



SPECIAL MEETING MINUTES

Date: 3/21/2026
Time: 10:00 a.m.
Locations: Teleconference and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Special Session

A. Call To Order

Mayor Nash called the meeting to order at 10:04 a.m.

B. Roll Call

Present: Combs, Nash, Schmidt, Taylor, Wise
Absent: None
Staff: City Manager Justin Murphy, Assistant City Manager Stephen Stolte, City Attorney Nira Doherty, Assistant to the City Manager/ City Clerk Judi A. Herren

C. Regular Business

C1. Annual City Council priority setting workshop (Staff Report #26-038-CC)

City Manager Justin Murphy introduced the item.

Assistant City Manager Stephen Stolte and Assistant Administrative Services Director Fenny Lei made a presentation (Attachment).

City Council received clarification on tax ballot measures.

Sustainability Manager Rachael Londer continued the staff presentation (Attachment).

City Council discussed including all community-based organizations (CBOs) when scoping programs, the potential Neighborhood Services Manager position and food access.

- Adrian Silva spoke in support of prioritizing infrastructure projects that benefit children.
- Juan Pinzon spoke in support of prioritizing safe route implementation on Middlefield Road.
- Pam Jones spoke on the Environmental Justice (EJ) Element anti-displacement item and the home electrification program.
- Meredith Rohr spoke on CBOs using local approaches to focus on legacy residents.
- Savita Kini spoke in support of completing projects.
- Carol Orton spoke in support of prioritizing downtown vibrancy, housing and a focus on upgrading the main library.
- Shontelle Watkins spoke on the Belle Haven Farmers Market and in support of Belle Haven Action.
- Karen Grove spoke in support of existing priorities and including protections for vulnerable

communities.

- Shirley Chui spoke in support of prioritizing public safety.
- Jesse Soto spoke in support of the home electrification program and prioritizing infrastructure maintenance, pollution reduction, landscaping and safe streets in Belle Haven neighborhood.
- Jesus M. Soto spoke in support of the home electrification program, keeping Belle Haven pool public and replacing trees that cause allergies.
- Linda Itskonitz spoke in support of prioritizing public safety.
- Jocelyn Anaya Galvan spoke in support of the existing priorities.
- Sally Cole spoke in support of safe streets remaining as top priority.
- Naomi Goodman spoke on mitigating impacts.
- Ross Silverstein spoke in support of safe routes, traffic mitigation, empowering staff and quick build projects.
- Ken Kershner spoke in support of prioritizing quick build bicycle and pedestrian project pilots.
- Amy Mushlin spoke in support of prioritizing the quiet zone.
- David Miller spoke in support of prioritizing public safety and assistance for the unhoused.

The City Council took a recess at 11:38 a.m.

The City Council reconvened at 12:08 p.m.

Assistant City Manager Stephen Stolte continued the staff presentation (Attachment).

The City Council received clarification on core functions/services versus priorities and climate action deliverables.

The City Council discussed public safety, the number of priorities, adding quality of life and planning and future funding, removing climate action, emergency and disaster preparedness, housing and safe streets from priority and retaining as cores services, staff vacancy rates and recruiting and retaining police department staff.

The City Council directed staff to agendize a study session on public safety.

The City Council removed emergency and disaster preparedness as a priority.

The City Council established the top five priorities (alphabetical order):

- Climate action – mitigation, adaptation and resilience
- Downtown vibrancy
- Housing
- Public Safety
- Safe routes

D. Adjournment

Mayor Nash adjourned the meeting at 1:42 p.m.

Assistant to the City Manager/ City Clerk Judi A. Herren

These minutes were approved at the City Council meeting April 28, 2026.



City Council Priority- Setting Workshop

March 21, 2026



Welcome and agenda

- Welcome from Mayor Nash and city manager Murphy
- Agenda:
 - Fiscal year 2025-26 overview
 - Financial update
 - Environmental Justice (EJ) Element update
 - Community input summary
 - Public comment
 - Top priorities for fiscal year 2026-27
 - Ideas for Menlo Park centennial





Workshop ground rules

- Actively listen
- Stay present and engaged
- Assume good intentions in others
- Focus on the agenda to honor our time commitment
- Seek shared citywide priorities through consensus building



Bike rack

- Not all items will be discussed today due to our focused agenda
- Bike rack items will be recorded for discussion at a later time





Fiscal Year 2025-26 Overview



City Council work plan overview

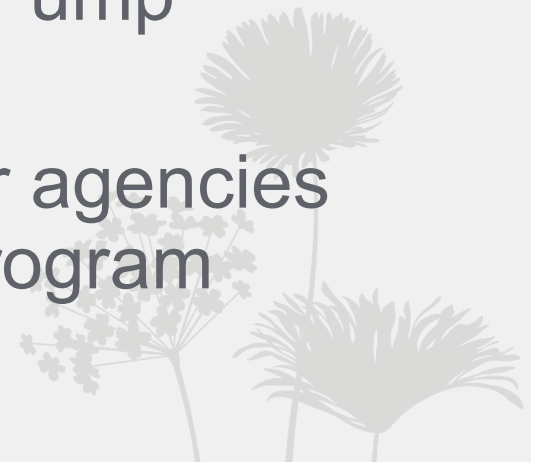
- City Council priorities work plan is developed with the fiscal year budget and updated routinely throughout the year
- Many projects are multi-year
- Fiscal year 2025-26 work plan includes 58 items
 - 16% are complete
 - 74% are in progress
 - 22% are ongoing activities
- City Council received updates in July 2025, October 2025, March 2026





Accomplishments mentioned by City Council

- Sustainability advancements: Electrification and solar at City facilities, local code amendments
- Zero emission landscape equipment ordinance implementation
- Safe routes projects: Coleman Avenue bike pilot and Middle Avenue Complete Streets Project
- Advancement of multi-year projects (e.g. Chrysler Pump Station, BHCC microgrid, SAFER Bay design)
- Strong partnership with service providers and other agencies through the Encampment Resolution Fund grant program





Accomplishments mentioned by City Council

- Overall community engagement – Public Works open house, hosting students, improvements in communications and website content, public meetings accessibility policy
- Emergency preparedness improvements
- Launch of Citizen RIMS public safety data
- Approval of Parkline development
- Advancement of housing programs (e.g. anti-displacement study session)
- Many successful community events





Challenges mentioned by City Council

- Structural deficit and financial sustainability
- Staff capacity; recruitment and retention issues
- Infrastructure needs and level of community requests
- Housing Element commitments
- Higher efficiency
- Public safety
- Need to produce “shovel ready” projects for funding
- New approaches to obtain funding
- Communicating expectations for when projects/milestones will occur





Staff vacancies

- Citywide vacancy rate is 12.9%
- Department vacancy rates:
 - Administrative Service 6.8% (2 out of 29.48)
 - City Manager's Office 14.3% (2 out of 14)
 - Community Development 19.1% (6.5 out of 34)
 - Library & Comm Services 4% (2.75 out of 68.25)
 - Police 19.2% (14 out of 73)
 - Public Works 15.2% (11 out of 72.27)





Employee engagement survey

- Launched survey in February
- 57% response rate; 216 of 380 employees (benefited and hourly) participated
- Employees strongly agree their work makes a difference
- Employees feel people on their team care about them as a person
- Opportunities to improve engagement:
 - Prioritize employee well-being and a positive culture
 - Improve how organizational change is managed





Financial Update

Fenny Lei, Assistant Administrative Services Director



Topics

- Economy and key financial challenges
- Preliminary General Fund five-year forecast
- Budget balancing strategies and impacts to forecast
- Next steps





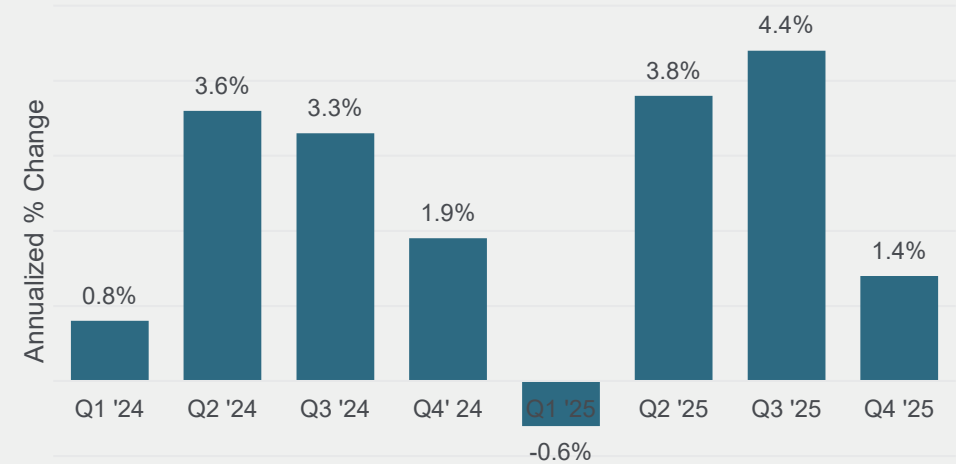
Economy and Key Financial Challenges



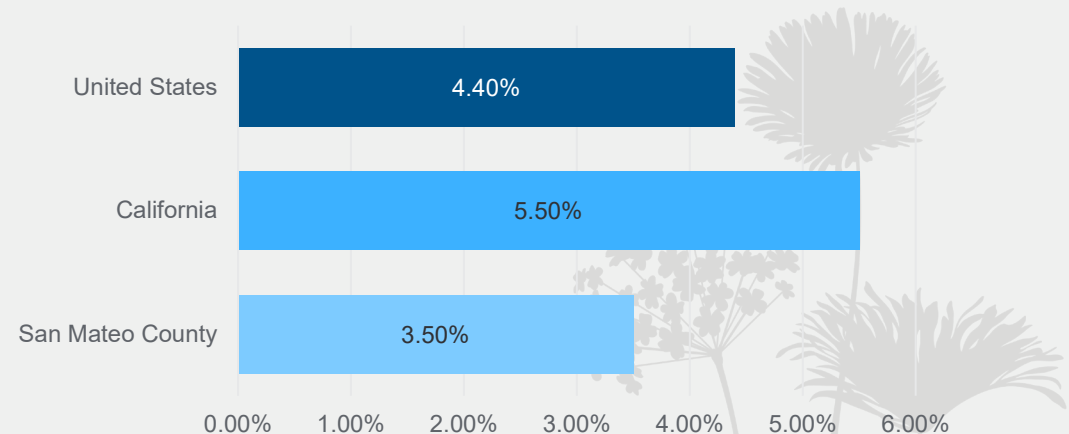
Economy

- Unfolding conflict in the Middle East leading to higher energy prices and potential inflation
- Real GDP growth slowed sharply
- Declining Consumer Confidence Index and Expectation Index
- Comparatively weaker labor market in the state (December 2025) with higher than national unemployment rate (February 2026)
- Potential state and federal funding reductions
- Recession risk

National Real Gross Domestic Product (GDP)



Regional Unemployment



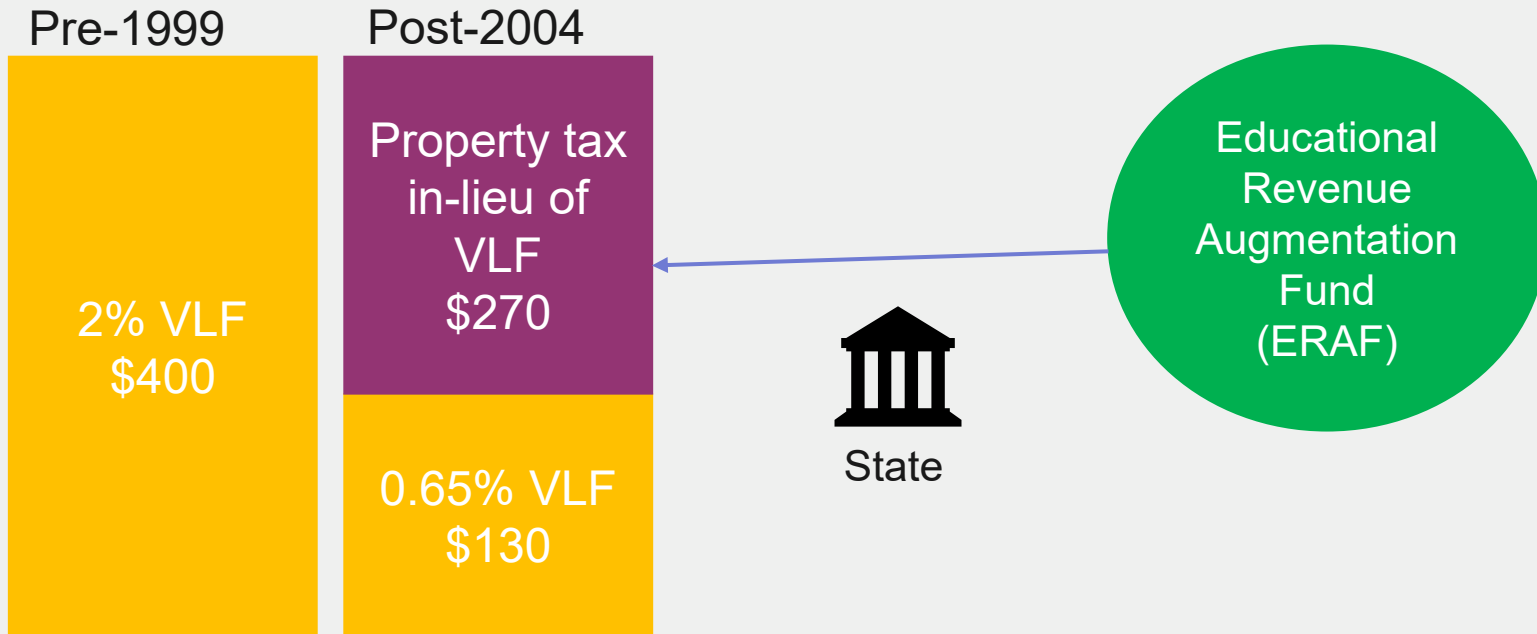


Vehicle License Fee



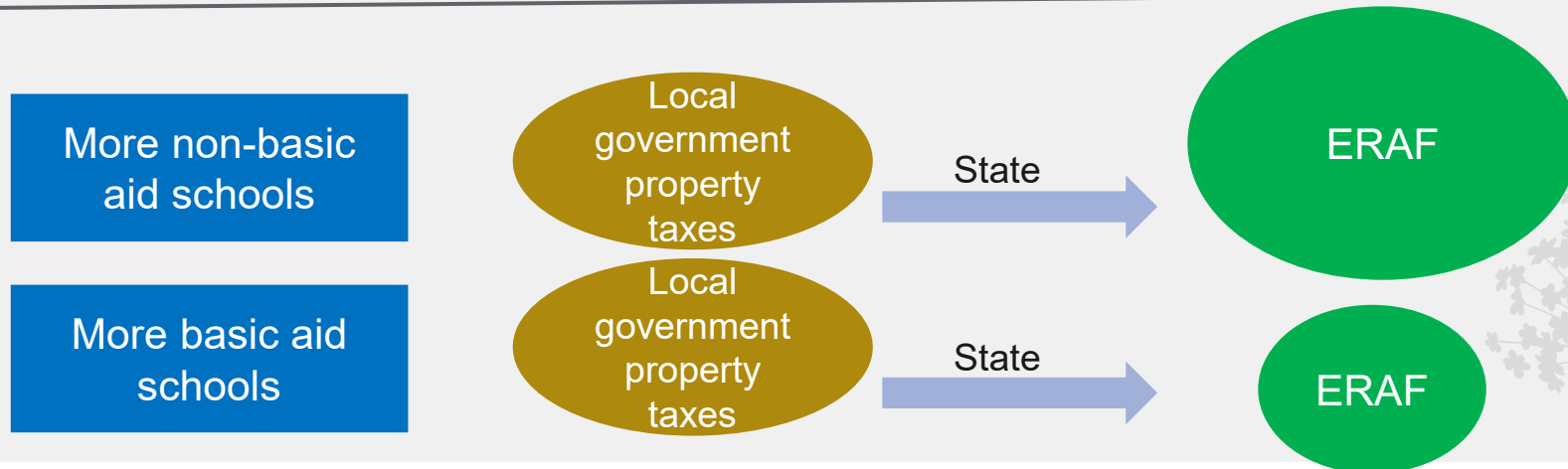
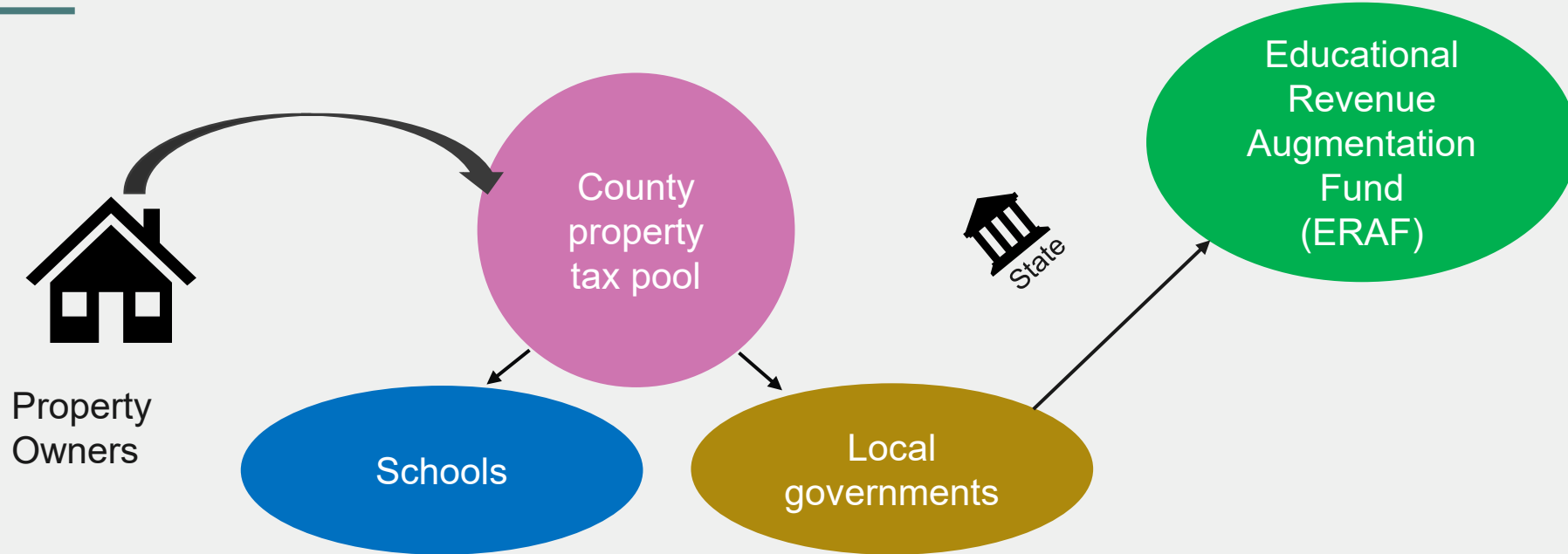
Vehicle License Fee (VLF) – Overview

 Assume \$20,000





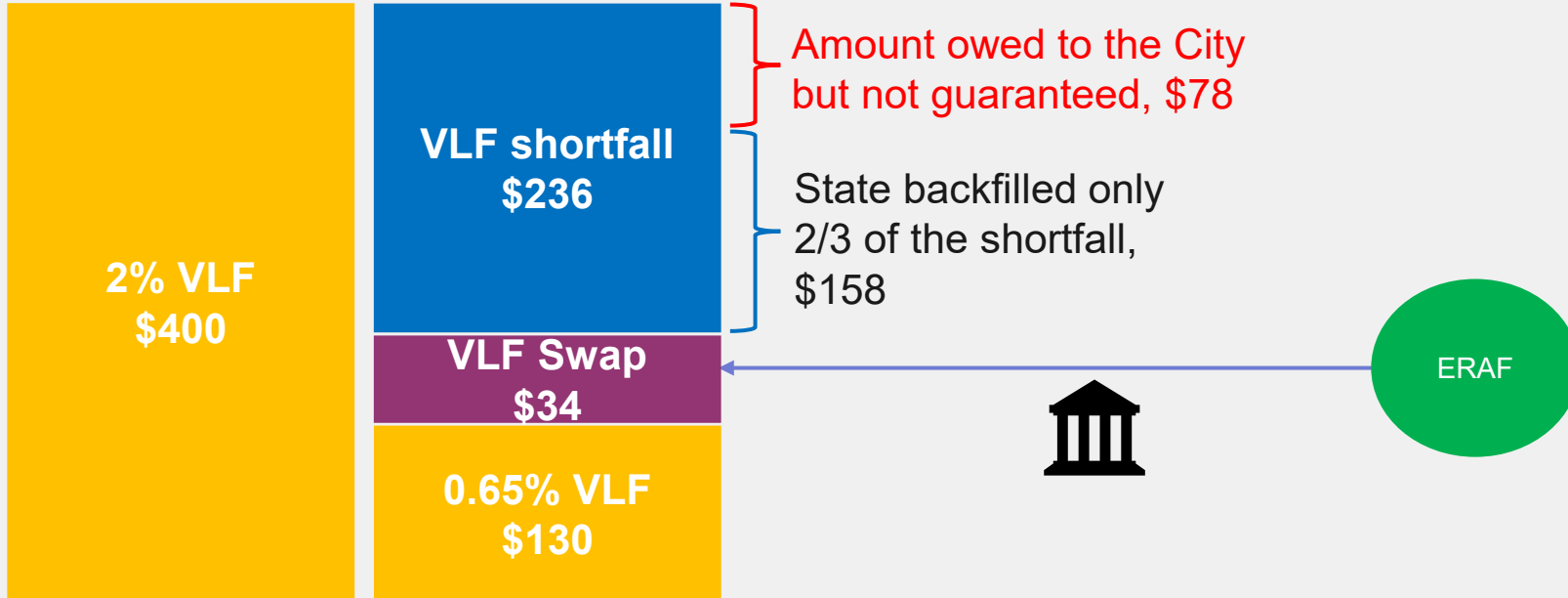
ERAF – Overview



Vehicle License Fee – Shortfall

 Assume \$20,000 value and 59% VLF shortfall

Pre-1999





Vehicle License Fee – Shortfall

- \$3.8 million VLF revenue shortfall across fiscal year 2023-24 and 2024-25
- No VLF backfill proposed for FY 2024–25 in the Governor’s FY 2026–27 budget, despite \$2 million assumed in our fiscal year 2026-27 budget
- City needs to revise its VLF assumption to assume no backfill in fiscal year 2026-27 budget cycle
- Budget reductions required to address the shortfall
- Recommend pausing the community funding program





Other Financial Challenges



Capital Improvement Plan (CIP) – Appropriation alignment

- Several CIP funds, including the General CIP, Measure A and Transportation Impact Fee funds, have appropriations exceeding available fund balances, resulting in projected negative balances
- Staff is reviewing projects to better align planned expenditures with available funding
- Further details will be provided at the CIP study session in May





Funding for vehicles and equipment

- Vehicle Replacement Internal Service Fund (ISF) contributions paused as part of budget strategy for the current fiscal year
- Vehicle ISF contributions were based on short-term replacement estimates rather than a full lifecycle replacement schedule
- Recent vehicle purchases will deplete fund balance
- Need for a right-sized fleet replacement plan with a sustainable funding strategy to rebuild reserves and follow a multi-year replacement schedule

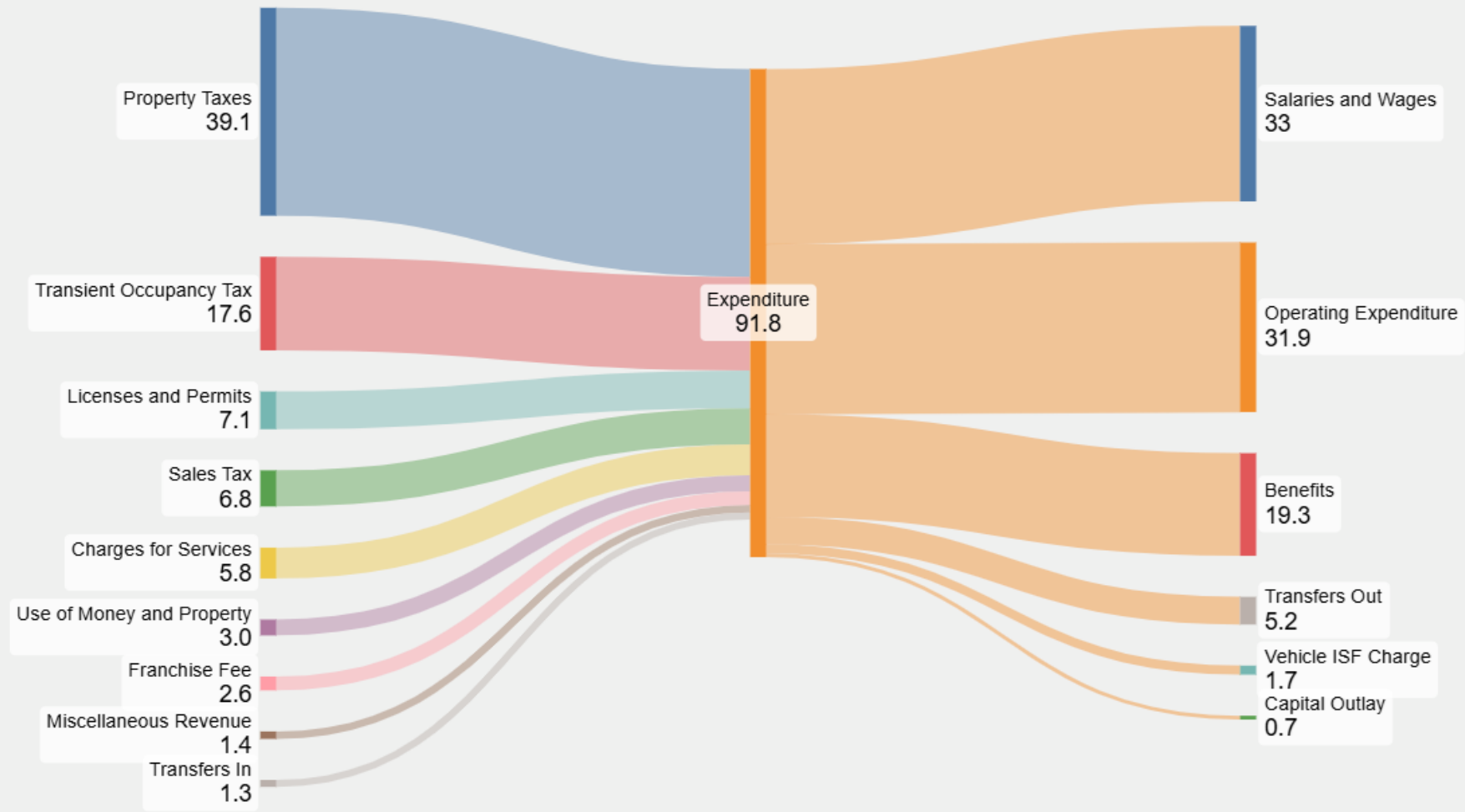




Preliminary General Fund Five Year Forecast



Fiscal Year 2026-27 – Revenue and expenditure





Revenue forecast assumptions

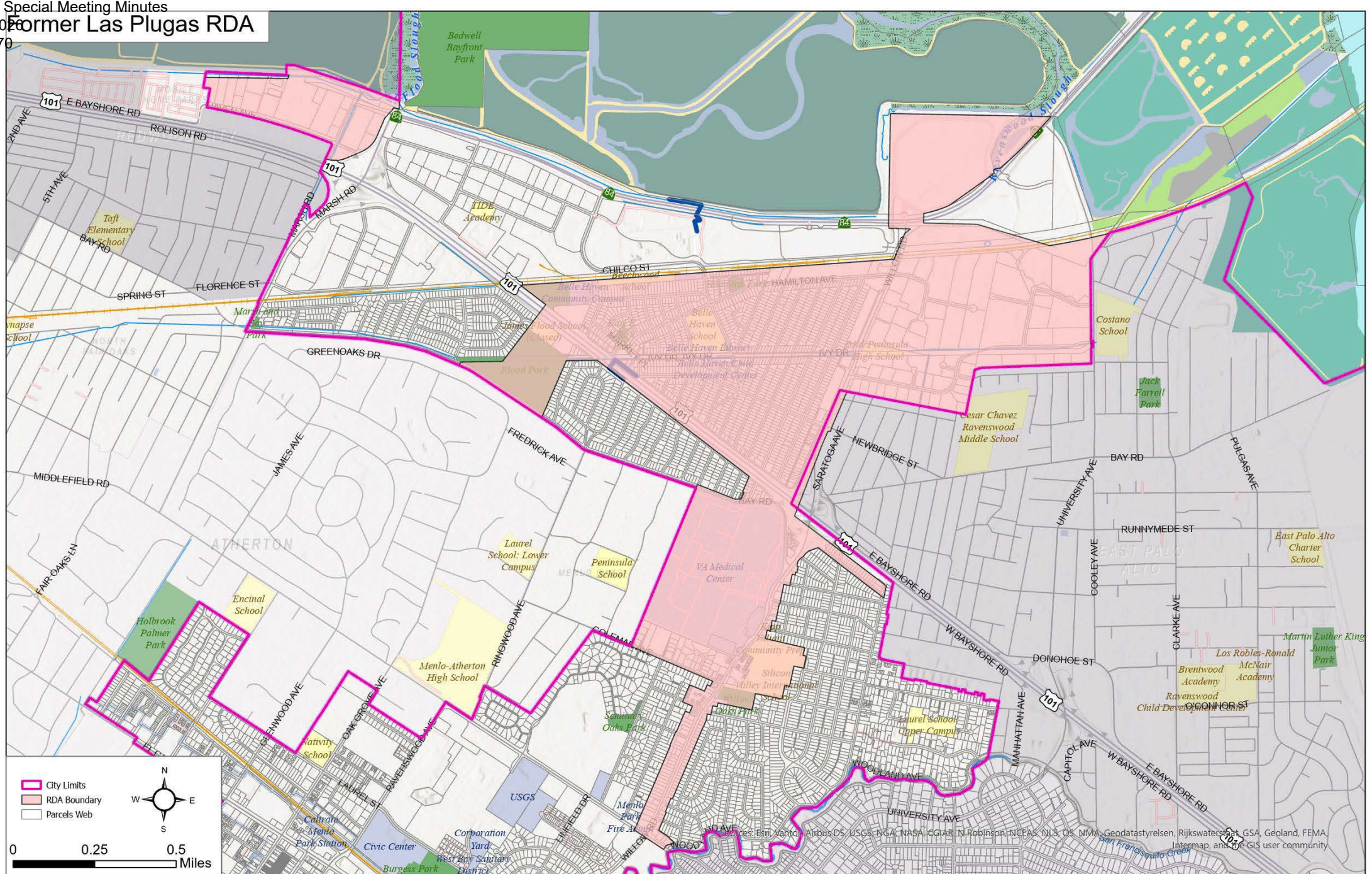
- Property tax and sales tax projections based on consultant reports
- Fee-related revenue and enterprise overhead based on the current fee schedule, subject to change with the new cost of service study
- \$1M annual transfer from Developer Special Revenue Fund (Fund 111) through FY 2030-31, with reevaluation planned in FY 2029-30
- VLF shortfall projected based on prior-year County estimates and assumed 2/3 state backfill
- Successor agency debt is paid off by Dec. 31, 2029



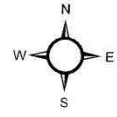


Redevelopment Agency (RDA)

- RDAs used tax increment financing; property owners always paid the same 1% under Proposition 13
- RDAs dissolved in 2012; successor agencies only retire existing obligations
- Tax increment flows through Redevelopment Property Tax Trust Fund (RPTTF) to pay debts; remaining funds distributed to local agencies
- Menlo Park currently receives ~\$2.7M annually in passthrough; normal apportionment resumes after 2029 obligations paid
- Estimated additional revenue to City after successor agency payoff: ~\$900K/year



City Limits
 RDA Boundary
 Parcels Web



N
W E
S

0 0.25 0.5
 Miles

Map data sources: Esri, DeLorme, Intermap, and the GIS user community



Expenditure forecast assumptions

- Vacancy factor at 10% in fiscal year 2026-27, decreasing 2% annually until holding steady at 6%
- Personnel costs increase 3% annually

New assumptions:

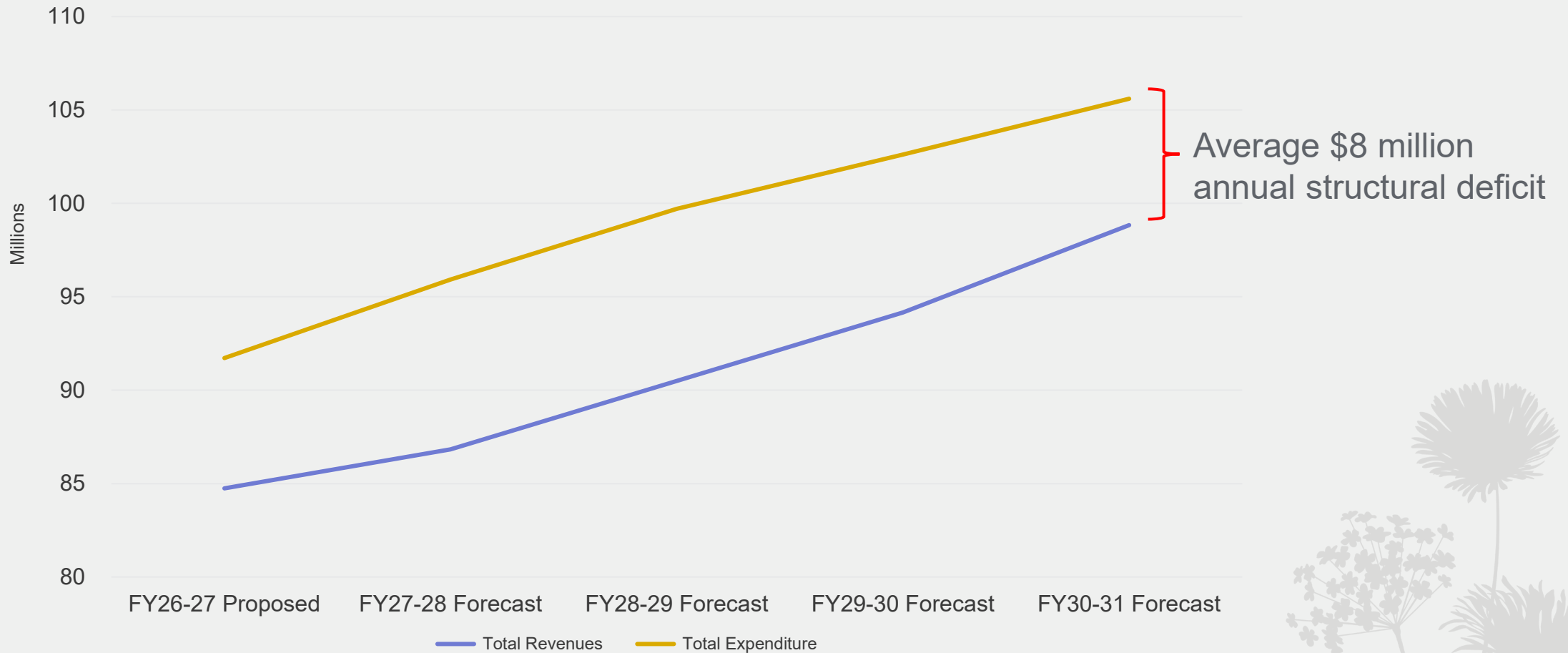
- Eliminated the operating factor to align with best practices and improve budget transparency, addressing issues identified at mid-year
- \$1.7 million contribution towards Vehicle ISF
- General Fund contribution to General CIP remains flat year over year





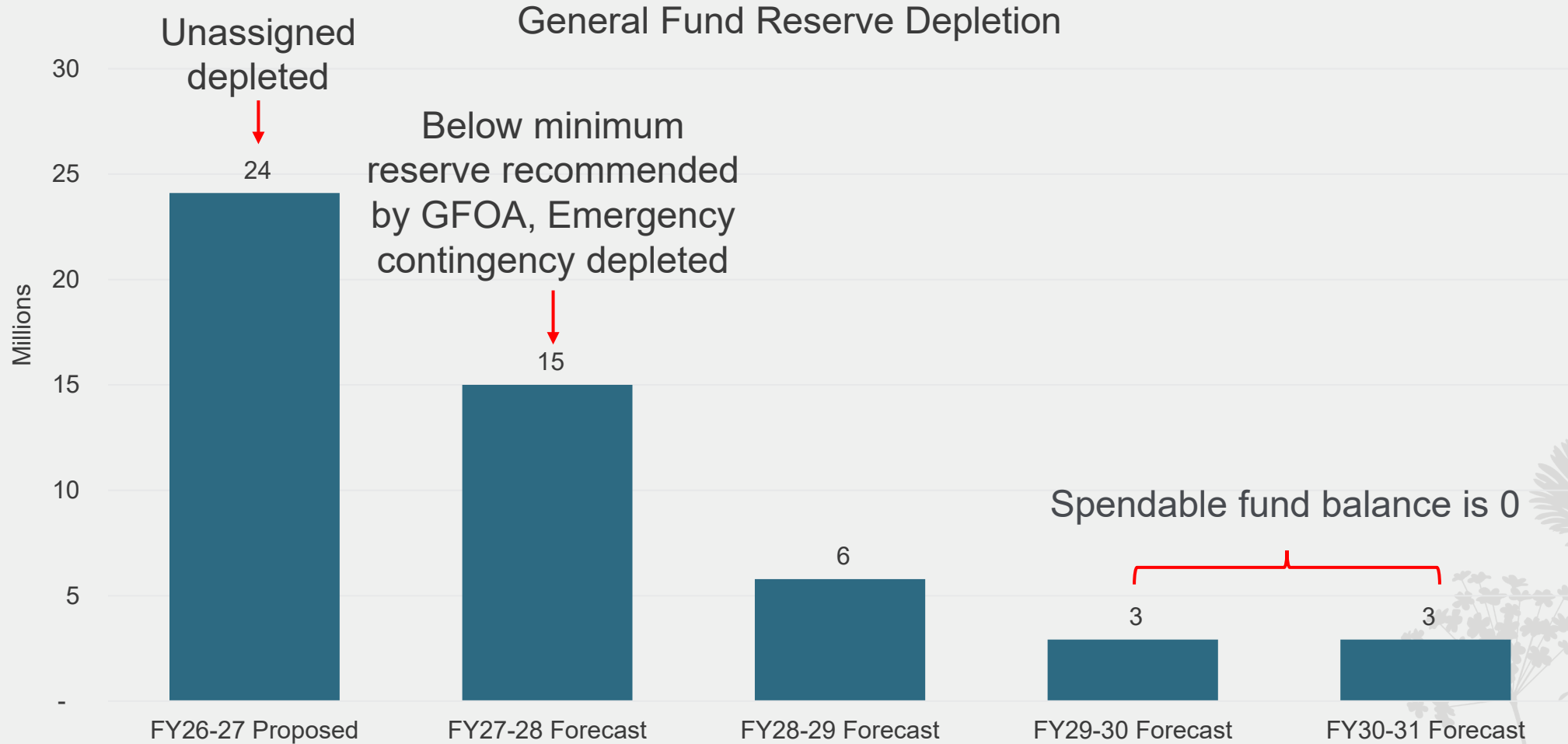
Structural deficit (no additional budget strategies)

Base Scenario





Fund balance forecast

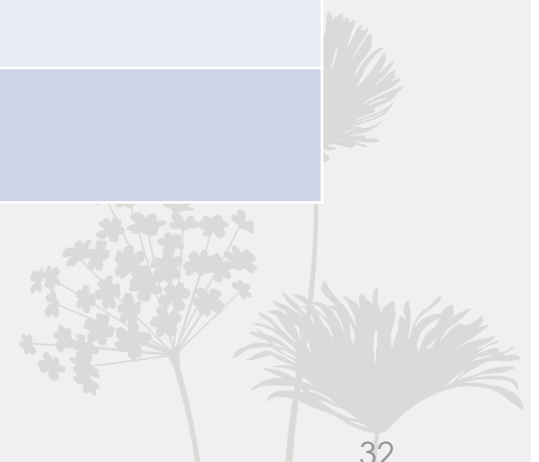




General Fund Reserve Policy

Reserve Category	Reserve Policy %	Required Reserve Level as of 6/30/2025	Available Reserve as of 6/30/2025	Over/(Short)
Emergency contingency reserve	15-20% of General Fund operating budget	12.6	10.4	(2.2)
Economic stabilization reserve	20-25% General Fund operating budget	16.8	13.9	(2.9)
Strategic pension reserve	25% of surplus		0.7	

- Menlo Park currently holds a AAA credit rating from Moody's and Fitch





Budget Balancing Strategies



Recommendations

- Update fees and overhead allocation per cost of services study and align with cost recovery policy
- Implement efforts for improved business license compliance
- Reduce department operating budgets to better align with available funding
- Targeted position hiring
- Explore future revenue-generating measures





Cost of Services Study

- No CPI adjustments for fees in last seven years, resulting in a growing gap between service costs and revenue
- Study session on March 24
- Master fee schedule public notice to be published on April 10
- Public hearing on April 28





Recommendations for Fiscal Year 2026-27

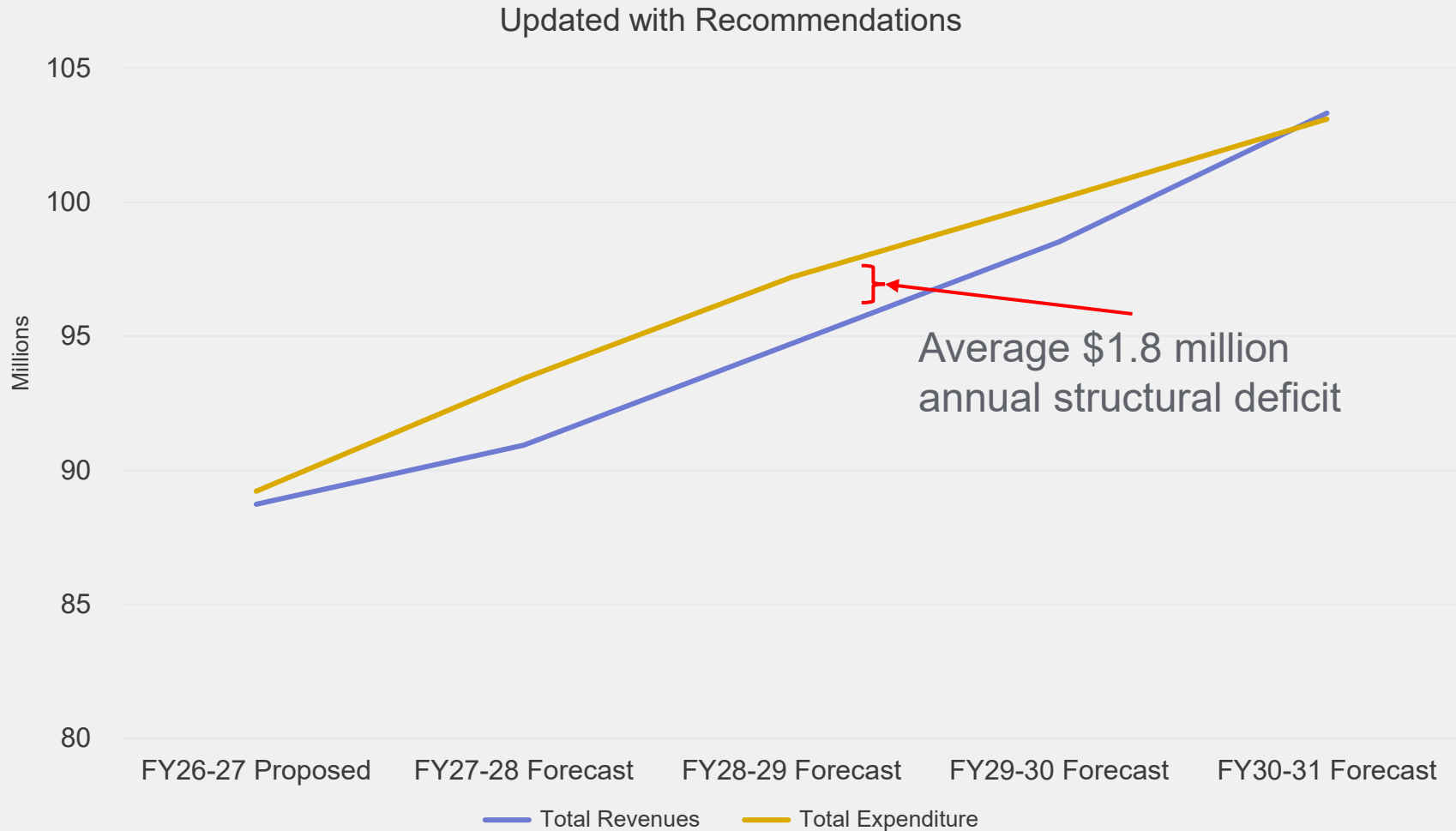
- These recommendations help reduce the projected General Fund deficit
- All amounts are estimated based on current assumptions

	Surplus/(Deficit)
Fiscal year 2026-27 projection	(6,975,652)
Update Master Fee Schedule based on new cost of services study	3,500,000
Reduce department budgets	1,500,000
Reduce General Fund transfer to capital projects	1,000,000
Incorporate cost allocation plan overhead charges into the Water Operation Fund	350,000
Improve business license compliance	140,000
New Deficit	(485,652)





Structural deficit (with recommendations)





Business License Tax

- Business License Tax structure unchanged since 1978
- Cities in San Mateo other nearby cities have recently passed Business License Tax measures successfully

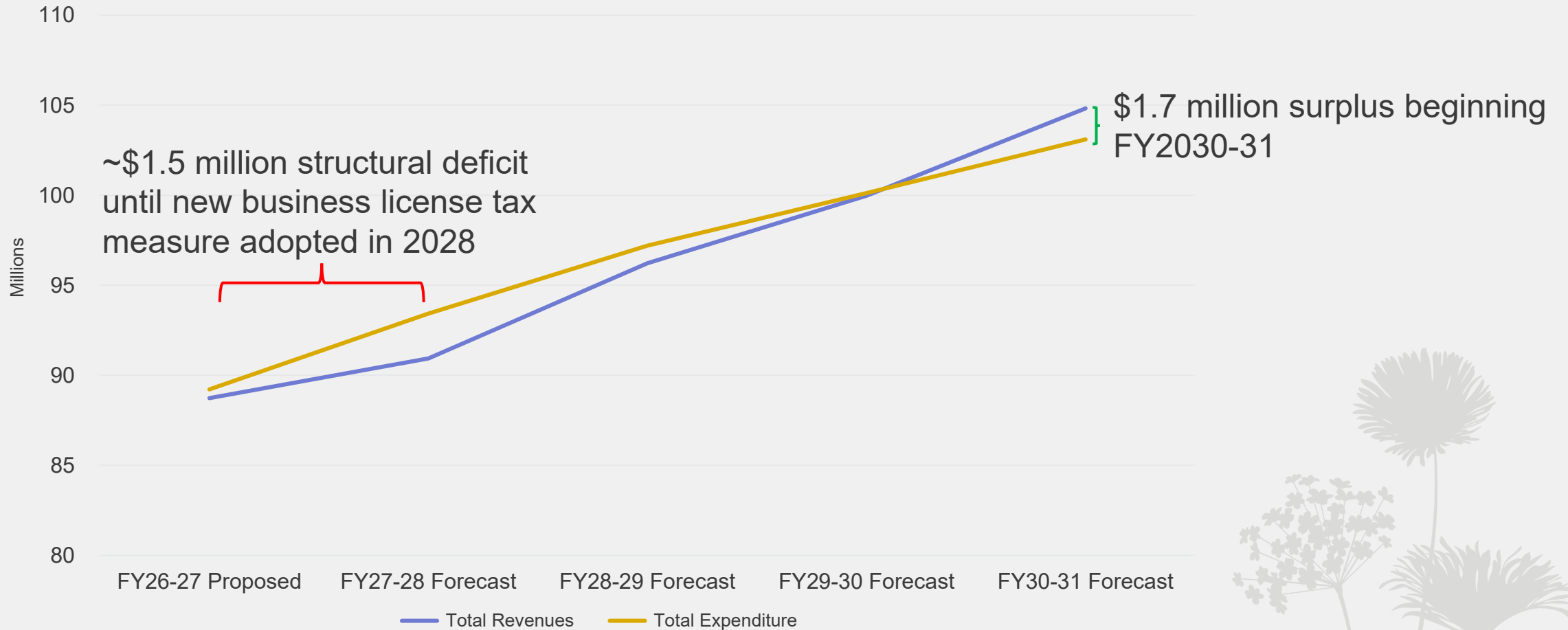
City	Measure passed	Projected revenue
Foster City	Measure V, 2024	~\$2M
Redwood City	Measure BB, 2024	~\$3M
South San Francisco	Measure W, 2024	~\$2M
Union City	Measure QQ, 2024	~\$2M
Santa Clara	Measure H, 2022	~\$6M





Structural Deficit (with Business License Tax)

Recommendations and Business License Tax





Other revenue generating measures

- Half cent sales tax measure
- Utility user tax (reauthorization)
- Special parcel tax
- Debt issuance for infrastructure projects





Next Steps



Next steps

- Budget principles April 14
- Public budget workshop May 28
- Public hearing June 9
- Budget adoption June 23



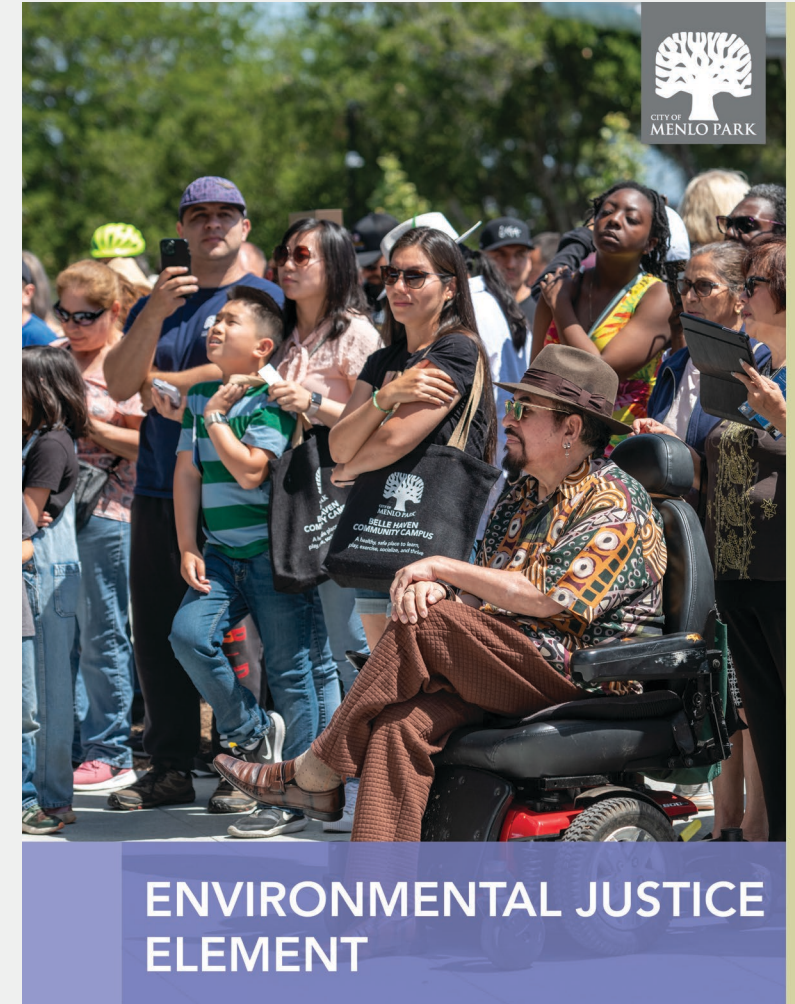


Environmental Justice (EJ) Element

Rachael Londer, Sustainability Manager

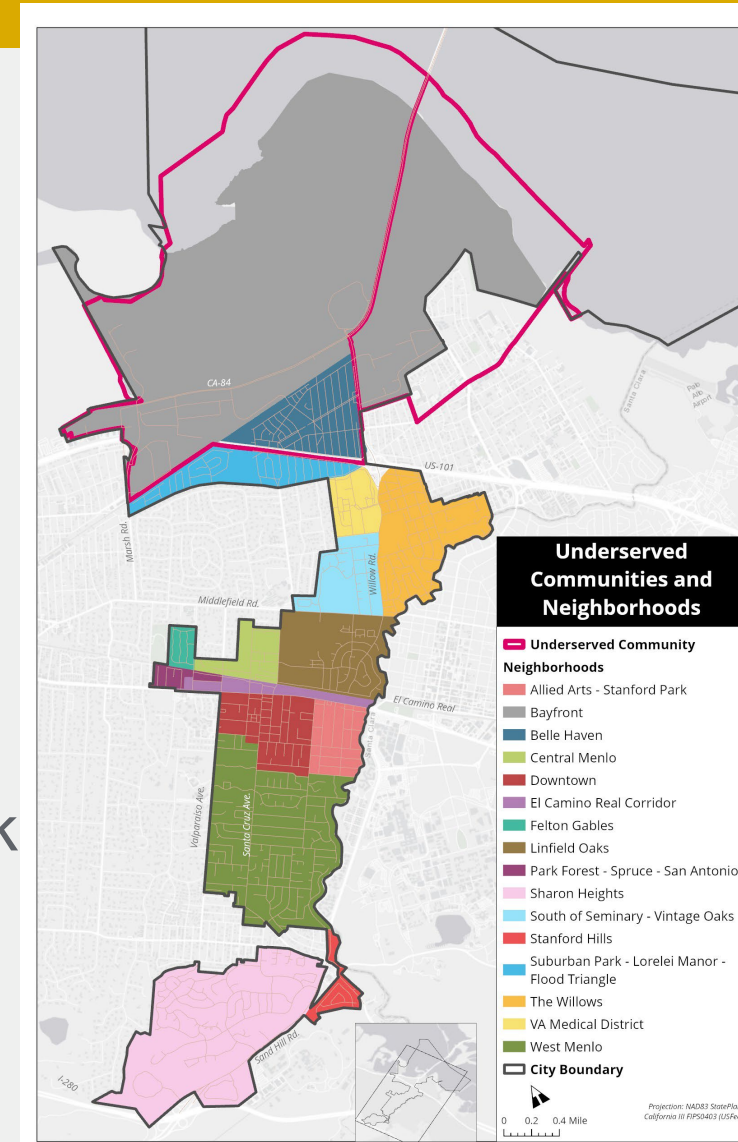
EJ Element – Agenda

- Background
- Community-identified priorities
- Fiscal year 2025-26 highlights
- Implementation plans for fiscal year 2026-27
- *Program EJ7.L: The City Council shall consider the community-identified environmental justice priorities during its annual priority and goal setting workshop.*



Background

- Sept. 2024: Adopted first General Plan EJ Element focused on the Belle Haven and Bayfront neighborhoods
- The EJ Element:
 - Identified underserved communities
 - Undertook extensive outreach
 - Developed a policy and reporting framework to address EJ needs (Action Guide)
 - Seeks to address/improve social determinants of health



Community-identified priorities

Priority #1:

Provide safe, sanitary, and stable homes

Priority #2:

Promote access to high quality and affordable food

Priority #3:

Reduce pollution exposure and improve air quality



Community members enjoying a meal at the Black Liberation Month Celebration, Feb. 7

Implementation approach

- Collaborate across City departments with support from community-based organizations
- Provide annual progress report – Planning Commission and City Council
- Scope funding opportunities for priority programs and actions



City staff, May 2025



Webpage: menlopark.gov/EJElement

Environmental Justice (EJ) Element

In 2024, following three years of community outreach and engagement with a focus on meeting people where they are and empowering the voices of Menlo Park's underserved Belle Haven and Bayfront communities, the City of Menlo Park adopted its first General Plan Environmental Justice (EJ) Element.

Through an inclusive, intentional, and equitable planning process with over 15 outreach and engagement events, and additional digital outreaches over a span of three years, the Menlo Park community together created an action-oriented plan that is intended to evolve with and for the community over time.

The community identified three top priorities for advancing EJ: Priority #1: Provide Safe, Sanitary, and Stable Homes; Priority #2: Promote Access to High Quality and Affordable Food; and Priority #3: Reduce Pollution Exposure and Improve Air Quality. The City looks forward to continually engaging and working with the community to implement the community-identified priorities and actions, which better positions Menlo Park for a stronger, more resilient, and equitable future.



ENVIRONMENTAL JUSTICE ELEMENT

[Click here to view the Environmental Justice Element](#)

Click on the priority tiles below to learn more about highlighted goals, policies, programs, and action items to advance EJ, described below:

- **Goals:** Broad actions to pursue to work toward EJ
- **Policies:** Focused principles to guide decision-making
- **Programs:** Precise steps to further policies and goals
- **Action Items:** Additional details from community-based feedback on preferred methods to fulfill programs

Priority 1: Provide safe, sanitary, and stable homes

EJ Element Goal 5

Priority 2: Promote access to high quality and affordable food

EJ Element Goal 4

Priority 3: Reduce pollution exposure and improve air quality

EJ Element Goal 2

Click on the priority tiles below to learn more about highlighted goals, policies, programs, and action items to advance EJ, described below:

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- **Policies:** Focused principles to guide decision-making
- **Programs:** Precise steps to further policies and goals
- **Action Items:** Additional details from community-based feedback on preferred methods to fulfill programs

Priority 1: Provide safe, sanitary, and stable homes

EJ Element Goal 5

Priority 2: Promote access to high quality and affordable food

EJ Element Goal 4

Priority 3: Reduce pollution exposure and improve air quality

EJ Element Goal 2

See the EJ Element Action Guide drop down menu below for the full matrix of all EJ Element goals, policies, programs, and action items.

What is Environmental Justice? +

EJ Element Action Guide +

Project History +

Contact us +

Fiscal year 2025-26 highlights

- Continuing development of the Anti-Displacement Strategy
- Hosting outreach events with housing resources
- Collaborating with nonprofits and supporting veterans
- Planting trees and contracting with non-profit tree planting partner



Students at Beechwood Elementary School plant trees alongside the Mayor in honor of Arbor Day, April 26



Fiscal year 2025-26 highlights

- Implementing the Climate Action Plan with air quality education and outreach
- Providing equitable access to Belle Haven Community Campus (BHCC) programs
- Meeting people where they are with City Council and Commission meetings at the BHCC
- Offering interpretation for City Council meetings



Home Upgrade Services Program workshop hosted in Spanish



Looking forward: Provide safe, sanitary, and stable homes

- Present an Anti-Displacement Strategy
- Host a housing and neighborhood resource fair May 16
- Construction expected to begin for school district employee rental housing project at 320 Sheridan Dr.
- Construction expected to begin on low-income homeownership project at 335 Pierce Rd.



Housing resource fair, 2024



Habitat for Humanity volunteer day at 335 Pierce Rd., Oct. 2025

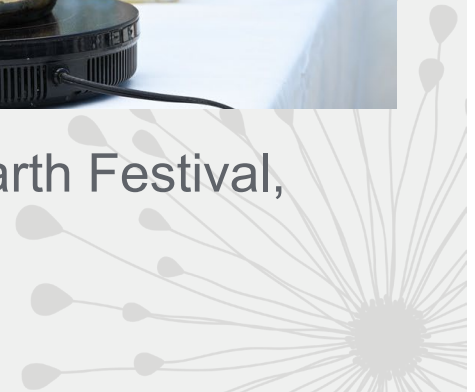
Looking forward: Promote access to high quality and affordable food



- Evaluate the Environmental Quality Commission's recommendations
- Neighborhood services manager position could support outreach regarding food assistance programs



Nutrition education at Love Our Earth Festival,
2023



Looking forward: Reduce pollution exposure & improve indoor air quality



- Implement the City's Climate Action Plan
- Collaborate with partners for electrification
- Electrify the Belle Haven Child Development Center
- Plant trees while continuing to pursue an urban forest management plan



Belle Haven Community Development Fund team speaking at the Menlo Park Senior Center lunch and learn, Jan. 2026

Next steps

- Annual progress report review
 - March 23, Planning Commission
 - March 24, City Council
- Feedback on EJ priority 2: promote access to high quality and affordable food



Home electrification workshop hosted in partnership with Climate Resilient Communities and Peninsula Clean Energy, Jan. 30, 2026



City Council Priority Setting Workshop

The City Council will return after a brief 15 minute recess.



Community Input

Community input summary

- 361 responses to online feedback form
- 157 (43%) support current priorities, 184 (51%) indicate current priorities do not still apply
- Additional support for top priorities:
 - Downtown vibrancy: 87
 - Emergency and disaster preparedness: 18
 - Safe routes: 17
 - Housing: 11
 - Climate action – mitigation, adaptation, and resilience: 8
- Additional topics mentioned by respondents
 - Crime prevention (cameras/ALPRs, patrols, burglary prevention): 87
 - Ceasing downtown affordable housing project: 66
 - Revisiting high density housing sites: 54



Community input analysis

Community input analysis		No. of respondents
Topic		
1	Downtown vibrancy	244
2	Emergency and disaster preparedness	175
3	Safe routes	174
4	Housing	171
5	Climate action - mitigation, adaptation and resilience	165
6	Public safety	112
	crime prevention (cameras/ALPRS, patrols, burglary prevention)	87
	traffic enforcement (e-bike and vehicle)	14
	ICE/CBP restrictions and community protections	11
	terminate use of Flock cameras	10
7	cease downtown redevelopment/housing	66
8	revisit high-density housing sites	54
9	Dumbarton rail bus line (SamTrans)	30
10	pickleball (additional/permanent/maintenance/upgrades)	22
11	maintenance of trees, trails, parks, greenspace/fields, tennis/pickleball courts	19
12	transportation/traffic mitigations (flow, access, routes, public transit)	18
13	main library improvements and increased hours	15
14	infrastructure maintenance and repair	13



Public Comment



Priority Setting for Fiscal Year 2026-27



Overview of priority setting

- Select top four to five priorities
- Acknowledge City operations and delivery of basic services is the primary focus for majority of City staff
- Elevate top priorities in City communications to tell our story as a community
- Use top priorities to inform budget development and create a City Council priorities work plan
- Ensure ongoing transparency and reporting on progress



Current fiscal year 2025-26 priorities

- Climate action – mitigation, adaptation, resilience
- Downtown vibrancy
- Emergency and disaster preparedness
- Housing
- Safe routes

Website: menlopark.gov/priorities



Bike rack items from 2025

- City workforce – staffing, vacancies and retention
- Economic development support citywide
- Overall communications/engagement
- Parking enforcement throughout the city (downtown, overnight, etc.)
- Services to support youth and youth engagement
- Substandard lots requirements
- Traffic enforcement throughout the city
- Use of union labor in development projects



City Council discussion: Fiscal year 2026-27 priorities

- Do current priorities still apply?
- Should any priority be removed?
- Should a new priority be added?



Menlo Park Centennial

Judi A. Herren, Assistant to the City Manager/ City Clerk



Centennial 2027 planning

- Centennial activities integrated into existing City events
 - December 2026 – November 2027
 - Seven events throughout the year
- Collaboration with community partners
 - Menlo Park Historical Association
 - Local businesses
 - Community groups
- Centennial event in November 2027
- Additional details will be provided in August



Next steps

- Final workshop report
- Fiscal year 2026-27 work plan
- Fiscal year 2026-27 budget development based on top priorities and EJ Element
- Menlo Park priorities webpage





Thank you!