-	-	-	462,405
Enterprise Fund	-	-	-	-	241,274
Trust and Agency Fund	4,907	-	-	-	-
TOTAL SOURCES OF FUNDING	\$1,595,696	\$2,007,720	\$2,284,073	\$2,003,595	\$3,085,148

Administrative Services

OVERVIEW

The Administrative Services department was created in fiscal year 2015-16 to integrate and strengthen the City's financial, human resource and information technology support services, required by an evolving and ever more complex organization. The department's key objective in fiscal year 2016-17 is to reduce internal bureaucracy while simultaneously enhancing internal controls and improving efficiency with modern technologies and streamlined processes. With overall management coordination of the department's activities provided by the administrative services director and special projects management provided by a senior management analyst, the department is divided into three functional areas as follows:

FINANCE DIVISION

The finance division is responsible for coordinating all taxes, fees and investments, preparing and monitoring of the annual budget, overseeing the purchasing process, paying employees and vendors, and managing the City's general liability risk management program. The division sets and administers fiscal policies and procedures for all city departments to ensure adequate internal control over City assets. The division provides the following support services to the organization:

Accounting, financial reporting and budget

This section performs accounting for all of the City's financial transactions, prepares the citywide annual financial statements (Comprehensive Annual Financial Report or CAFR), compiles the City Manager's proposed budget, monitors the City Council's adopted budget, provides all other financial reporting required by either agreement or statute and enforces internal controls to protect the City's assets against loss.

Revenue and risk management

This section manages the City's cash flow to meet cash requirements for operations, collects business license taxes, administers the City's cost recovery program which strives to minimize the use of general tax dollars to support special services, and performs the comprehensive risk management and mitigation function for the City through the Bay Cities Joint Powers Insurance Authority.

Summary

FTEs	18
Total requested budget	\$7.6 million
Funding sources	Enterprise Fund General Fund Internal Service Fund Special Revenue Fund
Commission/committee supported	Finance and Audit

Payroll, purchasing and accounts payable

This section manages the payroll and purchasing functions to ensure compliance with established labor agreements, purchasing policies and other regulations to ensure that employees and vendors are paid on time and accurately.

HUMAN RESOURCES DIVISION

The human resources division is responsible for the recruitment and retention of a well-qualified and diverse professional workforce that reflects the high standards of the community, maintenance of positive labor relations, management of workforce safety and succession planning initiatives and administration of compensation and benefits programs. Human Resources also implements federal, state and local mandates and requirements related to employment. The division delivers the following services:

Recruitment and retention

This includes 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. In addition, surveying and engagement programs enhance employees' work/life balance and support career development.

Classification, compensation and benefits

This involves ensuring application of appropriate classification and compensation principles and regulations. Also, staff administer leave and benefit programs for employees, appointed and elected officials and retirees.

Administrative Services



Employee and labor relations

Staff encourages effective employer-employee relations by supporting a positive, productive and respectful work environment to enhance the city's ability to deliver efficient, quality customer service through employee consultation recognition and performance management. Staff provides 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

This involves identification and implementation of training and employee development opportunities to support employee skill enhancement, innovation and leadership.

Safety, workers' compensation and return-to-work

Staff manage the organization's workplace safety and active risk management to prevent and reduce injuries and other potential liabilities.

INFORMATION TECHNOLOGY DIVISION

The Information Technology division is responsible for the hardware, software and communication equipment needs of the entire organization. This involves supporting operations with effective and secure information technology including computers, servers, telephone system and an 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.

2015–16 HIGHLIGHTS

- Staffed four key management positions resulting from attrition including the director and division managers for finance and human resources.
- Recognized by the Government Finance Officers Association with the Comprehensive Annual Financial Report for fiscal year 2013-14
- Upgraded the existing financial system to the most current version, providing several key improvements to functionality
- Deployed updated business license software that allows online applications and renewals, resulting in 21 percent of renewals completed online in 2015
- Conducted 35 recruitments resulting in the hiring of 36 new employees and 16 promotions
- Negotiated 24-month labor agreements, expiring June 30, 2017, with three of the City's bargaining units
- Completed a comprehensive classification study for all nonsworn personnel, including updates to employee job descriptions for the first time in over a decade
- Completed a comprehensive compensation study for nonsworn personnel to determine the market median total compensation among thirteen comparable agencies
- Successfully implemented Affordable Care Act reporting requirements
- Coordinated a successful employee wellness fair attended by well over 100 employees to learn about wellness and benefit programs for employees
- Initiated a quarterly employee mixer to help build cross-departmental relationships necessary to optimize employee productivity
- Joined the Regional Training and Development Consortium to offer high quality and cost-effective training programs and management tools
- Implemented a vision benefit plan for three bargaining units and the management group
- Designed improvements and enhancements for core information technology network and systems
- Implemented a new online service that allows residents to pay for false alarm fines and will facilitate purchase of overnight parking passes online by the end of summer 2016
- Enhanced the wireless network to provide for a workspace-planning project pilot

Administrative Services

ADMINISTRATIVE SERVICES WORKLOAD INDICATORS				
	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Finance				
Annual regulatory reports/audits completed and submitted to the appropriate agency	8	8	7	7
Business license renewals	N/A	4,406	4,602	4,775
New business licenses	811	770	768	800
Payroll checks/direct deposits	10,844	11,100	11,259	11,373
Separate funds included in annual financial statements	43	43	43	44
Vendor payments	4,402	4,879	4,344	4,361
Human Resources				
Employee trainings offered	28	30	27	34
Meetings with bargaining units	N/A	N/A	N/A	41
New hires (regular part-time and full-time only)	15	24	18	36
New/active administrative investigations	5	4	2	2
New/active employee discipline cases	6	3	2	3
New/active fair employment inquiries	7	9	6	4
New/active grievances filed	4	6	4	2
New/active meet & confer requests from bargaining units	12	14	13	N/A
Open successor MOU negotiations	2	4	4	4
Open workers' compensation claims	7	14	14	18
Recruitments conducted	31	30	25	35
Information Technology				
City facilities networked	14	14	14	14
Computer workstations supported	285	275	300	320
Emergency services mobile and fixed computers supported	30	30	30	30
Monthly average of completed helpdesk tickets and requests	126	200	235	216
Network devices and appliances	53	60	65	74
Server and desktop applications supported	n/a	101	115	128
Servers supported	n/a	50	56	78
Telephones supported	285	372	372	385
User/email accounts	n/a	336	345	435

Administrative Services

ADMINISTRATIVE SERVICES EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	1,010,108	1,390,467	1,611,982	1,117,630	1,665,045
Salaries - Permanent part-time	-	2,500	81,173	-	163,229
Salaries - Overtime	7,765	6,400	6,000	41,379	11,000
Salaries - Temporary help	34,325	3,864	35,000	85,090	45,000
Vacation buy back	43,341	31,525	36,042	131,465	21,183
Other pay	73,191	37,374	106,121	164,357	105,360
Salaries and wages subtotal	\$1,168,730	\$1,472,129	\$1,876,318	\$1,539,921	\$2,010,816
Retirement and other post-employment benefits	197,919	291,082	365,366	274,778	396,762
Health and dental	315,874	396,787	317,016	396,698	347,054
Workers' compensation internal service charge	6,222	15,156	16,302	16,303	47,199
Other fringe benefits	572,545	489,149	535,909	503,370	653,865
Fringe benefits subtotal	\$1,092,560	\$1,192,175	\$1,234,593	\$1,191,149	\$1,444,880
TOTAL PERSONNEL COSTS	\$2,261,290	\$2,664,303	\$3,110,910	\$2,731,070	\$3,455,696
Operating expense	1,922,726	2,287,182	2,254,320	2,091,007	2,213,689
Utilities	13,917	34,276	29,000	28,100	29,500
Services	780,780	1,135,315	1,368,297	1,374,400	1,377,097
Fixed assets and capital outlay	3,523	95,360	44,500	549,350	210,350
Travel	3,509	5,540	6,300	4,800	17,700
Repairs and maintenance	374	24,896	10,400	10,400	10,400
Special projects expenditures	314,324	673,508	634,080	522,568	280,000
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$3,039,153	\$4,256,078	\$4,346,898	\$4,580,625	\$4,138,735
TOTAL OPERATING BUDGET	\$5,300,443	\$6,920,381	\$7,457,808	\$7,311,695	\$7,594,431

SOURCES OF FUNDING, BY FUND					
General Fund	2,354,786	3,385,424	3,048,864	2,574,384	2,901,582
Enterprise Fund	594,653	1,072,818	672,087	662,589	533,003
Special Revenue Fund	52,072	53,172	57,223	50,076	10,305
Internal Service Fund	2,298,932	2,408,967	3,679,635	4,024,646	4,149,541
TOTAL SOURCES OF FUNDING	\$5,300,443	\$6,920,381	\$7,457,808	\$7,311,695	\$7,594,431

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

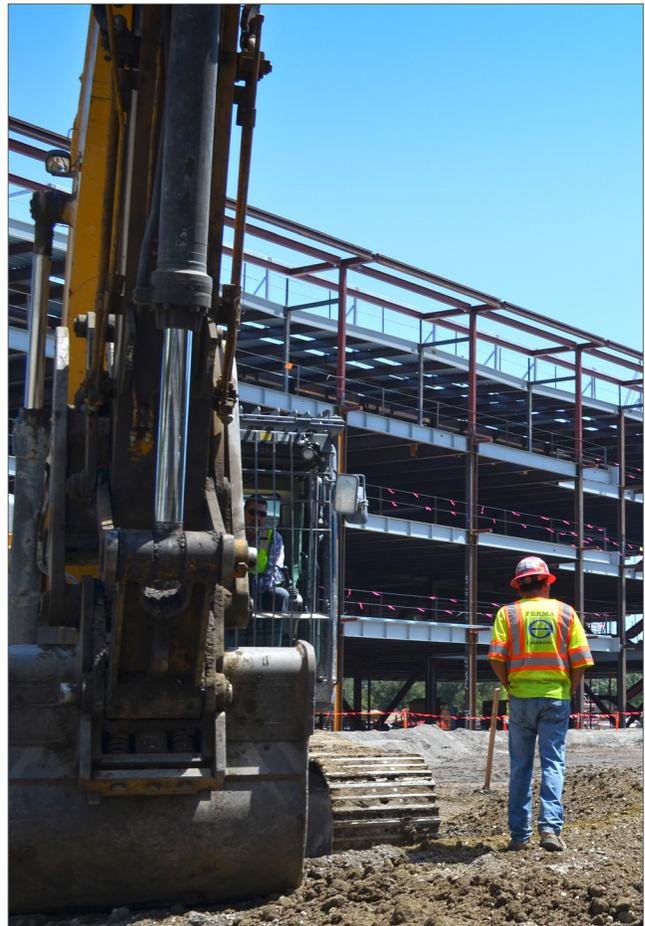
Additionally, this division coordinates interdepartmental and interagency review of project plans, reviews construction plans and supporting documentation for

Summary

FTEs	27
Total requested budget	\$6.2 million
Funding sources	General Fund Special Revenue Fund
Commission/committee supported	Planning

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

2015–16 HIGHLIGHTS

- Completed substantial work on the General Plan update, with a focus on the development of three new zoning districts that involved stakeholder meetings, community workshops and “deep dives” on selected topic areas, as well as General Plan Advisory Committee, Commission and City Council meetings. Additionally, substantial work was completed on the environmental review of the project, allowing for the release of the Draft Environmental Impact Report for public review.
- Conducted 2015 biennial review of the El Camino Real/Downtown Specific Plan and began work on modifications directed by the City Council.
- 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.
- In coordination with the Housing and Economic Development Division, completed and presented to City Council a draft nexus study necessary to maintain the legal justification for inclusionary zoning and affordable housing impact fees, and update and modify the Below Market Rate requirements and program guidelines.
- Issued and received three responses to the City’s second Notice of Funding Availability for \$7.8 million designated for the acquisition, rehabilitation or new construction of housing that will provide long-term affordability.
- Consistent with City Council direction, completed actions necessary to extend the secondary dwelling unit conversion ordinance for an additional year.
- Adoption of updated Fire Codes that will serve to enhance the safety of Menlo Park residents, business and property owners.
- Completed construction of the Facebook MPK23 (formally the Raychem/Tyco Distribution building) and the Commonwealth Corporate Center.
- Managed ongoing construction of major housing projects, including Anton Menlo, Greenheart/Hamilton, Graystar/Haven, and MidPen/Willow, all of which were identified as housing opportunity sites in the 2015-2023 Housing Element.
- Review of an unprecedented number of major commercial, residential and mixed use projects including Menlo Gateway, mixed use projects at 500, 1295 and 1300 El Camino Real, a boutique hotel at 1400 El Camino Real, a residential development on the former Roger Reynolds Nursery site, and an office development at 1020 Alma Street.
- Review of two proposed annexations of the University Heights and Sand Hill Road areas to the City.
- Continued work by an interdepartmental team to identify and implement changes that can increase efficiencies and further streamline the review process.
- Completed recruitments of four new planning positions and two new building division positions, helping to build the staff resources necessary to meet demand.

2016–17 BUDGET

Over the past several years, the department has seen and is continuing to see 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. This has resulted in a need for greater staff capacity, which has been met by an increase in staffing and contract services. Simultaneously, an update of the General Plan, a comprehensive, multiyear, long range planning project has required dedicated staff and consultant resources to the work effort.

The budget reflects higher revenues than the historic average due to an increased number of development projects, as well as a corresponding increase in personnel-related expenditures, reflected primarily 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 nonpersonnel related expenditures remain largely unchanged from fiscal year 2015–16.

Community Development

FUTURE GOALS AND INIATIVES

- Continue work on the General Plan Update to allow for City Council final consideration of and action on the General Plan Amendments, Zoning Ordinance Amendments and Environmental Impact Report.
- Complete modifications to the El Camino Real/ Downtown Specific Plan as directed by the City Council during the 2015 biennial review of the Plan, including modifications related to parking, public benefit, hotel incentives and the protection of small businesses.
- In coordination with the Housing and Economic Development Division, complete the affordable housing nexus study and, in accordance with the adopted nexus study, begin work on updates to the Below Market Rate Program requirements, guidelines and fee that are intended 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.
- In coordination with the Housing and Economic Development Division, continue to work with the respondents to the City's second Notice of Funding Availability for \$7.8 million designated for the acquisition, rehabilitation or new construction of long-term affordable housing to refine project proposals and enable consideration of granting the funds.
- Complete recruitments to fill remaining vacant positions in the department.
- Align staff resources and contract services necessary to continue the timely processing of small-, mid- and large-scale development projects, including Menlo Gateway, Facebook and other residential, commercial and mixed-use projects.
- 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 permitting and use of a voice recognition system for building inspection requests.

COMMUNITY DEVELOPMENT WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Administrative permits reviewed	2	0	2	3
City Council reports	35	32	28	15
Commercial building permits issued	228	195	187	170
Community workshops and meetings supported or staffed	n/a	22	33	20
Development review team meetings conducted	27	26	28	27
Environmental documents prepared	8	11	13	10
Inspections conducted	10,447	10,123	10,486	9,200
Land use applications received	110	72	86	105
Planning Commission reports	110	103	95	90
Public notices mailed	64,699	85,652	81,681	70,000
Public notices prepared	441	498	499	475
Residential building permits issued	727	885	733	830
Sign applications reviewed	25	22	24	30
Zoning compliance letters prepared	3	6	9	25

Community Development

COMMUNITY DEVELOPMENT EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	1,471,847	1,760,364	2,595,438	1,780,405	2,841,686
Salaries - Permanent part-time	65,331	66,766	90,480	73,357	-
Salaries - Overtime	16,019	19,988	26,000	17,120	25,000
Salaries - Temporary help	17,328	-	20,000	776	15,000
Vacation buy back	48,714	3,998	27,747	27,017	4,158
Other pay	27,893	44,269	14,900	36,450	16,769
Salaries and wages subtotal	\$1,647,131	\$1,895,386	\$2,774,566	\$1,935,125	\$2,902,612
Retirement and other post-employment benefits	294,198	395,194	570,998	429,526	613,258
Health and dental	254,446	304,811	499,678	352,327	518,965
Workers' compensation internal service charge	9,873	14,863	22,809	22,810	44,831
Other fringe benefits	38,765	50,582	(334,516)	37,986	(208,019)
Fringe benefits subtotal	\$597,282	\$765,450	\$758,970	\$842,648	\$969,035
TOTAL PERSONNEL COSTS	\$2,244,414	\$2,660,836	\$3,533,535	\$2,777,773	\$3,871,647
Operating expense	80,174	79,624	307,772	263,595	404,168
Utilities	16,878	20,207	15,675	16,926	16,100
Services	1,391,140	2,116,585	2,607,665	1,303,000	1,855,000
Fixed assets and capital outlay	15,823	2,835	11,500	11,500	15,000
Travel	3,426	4,409	10,100	9,600	11,100
Repairs and maintenance	9,448	8,405	10,250	6,700	10,250
Special projects expenditures	4,000	25,492	30,000	30,500	500
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$1,520,889	\$ 2,257,559	\$ 2,992,962	\$ 1,641,821	\$2,312,118
TOTAL OPERATING BUDGET	\$3,765,303	\$ 4,918,394	\$ 6,526,497	\$ 4,419,594	\$ 6,183,765

SOURCES OF FUNDING, BY FUND					
General Fund	3,765,303	3,150,348	5,140,492	3,901,364	5,863,186
Special Revenue Funds	-	1,768,046	1,386,006	518,230	320,579
TOTAL SOURCES OF FUNDING	\$3,765,303	\$4,918,394	\$6,526,497	\$4,419,594	\$6,183,765

Community Services

OVERVIEW

The Community Services department provides recreation programs, services and facilities enriching the lives of Menlo Park and other area residents. The goal is to support healthy lifestyles, allow people to 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

Our wide diverse recreational opportunities for all ages include:

The adult sports include basketball leagues, softball leagues and volleyball classes. There are also drop-in sports programs, such as basketball, volleyball and badminton, as well as specialty programming like Team Fitness and Menlo Swim and Sport fitness and bootcamp.

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

Menlo Park Gymnastics hosts popular gymnastics programs, including an extensive preschool program and both boys and girls competitive teams. The Arrillaga Family Gymnastics Center offers special needs 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 lease agreement with Team Sheper, Inc. and includes year-round programming at both the Burgess and Belle Haven pools.

Summary

FTEs	50.0
Total requested budget	\$8.2 million
Funding sources	General Fund Special Revenue Fund
Commission/committee supported	Parks and Recreation

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.

Child care and 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. The program also includes a nutritional component.

The Menlo Children's Center provides 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 offered. 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 child care for 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 a nutrition and exercise program for older adults, arts and crafts, peer counseling, a men's social hour, insurance counseling, English as a second language courses, dance and fitness classes. Daily meals are also offered.

Special events

Ten major community events are held each year, as well as an eleven-week summer concert series and movie series. These events include Kite Day, Fourth of July Parade and Celebration, Annual Downtown Block Party, Movies in the Park, Halloween Hoopla costume parade, Breakfast with Santa, Holiday Tree Lighting, Egg Hunt and more.

Community Services

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 which are supported by a Grant for the Arts program.

2015–16 HIGHLIGHTS

- Completed a five-year strategic plan update.
- Increased program and event sponsorships by 50 percent.
- Supported the third and final year of the Belle Haven Neighborhood Action Plan implementation
- Expanded the "Concerts in the Park" program to Kelly Park with three events.
- Continuous improvements to customer service, including implementing staff uniforms and welcome standards for all facilities.
- Completed five year lease extension with private contractor for aquatics services
- Achieved an all-time high cost recovery level for the department, among the highest in the Bay Area
- Completed numerous improvements suggested by last year's Operational Review, including restructuring the department with addition of three Supervisors for greater staff accountability and oversight

2016–17 BUDGET

The Community Services Department budget remains largely unchanged from 2015-16. 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 by adding a layer of supervision. For the first time in many years, the department has experienced some staff turnover that has brought in new perspectives and a fresh approach to old activities that the Community Services team will be working on this coming year.



FUTURE GOALS AND INITIATIVES

- Improving opportunities for volunteerism at community events
- Explore emerging sports trends and opportunities to expand programs
- Explore opportunities to expand programming at Onetta Harris Community Center, such as preschool gymnastics
- Complete analysis of after school programs and determine future direction given changing community needs
- Improve qualifications of child care staff in order to provide higher quality programs
- Implement the updated strategic plan for 2015-2021, including
- Continue refinements to program marketing, capacity analysis and program delivery to maintain outstanding cost recovery
- Continue increasing sponsorships and partnership

Community Services

COMMUNITY SERVICES WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Department cost recovery level	80%	82%	82.50%	84%
Field usage percentage	82%	85%	87%	88%
Programs within the cost recovery target	86%	93%	100%	100%
Recreation programs conducted	13,970*	14,000*	14,020*	19,242**
Special events and performing arts program attendance	12,335	12,566	12,750	17,000
Total annual participant hours	1,190,552	1,362,727	1,212,319	1,250,000
Total annual participants	20,064	22,250	21,910	22,100

* previously counted recreation programs only

** includes recreation and social services programs

Community Services

COMMUNITY SERVICES EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	2,230,151	2,275,598	2,486,647	2,289,985	2,628,552
Salaries - Permanent part-time	361,386	363,220	490,615	268,807	544,315
Salaries - Overtime	36,908	37,458	34,250	30,893	26,800
Salaries - Temporary help	927,740	1,023,715	944,250	1,034,581	883,900
Vacation buy back	106,490	28,035	68,184	70,338	28,852
Other pay	75,405	91,560	22,430	72,664	21,579
Salaries and wages subtotal	\$3,738,081	\$3,819,587	\$4,046,376	\$3,767,267	\$4,133,998
Retirement and other post-employment benefits	-	571,035	638,931	566,704	688,642
Health and dental	739,872	852,978	968,080	817,594	1,025,961
Workers' compensation internal service charge	80,319	63,773	77,991	77,993	211,047
Other fringe benefits	125,008	139,866	(29,252)	208,249	22,453
Fringe benefits subtotal	\$1,481,767	\$1,627,653	\$1,655,750	\$1,670,541	\$1,948,104
TOTAL PERSONNEL COSTS	\$5,219,848	\$5,447,239	\$5,702,126	\$5,437,808	\$6,082,102
Operating expense	634,899	673,239	698,544	646,416	716,437
Utilities	365,062	391,004	352,690	348,941	344,190
Services	1,130,802	1,208,362	920,699	992,476	868,200
Fixed assets and capital outlay	162,789	116,037	83,800	103,282	69,900
Travel	15,773	11,807	14,250	12,445	15,650
Repairs and maintenance	56,773	52,717	70,600	52,172	62,800
Special projects expenditures	67,049	175,201	169,500	164,000	5,500
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$2,433,146	\$2,628,365	\$2,310,083	\$2,319,732	\$2,082,677
TOTAL OPERATING BUDGET	\$7,652,994	\$8,075,605	\$8,012,209	\$7,757,540	\$8,164,779

SOURCES OF FUNDING, BY FUND					
General Fund	7,480,385	7,877,842	7,887,009	7,726,995	8,068,979
Expendable Trust	700	700	-	-	-
Special Revenue Fund	171,909	197,062	125,200	30,545	95,800
TOTAL SOURCES OF FUNDING	\$7,652,994	\$8,075,605	\$8,012,209	\$7,757,540	\$8,164,779

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

These services include selection and management of adult fiction and nonfiction materials (in print and electronic format), periodicals, audio books, music CDs, movies and documentaries. This is in addition to reference and reader advisory services, informational and cultural programs and online access to indices, pathfinders, other advisory aids and the library website.

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

Staff provides assistance to children from infant through high school including reference and readers' advisory services, storytimes, 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

This section manages lending and return of library materials, self-check terminal assistance and issuance of library cards.

Summary

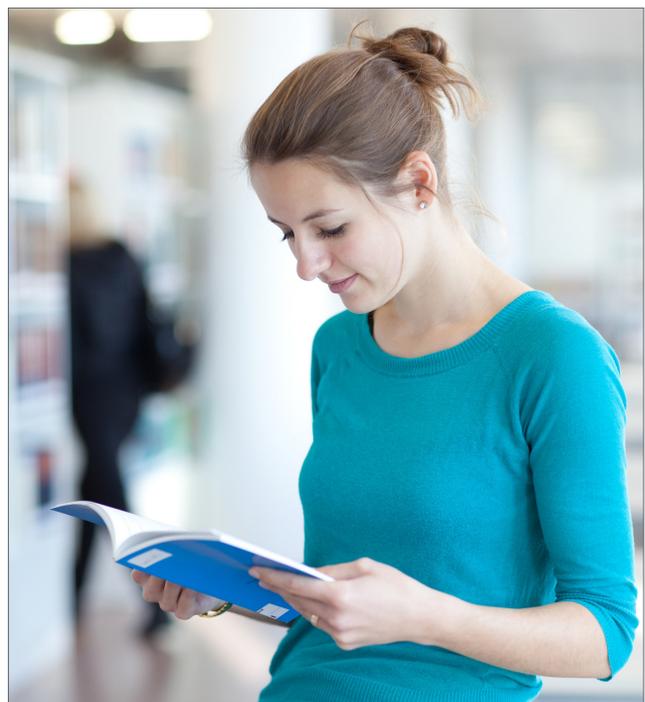
FTEs	15.0
Total requested budget	\$3.1 million
Funding sources	Library Bond Fund Expendable Trust Fund General Fund Special Revenue Fund
Commission/committee supported	Library

Technical services

These services involve 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 branch library focuses on school age youth, especially learning related to the elementary school curriculum. Project Read's English as a Second Language classes are held here twice a week.



Library



2015-16 HIGHLIGHTS

- Designed and hosted the first Science Night at the Library that attracted over 400 children and their parents to enjoy a full planetarium show, science experiments, laser designing, programmable robots and other STEM related activities.
- Added four new Belle Haven Branch Library story times (baby and toddler, family, munchkin music and tiny tots), increasing the total offered to 14.
- Expanded the popular “quick pick” book and DVD collection to include children’s materials and the Belle Haven Branch Library.
- Worked with staff and the community to complete a strategic plan that will guide activities over the next three to five years.
- Expanded Belle Haven Branch Library programs to include weekly movie nights and family fun on Tuesdays.
- Expanded adult programs at the main library to include monthly musical performances, hands-on crafts that complement the craft book collection and professional impressionist performances.

2016-17 BUDGET

The library’s budget has remained largely unchanged for several years. A greater proportion of the materials that are purchased for the collection are in electronic format expanding the offerings of the 24/7 virtual library. The 2014 library management and organizational review recommended a change in the library’s staffing model from primarily part-time/ temporary staff to a more balanced permanent full-time staffing model. Staff retirements in 2015 have allowed a reorganization of library leadership resulting in broader assignments for the remaining library managers and the creation of an assistant library director position.

The fiscal year 2016-17 budget will add 1 FTE for a programming specialist position as the library continues to move to services that focus on building community face-to-face, inspiring and educating patrons about art, literature and music, and helping patrons engage in civil discourse. Additional staff time will be used again this year for the Belle Haven summer learning camp but it will be reimbursed from a San Mateo County Measure A grant.

2016 marks the library’s centennial year and additional funds will be budgeted for activities, programs, outreach.

FUTURE GOALS AND INIATIVES

- Implement the goals and objectives of the new strategic planning.
- Continue to expand the non-place-based services for the Belle Haven branch library as well as the expansion of family oriented programs in the library
- Conduct the 2nd year of summer learning camp at the Belle Haven branch library
- A library space needs analysis will be completed by fall 2016
- Continue to develop more programs that inspire individuals to gather, explore, interact and imagine

Library

LIBRARY WORKLOAD INDICATORS				
	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Main Library				
Audio/visual circulation	225,426	219,390	219,885	220,000
Book circulation	437,518	418,943	415,805	415,000
Children's program attendance	27,349	21,186	20,567	22,000
Internet sessions	49,848	40,553	95,602	80,000
Reference questions answered	42,764	42,169	41,472	41,000
Belle Haven Branch Library				
Audio/visual circulation	3,837	3,296	3,185	5,000
Book circulation	6,186	8,203	8,127	8,000
Children's program attendance	7,405	4,745	4,685	6,000
Internet sessions	6,168	3,621	2,669	2,600
Reference questions answered	14,504	13,005	8,754	8,700

CITY LIBRARY EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	667,948	666,090	661,240	570,000	771,553
Salaries - Permanent part-time	317,264	370,749	463,473	310,171	394,303
Salaries - Overtime	5,818	2,753	30,500	4,393	5,500
Salaries - Temporary help	278,054	380,002	473,220	365,253	471,000
Vacation buy back	27,171	6,921	19,747	18,949	9,648
Other pay	42,190	43,034	45,471	38,854	30,692
Salaries and wages subtotal	\$1,338,445	\$1,469,550	\$1,693,651	\$1,307,620	\$1,682,696
Retirement and other post-employment benefits	202,628	222,607	242,543	167,940	254,130
Health and dental	148,836	170,971	199,792	166,212	224,922
Workers' compensation internal service charge	13,984	25,138	16,985	15,197	18,708
Other fringe benefits	43,416	56,626	26,157	50,757	(11,174)
Fringe benefits subtotal	\$408,864	\$475,342	\$485,477	\$400,106	\$486,587
TOTAL PERSONNEL COSTS	\$1,747,309	\$1,944,892	\$2,179,128	\$1,707,726	\$2,169,283
Operating expense	260,549	300,246	380,410	330,936	502,697
Utilities	71,815	67,908	69,500	65,715	69,500
Services	-	538	48,500	46,500	52,500
Fixed assets and capital outlay	7,270	10,274	69,595	31,000	58,000
Travel	1,568	222	2,700	2,200	3,700
Repairs and maintenance	139,448	165,927	227,100	204,600	224,600
Special projects expenditures	-	587	-	-	-
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$480,650	\$545,702	\$797,805	\$680,951	\$910,997
TOTAL OPERATING BUDGET	\$2,227,959	\$2,490,594	\$2,976,934	\$2,388,677	\$3,080,280

SOURCES OF FUNDING, BY FUND					
General Fund	2,046,772	2,214,447	2,576,568	2,211,981	2,661,581
Library Bond Fund	-	2,332	47,595	10,000	40,000
Expendable Trust Fund	52,645	27,331	85,626	33,328	112,836
Special Revenue Fund	128,542	246,484	267,145	133,368	265,862
TOTAL SOURCES OF FUNDING	\$2,227,959	\$2,490,594	\$2,976,934	\$2,388,677	\$3,080,280

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, code enforcement and community outreach.

Operationally, this department provides the following services:

Administration

The administrative division 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. The patrol service provides first responders to myriad emergency and non-emergency calls. Patrol services include 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 Belle Haven Neighborhood Service Center.

Summary

FTEs	70 (48 sworn)
Total requested budget	\$16.7 million
Funding sources	General Fund Special Revenue Fund

Investigations

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

Public safety dispatch is operational 24/7 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 seconds or less. During the night shift, dispatch handles walk-in requests for records or others needing assistance.



2015–16 HIGHLIGHTS

- Received the 2015 Helen Putnam Award for Excellence in Public Safety
- Named as a finalist for the 2016 James Q. Wilson Award for Excellence in Community Policing
- Realized a 38 percent decrease in the most serious classifications of crime (homicide, rape, robbery, aggravated assault) from calendar year 2014 to 2015
- Implemented the homeless outreach team
- Hosted the 2015 Statewide Community Service Officers Symposium
- Hosted four Friday Night Lights community engagement events
- Revised the body worn camera policy to include a “destruction of video” waiver
- Funded a new canine (Hardy) and handler
- Purchased and placed into service a second fully electric police motorcycle



FUTURE GOALS AND INITIATIVES

- Replace the existing police radio antenna adjacent to the City Hall building
- Continue integration of new police sport utility vehicles into the existing fleet
- Implement online alarm billing and parking permit applications
- Be the first dispatch center in San Mateo County to accept “text to 911” calls
- Send all patrol officers to crisis intervention team training

2016–17 BUDGET

The police department’s budget remains largely unchanged from fiscal year 2015-16. Minor changes include nonpersonnel expenditures, which were adjusted to consider historical spending, and known increases in existing service contracts. A fee reduction for vehicle impounds will result in a drop of \$40,000 in annual revenues.

Police Department

POLICE WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
911 emergency calls	10,168	10,776	11,180	11,000
Calls answered in 10 seconds or less	9,838	9,983	10,221	10,000
Cases reviewed and processed	3,869	4,083	3,937	4,000
Detective cases assigned	178	102	148	150
Dispatch calls for service	41,206	40,964	39,605	40,000
Moving citations processed	5,762	7,140	7,822	7,200
Overall clearance rate	34%	34%	32%	30%
Parking citations processed	17,423	18,412	8,587	12,000
Patrol calls for service	22,383	21,021	21,293	22,000
Pedestrian stops	11,280	12,355	11,910	12,000
Property crime clearance rate	11%	15%	13%	15%
Serious crime clearance rate	36%	60%	60%	60%
Vehicle stops	10,257	11,332	10,899	11,000

Police Department

CITY POLICE EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	6,856,521	7,117,133	7,349,024	7,006,164	7,485,538
Salaries - Permanent part-time	48,173	62,340	71,786	474,327	76,753
Salaries - Overtime	752,201	732,889	730,872	893,808	730,872
Salaries - Temporary help	140,348	109,691	169,200	228,137	169,200
Vacation buy back	170,204	131,077	190,172	253,400	253,400
Other pay	795,464	793,958	860,861	749,496	732,444
Salaries and wages subtotal	\$8,762,911	\$8,947,088	\$9,371,916	\$9,605,333	\$9,448,207
Retirement and other post-employment benefits	1,868,336	2,049,432	2,243,469	2,139,145	2,388,501
Health and dental	921,031	1,222,025	1,403,889	1,065,800	1,196,351
Workers' compensation internal service charge	238,800	417,548	539,729	539,729	727,341
Other fringe benefits	195,914	206,198	5,735	196,839	(225,518)
Fringe benefits subtotal	\$3,224,080	\$3,895,203	\$4,192,822	\$3,941,513	\$4,086,674
TOTAL PERSONNEL COSTS	\$11,986,992	\$12,842,291	\$13,564,738	\$13,546,845	\$13,534,881
Operating expense	1,059,150	1,057,382	1,751,575	1,667,174	1,914,519
Utilities	115,603	124,767	108,321	131,028	126,921
Services	590,518	578,456	673,593	707,442	618,887
Fixed assets and capital outlay	217,660	46,677	96,361	67,870	96,361
Travel	1,422	2,394	3,900	-	3,900
Repairs and maintenance	280,325	259,316	336,298	259,031	336,298
Special projects expenditures	160,650	91,200	92,500	92,500	97,900
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$2,425,328	\$2,160,192	\$3,062,548	\$2,925,045	\$3,194,786
TOTAL OPERATING BUDGET	\$14,412,320	\$15,002,483	\$16,627,286	\$16,471,890	\$16,729,666

SOURCES OF FUNDING, BY FUND					
General Fund	14,284,054	14,919,521	16,505,886	16,390,522	16,604,266
Enterprise Fund	128,266	82,962	121,400	81,368	125,400
TOTAL SOURCES OF FUNDING	\$14,412,320	\$15,002,483	\$16,627,286	\$16,471,890	\$16,729,666

Public Works

OVERVIEW

The Public Works department is responsible for building and maintaining the City’s infrastructure, facilities and for providing street, sidewalk, water, stormwater, parks, trees and transportation services. 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 three divisions, which include Engineering, Maintenance and Transportation. Under the Engineering Division, there are three sections: capital improvement program, utilities and development services.

ENGINEERING DIVISION

Capital Improvement Program

This section is responsible for managing the City’s capital improvement program, which consists of a variety of projects that focus on the construction and maintenance of city infrastructure and facilities. The design of capital improvement projects is done in-house or in conjunction with professional consultants. Capital improvement projects are publically and competitively bid and built by general contractors. Each year, this section assesses the infrastructure needs and develops a five-year improvement plan and budget. These projects include street improvements, the installation and replacement of traffic signals, storm drains, water mains and rehabilitation of city facilities. The program is managed by staff and supported by 6-15 consulting firms. The capital improvement plan currently consists of 64 active projects and provides support for 11 regional projects. For fiscal year 2016-17, 22 additional projects were added totaling approximately \$10.8 million.

Utilities Section

The utilities section is responsible for managing the Menlo Park Municipal Water District, the City’s storm drain system and the leachate and gas collection systems at the Bedwell Bayfront Park.

The Menlo Park Municipal Water District provides potable water to approximately 16,000 customers through 63 miles of water mains and approximately 4,300 service connections, ensuring that water quality meets the federal Safe Drinking Water Act. The water distribution system includes a pump station and two

Summary

FTEs	65
Total requested budget	\$21.1 million
Funding sources	Water Enterprise Fund Expendable Trust Fund General Fund Internal Service Fund Special Revenue Fund
Commissions/committees supported	Bicycle Transportation

reservoirs that can hold 5.5 million gallons of potable water. The Menlo Park Municipal Water District’s licensed operations team ensures that customers receive a safe and reliable source of water and that the distribution system is properly operated and maintained.

The utilities section is responsible for managing new water connections, overseeing the cross-connection control program, water billing, implementing water conservation regulations, master planning to evaluate potable water reliability and alternate sources of water, and for developing a Capital Improvement Program to improve the water infrastructure. The utilities section is also responsible for managing water CIP projects, such as emergency well and water main replacement projects.

As part of the stormwater management effort, the utilities section assesses flood risk and storm preparedness, plans for flood protection and infrastructure needs, sea level rise and hazard mitigation, implements pollution prevention policies to ensure compliance with the National Pollution Discharge Elimination System permit and meet regulatory requirements to protect creek and bayland habitats. In addition, the utilities section coordinates with regional entities on stormwater management efforts.

The City owns and operates the Bedwell Bayfront Park landfill, which was closed in 1984. The utilities section manages the leachate and gas collection, handles systems in accordance with the State Water Resources Control Board and Bay Area Air Quality Management District regulations, and plans for Capital Improvement Projects.

Development services

The development services section ensures that private development and activities within the public right of way meet the required standards and conditions set by the City. The section is responsible for managing encroachment permits for private developers, utility

Public Works

companies, property owners and contractors desiring to work within the City's public right of way. In partnership with the Community Development Department, the development services section regulates and facilitates private development projects within Menlo Park. This ensures that the infrastructure constructed both on private property and in the public right of way meets the appropriate engineering standards and regulatory requirements for grading, drainage, Federal Emergency Management Agency compliance and stormwater management. Development Services aims to provide timely, comprehensive plan reviews and inspections. Given the amount of large projects currently in the development process (Facebook, 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 section is also dependent on the services of consultants for plan checking and contract inspectors. In addition to reviewing, approving and inspecting the public infrastructure necessary for new development, Development Services assists the community directly and staffs the customer service counter at City Hall.

MAINTENANCE DIVISION

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, fleet, parks, streets and trees.

Facilities

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

Fleet

The fleet program is responsible for acquiring and disposing of 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 program also maintains 30 vehicles and pieces of equipment for the West Bay Sanitary District as a shared service with other agencies.

Parks

The parks program maintains and renovates 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, landscape maintenance in the public right of way, and eight parking plazas. The Parks Program is also responsible for managing 160 acres of open space at the Bedwell Bayfront Park.

Streets

The streets program ensures the City's streets are clean and safe by properly maintaining sidewalks, pathways, bicycle bridges and parking lots. City staff and private contractors perform street sweeping, street light and traffic signal maintenance, street striping and storm drain cleaning. The program is responsible for approximately 97 miles of streets, 4,000 traffic/street signs, 2,233 streetlights, 40 traffic signals, graffiti abatement and public sidewalk hazard reduction.

Trees

Management of the urban forest falls under the tree program, which promotes a pleasing natural environment with related social, economic and environmental benefits. The program oversees the heritage tree ordinance, which sets the requirements for pruning and removing 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.

Public Works



TRANSPORTATION DIVISION

The Transportation Division promotes the efficient movement of people and goods throughout Menlo Park by providing a functional and efficient transportation network through engineering and planning efforts and education programs. Through the transportation demand management program, the Transportation Division offers a variety of options and services for local residents and employees to reduce traffic congestion. Such programs promote ride-sharing, bicycles and walking as commute alternatives and collaboration with local schools to develop and implement Safe Routes to Schools plans. The program offers bicycle education and safety programs, Bike to Work Day promotions, and secures bicycle and pedestrian infrastructure improvement grants. The City's shuttle program, which offers local employers free connections between the Caltrain station and key destinations around the City, has approximately 83,000 shuttle riders per year. Through the multimodal program, the Division maintains 40 traffic signals, over 2,200 streetlights, and all signs and roadway markings throughout the City.

2015–16 HIGHLIGHTS

- Completed Sharon Heights pump station replacement
- Received the Tree City USA Growth Award from the Arbor Day Foundation
- Added Tuesday shoppers' shuttle service to the Sharon Heights area to offset decreases in SamTrans service
- Completed the El Camino Real corridor study
- Received the Silicon Valley Water Conservation Award
- Adopted new five-year water rates
- Completed the Durham Street/Veterans Affairs/Willow Road traffic signal improvements
- Adopted the urban water management plan and started the water system master plan process
- Received State Water Board approval for the corporation yard emergency water well
- Completed the administration building energy management system
- Completed replacement of the library and administration building chillers
- Completed the site improvement inspection of the Sobrato Commonwealth development
- Entered into an agreement with West Bay Sanitary District to provide recycled water to Sharon Heights Golf and Country Club
- Partnered with Facebook to design Chilco Street sidewalk and bicycle facilities
- Collaborated with Facebook to complete traffic improvements at the Willow Road and Middlefield Road traffic signal, Willow Road and Bayfront Expressway traffic signal and construction of a triple right turn, improvements to Bay Trail along University Drive, northbound 101 off-ramp to eastbound Marsh Road and widening of westbound Willow Road on-ramp to northbound 101
- Completed the pavement management system update
- Completed the Sand Hill Road signal interconnect project
- Completed the Willow Road traffic signal modifications project

Public Works

2016–17 BUDGET

The year's budget includes the transfer of Environmental Programs from Public Works to the City Manager's Office. This is meant to streamline management and reporting relationships. An important change, and increase to the General Fund, was the shift of some projects from the capital improvement program to the operating budget and a 5 percent increase to the landscape assessment, which should generate more revenue to augment the budget for tree trimming contract services and follow the 5-year tree trimming cycle



FUTURE GOALS AND 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
- Complete the corporation yard emergency well
- Complete the library landscaping project
- Complete the Sand Hill Reservoir #2 roof replacement
- Complete the city hall / administration building emergency generator replacement
- Complete the water system master plan
- Develop a green infrastructure policy
- Develop a recycled water program and ordinance
- Update the water emergency response plan
- Adopt updated cross-connection control ordinance
- Complete construction of bicycle and pedestrian facilities on Chilco Street
- Complete bicycle and pedestrian improvements on Haven Avenue
- Partner with Bohannon (Menlo Gateway project) on completion of Marsh Road/Bayfront Expressway improvements, Chrysler Drive/Constitution Drive traffic signal and Chrysler Drive/Bayfront Expressway traffic signal improvements
- Complete the Chrysler Drive pump station replacement design
- Complete the city hall / administration building office renovation project
- Complete the library space needs study
- Complete the design and construction of the Willow Oaks dog park renovation project
- Complete the design of the Jack Lyle Park restroom project
- Complete the Valparaiso Avenue safe routes to school project
- Complete the Menlo Park-East Palo Alto connectivity project
- Complete the police antenna replacement project

Public Works

PUBLIC WORKS WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Engineering Division				
Backflow assemblies tested	718	784	787	800
Grading and off-site plan checks completed for development projects	45	36	58	45
Grading plan checks completed for single family homes	100	140	144	120
Inspections completed	2500	3000	3600	3600
Map reviews completed	35	45	24	21
Off-site/right of way plan checks completed	340	364	414	375
Planning applications received	50	63	62	60
Projects completed	11	11	9	15
Projects in construction	11	8	4	7
Projects in design phase	13	9	14	30
Projects in planning/study phase	25	21	5	24
Regional projects supported	6	6	6	11
Storm drain inspections	980	980	980	980
Storm drains cleaned	126	140	230	200
Water samples collected	260	260	258	320
Maintenance Division				
Acres of park turf mowed	1275	1275	1275	1275
Acres of school turf mowed	477	477	477	477
Buildings maintained	26	26	26	26
City vehicles and motorized equipment (mower, generator, etc.)	200	200	207	204
Facilities work orders completed	254	270	605	600
Fleet work orders completed	473	493	400	340
Graffiti removal work orders completed	409	430	463	400
Heritage tree appeals received and processed	2	2	3	3
Miles of streets swept	6586	6586	6586	6586
Preventative maintenance inspections	177	179	134	120
Smaller motorized equipment (saws, blowers, etc.)	50	50	50	50
State-licensed pesticide applicators	5	5	6	6
Street signs repaired	147	131	197	200
Tree removal permits reviewed	400	358	509	540
Trees trimmed	1150	1025	4237	3080
West Bay Sanitary District vehicles maintained	30	30	30	30

PUBLIC WORKS WORKLOAD INDICATORS

	FY 2012-13	FY 2013-14	FY 2014-15	Est. FY 2015-16
Transportation Division				
Public or school engagement events	1	5	14	12
Shuttle ridership	83058	82420	82663	80000
Signal call out (repairs)	60	59	65	65
Street light call outs (repair)	85	203	190	190
Streetlights maintained	2233	2233	2233	2233
Traffic control plan reviews	203	200	240	390
Truck route permits issued	143	121	180	180

Public Works

PUBLIC WORKS EXPENDITURES					
	2013-14 Actual	2014-15 Actual	2015-16 Adjusted Budget	2015-16 Estimated Actual	2016-17 Adopted Budget
Salaries - Regular	2,926,044	3,344,152	4,603,396	3,744,325	4,498,560
Salaries - Permanent part-time	91,243	63,165	167,570	42,476	165,523
Salaries - Overtime	31,601	144,570	75,000	194,905	150,000
Salaries - Temporary help	225,261	244,027	316,600	282,264	283,800
Vacation buy back	153,581	68,368	103,720	77,284	62,363
Other pay	102,635	122,562	32,902	128,048	56,948
Salaries and wages subtotal	\$3,530,364	\$3,986,844	\$5,299,188	\$4,469,302	\$5,217,195
Retirement and other post-employment benefits	589,524	729,802	1,017,807	850,622	1,007,101
Health and dental	669,334	834,802	1,063,772	839,983	1,123,166
Workers' compensation internal service charge	120,427	191,095	297,361	294,624	212,007
Other fringe benefits	88,896	105,769	(317,475)	112,989	(274,744)
Fringe benefits subtotal	\$1,468,181	\$1,861,468	\$2,061,464	\$2,098,217	\$2,067,530
TOTAL PERSONNEL COSTS	\$4,998,545	\$5,848,312	\$7,360,652	\$6,567,519	\$7,284,725
Operating expense	1,006,366	1,094,570	1,683,477	1,449,780	2,023,575
Utilities	5,710,409	5,291,338	6,818,656	5,440,388	5,989,346
Services	1,638,360	2,373,580	3,190,938	2,818,526	3,275,891
Fixed assets and capital outlay	423,577	249,514	939,863	780,334	1,319,000
Travel	18,931	17,455	32,010	22,565	29,520
Repairs and maintenance	509,348	495,994	708,043	626,613	661,225
Special projects expenditures	1,774,152	854,737	367,332	351,441	557,100
Project control	-	-	-	-	-
TOTAL NONPERSONNEL COSTS	\$11,081,144	\$10,377,189	\$13,740,320	\$11,489,647	\$13,855,657
TOTAL OPERATING BUDGET	\$16,079,688	\$16,225,500	\$21,100,972	\$18,057,166	\$21,140,381

SOURCES OF FUNDING, BY FUND					
General Fund	5,183,204	6,270,908	8,829,871	7,853,175	9,251,508
Enterprise Fund	7,569,597	6,637,078	7,970,643	6,327,828	7,020,651
Expendable Trust Fund	114,388	-	-	-	-
Internal Service Fund	142,167	148,739	495,241	515,000	995,000
Special Revenue Fund	3,070,333	3,168,775	3,805,217	3,361,164	3,873,223
TOTAL SOURCES OF FUNDING	\$16,079,689	\$16,225,500	\$21,100,972	\$18,057,166	\$21,140,381



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. Before fiscal year 2014–15, these expenditures were shown in the finance operations, 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 budget.

As reflected in the table, fiscal year 2016–17 expenditures in the non-departmental category are budgeted at \$4,547,210. This includes \$1,705,085 for debt service related to the Recreation (Measure T) General Obligation Bonds. The remaining \$2,842,125 reflects transfers from the General Fund to other funds, the largest of which is the \$2,607,125 transfer to the Capital Improvement Plan Fund.

NON-DEPARTMENTAL EXPENDITURES					
	2013–14 Actual	2014–15 Actual	2015–16 Adjusted Budget	2015–16 Estimated Actual	2016–17 Adopted Budget
Special projects expenditures	1,856,705	1,862,315	1,908,371	1,527,741	1,705,085
Transfer to other funds	2,554,600	4,293,930	9,161,877	9,161,877	2,842,125
TOTAL	\$4,411,305	\$6,156,245	\$11,070,248	\$10,689,618	\$4,547,210

SOURCES OF FUNDING, BY FUND					
	2013–14 Actual	2014–15 Actual	2015–16 Adjusted Budget	2015–16 Estimated Actual	2016–17 Adopted Budget
Debt Service	1,856,705	1,862,315	1,908,371	1,527,741	1,705,085
General Fund	2,554,600	4,293,930	9,161,877	9,161,877	2,842,125
TOTAL SOURCES OF FUNDING	\$4,411,305	\$6,156,245	\$11,070,248	\$10,689,618	\$4,547,210



FUND INFORMATION

Fund descriptions

The General Fund is the main fund that accounts for the vast majority of the City's operations, including but not limited to: police services, recreation, planning, building inspection, library, engineering, parks maintenance, street maintenance and general administration. There are a number of other funds, however, and these funds contain the remainder of the City's financial information. There are three types of funds: governmental, proprietary and fiduciary. Each type of fund, as well as the individual funds within each fund category that have budgeted revenues and/or expenditures in fiscal year 2016-17, is discussed in detail below. The fund balance at the end of 2016-17 takes into consideration the carry-over of assigned project funds from fiscal year 2015-16.

GOVERNMENTAL FUNDS

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

Special Revenue Funds

Special revenue funds are established to collect money that must be used for a specific purpose. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.

Bedwell Bayfront Park Maintenance Fund

This fund is utilized to account for prior year fees residing in the fund balance that were charged to the public for trash hauled to the 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. With investment earnings minimal and no dedicated revenue source, this fund is degrading due to annual operating costs exceeding income. At its current rate of depletion, this fund is projected deplete fund balance below one full year of annual operating costs by June 30, 2020. Once funds are depleted, which is expected to be at some point in the next four years, the General Fund will have to assume the ongoing maintenance costs. Ending fund balance in fiscal year 2016-17 is expected to be \$335,614.

Below Market Rate Housing Fund

This fund is utilized to account 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 2016-17, \$3,075,500 in fee revenue and interest income is expected to be generated, and \$194,116 is budgeted to be expended. Projected fund balance in this fund at the end of fiscal year 2016-17 is \$20,557,773.

Construction Impact Fee Fund

This fund was established to account for developer fees paid to mitigate pavement damage due to heavy construction activity. Revenues of \$1,909,000 are expected in fiscal year 2016-17, and expenditures are budgeted at \$4,954,828. The bulk of these expenditures are dedicated to support the biannual street resurfacing program. The fund balance projection for the end of fiscal year 2016-17 is \$684,629.

Downtown Parking Permits Fund

This fund was established to provide adequate parking within the Central Business District, utilizing parking permit revenue for median landscaping. In fiscal year 2016-17, \$597,000 in revenue is expected, with expenditures budgeted at \$430,361, which includes new funding for the downtown parking utility undergrounding project. Fund balance at the end of fiscal year 2016-17 is expected to be \$4,090,850.

Francis Mack Trust

This fund is an expendable trust that earns interest annually on its fund balance. Interest income in the amount of \$1,000 is expected in fiscal year 2016-17, and expenditures are budgeted to be \$52,749. Expenditures from this fund are utilized to supplement the Library's core department operational budget including funding for a one-quarter time employee to organize the Library events in conjunction with the Community Services Department. Ending fund balance is projected to be \$97,267.

Highway Users' Tax Fund

This fund accounts for revenues and expenditures related to the City's allocation of the State gasoline taxes. In fiscal year 2016-17, the City expects to receive \$715,000 in gas tax and other revenues. Budgeted expenditures in fiscal year 2016-17 total \$1,272,134 and include the design for the Chrysler Drive pump station Improvements

Fund descriptions

and the street resurfacing program. Projected fund balance at the end of the 2016-17 fiscal year is \$1,934,074.

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. The fund balance projected for the end of the fiscal year 2016-17 is \$5,877,903.

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 Bedwell Bayfront Park. In fiscal year 2016-17, \$964,000 in revenue is projected and \$686,735 in expenditures is budgeted. This includes a project to upgrade the on-site restrooms. Typical post-closure costs include leachate collection, the landfill gas flare and the gas collection system improvements study, and fund balance in this fund is being accumulated to cover the cost of the leachate collection system replacement project. Fund balance at the end of fiscal year 2016-17 is projected to be \$4,932,544.

Landscape/Tree Assessment Fund

This fund accounts for property tax assessments collected under the Landscaping and Lighting Act of 1972. These funds are utilized for the sole purpose of maintaining city street trees. In fiscal year 2016-17, revenues from the assessments are estimated to be \$860,365, with the primary other source of funding being an \$180,000 transfer from the General Fund. Expenditures for street tree maintenance are budgeted at \$948,715. Projected fund balance at the end of fiscal year 2016-17 is (\$129,828).

Library Donations

This fund is utilized to account for donations to the Library and the subsequent expenditures of those donated funds. Donations in the amount of \$26,000 are expected in fiscal year 2016-17, and \$60,087 in expenditures is budgeted. Projected ending fund balance is \$208,994.

Literacy Grants Fund

This fund was established to provide literacy services to adult learners. Typical expenditures from this fund include Project Read classes. In fiscal year 2016-17, \$320,000 in revenue is estimated, and \$252,585 in expenditures is budgeted. Fund balance at the end of fiscal year 2016-17 is projected to be \$99,199.

Measure A (County Transportation Tax) Fund

This fund accounts for the City's portion of the countywide half-cent sales tax used for City transportation purposes. In fiscal year 2016-17, over \$2,296,787 million in revenue is expected, and approximately \$2,377,841 million in expenditures is budgeted. Major efforts in this fund in 2016-17 include Menlo Park shuttle services. Fund balance at the end of fiscal year 2016-17 is projected to be \$358,708.

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 \$11,125 is projected for fiscal year 2016-17. Ending fund balance is projected to be \$1,626,525 in aggregate for these funds.

Public Library Fund

This fund accounts for supplementary funds to public libraries to encourage local jurisdictions to maintain local support for their libraries. No revenues are projected in fiscal year 2016-17, and \$13,277 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 2016-17 is projected to be \$83,817.

Recreation In-Lieu Fees Fund

This fund accounts for developer fees paid in-lieu of new recreation facilities. These funds are used to improve and expand recreation facilities. \$1,203,000 in revenue is expected in fiscal year 2016-17, and \$1,591,000 in expenditures is budgeted. These funds include project carry-over for previously approved capital projects at Nealon Park and Jack Lyle Park, in addition to new appropriations for improvements to Willow Oaks Park. This fund will also provide funding for the Bedwell Bayfront Park master plan. Ending fund balance in fiscal year 2016-17 is projected to be \$1,073,656.

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 and trees, in addition to annual vegetation removal for fire prevention. Total maintenance costs are budgeted at \$13,000 in fiscal year 2016-17, and the estimated fund balance at the end of the fiscal year is \$32,553.

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 2016-17, revenues are projected to be \$200,000 and expenditures \$203,050. Projected fund balance at the end of fiscal year 2016-17 is \$378,313.

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. \$416,923 in revenue is expected in fiscal year 2016-17, while \$734,484 in expenditures is budgeted and includes a project to reduce landfill waste through development of a policy. Projected fund balance at the end of fiscal year 2016-17 is \$901,360.

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 \$17,000 in fiscal year 2016-17, and \$111,000 in expenditures is budgeted. Fund balance at the end of fiscal year 2016-17 is projected to be \$107,019.

Stormwater Management Fund

This fund accounts for the local requirements delineated in the stormwater Management Plan and is funded by a citywide fee per parcel. Revenues are projected to be \$341,500 in fiscal year 2016-17, while expenditures are budgeted at \$383,711. Projected ending fund balance for fiscal year 2016-17 is \$391,458.

Supplemental Law Enforcement Services Fund

This fund accounts for funds received from the Supplemental Law Enforcement Services Fund. These funds, which are budgeted at \$100,000 in fiscal year 2016-17, are to provide additional front-line law enforcement services. The anticipated fund balance in this fund at the end of fiscal year 2016-17 is \$82,944.

Transportation Impact Fees Fund

This fund accounts for traffic improvement fees charged to developers and used to mitigate City traffic problems that result either directly or indirectly from development. In fiscal year 2016-17, over \$7,648,783 million is expected in revenue, while over \$4,162,193 million in expenditures has been budgeted. Major projects utilizing these fees in fiscal year 2016-17 include the Middle Avenue crossing and partial funding

for the Santa Cruz Avenue sidewalk project. Final fund balance at the end of fiscal year 2016-17 is expected to be \$4,848,982.

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 2016-17 are \$9,504, and the estimated ending fund balance is \$49,014.

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.

Recreation General Obligation Bond 2002

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 2016-17 is \$1,705,085 million and is predominantly funded by special assessments on property owners. This debt service is partially offset by a rebate from the federal government as a part of its Build America Bonds program.

Capital Projects Funds

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

General Fund Capital Improvement

The fund utilizes an annual contribution from the General Fund to provide adequate funding for maintenance of the city's current infrastructure. In fiscal year 2016-17, that contribution is budgeted at \$2,607,125. This includes new projects, totaling \$2,124,559 million, such as downtown streetscape improvements and the transportation master plan. Ending fund balance at is projected to be \$19,383,963.

Library Addition Fund

This fund was established to account for the proceeds of the 1990 Library Improvements Bond Issue used to construct improvements to the existing Library. In fiscal year 2016-17, \$40,000 in expenditures is budgeted for building repairs, maintenance and equipment. The expected ending fund balance at the conclusion of 2016-17 is \$73,381.

Fund descriptions

Measure T General Obligation Bond

This fund was established to account for the proceeds of the 2002 Measure T Recreation Improvements Bond Issue used to construct improvements to the City's parks and recreation facilities. Interest income of \$2,500 is expected in fiscal year 2016-17. Ending fund balance is projected to be \$330,812.

PROPRIETARY FUNDS

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

Enterprise Funds

Enterprise funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water utilities are common examples of government enterprises.

Water Capital Improvement Fund

This fund accounts for the proceeds of the capital surcharge from water operations and is utilized for construction improvements of the water infrastructure. \$7,920,000 million is budgeted in revenue in this fund in fiscal year 2016-17, and \$7,947,377 is budgeted in expenditures. Expected expenditures include the water main replacement and carry-over appropriations for prior year capital improvement projects. Fund balance is expected to be \$11,258,964 at the end of fiscal year 2016-17.

Water Operations Fund

This fund accounts for the water distribution operations of the Menlo Park Municipal Water District. Revenues are expected to be approximately \$8,658,00 million in fiscal year 2016-17 and are primarily from water purchased by customers. Expenditures of \$7,983,612 in fiscal year 2016-17 are primarily for water purchased by the District for resale to customers. Fund balance is expected to be \$15,129,328 at the end of fiscal year 2016-17.

Internal Service Funds

Internal service funds are used for operations serving other funds or departments on a cost-reimbursement basis.

Information Technology Fund

This fund was established to account for a variety of business services provided by the Information Technology department to other City departments.

Departments are charged for these services based on their respective utilization. The cost in fiscal year 2016-17 is \$1,649,030 and total collections should slightly exceed total requirements.

Liability/Fire Insurance Fund

This fund accounts for the administration of the City's self-insured general liability insurance program. Like the Workers' Compensation Insurance Fund, revenues in this fund are primarily from collections from the operational departments. Total projected revenues in fiscal year 2016-17 are \$803,001, and expenditures are \$665,737. Expenditures cover the cost of claims and program administration. Ending fund balance in fiscal year 2016-17 is expected to be \$926,033.

Other Post-Employment Benefits

This fund accounts for the financial administration of funding from all City departments for retiree medical benefits as these benefits are earned. This cost in fiscal year 2016-17 is \$840,000, and total collections are expected to match total requirements. Ending fund balance is expected to be \$285,189 in fiscal year 2016-17.

Vehicle Replacement Fund

This fund accounts for the replacement of vehicles and equipment used by various City departments. Total collections from departments and other revenues in fiscal year 2016-17 are projected to be \$598,500 while expenditures in the amount of \$995,000 are planned. The ending fund balance in fiscal year 2016-17 is expected to be \$642,125.

Workers' Compensation Insurance Fund

This fund accounts for the administration of the City's self-insured workers' compensation insurance program. Revenues, which are primarily from collections from the operational departments, are expected to be \$1,314,902 in fiscal year 2016-17. Expenditures, which total \$1,026,936 in fiscal year 2016-17, cover the cost of claims and program administration. Ending fund balance in fiscal year 2016-17 is projected to be (\$414,024). This deficit decreased from prior year and staff will work in 2016-17 to further adjust the funding mechanism for this funds.

FIDUCIARY FUNDS

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

Fund resources and requirements

	SPECIAL REVENUE FUNDS				
	Bedwell Bayfront Park Maintenance	Below Market- Rate Housing	Construction Impact Fee	Downtown Parking Permits	Francis Mack Trust
BEGINNING FUND BALANCE	441,858	17,676,389	3,730,456	3,924,212	149,017
RESOURCES					
Taxes	-	-	-	-	-
Franchise fees	-	-	-	-	-
Licenses and permits	-	-	-	380,000	-
Intergovernmental revenue	-	-	-	-	-
Fines	-	-	-	-	-
Interest and rent income	4,000	75,000	25,000	23,000	1,000
Charges for services	-	3,000,500	1,500,000	-	-
Donations	-	-	-	-	-
Subtotal resources	\$4,000	\$3,075,500	\$1,525,000	\$403,000	\$1,000
Transfer from other funds	-	-	-	-	-
Use of assigned fund balance	-	-	384,000	194,000	-
TOTAL RESOURCES	\$4,000	\$3,075,500	\$1,909,000	\$597,000	\$1,000
REQUIREMENTS					
Personnel	13,079	96,316	231,612	22,517	45,526
Operating	18,121	5,300	(160,784)	(73,884)	7,223
Services	65,000	92,500	-	159,716	-
Subtotal requirements	\$96,200	\$194,116	\$70,828	\$108,348	\$52,749
New project funding	-	-	4,500,000	100,000	-
Project carryover appropriations	-	-	384,000	194,000	-
Transfer to other funds	14,044	-	-	28,013	-
TOTAL REQUIREMENTS	\$110,244	\$194,116	\$4,954,828	\$430,361	\$52,749
Resources over requirements	(106,244)	2,881,384	(3,045,828)	166,639	(51,749)
ENDING FUND BALANCE	\$335,614	\$20,557,773	\$684,629	\$4,090,850	\$97,267

Fund resources and requirements

SPECIAL REVENUE FUNDS					
Highway Users' Tax	Housing Fund	Landfill Post-Closure	Landscape/Tree Assessment	Library Donations	Literacy Grants
2,645,541	5,852,903	4,655,278	(41,478)	243,081	31,785
700,000	-	-	586,905	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	90,160	-	35,000
-	-	-	-	-	-
15,000	5,000	35,000	-	-	-
-	20,000	725,000	3,300	-	-
-	-	-	-	26,000	230,000
\$715,000	\$25,000	\$760,000	\$680,365	\$26,000	\$265,000
-	-	-	180,000	-	55,000
54,000	-	204,000	-	-	-
\$769,000	\$25,000	\$964,000	\$860,365	\$26,000	\$320,000
105,298	-	22,573	423,402	16,465	242,164
(87,164)	-	73,913	95,246	43,622	9,421
-	-	277,500	360,000	-	1,000
\$18,134	-	\$373,986	\$878,648	\$60,087	\$252,585
1,200,000	-	100,000	-	-	-
54,000-	-	204,000	-	-	-
-	-	8,749	70,067	-	-
\$1,272,134	-	\$686,735	\$948,715	\$60,087	\$252,585
(503,134)	25,000	277,265	(88,350)	(34,087)	67,415
\$2,142,704	\$5,877,903	\$4,932,544	(\$129,828)	\$208,994	\$ 99,199

Fund resources and requirements

	SPECIAL REVENUE FUNDS				
	Measure A Tax	Miscellaneous Fund	Public Library	Recreation In-Lieu	Sharon Hills Park
BEGINNING FUND BALANCE	439,762	1,623,300	97,094	1,461,656	44,953
RESOURCES					
Taxes	865,000	-	-	-	-
Franchise fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental revenue	773,487	(32,000)	-	-	-
Fines	-	-	-	-	-
Interest and rent income	1,000	11,125	-	12,000	600
Charges for services	70,300	24,100	-	400,000	-
Donations	-	-	-	-	-
Subtotal resources	\$1,709,787	\$3,225	-	\$412,000	\$600
Transfer from other funds	-	-	-	-	-
Use of assigned fund balance	587,000	-	-	791,000	-
TOTAL RESOURCES	\$2,296,787	\$3,225	-	\$1,203,000	\$600
REQUIREMENTS					
Personnel	447,414	-	3,200	88,205	-
Operating	1,107,061	-	10,077	(258,205)	-
Services	250,925	-	-	170,000	13,000
Subtotal requirements	\$1,805,400	-	\$13,277	-	\$13,000
New project funding	-	-	-	800,000	-
Project carryover appropriations	(14,559)	-	-	791,000	-
Transfer to other funds	-	-	-	-	-
TOTAL REQUIREMENTS	\$2,377,841	-	\$13,277	\$1,591,000	\$13,000
Resources over requirements	(81,054)	3,225	(13,277)	(388,000)	(12,400)
ENDING FUND BALANCE	\$358,708	\$1,626,525	\$83,817	\$1,073,656	\$32,553

Fund resources and requirements

SPECIAL REVENUE FUNDS							
Sidewalk Assessment	Solid Waste Services	Storm Drainage Fees	Storm Water Management	Supplemental Law Enforcement Services	Transportation Impact Fees	Vintage Oaks Landscape	
381,363	1,218,922	201,019	433,670	86,544	1,362,393	58,518	
200,000	-	-	336,500	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	8,923	-	-	100,000	2,651,643	-	
-	-	-	-	-	-	-	
-	8,000	1,000	-	400	35,000	-	
-	340,000	5,000	5,000	-	1,500,000	-	
-	-	-	-	-	-	-	
\$200,000	\$356,923	\$6,000	\$341,500	\$100,400	\$4,186,643	-	
-	-	-	-	-	-	-	
-	60,000	11,000	-	-	3,462,140	-	
\$200,000	\$416,923	\$17,000	\$341,500	\$100,400	\$7,648,783	-	
68,969	169,238	-	186,791	-	423,118	-	
(67,767)	163,030	(100,000)	60,449	104,000	(423,065)	5,254	
800	245,000	100,000	96,500	-	-	4,250	
\$2,002	\$577,268	-	\$343,740	\$104,000	\$53	\$9,504	
180,000	50,000	100,000	-	-	700,000	-	
-	60,000	11,000	-	-	3,462,140	-	
21,048	47,216	-	39,971	-	-	-	
\$203,050	\$734,484	\$111,000	\$383,711	\$104,000	\$ 4,162,193	\$9,504	
(3,050)	(901,360)	(94,000)	(42,211)	(3,600)	3,486,590	(9,504)	
\$ 378,313	\$951,360	\$107,019	\$391,458	\$82,944	\$4,848,982	\$49,014	

Fund resources and requirements

	DEBT SERVICE		CAPITAL PROJECTS		
	Library GO Bond 1990	Recreation GO Bond 2002	General Capital Improvement	Library Addition	Measure T 2002 GO Bond
BEGINNING FUND BALANCE	296,046	1,500,435	18,694,992	112,381	328,312
RESOURCES					
Taxes	-	1,400,000	-	-	-
Franchise fees	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental revenue	-	-	515,000	-	-
Fines	-	-	-	-	-
Interest and rent income	1,500	1,000	-	1,000	2,500
Charges for services	-	-	-	-	-
Donations	-	-	-	-	-
Subtotal resources	\$1,500	\$1,401,000	\$515,000	\$1,000	\$2,500
Transfer from other funds	-	-	2,607,125	-	-
Use of assigned fund balance	-	-	17,276,000	-	54,000
TOTAL RESOURCES	\$1,500	\$1,401,000	\$20,398,125	\$1,000	\$56,500
REQUIREMENTS					
Personnel	-	-	1,149,420	-	-
Operating	-	1,705,085	(890,824)	40,000	-
Services	-	-	50,000	-	-
Subtotal requirements	-	\$1,705,085	\$308,596	\$40,000	-
New project funding	-	-	2,124,559	-	-
Project carryover appropriations	-	-	17,276,000	-	53,800
Transfer to other funds	-	-	-	-	-
TOTAL REQUIREMENTS	-	\$1,705,085	\$19,709,155	\$40,000	\$53,800
Resources over requirements	1,500	(304,085)	688,970	(39,000)	2,500
ENDING FUND BALANCE	\$297,546	\$1,196,350	\$19,383,963	\$73,381	\$330,812

Fund resources and requirements

ENTERPRISE FUNDS		INTERNAL SERVICE FUNDS					
Water Capital Improvement	Water Operating	I.T. Services	Liability/Fire Insurance	Other Post-Employment Benefits	Vehicle Replacement	Workers' Compensation	
11,286,341	14,454,940	(472,563)	788,770	272,336	1,038,625	(701,991)	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
35,000	3,000	-	3,000	500	3,500	15,000	
950,000	8,655,000	1,649,030	800,001	852,353	595,000	1,299,902	
-	-	-	-	-	-	-	-
\$985,000	\$8,658,000	\$1,649,030	\$803,001	\$852,853	\$598,500	\$1,314,902	
-	-	-	-	-	-	-	-
6,935,000	-	-	-	-	-	-	-
\$7,920,000	\$8,658,000	\$1,649,030	\$803,001	\$852,853	\$598,500	\$1,314,902	
445,377	1,097,273	874,936	33,737	550,000	-	90,123	
(433,000)	5,824,778	367,850	607,000	280,000	995,000	925,813	
-	860,500	374,096	25,000	10,000	-	11,000	
\$12,377	\$7,782,551	\$1,616,882	\$665,737	\$840,000	\$995,000	\$1,026,936	
1,000,000	-	-	-	-	-	-	-
6,935,000	-	-	-	-	-	-	-
-	201,061	-	-	-	-	-	-
\$7,947,377	\$7,983,612	\$1,616,882	\$665,737	\$840,000	\$995,000	\$1,026,936	
(27,377)	674,388	32,148	137,264	12,853	(396,500)	287,967	
\$11,258,964	\$15,129,328	(\$440,415)	\$926,033	\$285,189	\$642,125	(\$414,024)	

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 five-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 typically 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 projects. These requests, along with supporting information, are sent to the CIP committee in advance of the annual budget preparation.

Requests include estimated costs, benefits, identified risks resulting from failure to complete 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, Administrative Services 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 before approval by the City Council.

COMMUNITY INPUT

Annual update of the five-year CIP is an integral part of the budget process. Development of the plan begins with the City Council's Work Plan for the year. Once the Council's priorities are defined, an opportunity for feedback is provided from the City's various commissions before the City Council's incorporation into the annual budget.

PRIORITIZATION CRITERIA

Projects are prioritized in accordance with evaluation criteria that 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

Capital Improvement Plan

FUNDING PLANS FOR FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Each year, the City Council approves the updated five-year capital improvement plan 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 goal setting regulatory obligations, the climate action plan (annual 2015), and the fiscal year 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 22 new projects recommended for implementation commencing in fiscal year 2016–17 and 46 additional projects recommended for funding in future fiscal years. Projects that do not rank high enough to be included in this five-year plan become part of the non-funded projects list. The list also includes projects where grant funding is not yet awarded.

PROPOSED PROJECTS

Several projects in this five-year CIP address ongoing infrastructure or facility maintenance needs and included 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 CATEGORY	FUNDING FY 2016–17	PERCENT OF TOTAL CIP FY 2016–17
Environment	100,000	1%
Comprehensive Planning Projects and others	135,000	1%
Parks and recreation	1,295,000	12%
Stormwater	360,000	3%
Streets and sidewalks	6,400,000	59%
Traffic and transportation	950,000	9%
Water	1,000,000	9%
TOTALS	\$10,840,000	100%

Capital Improvement Plan

PROJECT FUNDING SOURCES

The five-year CIP coordinates physical improvements with financial planning, allowing maximum benefits from available funding sources.

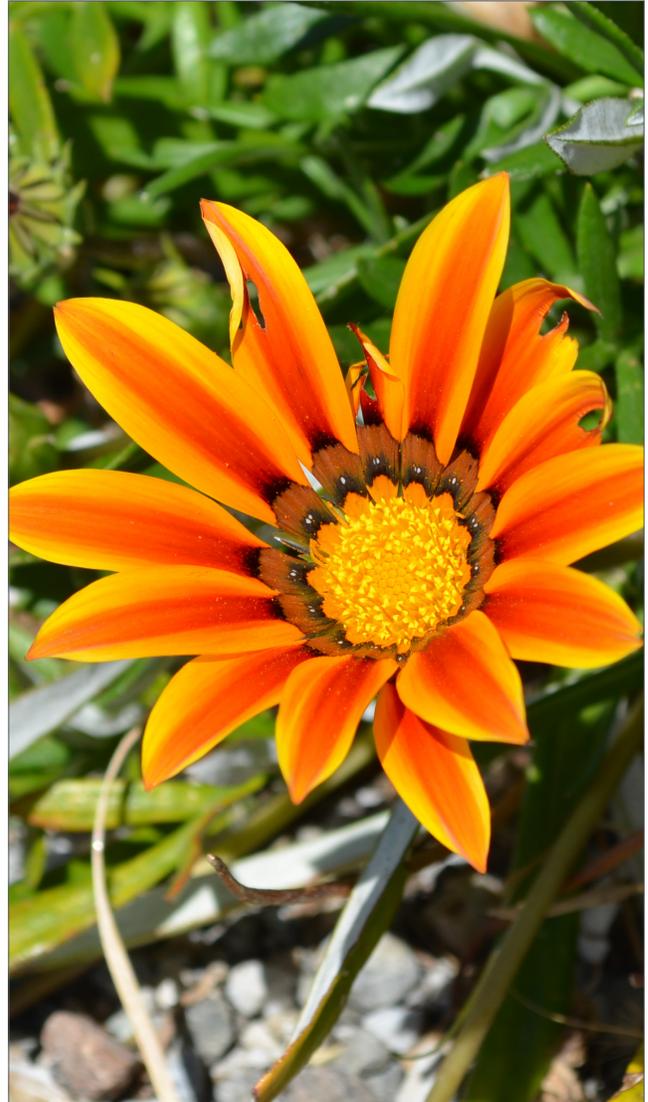
It relies on funding from various sources, largely retained in the capital and special revenue funds, with uses that are usually restricted for specific purposes. Although an annual transfer from the General Fund to the City's General CIP Fund (approximately \$2.6 million) is part of the City's operating 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.

GENERAL PLAN CONSISTENCY

The projects listed in the five-year CIP are presented to the Planning Commission during a Public Hearing before City Council adoption of the plan. 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.



Capital Improvement Plan

FUNDS	USES	PRIMARY SOURCE OF FUNDS
Bedwell Bayfront Park Maintenance	Park maintenance	Interest earned on sinking fund
Landfill Post-Closure	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 Permits	Parking lot maintenance and improvements	Annual and daily fees from permits issued to merchants for employee and customer parking
General Capital Improvement	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 General Obligation Bond (1990)	Library capital improvement	Bond issuance proceeds and interest earned
Measure A Tax	Street resurfacing, bicycle lanes, Safe Routes to Schools	1/2 cent countywide sales tax
Measure T General Obligation Bond (2002)	Recreation facilities, park improvements	2006 and 2009 bond proceeds and accumulated interest
Public Library	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 Services	Solid waste management and recycling programs and projects	Solid waste rates charged to residential and commercial accounts
Storm Drainage Fees	Storm drainage capacity improvements	Fee charged for property development per lot, per unit, or per square foot of impervious area
Transportation 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 Capital Improvement	Water distribution and storage	Surcharge per unit of water sold

CIP project schedule overview

PROJECT NAME	2016		2017			
	3	4	1	2	3	4
CITY BUILDINGS						
Administration Building emergency generator						
Arrillaga Family Recreation Center HVAC upgrade						
Belle Haven Child Development Center flooring replacement						
City buildings (minor)						
City Hall remodel (Administration Building space planning implementation)						
Facilities management system program						
Fire plans and equipment replacement						
Library space needs study						
COMPREHENSIVE PLANNING PROJECTS AND OTHERS						
City Council Chambers audio/video upgrades						
General Plan Update						
Police radio infrastructure replacement						
ENVIRONMENTAL						
Electric vehicle charger installation						
Climate Action Plan implementation						
Community Zero Waste policy						
PARKS AND RECREATION						
Bedwell Bayfront Park master plan						
Belle Haven Pool analysis and audit						
Gatehouse fence replacement						
Jack Lyle Park restroom construction						
Library landscaping						
Nealon Park dog park relocation						
Nealon Park sports field sod renovation						
Park improvements (minor)						
Parks and recreation master plan update (Measure T funds evaluation)						
Willow Oaks dog park renovation						
Willow Oaks Park restroom						
STORMWATER						
Chrysler Drive pump station improvements						
Green infrastructure plan						
Trash capture device installation						

CIP project schedule overview

PROJECT NAME	2016		2017			
	3	4	1	2	3	4
STREETS AND SIDEWALKS						
Downtown parking utility underground	[Bar spanning Q3 2016 to Q4 2017]					
Downtown streetscape improvement project (from El Camino Real/Downtown specific plan)	[Bar spanning Q3 2016 to Q2 2017]					
Santa Cruz Avenue sidewalks implementation	[Bar spanning Q3 2016 to Q3 2017]					
Sidewalk repair program (annual)	[Bar spanning Q3 2016 to Q2 2017]					
Street resurfacing (annual)	[Bar spanning Q3 2016 to Q4 2017]					
TRAFFIC AND TRANSPORTATION						
U.S.101/Willow Road interchange – Caltrans improvements design and construction	[Bar spanning Q3 2016 to Q4 2017]					
Citywide bicycle and pedestrian visibility project	[Bar spanning Q3 2016 to Q4 2016]					
Downtown parking structure study	[Bar spanning Q4 2016 to Q4 2017]					
Downtown outdoor seating program expansion	[Bar spanning Q3 2016 to Q2 2017]					
Dumbarton rail corridor planning support	[Bar spanning Q3 2016 to Q2 2017]					
El Camino Real corridor study and design implementation	[Bar spanning Q3 2016 to Q4 2017]					
Haven Avenue streetscape improvements	[Bar spanning Q3 2016 to Q2 2017]					
High Speed Rail coordination	[Bar spanning Q3 2016 to Q4 2017]					
Menlo Park - Atherton bike/pedestrian improvements project	[Bar spanning Q3 2016 to Q2 2017]					
Menlo Park - East Palo Alto connectivity project	[Bar spanning Q3 2016 to Q1 2017]					
Middle Avenue Caltrain crossing (formerly Caltrain Bike/Pedestrian Undercrossing Design)	[Bar spanning Q4 2016 to Q4 2017]					
Ravenswood Avenue/Caltrain grade separation study	[Bar spanning Q3 2016 to Q4 2017]					
Sand Hill Road signal modification project	[Bar spanning Q3 2016 to Q2 2017]					
Transit improvements (TMA)	[Bar spanning Q3 2016 to Q2 2017]					
Transportation master plan (formerly pedestrian/bicycle master plan update)	[Bar spanning Q4 2016 to Q4 2017]					
Willow Road transportation study	[Bar spanning Q4 2016 to Q4 2017]					
WATER						
Emergency water supply well (Well #1- City Corporation Yard) - 2 construction phases	[Bar spanning Q3 2016 to Q4 2017]					
Recycled water for Sharon Heights Golf and Country Club and West Bay Sanitary District	[Bar spanning Q3 2016 to Q4 2017]					
Reservoir #2 re-roof	[Bar spanning Q3 2016 to Q4 2017]					
Reservoirs #1 and #2 mixers	[Bar spanning Q3 2016 to Q4 2017]					
Urban Water Management Plan update	[Bar spanning Q3 2016 to Q3 2016]					
Water main replacements	[Bar spanning Q2 2017 to Q4 2017]					
Water system master plan	[Bar spanning Q3 2016 to Q3 2017]					

Five-year summary by category

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2016-17	2017-18	2018-19	2019-20	2020-21	
CITY BUILDINGS							
City Hall / Administration Building conference room furniture replacement	General Capital Improvement	-	-	200,000	-	-	\$200,000
Arrillaga Family Recreation Center HVAC system upgrade	General Capital Improvement	125,000	-	-	-	-	\$125,000
Belle Haven Child Development Center kitchen and restroom remodel	General Capital Improvement	-	150,000	-	-	-	\$150,000
Belle Haven Youth Center improvements	General Capital Improvement	-	150,000	-	-	-	\$150,000
City buildings (minor)	General Capital Improvement	325,000	350,000	350,000	350,000	375,000	\$1,750,000
City Council Chambers landscaping	General Capital Improvement	-	-	-	500,000	-	\$500,000
Facilities management system program	General Capital Improvement	150,000	-	-	-	-	\$150,000
Library furniture replacement	General Capital Improvement	-	400,000	-	-	-	\$400,000
Main Library interior wall fabric replacement	General Capital Improvement	-	150,000	-	-	-	\$150,000
Menlo Children's Center carpet replacement	General Capital Improvement	-	60,000	-	-	-	\$60,000
Onetta Harris Community Center audio/visual and computer lab update	General Capital Improvement	-	-	95,000	-	-	\$95,000
Onetta Harris Community Center kitchen upgrade	General Capital Improvement	-	-	50,000	-	-	\$50,000
Police administration HVAC variable air volume upgrades	General Capital Improvement	-	120,000	-	-	-	\$120,000
Police lobby counter remodel and security upgrade	General Capital Improvement	-	70,000	-	-	-	\$70,000
TOTAL		\$600,000	\$1,450,000	\$695,000	\$850,000	\$375,000	\$3,970,000

Five-year summary by category

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2016-17	2017-18	2018-19	2019-20	2020-21	
COMPREHENSIVE PLANNING PROJECTS AND OTHERS							
Comprehensive municipal code update for development	General Capital Improvement	-	250,000	-	-	-	\$250,000
Comprehensive zoning ordinance update	General Capital Improvement	-	-	500,000	-	-	\$500,000
Fiscal impact analysis and California Environmental Quality Act implementation guidelines	General Capital Improvement	-	50,000	-	-	-	\$50,000
Multifamily and mixed-use design guidelines	General Capital Improvement	-	-	100,000	-	-	\$100,000
Police radio infrastructure replacement	General Capital Improvement	135,000	-	-	-	85,000	\$220,000
Single-family residential requirements	General Capital Improvement	-	100,000	-	-	-	\$100,000
Sign requirements update	General Capital Improvement	-	25,000	-	-	-	\$25,000
TOTAL		\$135,000	\$425,000	\$600,000	-	\$85,000	\$1,245,000
ENVIRONMENTAL							
Climate change resiliency plan	General Capital Improvement	-	150,000	-	-	-	\$150,000
Climate action plan implementation	General Capital Improvement	50,000	100,000	100,000	100,000	100,000	\$450,000
Community zero waste policy	Solid Waste Services Fund	50,000	-	-	-	-	\$50,000
Urban forest master plan	General Capital Improvement	-	100,000	-	-	-	\$100,000
TOTAL		\$100,000	\$350,000	\$100,000	\$100,000	\$100,000	\$750,000

Five-year summary by category

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2016-17	2017-18	2018-19	2019-20	2020-21	
PARKS AND RECREATION							
Bedwell Bayfront Park electrical panel upgrade	Landfill Post-Closure Fund	-	100,000	-	-	-	\$100,000
Bedwell Bayfront Park gas collection system repair	Landfill Post-Closure Fund	-	100,000	-	-	-	\$100,000
Bedwell Bayfront Park leachate collection system replacement	Landfill Post-Closure Fund	-	1,000,000	-	-	-	\$1,000,000
Bedwell Bayfront Park master plan	Landfill Post-Closure Fund Recreation In-Lieu Fees	200,000	-	-	-	-	\$200,000
Belle Haven Pool deck lighting	Recreation In-Lieu Fees	-	300,000	-	-	-	\$300,000
Burgess Pool deck repairs	General Capital Improvement	-	135,000	-	-	-	\$135,000
Burgess Park sports field	General Capital Improvement	-	-	250,000	-	-	\$250,000
Gatehouse fence replacement	General Capital Improvement	120,000	-	-	-	-	\$120,000
Gatehouse landscaping	General Capital Improvement	-	-	-	470,000	-	\$470,000
Onetta Harris Community Center gymnastics equipment	General Capital Improvement	-	-	90,000	-	-	\$90,000
Jack Lyle Park restroom construction	Recreation In-Lieu Fees	350,000	-	-	-	-	\$350,000
La Entrada and Willow Oaks Park tennis courts resurfacing	General Capital Improvement	-	-	-	200,000	-	\$200,000
La Entrada baseball field renovation	General Capital Improvement	-	-	-	-	170,000	\$170,000
Park improvements (minor)	General Capital Improvement	150,000	170,000	170,000	170,000	170,000	\$830,000
Park pathway repairs	General Capital Improvement	-	-	200,000	-	-	\$200,000
Park playground equipment	General Capital Improvement	-	400,000	450,000	-	550,000	\$1,400,000
Parks and Recreation master plan update (formerly Measure T funds evaluation)	General Capital Improvement	125,000	-	-	-	-	\$125,000
Tennis court electronic key upgrade	Recreation In-Lieu Fees	-	100,000	-	-	-	\$100,000
Willow Oaks Park restrooms	Recreation In-Lieu Fees	350,000	-	-	-	-	\$350,000
TOTAL		\$1,295,000	\$2,305,000	\$1,160,000	\$840,000	\$890,000	\$6,490,000

Five-year summary by category

CATEGORY	FUNDING SOURCE	BUDGET	PROJECTED				TOTAL
		2016-17	2017-18	2018-19	2019-20	2020-21	
STORMWATER							
Chrysler Drive pump station improvements	General Capital Improvement Highway Users' Tax	200,000	6,000,000	-	-	-	\$6,200,000
Green infrastructure plan	Storm Drainage Fees	100,000	-	-	-	-	\$100,000
Stormwater master plan	General Capital Improvement	-	250,000	-	-	-	\$250,000
Trash capture device installation	General Capital Improvement	60,000	-	-	-	-	\$60,000
Willow Place bridge abutment repairs	General Capital Improvement	-	250,000	-	-	-	\$250,000
TOTAL		\$360,000	\$6,500,000	-	-	-	\$6,860,000

STREETS AND SIDEWALKS							
Civic Center sidewalk replacement and irrigation system upgrades	General Capital Improvement	-	-	400,000	-	-	\$400,000
Downtown parking utility underground	Downtown Parking Fees PG&E Rule 20A Fund	100,000	100,000	600,000	5,000,000	-	\$5,800,000
Downtown Streetscape Improvement Project (Specific Plan)	General Capital Improvement	500,000	110,000	-	-	-	\$610,000
El Camino Real median and side trees irrigation system upgrade	General Capital Improvement	-	85,000	-	-	-	\$85,000
Parking Plaza 7 renovations	Downtown Parking	-	-	-	200,000	-	\$200,000
Parking Plaza 8 renovations	Downtown Parking	-	-	-	-	200,000	\$200,000
Sidewalk repair program (annual)	General Capital Improvement Sidewalk Assessment	300,000	300,000	300,000	300,000	300,000	\$1,500,000
Street resurfacing (annual)	General Capital Improvement Highway Users' Tax Construction Impact Fees	5,500,000	600,000	5,500,000	600,000	5,500,000	\$17,700,000
TOTAL		\$6,400,000	\$1,195,000	\$6,800,000	\$6,100,000	\$6,000,000	\$26,495,000

Five-year summary by category

		BUDGET	PROJECTED					
CATEGORY	FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL	
TRAFFIC AND TRANSPORTATION								
Florence Street/ Marsh Road and Bay Road/Marsh Road traffic signal modification	Transportation Impact Fees	-	-	345,000	-	-	\$345,000	
Middle Avenue bicycle and pedestrian crossing	Transportation Impact Fees	700,000	-	-	-	-	\$700,000	
Middlefield Road, Ravenswood Avenue and Ringwood Avenue traffic signals modification	Transportation Impact Fees	-	290,000	-	-	-	\$290,000	
Transportation master plan (formerly pedestrian/bicycle master plan update)	General Capital Improvement	250,000	-	-	-	-	\$250,000	
Update traffic impact analysis guidelines and traffic impact fee program	General Capital Improvement	-	-	25,000	-	-	\$25,000	
TOTAL		\$950,000	\$290,000	\$370,000	-	-	\$1,610,000	
WATER								
Automated water meter reading	Water Capital Improvement Fund	-	500,000	1,200,000	1,200,000	-	\$2,900,000	
Emergency water supply project (Wells 2 and 3)	Water Capital Improvement Fund	-	-	TBD	-	-	TBD	
Urban Water Management Plan	Water Capital Improvement Fund	-	-	-	140,000	-	\$140,000	
Water main replacements	Water Capital Improvement Fund	1,000,000	2,200,000	-	300,000	2,200,000	\$5,700,000	
Water rate study	Water Capital Improvement Fund	-	-	-	80,000	-	\$80,000	
TOTAL		\$1,000,000	\$2,700,000	\$1,200,000	\$1,720,000	\$2,200,000	\$8,820,000	
FISCAL YEAR TOTAL		\$10,840,000	\$15,215,000	\$10,925,000	\$9,610,000	\$9,650,000	\$56,240,000	

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
CAPITAL IMPROVEMENT GENERAL FUND						
Available balance	1,559,168	2,202,293	(3,583,368)	(3,245,479)	(2,336,603)	
Revenues-General Fund transfer	2,607,125	2,685,339	2,765,889	2,848,876	2,934,343	
Stanford mitigation fee			1,200,000			
Downtown merchant contributions	170,000					
Operating expenditures and commitments	(24,000)	(26,000)	(28,000)	(30,000)	(32,000)	
RECOMMENDED PROJECTS						
Arrillaga Family Recreation Center HVAC system upgrade	125,000	-	-	-	-	\$125,000
Belle Haven Child Development Center kitchen and restroom remodel	-	150,000	-	-	-	\$150,000
Belle Haven Youth Center improvements	-	150,000	-	-	-	\$150,000
Burgess Park sports field	-	-	250,000	-	-	\$250,000
Burgess Pool deck repairs	-	135,000	-	-	-	\$135,000
Chrysler Drive pump station improvements		4,700,000	-	-	-	\$4,700,000
City buildings (minor)	325,000	350,000	350,000	350,000	375,000	\$1,750,000
City Council Chambers landscaping	-	-	-	500,000	-	\$500,000
City Hall / Administration Building conference room furniture replacement	-	-	200,000	-	-	\$200,000
Civic Center sidewalk replacement and irrigation system upgrades	-	-	400,000	-	-	\$400,000
Climate action plan implementation	50,000	100,000	100,000	100,000	100,000	\$450,000
Climate change resiliency plan	-	150,000	-	-	-	\$150,000
Comprehensive municipal code update for development	-	250,000	-	-	-	\$250,000
Comprehensive zoning ordinance update	-	-	500,000	-	-	\$500,000
Downtown streetscape improvements	500,000	110,000	-	-	-	\$610,000
El Camino Real median and side trees irrigation system upgrade	-	85,000	-	-	-	\$85,000
Facilities management system program	150,000	-	-	-	-	\$150,000

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
RECOMMENDED PROJECTS						
Fiscal impact analysis and California Environmental Quality Act implementation guidelines	-	50,000	-	-	-	\$50,000
Gatehouse fence replacement	120,000	-	-	-	-	\$120,000
Gatehouse landscaping	-	-	-	470,000	-	\$470,000
La Entrada and Willow Oaks Park tennis courts resurfacing	-	-	-	200,000	-	\$200,000
La Entrada baseball field renovation	-	-	-	-	170,000	\$170,000
Library furniture replacement	-	400,000	-	-	-	\$400,000
Main Library interior wall fabric replacement	-	150,000	-	-	-	\$150,000
Menlo Children's Center carpet replacement	-	60,000	-	-	-	\$60,000
Multifamily and mixed-use design guidelines	-	-	100,000	-	-	\$100,000
Onetta Harris Community Center audio/visual and computer lab update	-	-	95,000	-	-	\$95,000
Onetta Harris Community Center gymnastics equipment	-	-	90,000	-	-	\$90,000
Onetta Harris Community Center kitchen upgrade	-	-	50,000	-	-	\$50,000
Park improvements (minor)	150,000	170,000	170,000	170,000	170,000	\$830,000
Park pathway repairs	-	-	200,000	-	-	\$200,000
Park playground equipment	-	400,000	450,000	-	550,000	\$1,400,000
Parks and Recreation master plan update (formerly Measure T funds evaluation)	125,000	-	-	-	-	\$125,000
Police administration HVAC variable air volume upgrades	-	120,000	-	-	-	\$120,000
Police lobby counter remodel and security upgrade	-	70,000	-	-	-	\$70,000
Police radio infrastructure replacement	135,000	-	-	-	85,000	\$220,000

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
RECOMMENDED PROJECTS						
Sidewalk repair program (annual)	120,000	120,000	120,000	120,000	120,000	\$600,000
Sign requirements update	-	25,000	-	-	-	\$25,000
Single-family residential requirements	-	100,000	-	-	-	\$100,000
Stormwater master plan	-	250,000	-	-	-	\$250,000
Street resurfacing (annual)	-	-	500,000	-	1,500,000	\$2,000,000
Transportation master plan (pedestrian/ bicycle master plan update)	250,000	-	-	-	-	\$250,000
Trash capture device installation	60,000	-	-	-	-	\$60,000
Update traffic impact analysis guidelines and traffic impact fee program	-	-	25,000	-	-	\$25,000
Urban forest master plan	-	100,000	-	-	-	\$100,000
Willow Place bridge abutment repairs	-	250,000	-	-	-	\$250,000
TOTAL	\$2,110,000	\$8,445,000	\$3,600,000	\$1,910,000	\$3,070,000	\$19,135,000
Ending fund balance	\$2,202,293	(\$3,583,368)	(\$3,245,479)	(\$2,336,603)	(\$2,504,260)	

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
LANDFILL POST-CLOSURE FUND						
Available balance	4,344,960	4,614,960	3,774,960	4,124,960	4,464,960	
Revenues	760,000	760,000	760,000	760,000	760,000	
Operating expenditures and commitments	(390,000)	(400,000)	(410,000)	(420,000)	(430,000)	
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
Bedwell Bayfront Park master plan	100,000	-	-	-	-	\$100,000
TOTAL	100,000	1,200,000	-	-	-	\$1,300,000
Ending fund balance	4,614,960	3,774,960	4,124,960	4,464,960	4,794,960	

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
CONSTRUCTION IMPACT FEES						
Available balance	3,718,437	658,437	1,893,437	123,437	1,548,437	
Revenues	1,500,000	1,700,000	1,800,000	1,900,000	2,000,000	
Operating expenditures and commitments	(60,000)	(65,000)	(70,000)	(75,000)	(80,000)	
RECOMMENDED PROJECTS						
Street resurfacing (annual)	4,500,000	400,000	3,500,000	400,000	3,000,000	\$11,800,000
TOTAL	\$4,500,000	\$400,000	\$3,500,000	\$400,000	\$3,000,000	\$11,800,000
Ending fund balance	\$658,437	\$1,893,437	\$123,437	\$1,548,437	\$468,437	

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
DOWNTOWN PARKING FEES						
Available balance	3,689,627	3,889,627	4,089,627	4,389,627	4,489,627	
Revenues ¹	420,000	430,000	1,040,000	5,450,000	460,000	
Operating expenditures and commitments	(120,000)	(130,000)	(140,000)	(150,000)	(160,000)	
RECOMMENDED PROJECTS						
Downtown parking utility undergrounding ¹	100,000	100,000	600,000	5,000,000	-	\$5,800,000
Parking Plaza 7 renovations	-	-	-	200,000	-	\$200,000
Parking Plaza 8 renovations	-	-	-	-	200,000	\$200,000
TOTAL	\$100,000	\$100,000	\$600,000	\$5,200,000	\$200,000	\$6,200,000
Ending fund balance	\$3,889,627	\$4,089,627	\$4,389,627	\$4,489,627	\$4,589,627	

¹City to be reimbursed from PG&E with Rule 20A funds revenue shown in FY 2018-20

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
HIGHWAY USERS' TAX						
Available balance	2,421,519	1,921,519	1,121,519	321,519	821,519	
Revenues	700,000	700,000	700,000	700,000	700,000	
Operating expenditures and commitments	-	-	-	-	-	
RECOMMENDED PROJECTS						
Chrysler Drive pump station	200,000	1,300,000		-	-	\$1,500,000
Street resurfacing (annual)	1,000,000	200,000	1,500,000	200,000	1,000,000	\$3,900,000
TOTAL	\$1,200,000	\$1,500,000	\$1,500,000	\$200,000	\$1,000,000	\$5,400,000
Ending fund balance	\$1,921,519	\$1,121,519	\$321,519	\$821,519	\$521,519	

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
RECREATION IN-LIEU FEES						
Available balance	517,203	117,203	17,203	317,203	517,203	
Revenues	400,000	300,000	300,000	200,000	200,000	
Operating expenditures and commitments	-	-	-	-	-	
RECOMMENDED PROJECTS						
Bedwell Bayfront Park master plan	100,000	-	-	-	-	\$100,000
Belle Haven Pool deck lighting	-	300,000	-	-	-	\$300,000
Jack Lyle Park restroom construction	350,000	-	-	-	-	\$350,000
Park playground equipment assessment and replacement	TBD	-	-	-	-	
Tennis court electronic key upgrade	-	100,000	-	-	-	\$100,000
Willow Oaks Park restrooms	350,000	-	-	-	-	\$350,000
TOTAL	\$800,000	\$400,000	-	-	-	\$1,200,000
Ending fund balance	\$117,203	\$17,203	\$317,203	\$517,203	\$717,203	

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
SIDEWALK ASSESSMENT						
Available balance	254,494	252,494	255,494	263,494	276,494	
Revenues	200,000	205,000	210,000	215,000	220,000	
Operating expenditures and commitments	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	
RECOMMENDED PROJECTS						
Sidewalk repair program (annual)	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	\$252,494	\$255,494	\$263,494	\$276,494	\$294,494	

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
SOLID WASTE SERVICE FUND						
Available balance	1,215,344	1,121,344	1,115,344	1,147,344	1,217,344	
Revenues	350,000	400,000	450,000	500,000	550,000	
Operating expenditures and commitments	(394,000)	(406,000)	(418,000)	(430,000)	(442,000)	
RECOMMENDED PROJECTS						
Community zero waste policy	50,000	-	-	-	-	\$50,000
TOTAL	\$50,000	-	-	-	-	\$50,000
Ending fund balance	\$1,121,344	\$1,115,344	\$1,147,344	\$1,217,344	\$1,325,344	

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
STORM DRAINAGE FUND						
Available balance	165,525	71,525	77,525	83,525	89,525	
Revenues	6,000	6,000	6,000	6,000	6,000	
Operating expenditures and commitments	-	-	-	-	-	
RECOMMENDED PROJECTS						
Green infrastructure plan	100,000	-	-	-	-	
TOTAL	\$100,000	-	-	-	-	
Ending fund balance	\$71,525	\$77,525	\$83,525	\$89,525	\$95,525	

Five-year summary by funding source

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
TRANSPORTATION IMPACT FEES						
Available balance	819,103	2,109,103	2,319,103	2,474,103	2,974,103	
Revenues	1,990,000	500,000	500,000	500,000	500,000	
Operating expenditures and commitments	-	-	-	-	-	
RECOMMENDED PROJECTS						
Florence Street/Marsh Road and Bay Road/Marsh Road traffic signal modification	-	-	345,000	-	-	\$345,000
Middle Avenue Caltrain crossing	700,000	-	-	-	-	\$700,000
Middlefield Road, Ravenswood Avenue and Ringwood Avenue traffic signals modification	-	290,000	-	-	-	\$290,000
Santa Cruz Avenue Sidewalks Implementation	-	-	-	-	-	
TOTAL	\$700,000	\$290,000	\$345,000	-	-	\$1,335,000
Ending fund balance	\$2,109,103	\$2,319,103	\$2,474,103	\$2,974,103	\$3,474,103	

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
WATER CAPITAL IMPROVEMENT FUND						
Available balance	4,833,029	4,783,029	3,031,029	2,777,029	2,001,029	
Revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Operating expenditures and commitments	(50,000)	(52,000)	(54,000)	(56,000)	(58,000)	
RECOMMENDED PROJECTS						
Automated water meter reading	-	500,000	1,200,000	1,200,000	-	\$2,900,000
Emergency water supply project (Wells 2 and 3)	-	-	TBD	-	-	TBD
Urban Water Management Plan	-	-	-	140,000	-	\$140,000
Water main replacements	1,000,000	2,200,000	-	300,000	2,200,000	\$5,700,000
Water rate study	-	-	-	80,000	-	\$80,000
TOTAL	\$1,000,000	\$2,700,000	\$1,200,000	\$1,720,000	\$2,200,000	\$8,820,000
Ending fund balance	\$4,783,029	\$3,031,029	\$2,777,029	\$2,201,029	\$743,029	

FISCAL YEAR TOTALS	\$10,840,000	\$15,215,000	\$10,925,000	\$9,610,000	\$9,650,000	\$56,240,000
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Funded projects

	FY 2016-17	Total Five-Year CIP
CITY BUILDINGS		
Arrillaga Family Recreation Center HVAC system upgrade	125,000	125,000
City buildings (minor)	325,000	1,750,000
Facilities management system program	150,000	150,000
COMPREHENSIVE PLANNING PROJECTS AND OTHERS		
Police radio infrastructure replacement	135,000	220,000
ENVIRONMENT		
Climate Action Plan implementation	50,000	450,000
Community Zero Waste policy	50,000	50,000
PARKS AND RECREATION		
Bedwell Bayfront Park master plan	200,000	200,000
Gatehouse fence replacement	120,000	120,000
Jack Lyle Park restroom construction	350,000	350,000
Park improvements (minor)	150,000	830,000
Parks and recreation master plan update	125,000	125,000
Willow Oaks Park restroom	350,000	350,000
STORMWATER		
Chrysler Drive pump station improvements	200,000	6,200,000
Green infrastructure plan	100,000	100,000
Trash capture device installation	60,000	60,000
STREETS AND SIDEWALKS		
Downtown Parking Utility Underground	100,000	5,800,000
Downtown streetscape improvement project (specific plan)	500,000	610,000
Sidewalk repair program (annual)	300,000	1,500,000
Street resurfacing (annual)	5,500,000	17,700,000
TRAFFIC AND TRANSPORTATION		
Middle Avenue bicycle and pedestrian rail crossing	700,000	700,000
Transportation master plan	250,000	250,000
WATER		
Water main replacement	1,000,000	5,700,000
TOTAL	\$10,840,000	\$43,340,000

City buildings

ARRILLAGA FAMILY RECREATION CENTER HEATING, VENTILATION AND AIR CONDITIONING SYSTEM UPGRADE

When the Arrillaga Family Recreation Center was remodeled in 2011, a new HVAC system was installed that cooled/heated solely outside air as opposed to a more traditional recirculating system similar to those in many residential homes. The advantage of an HVAC system configured to pull air from the outside was cost and time savings during the renovation project. The decision at the time, however, came at the expense of energy efficiency and has resulted in extreme wear and tear on the cooling condensers due wide fluctuations in temperature experienced outside when compared to relatively constant indoor temperatures. This project will evaluate options to reduce the energy to control temperatures in the Recreation Center with a more efficient HVAC system and install the improvements.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	125,000	-	-	-	-	\$125,000
Subtotal	\$125,000	-	-	-	-	\$125,000

CITY BUILDINGS (MINOR)

As established in fiscal year 2004-05, the City contributes an annual amount to the capital improvement budget for funding minor improvements that extend the useful life of systems and equipment in all City buildings. This budget does not provide for the replacement or significant renovation of City facilities.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	325,000	350,000	350,000	350,000	375,000	\$1,750,000
Subtotal	\$325,000	\$350,000	\$350,000	\$350,000	\$375,000	\$1,750,000

FACILITIES MANAGEMENT SYSTEM

This project will create an asset management system for preserving existing City facilities in order to pursue proactive, preventative maintenance instead of reacting to failures of building components, which often necessitates more expensive emergency repairs.

FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	150,000	-	-	-	-	\$150,000
Subtotal	\$150,000	-	-	-	-	\$150,000

Comprehensive planning projects and others

POLICE RADIO INFRASTRUCTURE REPLACEMENT

The dispatch center utilizes an extensive network of radio equipment that has a useful life span of 10-15 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. San Mateo County created a multiyear replacement schedule in 2010, which stipulates equipment replacement based on life span. All costs to install include labor.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	135,000	-	-	-	85,000	\$220,000
Subtotal	\$135,000	-	-	-	\$85,000	\$220,000

Environment

CLIMATE ACTION PLAN IMPLEMENTATION

The City first adopted a Climate Action Plan in 2009, and in 2013, the City set a greenhouse gas reduction target of 27 percent from 2005 levels by 2020. Annually, the City completes a greenhouse gas inventory and adopts a five-year climate action plan strategy to assess progress toward 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	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	50,000	100,000	100,000	100,000	100,000	\$450,000
Subtotal	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$450,000

COMMUNITY ZERO WASTE POLICY

This project was identified in the Climate Action Plan's five-year strategy approved in July 2011 and identified as an important project in the City Council's Work Plan for fiscal year 2016-17. Landfilled waste emits methane that is 20 times more potent than carbon dioxide emissions that contribute to climate change. A zero waste policy would provide a road map for the city to follow to reduce landfilled waste through less waste generation and recycling. This project would include community engagement and a draft policy for the City Council's consideration.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Solid Waste Services	50,000	-	-	-	-	\$50,000
Subtotal	\$50,000	-	-	-	-	\$50,000

Parks and recreation

BEDWELL BAYFRONT PARK MASTER PLAN

The master plan will provide a long-term vision and general development guide for the park and its facilities, including how to protect park resources, provide quality visitor experiences, manage visitor use and plan for future park development. The plan will also identify infrastructure needs related to the methane gas and leachate collection systems and other issues associated with managing the closed landfill.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Bedwell Bayfront Park Maintenance	100,000	-	-	-	-	\$100,000
Recreation In-lieu	100,000	-	-	-	-	\$100,000
Subtotal	\$200,000	-	-	-	-	\$200,000

GATEHOUSE FENCE REPLACEMENT

Portions of the existing Gatehouse 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.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	120,000	-	-	-	-	\$120,000
Subtotal	\$120,000	-	-	-	-	\$120,000

Parks and recreation

JACK LYLE PARK RESTROOM CONSTRUCTION

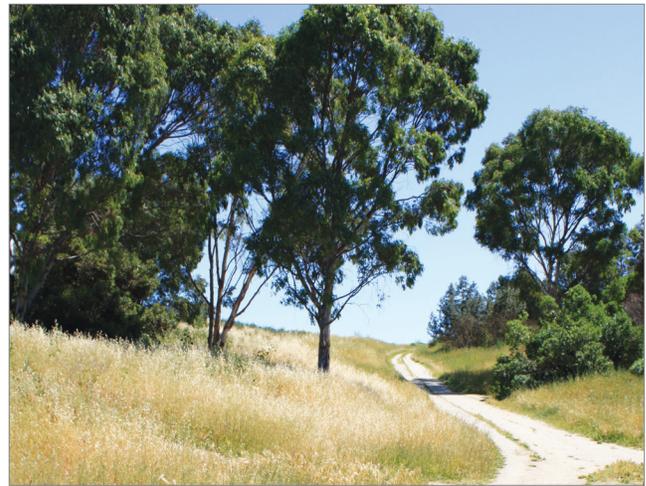
The first phase of this project involved engaging the neighboring community in developing a conceptual design. This year's funding will be used to construct the restrooms at Jack Lyle Park.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Recreation In-lieu	350,000	-	-	-	-	\$350,000
Subtotal	\$350,000	-	-	-	-	\$350,000

PARK IMPROVEMENTS (MINOR)

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



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	150,000	170,000	170,000	170,000	170,000	\$830,000
Subtotal	\$150,000	\$170,000	\$170,000	\$170,000	\$170,000	\$830,000

Parks and recreation

PARKS AND RECREATION MASTER PLAN UPDATE

This project will consist of community engagement activities to get input from the public in developing an update of the Parks and Recreation Master Plan (1999) and eventually establishing priorities for the Measure T Fund for a potential third phase of bond funds in fiscal year 2017-18.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	125,000	-	-	-	-	\$125,000
Subtotal	\$125,000	-	-	-	-	\$125,000

WILLOW OAKS PARK RESTROOM

This project would design and construct restrooms at Willow Oaks Park. Work includes community engagement to identify a location and develop a conceptual design, selecting a design consultant, managing the design and construction through project completion.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Recreation In-lieu	350,000	-	-	-	-	\$350,000
Subtotal	\$350,000	-	-	-	-	\$350,000

Stormwater

CHRYSLER DRIVE PUMP STATION IMPROVEMENTS

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



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement		4,700,000	-	-	-	\$4,700,000
Highway Users' Tax	200,000	1,300,000	-	-	-	\$1,500,000
Subtotal	\$200,000	\$6,000,000	-	-	-	\$6,200,000

GREEN INFRASTRUCTURE PLAN

As part of the new stormwater municipal regional permit, the City will be required to develop a Green Infrastructure Plan that identifies areas throughout the watershed that can be disconnected from the storm system to reduce storm runoff and improve water quality. The regulations expect this effort to span four years. During the first year, or Phase 1 of this project, the City will be required to develop and approve the framework. Prioritization and mapping of potential areas for green infrastructure will be required during the second year. As part of this effort, the study will require an assessment of the land uses in the watershed and a hydraulic evaluation of the City's existing stormwater system. In the third and fourth years, the plan is to be finalized and submitted to the State for approval. The estimated budget is for Phase 1/Year 1. The budget for the following phases/years of this project will be determined following Phase 1.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Storm Drainage Fees	100,000	-	-	-	-	\$100,000
Subtotal	\$100,000	-	-	-	-	\$100,000

TRASH CAPTURE DEVICE INSTALLATION

This project will install trash capture devices in storm drain inlets as required by the Municipal Regional Permit to reduce the amount of pollutants going into the Bay from high trash generating areas.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	60,000	-	-	-	-	\$60,000
Subtotal	\$60,000	-	-	-	-	\$60,000

Streets and sidewalks

DOWNTOWN PARKING UTILITY UNDERGROUND

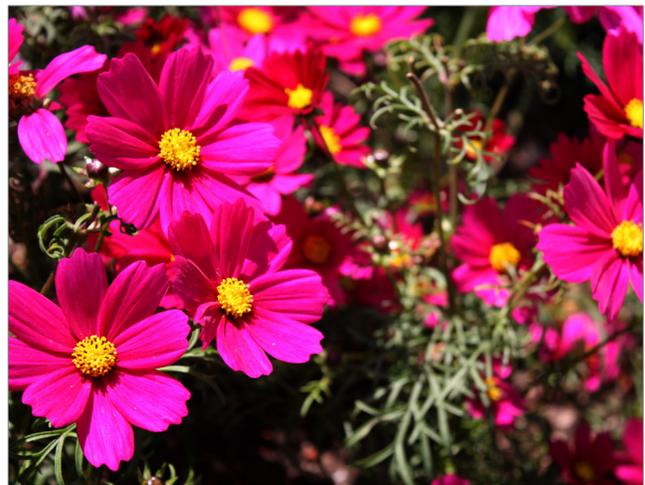
A project study was initiated in fiscal year 2008-09 to investigate the use of Rule 20A funding for undergrounding overhead power, telephone and cable utilities in the downtown parking plazas. PG&E has now confirmed that this project is eligible for use of Rule 20A undergrounding utilities funds. As a result, the City will begin the process of creating an underground utility district in the downtown area, in a phased approach on either side of Santa Cruz Avenue. In addition, the underground district may extend along Santa Cruz Avenue from University Avenue to Arbor Road in order to improve the usability of the sidewalks on the south side of the street.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Downtown Parking Permits / Rule 20A Funding	100,000	100,000	600,000	5,000,000	-	\$5,800,000
Subtotal	\$100,000	\$100,000	\$600,000	\$5,000,000	-	\$5,800,000

DOWNTOWN STREETScape IMPROVEMENT PROJECT (SPECIFIC PLAN)

The project will consist of planning and implementing improvements in the downtown area per the Specific Plan considering the street café program, Chestnut Paseo and Santa Cruz Avenue Sidewalk and the development of new streetscape plans. The first phase of the project will install street cafes at up to six locations and installation of the Chestnut Paseo. Both projects will include coordination with property owners and businesses, design and construction work in 2016-2017. Later phases of this project may be added in future years for the Santa Cruz Avenue Sidewalk improvements and development of new streetscape plans.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	500,000	110,000	-	-	-	\$610,000
Subtotal	\$500,000	\$110,000	-	-	-	\$610,000

Streets and sidewalks

SIDEWALK REPAIR PROGRAM

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



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	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

STREET RESURFACING

This ongoing project will include the detailed design and selection of streets to be resurfaced throughout the City during the 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	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement			500,000		1,500,000	\$2,000,000
Highway Users' Tax	1,000,000	200,000	1,500,000	200,000	1,000,000	\$3,900,000
Construction Impact Fees	4,500,000	400,000	3,500,000	400,000	3,000,000	\$11,800,000
Subtotal	\$5,500,000	\$600,000	\$5,500,000	\$600,000	\$5,500,000	\$17,700,000

Traffic and transportation

MIDDLE AVENUE BICYCLE AND PEDESTRIAN RAIL CROSSING

This project will provide a grade separated crossing through the Caltrain railway to create a pedestrian and bicycle connection and bridge the gap between east and west Menlo Park. The crossing will be located near Middle Avenue, connecting Alma Street near Burgess Park to El Camino Real at the proposed open space plaza as identified in the El Camino Real/Downtown Specific Plan. This crossing would improve connectivity for neighborhoods on both sides of the Caltrain tracks with city amenities, schools and access to public transit and downtown Menlo Park. The project would expand on the undercrossing study completed in fiscal year 2007-08 where the preferred Middle Avenue crossing location was selected. This project would develop preliminary design alternatives, seek community feedback around a preferred alternative and complete environmental clearance.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Transportation Impact Fees	210,000	-	-	-	-	\$210,000
Measure A Tax	490,000					\$490,000
Subtotal	\$700,000	-	-	-	-	\$700,000

TRANSPORTATION MASTER PLAN

The development of a Transportation Master Plan would allow the City to identify and prioritize transportation infrastructure investments to overcome existing barriers and identify safe multimodal routes to key destinations in the City. The Plan would build on and ultimately supplant the 2005 Comprehensive Bicycle Development Plan and the 2009 Sidewalk Master Plan. The Plan was identified in the City's revised Circulation Element as part of the ConnectMenlo General Plan Update.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
General Capital Improvement	250,000	-	-	-	-	\$250,000
Subtotal	\$250,000	-	-	-	-	\$250,000

WATER MAIN REPLACEMENT

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. In future years, the water main replacement schedule will be based on the water system master plan, which is scheduled for completion in 2017.



FUNDING SOURCE	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Water Capital Improvement	1,000,000	2,200,000	-	300,000	2,200,000	\$5,700,000
Subtotal	\$1,000,000	\$2,200,000	-	\$300,000	\$2,200,000	\$5,700,000

Projects proposed for FY 2017–18 through FY 2020–21

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 Child Development Center kitchen and bathrooms	2017–18	This project will remodel bathrooms and classroom kitchens by removing and replacing toilets with more child friendly ones, removing and replacing counter tops, sinks, faucets with hand held sprayer, air gaps for dishwasher and better shelving.
Belle Haven Youth Center improvements	2017–18	The project is to replace the flooring ceiling, and cabinets, as well as repaint 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 1970s Major updating is needed to blend it with the existing waterfall and existing civic center landscaping.
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. In addition, 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	2017-18	The project will replace the interior wall fabric of the main library. The interior wall finishes of the Library are becoming 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.
Onetta Harris Community Center audio/visual and computer lab update	2018–19	This project will update audiovisual systems in conference rooms and upgrade computer equipment in the computer lab.
Onetta Harris Community Center kitchen upgrade	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.

Projects proposed for FY 2017–18 through FY 2020–21

CITY BUILDINGS		
Police administration HVAC variable air volume upgrades	2017–18	The project consists of installing a variable air volume box in the Police administration area to better control the heating, ventilation and air conditioning system in this area. Currently there is a constant volume system that controls both the open office areas and the enclosed office areas and does not allow flexibility to differentiate the heating or cooling between the areas. In addition, the project will evaluate the air flow in the Police conference room which gets hot or cold when the room is full.
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.
COMPREHENSIVE PLANNING PROJECTS AND OTHERS		
Comprehensive municipal code update related to development	2017–18	Upon completion of the General Plan Update, there will be a need to update a number of provisions of the Municipal Code related to development, such as the Subdivision Ordinance, to ensure consistency with the Plan and with State law.
Comprehensive zoning ordinance update	2018–19	Upon completion of the General Plan Update and other specific Zoning Ordinance updates, there will be a need to update the remainder of the Zoning Ordinance in a comprehensive fashion. The last comprehensive update of the zoning ordinance occurred in 1967. Over the last 49 years, there have been more than 100 distinct amendments. The zoning ordinance is not easy to use and includes many inconsistencies and ambiguities which make it challenging for staff, let alone the public to use.
Fiscal impact analysis guidelines and California Environmental Quality Act implementation guidelines	2017–18	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.
Multifamily and mixed-use design guidelines	2018–19	This project will establish design guidelines for multifamily and mixed use housing developments in zoning districts that do not yet have such guidelines.
Single-family residential requirements	2017–18	This project would update the Zoning Ordinance requirements for single-family residential developments to create a more predictable and expeditious process while providing a method for encouraging high-quality design in new and expanded residences.
Sign requirements update	2017–18	This project would update the Municipal Code requirements and design guidelines for off-site and on-site signage in compliance with Federal and State laws while providing a method for encouraging high-quality design in advertising for Menlo Park businesses.

Projects proposed for FY 2017–18 through FY 2020–21

ENVIRONMENT

Climate change resiliency plan	2017–18	The climate change resiliency plan will focus on developing a way to help prepare the community for the potential adverse impacts related to climate change. The plan will use the findings from San Mateo County’s Sea Level Rise Vulnerability Assessment to evaluate the impact to existing hazards from future risks posed by climate change, develop a vulnerability assessment of the City’s existing infrastructure and develop adaptation strategies. The findings of the plan will be integrated with the City’s Local Hazard Mitigation Plan.
Urban forest master plan	2017–18	The Urban Forest Master Plan will establish long-term management goals and strategies to foster a sustainable urban forest in Menlo Park. The urban forest is composed of trees growing along streets, in parks and on private property. The sustainability of the urban forest and the benefits it provides depends on how it is managed. The Urban Forest Master Plan will address topics such as the state of Menlo Park’s tree canopy, best management practices, interdepartmental coordination and tree-related City regulations.

Projects proposed for FY 2017–18 through FY 2020–21

PARKS AND RECREATION		
Bedwell Bayfront Park electrical panel upgrade	2017–18	The project includes replacement of the electrical panel near the Bedwell Bayfront Park restrooms.
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 Bedwell Bayfront Park Master Plan.
Bedwell Bayfront leachate collection system replacement	2017–18	This project will involve the replacement of the existing leachate collection system that the City is required to maintain at the former landfill site at Bedwell Bayfront Park.
Belle Haven Pool deck lighting	2017–18	This project involves the installation of pool deck lighting for the Belle Haven Pool. Before 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 seven 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 serving 115-250 people daily depending on season.
Burgess Pool deck repairs	2017–18	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 square 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. In addition, 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.
Gatehouse landscaping	2019–20	The project will landscape the area around the Gate House adjacent to the Menlo Children’s Center. The existing landscaping is the original 1970 landscaping and needs to be updated to match the new the Civic Center landscaping.
La Entrada and Willows Oaks tennis courts restoration and 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.
Belle Haven / Onetta Harris Community Center gymnastics equipment	2017–18	Purchase mats and other preschool program sized (movable) equipment to allow for gymnastics classes at Onetta Harris community center.

Projects proposed for FY 2017–18 through FY 2020–21

PARKS AND RECREATION		
La Entrada baseball field renovation	2020–21	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	2018–19	The project consists of replacing damaged pathways at Market Place Park, Nealon Park, Sharon Park and Stanford Hills Park.
Park playground equipment replacement	2017–18	A comprehensive Playground Safety Inspection Report was completed for each of the City’s playgrounds in 2015. The findings of the report were used to prioritize the City’s playground replacement schedule, with the first three being Burgess Park, Willow Oaks Park and Nealon Park. Along with meeting the updated California Safety Standards, the new playgrounds may incorporate theme-based educational and interactive components.
Tennis court electronic key upgrade	2017–18	The Tennis Court Electronic Key Upgrade would include the installation of electronic access to five tennis courts sites: La Entrada, Nealon, Burgess, Willow Oaks and Kelly Parks. Currently the tennis court system for entry is done through a traditional key lock/core method.

Projects proposed for FY 2017–18 through FY 2020–21

STREETS AND 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 patchwork 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.
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	2019–20	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.
Parking Plaza 8 renovation	2020–21	This project provides construction of needed improvements at Parking Plaza 8 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with the downtown parking utility underground project.

Projects proposed for FY 2017–18 through FY 2020–21

STORMWATER		
Stormwater master plan	2017–18	The Stormwater Master Plan will evaluate the condition of the City’s stormwater system and identify the capital improvements necessary to address surface water collection, operations, maintenance, treatment and storage requirements. The plan will include a hydraulic evaluation of the City’s storm drain network, assess infrastructure conditions, identify water quality requirements and develop recommendations and planning level costs for the improvements. The plan will also integrate the City’s Green Infrastructure policies. The planning period for the master plan will be 25 years.
Willow Place bridge abutments repairs	2017–18	This project will repair damage to the bridge abutment from the December 2012 storm event. Preliminary study of repairs was completed, and the next step is to move project forward to design and construction.
TRAFFIC AND TRANSPORTATION		
Florence Street/Marsh Road and Bay Road/Marsh Road 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 the Federal Highway Administration’s Manual on Uniform Traffic Control Devices.
Middlefield Road/Ravenswood Avenue/Ringwood Avenue traffic signals modification	2017–18	This project would modify the existing traffic signals on Middlefield Road at Ravenswood Avenue and Ringwood Avenue to improve bicycle and pedestrian safety and accessibility. A new traffic signal phase and signal equipment will be added to allow Menlo-Atherton High School students to cross Middlefield Road at Ravenswood Avenue to proceed directly west onto Ravenswood Avenue. This project would also evaluate the potential removal of the triangular median island on the southwest corner of Middlefield Road/Ravenswood Avenue.
Transportation impact analysis guidelines and transportation impact fee program update	2018–19	This project would complete an evaluation and update of the Transportation Impact Analysis Guidelines and Transportation Impact Fee Program as identified in the ConnectMenlo General Plan Update Circulation Element and environmental clearance documents.

Projects proposed for FY 2017–18 through FY 2020–21

WATER		
Automated water meter reading	2017–18	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 wells	2018–19	This project will involve the second and potentially third 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 acquisition costs and the final depth and size of the wells.
Urban water management plan	2019–20	This project will prepare an Urban Water Management Plan that is due to the State in the year 2020. This is a State requirement every five years. Having this plan in place makes the City eligible for grants. The plan is only for the City’s Municipal Water District.
Water rate study	2019–20	This study will analyze the operating water budget and make new recommendations for proposed water rates for City Council approval.

Non-funded project requests

CITY BUILDINGS			
Belle Haven Branch Library feasibility study	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.	Library Commission	\$95,000
Belle Haven pool house remodel	This project will consist of remodeling the men and women's shower, bathroom and check-in area. The work will include replacing plumbing fixtures, refinishing the floors and walls, as well as remodeling the front façade of the pool house and landscaping the front. 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.	Staff	\$500,000
City entry signage on Willow Road and Marsh Road	These arterials are the two primary gateways into Menlo Park from the East Bay. Providing "Welcome to Menlo Park – 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.	Staff	\$200,000
City gateway signage	The project would install gateway signage at four locations entering Menlo Park. The proposed locations are Sand Hill Road, Bayfront Expressway and both 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.	City Council	\$250,000
Onetta Harris Community Center additional restroom	The current restroom available for renters of the Onetta Harris Community Center multipurpose 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.	Staff	\$200,000

Non-funded project requests

ENVIRONMENT			
Canopy tree-planting and education project	Under City contract, Canopy, a local nonprofit 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.	Environmental Quality Commission and Green Ribbon Citizens Committee	\$55,000
Draft ordinance to require pharmacies to take back pharmaceuticals	A required take back program would increase disposal options for residents and avoid potentially disposal of these chemicals 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.	Staff	\$25,000
Home remodel energy upgrades pilot program	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.	Staff	\$110,000
Strategic plan to increase local food production through social marketing, education and community garden programs	This is part of the Climate Action Plan's five-year strategy approved by City Council in 2012 to be considered in 2017-2018. It would develop a strategic plan to increase local food production through education and/or social marketing programs, partnering with nonprofits, promoting locally grown and or organic food production and development of community gardens, school gardens, planting vegetables and/or fruit trees in city parks and/or other public easements and promotion of farmer's markets. It could also involve an "eat local campaign" similar to a Portland, Oregon, program that promotes eating foods grown within a specific mile radius.	Staff	\$600,000
Suburban Park streetlight conversion	This project would take streetlights in the Suburban Park area off the high-voltage PG&E system and convert to a low-voltage parallel-wiring system.	Staff	\$100,000

Non-funded project requests

OTHER			
Dark fiber pilot project	Optical fiber is the preferred broadband access medium for companies seeking lab and office space in Silicon Valley. The Menlo Science and 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.	Staff	\$50,000
PARKS AND RECREATION			
Burgess Park baby pool analysis and preliminary design	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 for open recreation swimming time. Currently, the baby pool is only 1' 6" deep, open May-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.	Staff	\$200,000
Burgess Park irrigation well evaluation	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.	Staff	\$40,000
Flood Park joint use	This project would involve a joint use agreement for Flood Park to potentially improve and maintain sports fields, install playing field improvements and operating the park as a city park to increase playing field availability.	City Council	TBD
Tennis court electronic key upgrade	This project includes the installation of electronic access to five tennis courts sites: La Entrada, Nealon Park, Burgess park and Kelly Park. Currently the tennis court entry system is done through is a traditional key lock/core method requiring replacements every year.	Staff	\$100,000
Willow Oaks Park restrooms	This project would involve the neighboring community in developing a conceptual design, then constructing restrooms at Willow Oaks Park.	Parks and Recreation Commission	\$240,000

Non-funded project requests

STORMWATER			
Atherton Channel flood abatement construction	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 \$300,000 in fiscal year 2011-12.	Staff	\$2,000,000
Middlefield Road Phase I and II storm drainage improvements	This project involves design of a storm drainage system to address flooding on Middlefield Road from San Francisquito Creek to Ravenswood Avenue.	Staff	\$2,000,000
STREETS AND SIDEWALKS			
Haven Avenue security lighting	This project includes conceptual design, engineering and construction of street resurfacing work, and potentially involves landscaping, lighting or other improvements along Haven Avenue.	Staff	\$50,000
Haven Avenue streetscape	This project includes conceptual design, engineering and construction of street resurfacing work, and potentially involves landscaping, lighting or other improvements along Haven Avenue.	Staff	\$550,000
Kelly Park sound wall	The project would install a sound wall approximately 1,000 feet long between Highway 101 and the sports field at Kelly Park. The project design would determine the appropriate height, materials and final location.	Staff	\$1,430,000
Marsh Road section median islands landscaping	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.	Staff	\$35,000
O'Brien Drive streetscape	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.	Staff	\$525,000
Overall resurfacing and streetscape improvements	This project includes conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along various streets.	Staff	\$2,000,000

Non-funded project requests

STREETS AND SIDEWALKS			
Parking management plan	The project will evaluate parking impacts of the Chestnut Paseo and downtown events. This project will establish an advisory task force for downtown parking issues comprised of one city councilmember, one transportation commissioner, a member of the chamber of commerce, a business owner and a property owner.	City Council	TBD
Parking Plaza 3 renovation design	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 El Camino Real/Downtown Specific Plan before making any improvements to the parking plaza.	Staff	\$200,000
Pierce Road streetscape	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.	Staff	\$500,000
Sidewalk master plan implementation	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 before selecting specific sites.	Staff	TBD
Underground overhead lines	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.	Planning Commission	TBD
Willow Road streetscape	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.	Staff	\$330,000

Non-funded project requests

TRAFFIC AND TRANSPORTATION			
Bay Road bike lane improvements	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.	Bicycle Commission	TBD
Bicycle parking ordinance feasibility study	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 1,000 square feet of new development. This project will be considered with the General Plan update and the M-2 Area Plan.	Bicycle Commission	\$70,000
Bike safety event	This project would use the Street Smartz public education and 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 School, Laurel School and Oak Knoll Elementary School.	Bicycle Commission	\$18,000
Dumbarton transit station	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.	Staff	\$1,000,000
Emergency traffic signal equipment stock	The City currently contracts out all traffic signal, streetlights, 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.	Staff	TBD
Innovation for transportation solutions	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.	Planning Commission	TBD

Non-funded project requests

TRAFFIC AND TRANSPORTATION			
Laurel Upper School Safe Routes to School plan	The Laurel Upper School is a Menlo Park City School District elementary school planned on Elliott Drive to open for the 2016-17 school year. This project would identify suggested bicycling and walking routes as well as identify education, encouragement and enforcement programs to support walking and bicycling to the school. Emphasis is placed on identifying connecting routes between the existing Laurel Elementary School and the future Laurel Upper School for evaluation. This project would build on the Menlo Park-East Palo Alto connectivity project identified for fiscal year 2015-2016.	Staff	\$100,000
Middle Avenue bicycle implementation	This project will implement the Middle Avenue Fehr & Peers 2012 Plan to include bicycle lanes.	Staff	TBD
Newbridge Street/Willow Road traffic circulation improvements	This project will evaluate the intersection of Newbridge Street and Willow Road for proposed improvements for better traffic circulation at the intersection.	Staff	\$100,000
Shuttle bus expansion study	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.	Transportation Commission	\$125,000
Student-to-school shuttle bus expansion study	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.	Transportation Commission	\$95,000
Study for draft ordinance requiring bike parking at city events	This project would investigate the potential to creation of an ordinance to require bicycle parking facilities at all outdoor city events (such as block parties, art/wine festivals, Fourth 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 that provide exceptional bicycle parking service.	Bicycle Commission	\$15,000

Non-funded project requests

TRAFFIC AND TRANSPORTATION			
Wayfinding signage Phase II	The first phase of the wayfinding bicycle signage in the Willows neighborhood was completed in 2009. The signs, attached to pre-existing signposts, point to destinations such as the pedestrian bridge to Palo Alto, downtown Menlo Park and Burgess Park. This is the next phase to the project identified in the bicycle development plan. This will include another neighborhood, an east/west cross-city route and/or routes to schools.	Bicycle Commission	\$15,000
Willow Oaks Park path realignment	This project would study the entrance to Willow Oaks Park at Elm Street to add a bike path adjacent to the driveway at the German American International School.	Bicycle Commission	\$18,000
Willow Road bike lane study	This project would study the area on Willow Road between O'Keefe Street and Bay Road to assess needs for bike lanes in both directions.	Bicycle Commission	\$70,000

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)
Alma Street outfall	Connecting drainage system	\$208,000
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 before road closure for typical storm events. A major storm event could result in the closure of El Camino Real.	\$5,800,000
Arbor Road outfall	Connecting drainage system	\$1,524,000
Atherton Channel improvement	N/A	TBD
Bay Laurel Drive outfall	Connecting drainage system	\$26,000
Citywide ponding	Improvements to correct nuisance ponding issues and are required throughout the city. The improvements are numerous and are required to correct the situation.	\$10,211,000
El Camino Real outfall	Connecting drainage system	\$1,976,000
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
Euclid Avenue outfall	Connecting drainage system	\$275,000
Frontage of Highway 101, Menalto Avenue to Laurel Avenue and Santa Monica Avenue	The proposal includes 830 feet of 24-inch diameter line to provide backbone for a 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 Street and Cornell Street	This project proposes the addition of a valley gutter to eliminate localized ponding	\$10,000
Highway 101 outfalls	Connecting drainage system	\$1,400,000
Magnolia Drive/Stanford Court	Flooding occurs near Stanford Court because 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
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. This allows the removal of bubble-up storm drain catch basins. This also provides a backbone line for draining Hobart Street, Cotton Street and Hermosa Way	\$373,000
Middle Avenue	This project would 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

Non-funded projects from previously approved plans

PROJECTS THAT DO NOT REQUIRE NEW OUTFALLS TO SAN FRANCISQUITO CREEK OR ATHERTON CHANNEL		
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
Middlefield Road outfall	Connecting drainage system	\$1,270,000
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
Olive Street outfall	Connecting drainage system	\$536,000
Overland flow from System I to El Camino Real	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 and 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
Overland flow from System I to System G	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
San Francisquito Creek Joint Powers Authority improvements	N/A	TBD
Spruce Avenue	Flooding occurs at Spruce Avenue. The storm system does not have an inlet at Spruce Avenue with the railroad acting as a barrier to surface flows. This project improvement requires 250 feet of 24-inch storm drain, and an inlet at Spruce Avenue	\$80,000

Non-funded projects from previously approved plans

EL CAMINO REAL /DOWNTOWN SPECIFIC PLAN

(2012) Recommended improvements

IMPROVE PEDESTRIAN/BICYCLE AMENITIES AND OVERALL STREET CHARACTER – DOWNTOWN AND STATION AREA		
LOCATION	DESCRIPTION	ESTIMATED COST
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
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
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
Chestnut Street south	Permanent street conversion to paseo and marketplace; streetscape enhancement	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
El Camino Real	Streetscape improvements; sidewalk widening, street crossings; sidewalk trees, furnishings, landscape, pedestrian and bicycle linkage across railroad tracks at Middle Avenue	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
Oak Grove (Laurel Street to University Drive)	Street restriping to add bike lane and remove parking lane (north side)	TBD
Rear of Santa Cruz Avenue Buildings (south side from University Drive to Doyle Street)	Pedestrian linkage; new sidewalk, furnishings, landscaping, modified parking	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
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

Non-funded projects from previously approved plans

IMPROVE AND "LEVERAGE" EXISTING DOWNTOWN PUBLIC PARKING PLAZAS		
LOCATION	DESCRIPTION	ESTIMATED COST
Parking Plaza 5 and 6	Enhance surface treatments	TBD
Parking Plazas 1, 2 and 3	Two parking garages	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
IMPROVE PEDESTRIAN/BICYCLE AMENITIES AND OVERALL STREET CHARACTER - EL CAMINO REAL AND EAST/WEST CONNECTIVITY		
Bicycle Lanes	El Camino Real north of Encinal Avenue	TBD
El Camino Real (north of Oak Grove Avenue and south of Menlo Avenue/ Ravenswood Avenue)	Widened sidewalks; street trees; median improvements; furnishings	TBD
El Camino Real/Stanford Property (at Middle Avenue)	Publicly accessible open space; amenities, landscape	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
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
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

Non-Funded projects from previously approved plans

EL CAMINO REAL /DOWNTOWN SPECIFIC PLAN

(2012) Recommended improvements

IMPROVE PARKING AND SIGNAGE		
LOCATION	DESCRIPTION	ESTIMATED COST (2003)
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
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
Wayfinding signage	Bicycle way-finding signage in any future downtown signage plan	TBD

TRANSPORTATION IMPACT FEE STUDY

(2009) Recommended improvements

BICYCLE IMPROVEMENT PROJECTS			
ROADWAY	FROM	TO	ESTIMATED COST
Bay Road	Berkeley Avenue	Willow Road	\$39,900
Bicycle/Pedestrian	Eastside Bayfront Expressway at Willow Road	Westside Bayfront Expressway at Willow Road	\$911,629
Caltrain Bicycle/Pedestrian undercrossing	Eastside Caltrain tracks south of Ravenswood Avenue	Westside Caltrain tracks south of Ravenswood Avenue	\$3,646,518
El Camino Real	Encinal Avenue	Palo Alto City Limits	\$12,700
Independence Connector	Constitution Drive	Marsh Road	\$120,000
Marsh Road	Bay Road	Bayfront Expressway	\$51,100
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
Willow Road	Durham Street	Newbridge	\$37,100
Willow Road Connector	Hamilton Avenue	Bayfront Expressway	\$204,000

Non-Funded projects from previously approved plans

SIDEWALK IMPROVEMENT PROJECTS			
ROADWAY	FROM	TO	ESTIMATED COST
Bay Road	Willow Road	Van Buren Avenue	\$157,500
El Camino Real	Valparaiso Avenue	500 feet north	\$75,000
Hamilton Avenue/Court	Willow Road	End	\$280,500
O'Brien Drive	Willow Road	University Avenue	\$2,629,500
Santa Cruz Avenue	Johnson Street	Avy Avenue	\$1,290,000
Santa Cruz Avenue	Avy Avenue	City limit	\$630,000
Willow Road	Bayfront Expressway	Hamilton Avenue	\$128,250
INTERSECTION IMPROVEMENTS			
INTERSECTION			
Bayfront Expressway and Chrysler Drive			\$630,000
Bayfront Expressway and University Avenue			\$2,500,000
Bohannon/Florence and Marsh Road			\$820,000
El Camino Real and Middle Avenue			\$1,820,000
El Camino Real and Ravenswood Avenue			\$6,000,000
El Camino Real and Valparaiso/Glenwood			\$610,000
Laurel Street and Ravenswood Avenue			\$2,500,000
Middlefield Road and Ravenswood Avenue			\$1,520,000
Middlefield Road and Willow Road			\$1,700,000
Newbridge Street and Willow Road			\$2,100,000
University Drive and Santa Cruz Avenue			\$600,000

Non-funded projects from previously approved plans

COMPREHENSIVE BICYCLE DEVELOPMENT PLAN (2005) Recommended Bikeway System Improvements

SHORT-TERM PROJECTS			
ROADWAY	FROM	TO	ESTIMATED COST (2005)
Class II Bike Lanes			
O'Brien Drive	Willow Road	University Drive	\$24,900
Class III Bike Routes			
Altschul Avenue	Avy Avenue	Sharon Road	\$800
Avy Avenue	Orange Avenue	Monte Rosa Drive	\$2,100
Coleman Avenue	Willow Road	Ringwood Avenue	\$3,300
Hamilton Avenue	Market Place	Willow Road	\$4,250
Market Place	Highway 101 bicycle/pedestrian bridge	Hamilton Avenue	\$500
Monte Rosa Drive	Avy Avenue	Sand Hill Road	\$2,750
Oak Grove Avenue	Middlefield Road	University Drive	\$9,000
Ringwood Avenue	Bay Road	Highway 101 bicycle/pedestrian bridge	\$1,250
San Mateo Drive	San Francisquito Creek	Wallea Drive	\$1,400
San Mateo Drive	Wallea Drive	Valparaiso Avenue	\$1,650
Santa Monica Avenue	Seminary Drive	Coleman Avenue	\$750
Seminary Drive	Santa Monica Avenue	Middlefield Road	\$3,100
Sharon Road	Altschul Avenue	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 Road	Euclid Avenue	\$6,350
Other bicycle projects			
Wayfinding signage program	N/A	N/A	\$10,000
TOTAL SHORT-TERM PROJECT COSTS			\$91,000

Non-funded projects from previously approved plans

MID-TERM PROJECTS			
ROADWAY	FROM	TO	ESTIMATED COST (2005)
Class II Bike Lanes			
El Camino Real	Watkins Avenue	Encinal Avenue	\$9,600
Middlefield Road	Willow Road	Palo Alto city limit	\$3,000
Class III Bike Routes			
Arbor Road	College Avenue	Bay Laurel Drive	\$550
Bay Laurel Drive	Arbor Drive	San Mateo Drive	\$800
Berkeley Avenue	Coleman Avenue	Bay Road	\$2,150
College Avenue	University Drive	Arbor Drive	\$1,000
Encinal Avenue	Garwood Way	El Camino Real	\$1,700
Menlo Avenue	University Drive	El Camino Real	\$3,500
Merrill Street	Ravenswood Avenue	Oak Grove Avenue	\$950
Middle Avenue	Olive Street	El Camino Real	\$10,800
Oakdell Drive	Santa Cruz Avenue	Olive Street	\$3,100
Olive Street	Oak Avenue	Oakdell Drive	\$800
Ravenswood Avenue	El Camino Real	Noel Drive	\$1,800
Santa Cruz Avenue	Orange Avenue	Sand Hill Road	\$4,300
TOTAL MID-TERM PROJECT COSTS			\$85,850

MID-TERM PROJECTS			
ROADWAY	FROM	TO	ESTIMATED COST (2005)
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 Street	Newbridge Street	\$15,900
Class III Bike Routes			
El Camino Real	Encinal Avenue	Palo Alto city limit	\$12,700
Other bicycle projects			
Caltrain bicycle/pedestrian undercrossing	East side Caltrain tracks south of Ravenswood Avenue	West side of Caltrain tracks south of Ravenswood Avenue	\$3,000,000
TOTAL LONG-TERM PROJECT COSTS			\$3,949,000

TOTAL SYSTEM COST	\$4,125,850
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APPENDIX

City Council Work Plan

Number	Source	Description	Lead Department
RESPONDING TO THE DEVELOPMENT NEEDS OF PRIVATE RESIDENTIAL AND COMMERCIAL PROPERTY OWNERS			
Extremely Important			
1	WP	Complete the General Plan Update	Community Development
2	WP	Process complex development projects	Community Development
Very Important			
3	WP	Implement Downtown/EI Camino Real Specific Plan biennial review	Community Development
REALIZING MENLO PARK'S VISION OF ENVIRONMENTAL LEADERSHIP AND SUSTAINABILITY			
Important			
4	CIP	Community Zero Waste Policy Draft	City Manager's Office
5	CIP WP	Install EV charging stations as part of the Climate Action Plan	City Manager's Office
6	WP	Update the Heritage Tree ordinance	City Manager's Office
ATTRACTING THOUGHTFUL AND INNOVATIVE PRIVATE INVESTMENT TO MENLO PARK			
Extremely Important			
7	WP	Implement Housing Element programs	City Manager's Office Community Development
Very Important			
8	WP	Expand downtown outdoor seating program	City Manager's Office
Important			
9	WP	Implement the Economic Development Plan	City Manager's Office
10	CIP WP	Implement Downtown/EI Camino Real Specific Plan streetscape (paseo, parklets)	City Manager's Office Public Works

City Council Work Plan

Number	Source	Description	Lead Department
PROVIDING HIGH-QUALITY RESIDENT ENRICHMENT, RECREATION, DISCOVERY AND PUBLIC SAFETY SERVICES			
11	WP	Create a community disaster preparedness partnership (MenloReady) with residents, businesses and schools utilizing the existing agreement with the Menlo Park Fire Protection District	Police
12	WP	Complete the Belle Haven Pool facility analysis for year-round operations	Community Services
Very Important			
13	WP	Complete the Belle Haven Action Plan Phase III implementation	Community Services
14	WP	Enhance Community special events	Community Services
15	WP	Maintain City Council-approved cost recovery levels in all Community Services programs	Community Services
16	CIP	Undertake a community process to rank potential projects for Measure T funding	Community Services
17	WP	Develop a Bedwell Bayfront Park operations / maintenance plan to enhance use, improve access and determine a sustainable funding source for ongoing maintenance	Community Services
Important			
18	WP	Develop an implementation plan for the Sister City and Friendship program	City Manager's Office

City Council Work Plan

Number	Source	Description	Lead Department
MAINTAINING AND ENHANCING MENLO PARK'S MUNICIPAL INFRASTRUCTURE AND FACILITIES			
Extremely Important			
19	CIP	Complete Belle Haven Youth Center playground replacement	Community Services Public Works
20	CIP WP	Install bicycle and pedestrian improvements on Chilco Street	Public Works
21	CIP	Maintain citywide sidewalk repair program	Public Works
22	CIP	Maintain citywide street resurfacing program	Public Works
23	CIP WP	Improve Haven Avenue streetscape (bike lanes, complete sidewalk gaps, new pedestrian bridge over Atherton Channel) (grant funded)	Public Works
24	CIP	Adopt Urban Water Management Plan update	Public Works
25	CIP WP	Complete sidewalks on Santa Cruz Avenue	Public Works
26	CIP WP	Develop a water master plan	Public Works
27		a. Add an additional emergency water well	
28		b. Develop a recycled water program	
29		c. Enter into an agreement with West Bay Sanitary District for the Sharon Heights Recycled Water Project	
Very Important			
30	CIP	Repair and Upgrade the Bedwell Bayfront Park leachate collection system	Public Works
31	CIP	Install Library landscaping	Public Works
32	CIP	Replace Police radio infrastructure	Public Works
33	CIP WP	Address downtown parking garage (prioritize location, develop design concepts, consider Oak Grove bike lanes)	Public Works
34	CIP	Enter into an agreement with Redwood City and the Salt Pond Restoration Project for the Bayfront Canal Bypass Project	Public Works
35	CIP	Design Pope/Chaucer bridge improvements	Public Works
Important			
36	CIP	Construct restroom at Jack Lyle Park	Public Works
37	CIP	Replace Library interior wall fabric	Public Works
38	CIP	Replace Nealon Park sports field sod and irrigation system	Public Works
39	CIP	Address Nealon Park dog park	Public Works
40	CIP	Replace Willow Oaks dog park and install restroom	Public Works
41	CIP	Initiate Downtown utility undergrounding	Public Works
42	CIP	Complete library space needs study	Public Works

City Council Work Plan

Number	Source	Description	Lead Department
FURTHERING EFFICIENCY IN CITY SERVICE DELIVERY MODELS			
Extremely Important			
43	WP	Complete the classification and compensation study and work with labor units to address the study's findings	Administrative Services
44	CIP WP	Complete the Information Technology Master Plan and:	Administrative Services
45		a. Implement key best practices	
46		b. Launch a selection process for replacement of mission critical systems including an enterprise resource planning (ERP) business management system for the city including administrative and land development operations	
47		c. Identify and implement interim upgrades to existing business systems as a bridge to their replacement	
48	WP	Complete a fee study for solid waste and water utilities	Administrative Services Public Works
49	CIP WP	Complete administration building space planning	Public Works

City Council Work Plan

Number	Source	Description	Lead Department
ATTRACTING THOUGHTFUL AND INNOVATIVE PRIVATE INVESTMENT TO MENLO PARK			
Very Important			
50	WP	Complete an updated cost allocation plan, user fee study for non-utility operations and cost recovery models for non-development related services	Administrative Services
	WP	Implement recommendations from the department operational reviews:	Community Services Library
51		Develop and implement strategic plans for the Library and Community Services departments	
52		Revise and update departmental policies and procedures in the Library and Community Services departments	
53		Develop and improve cooperative relationships with community stakeholders (school districts, community groups, etc.)	
Important			
54	WP	Analysis and prioritization of alternative service delivery model goals, what outcome is desired (financial, service changes, etc.) and what metrics determine success	City Manager's Office
55	WP	Assess current Administrative Services department staffing levels, realign existing resources and add resources where necessary to support current and future needs for financial, human resources and information technology support.	Administrative Services
56	WP	Improve community communications	City Manager's Office
57	WP	Initiate organizational study for development services utilizing industry best practices	City Manager's Office Community Development Public Works
58	WP	Initiate organizational study for Public Works maintenance services	City Manager's Office Public Works

City Council Work Plan

Number	Source	Description	Lead Department
IMPROVING MENLO PARK'S MULTIMODAL TRANSPORTATION SYSTEM TO MOVE PEOPLE AND GOODS THROUGH MENLO PARK MORE EFFICIENTLY			
Extremely Important			
59	WP	Develop and implement transit improvements (study transit options including enhancements to existing shuttles and transportation management associations, install new shuttle stop signs and amenities)	Public Works
60	CIP WP	Study and prioritize Willow Road transportation improvement options	Public Works
61	CIP WP	Work with Caltrans and regional funding partners to design and begin construction on 101/Willow Road interchange	Public Works
62	CIP WP	Construct Citywide Bicycle and Pedestrian Visibility Project (add green colored pavement to existing high-use corridors at conflict points and downtown bike racks) (grant funded)	Public Works
63	CIP WP	Construct Menlo Park-Atherton Bike/Pedestrian Improvements Project (Valparaiso Avenue Safe Routes to School project) (grant funded)	Public Works
64	CIP WP	Construct Menlo Park-East Palo Alto Connectivity Project (add Class III bike routes and sharrow to connecting streets and fill sidewalk gaps on O'Connor Street and Menalto Avenue) (grant funded)	Public Works
65	CIP WP	Prepare Project Study Report for Ravenswood Avenue/Caltrain Grade Separation Project (grant funded)	Public Works
66	CIP WP	Explore Dumbarton Rail Corridor activation / reuse	Public Works
67		Install bus shelters at the Senior Center and on Willow Road between U.S. 101 and Bayfront Expressway	Public Works
Very Important			
68	CIP WP	Coordinate with regional agencies on High Speed Rail project, including environmental review	Public Works
69	CIP WP	Begin design and implement El Camino Real Corridor Study	Public Works
70	CIP	Design and construct Sand Hill Road signal modification project	Public Works
71		Establish a crosswalk policy	Public Works
Important			
72	CIP WP	Work with Caltrain to complete Peninsula Corridor Electrification Project design review	Public Works

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 2016-17, as well as the total appropriations subject to the limit. The adjustment factors utilized for the fiscal year 2016-17 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 (\$34.6 million) are well below the appropriations limit itself (\$55.0 million).

Gann Appropriation Limit

CITY OF MENLO PARK APPROPRIATIONS LIMIT FISCAL YEAR 2016-17

	AMOUNT	SOURCE
A Last Year's Limit	\$51,750,376	Prior Year
B Adjustment Factors		
1. Population	1.0091	State Department of Finance
2. Inflation	1.0537	State Department of Finance
	1.0633	(B1*B2)
Total Adjustment %	0.0633	(B1*B2-1)
C Annual Adjustment	\$3,275,212	(B*A)
D This Year's Limit	\$55,025,588	(A+C)
E Tax proceeds subject to the limit		
Property Tax	17,393,400	2016-17 budget
Sales Tax	5,250,000	2016-17 budget
Other Tax	10,477,00	2016-17 budget
Special Assessments	1,123,405	2016-17 budget
Interest Allocation	311,418	2016-17 budget
TOTAL	\$34,555,223	
Amount Under/(Over) Limit	\$20,470,366	(D-E)

Gann Limit resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17

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 1.01 percent and the growth in California per capita personal income is 1.05 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 21, 2016, hereby establishes the appropriations limit as the amount of \$55,025,588 for Fiscal Year 2016-17, 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 City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the 21st day of June, 2016, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this 21st day of June, 2016.



Pamela I. Aguilar
City Clerk

Full Time Equivalent (FTE) personnel

Adopted 2016–17 FTEs by classification	
Accountant	1
Accounting Assistant II	3
Administrative Assistant	1
Administrative Services Director	1
Assistant City Manager	1
Assistant Community Development Director	1
Assistant Engineer	6
Assistant Planner	2
Assistant Public Works Director	1
Assistant to the City Manager	1
Associate Engineer	8.5
Associate Planner	5
Branch Library Manager	1
Building Custodian I	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
Communications Officer	4
Communications Training Officer	2.5
Community Development Director	1
Community Development Technician	1
Community Services Director	1
Community Services Manager	1
Community Services Officer	2
Computer Support Technician	3
Construction Inspector	2

Full Time Equivalent (FTE) personnel

Adopted 2016–17 FTEs by classification

Contract Specialist	1
Custodial Services Supervisor	1
Deputy City Clerk	1
Development Services Technician	3
Engineering Technician II	1
Environmental Programs Manager	1
Environmental Programs Specialist	2
Equipment Mechanic	1
Executive Secretary To The City Manager	1
Facilities Supervisor	1
Finance and Budget Manager	1
Financial Analyst	1
Fleet Supervisor	1
Gymnastics Instructor	2.25
Gymnastics Program Coordinator	1
Housing and Economic Development Manager	1
Human Resources Analyst	2
Human Resources Assistant	1
Human Resources Manager	1
Information Technology Manager	1
Information Technology Supervisor	1
Lead Communications Officer	1
Librarian II	1.25
Librarian III	3
Library Assistant I	2.5
Library Assistant II	3.25
Library Assistant III	1
Library Services Director	1
Literacy Program Manager	1
Maintenance I - Parks	1
Maintenance I - Trees	2
Maintenance II - Building Maintenance	1
Maintenance II - Parks	3
Maintenance II - Streets	3

Full Time Equivalent (FTE) personnel

Adopted 2016–17 FTEs by classification

Maintenance III - Building Maintenance	1
Maintenance III - Parks	3
Maintenance III - Streets	1
Maintenance III - Trees	1
Maintenance Worker II	1
Management Analyst I/II	2
Night Clerk	0.75
Office Assistant II	0.75
Office Assistant III	4
Parks and Trees Supervisor	1
Permit Manager	1
Plan Checker	1
Planning Technician	1
Police Chief	1
Police Commander	2
Police Corporal	4
Police Officer	33
Police Records Officer	2
Police Records Training Officer	1
Police Sergeant	8
Principal Planner	3
Program Assistant	8
Program Specialist	1
Program Supervisor - Title 5	2
Property and Court Officer	1
Public Works Director	1
Public Works Superintendent	1
Recreation Program Coordinator	5
Recreation Supervisor	4
Red Light Photo Enforcement Facilitator	1
Revenue and Claims Managers	1
Secretary	4.5
Senior Building Inspector	1
Senior Civil Engineer	4

Full Time Equivalent (FTE) personnel

Adopted 2016–17 FTEs by classification

Senior Engineering Technician	2
Senior Planner	2
Senior Transportation Engineer	1
Sr. Management Analyst	1
Streets Supervisor	1
Teacher's Aide	7
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 System Supervisor	1
TOTAL	262

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.

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 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.

Glossary of budget terms

BUDGET ADOPTION

Formal action by the City Council that 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

California's public employee retirement system.

CAPITAL ASSET

A tangible, fixed asset that is long-term in nature, of significant value and obtained or controlled because 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.

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

Also known as the budget transmittal letter, this is 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.

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.

Glossary of budget terms

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 that 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

Enterprise funds are used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water utilities are common examples of government enterprises.

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 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.

Glossary of budget terms

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

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 that 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

The basis of accounting in which 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.

Glossary of budget terms

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

RESOLUTION

A special order of the City Council that 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 city councilmembers 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

Special revenue funds are accounts established to collect money that must be used for a specific purpose. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.

TAXES

Compulsory charges levied by a governmental unit for 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 that 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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