

# FISCAL YEAR 2025-26 BUDGET PRINCIPLES

City Council  
701 Laurel St., Menlo Park, CA 94025  
tel 650-330-6620



## 1. Promote the City's long-term fiscal sustainability

- A. Implement the annual payment necessary in the budget to achieve amortization of the CalPERS Net Pension Liability in accordance with the actuarial 15-year amortization schedule. This is consistent with the City Council's previously adopted budget principle to plan for an accelerated reduction of the unfunded accrued liability (UAL).
- B. Invest in technologies that minimize low value-add processes, increase transparency in communications and most efficiently utilize our talented staff.
- C. Strive to achieve City Council cost recovery goals for fee-based services.
- D. Continue to evaluate the most cost-effective method to provide services at a specified level that provides the City with flexibility in all economic conditions, including the use of contracted services, shared services, and regular and limited-term employees.
- E. Proactively manage the loss of institutional knowledge by documenting procedures, practices and processes and succession planning efforts including the ability to provide for overlap in critical positions at the discretion of the city manager.
- F. Incorporate programs and initiatives that strengthen Menlo Park's standing as an employer of choice to retain highly qualified personnel.
- G. Evaluate the long-term structural balance of revenues and expenditures to maintain a sustainable General Fund

## 2. Provide city services and infrastructure that contribute to quality of life in Menlo Park

- A. Implement ordinances and City Council adopted initiatives and strategies to contribute to the quality of life in Menlo Park now and in the future.
- B. Proactively maintain and improve existing infrastructure to minimize maintenance costs, decrease the City's greenhouse gas emissions, and increase the City's long-term disaster and climate resilience.
- C. Strive to balance the resources and requirements of each area of the city in an equitable manner through the use of equitable tools and ongoing collaboration with the Countywide Equity Working Group.
- D. Evaluate one-time revenues for highest and best investment recognizing the benefit of leveraging near term investments for long-term gains in financial sustainability and/or quality of life.
- E. Commit to continuous improvement in the communication of City financial information through a variety of media acknowledging that the City's professional staff and consultants are obligated to conform to accounting and reporting standards in order to provide balanced financial information that informs policymakers.
- F. Strategically identify and align financial resources to implement City Council-identified top goals.

## 3. Revenue sources and grant accounting

- A. State the fund's surplus/(deficit) balance to show annual results and use of fund balance.
- B. Identify revenue sources for the initial year of all capital projects.
- C. Ensure a fund's fiscal year-end balance estimate is positive.