



SPECIAL MEETING MINUTES

Date: 3/24/2026
Time: 5:30 p.m.
Locations: Teleconference and
Belle Haven Community Campus
100 Terminal Ave., Menlo Park, CA 94025

Special Session

A. Call To Order

Mayor Nash called the meeting to order at 5:40 p.m.

B. Roll Call

Present: Combs, Nash, Schmidt, Taylor, Wise
Absent: None
Staff: City Manager Justin Murphy (arrived at 5:41 p.m.), Assistant City Manager Stephen Stolte (arrived at 5:50 p.m.), City Attorney Nira Doherty, Assistant to the City Manager/ City Clerk Judi A. Herren

C. Closed Session

C1. Conference with legal counsel – anticipated litigation (Paragraph (2) of subdivision (d) of Gov. Code § 54956.9) Significant exposure to litigation: One case

Regular Session

D. Call To Order

Mayor Nash re-called the meeting to order at 6:54 p.m.

E. Report from Closed Session

No reportable action.

F. Agenda Review

Staff to provide an update on item I3.

G. Public Comment

- Scott Herscher spoke in support of removing Automatic License Plate Reader (ALPR) cameras.
- Teresa Fernandez spoke in support of the improvements to the Belle Haven Community Campus (BHCC) senior activities, programs and luncheons.
- Patty Barrera spoke in support of the improvements to the BHCC senior activities, programs and luncheons.
- Brittany B. Goodwin spoke in support of the implementation of the Food Systems Subcommittee

recommendations.

- Pam D. Jones spoke in support of the floor modifications to the main hall at BHCC.
- Glafira Garcia spoke in support of training staff to work with seniors.
- Jane Perry stated that the community treats each other with respect.

H. Presentations and Proclamations

H1. Proclamation: Autism Acceptance Month (Attachment)

Mayor Nash introduced the proclamation.

Ravenswood City School District Executive Director of Education Services Clare Chandler accepted the proclamation (Attachment).

H2. Proclamation: National Poetry Month (Attachment)

Mayor Nash introduced the proclamation.

Library Foundation representative Monica Corman accepted the proclamation (Attachment).

H3. Proclamation: National Library Week (Attachment)

Mayor Nash introduced the proclamation.

Friends of the Library representative Carrie Bildstein accepted the proclamation (Attachment).

I. Consent Calendar

I1. Accept the City Council meeting minutes for February 24, 2026 (Attachment)

I2. Award a construction contract to VSS International Inc. for the 2026 Street Slurry project (Staff Report #26-039-CC)

I3. Receive and file City Council and advisory body annual attendance report for March 2025 – February 2026 (Staff Report #26-040-CC)

City staff provided an update to the City Council attendance.

I4. Authorize the city manager to execute agreements with Nile Networks for Zero Trust Network Access equipment and related services and with Armature Systems for project implementation and professional support services (Staff Report #26-042-CC)

- Miyko Harris-Parker spoke in support of IT (information technology) upgrades and requested the addition of translation services to the city website.

I5. Authorize the city manager to execute agreements with Ring Central, Inc. for Unified Communications as a Service (UCaaS) phone services and with Packet Fusion, Inc. for professional services (Staff Report #26-043-CC)

I6. Consider and adopt a resolution to authorize the city manager to execute all documents necessary

to complete the acquisition of 975 Florence Ln., Unit 8, Menlo Park, CA 94025 and approve the appropriation of below market rate housing funds not to exceed \$408,949 to purchase and retain the property in the below market rate housing program (Staff Report #26-044-CC)

ACTION: Motion and second (Taylor/ Wise), to approve the consent calendar, passed unanimously.

J. Regular Business

- J1. Consider and adopt a resolution accepting the 2025 General Plan Annual Progress Report, including the Housing Element and Environmental Justice Element, and annual housing successor report (Staff Report #26-041-CC) (Informe de Personal #26-041-CC)

Principal Planner Tom Smith made the presentation (Attachment).

- Cade Cannedy requested information on available funds and new funding opportunities in future reports.
- Brittany B. Goodwin spoke in support of renter protections.
- Pam D. Jones spoke on including the cause of displacement in the anti-displacement policy.
- Adina Levin spoke in support of anti-displacement measures.
- Jocelyn Anaya Galvan spoke in support of safe and sanitary housing, anti-displacement measures and the adoption of Building Code revisions.

The City Council received clarification on including the budget for Environmental Justice programs listed in the General Plan Annual Progress Report (APR), the San Mateo County multi-city affordable housing Grand Nexus study, anti-displacement policy timelines and potential Neighborhood Services Manager position.

The City Council discussed displacement and causes within the community, discriminatory landlords, food access and community gardens, options to summarize and improve readability of subsequent annual progress reports, communication of affordable housing and Housing Element progress updates in more frequent intervals.

The City Council discussed creating a community resource guide focused on food access, regular communication of affordable housing and Housing Element progress updates.

ACTION: Motion and second (Schmidt/ Taylor), to adopt a resolution accepting the 2025 General Plan APR, which includes the Housing Element and Environmental Justice Element, and the annual housing successor report, passed unanimously.

K. Study Session

- K1. Provide direction on possibilities for providing programming at the Belle Haven Pool (Staff Report #26-045-CC)

Assistant Library and Community Services Director Nick Szegda made the presentation (Attachment).

- Meredith Rohr provided additional pool programs for consideration (Attachment).
- Brittany B. Goodwin spoke in support of a publicly owned and operated pool.
- Pam D. Jones spoke on the need to understand the pool's model as community vs. for-profit

and requested a chart of pool downtime.

- Miyko Harris-Parker spoke on the need of pool access and communication to the community.
- Jane Perry spoke on concerns that community needs are not being met and requested clarification on the costs of the pool.
- Nina Wouk requested pool information to be more accessible on the city website.

The City Council received clarification on the cost share model, pool hours, maintenance and equipment issue closures, communication and outreach, community working groups, estimated pool downtime for staff managed pool services, lifeguard staffing needs and financial constraints.

The City Council discussed defining the pool model, operator cost share for pool hours, city budget and funding, other programming options, separating safety and certified pool operator (CPO) from the programming and program revenues.

The City Council directed staff to explore options with operator on shifting the pool hours, improving programming and improving communications.

K2. Provide direction on cost of services study cost recovery policy (Staff Report #26-046-CC)

Assistant Administrative Services Director Fenny Lei and Government Consulting Partners Inc. Director Cindy Sconce made the presentation (Attachment).

The City Council received clarification on the methodology and time-spent analysis metric, rec in-lieu fees, water cost of service fees vs. water rates, credit card convenience fee, heritage tree appeal fee, grant offsets and timeline.

The City Council discussed the planning appeal fees and cost recovery, fee waiver practices, budget impacts from approving or not approving updated fees, percentage cap increases across the board, raising fees versus decreasing level of services and phasing some fee increases.

ACTION: By acclamation, the City Council extended the meeting past 11 p.m.

The City Council directed staff to compare the proposed fees versus the current fees, consider the flat dollar amount increases versus the percentages, and provide potential service level reductions.

L. Informational Items

L1. City Council agenda topics: April 2026 (Staff Report #26-047-CC)

L2. Communitywide electrification project grant spenddown progress report (Staff Report #26-048-CC)

M. City Manager Report

City Manager Murphy reported out on the March 28 Community Resource Fair and the April 4 Egg Hunt and Spring Festival.

N. City Councilmember Reports

N1. City Councilmember Schmidt report (Attachment)

City Councilmember Schmidt reported out on the Commute.org Commuter Challenge.

Mayor Nash reported out on the Bay Area Water Supply and Conservation Agency (BAWSCA), Resource Management and Climate Protection Committee meetings and the Atherton/Menlo Park Ramadan Iftar dinner.

O. Adjournment

Mayor Nash adjourned the meeting at 11:25 p.m.

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

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

Proclamation

AUTISM ACCEPTANCE MONTH APRIL 2026

WHEREAS, Autism Spectrum Disorder (ASD), a complex, lifelong developmental condition, is the fastest-growing developmental disability in the United States, impacting a vast majority of Americans either through relationships or direct experience; and

WHEREAS, support needs across the autism spectrum are vastly diverse and each individual with autism experiences it differently, but together, autistic people make industries, communities, and our nation stronger; and

WHEREAS, despite this, autistic people continue to face obstacles when seeking employment, health care, education and housing, and the immense contributions of people with autism are often overlooked; and

WHEREAS, Autism Acceptance Month not only honors the contributions of people on the autism spectrum and the autism community to our nation and the world, but also calls on all of us to work together toward fostering greater awareness, understanding and inclusion, thus creating a world where everyone in the autism community is connected to the support they need, when they need it; and

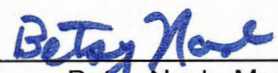
WHEREAS, autism acceptance means respecting the rights and humanity of all autistic people, centering the perspectives and needs of autistic people with intellectual disabilities, non-speaking autistic people, and autistic people with the highest support needs — not by speaking over them, but by listening and looking to them as leaders; and

WHEREAS, autism acceptance also means recognizing the ways ableism and racism interact in our society, following the leadership of autistic people of color, and making anti-racism a core part of the work that we all must do to promote safety and acceptance for every member of our community; and

WHEREAS, we must move beyond acceptance — to representation, celebration, and liberation, learning more about the experiences of autistic people from autistic people, and building more welcoming and inclusive communities to support people with autism; and

NOW, THEREFORE, BE IT PROCLAIMED, that I, Betsy Nash, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim and celebrate April 2026 as Autism Acceptance Month in Menlo Park.




Betsy Nash, Mayor
March 24, 2026

Proclamation

RECOGNIZING NATIONAL POETRY MONTH – APRIL 2026

WHEREAS, launched by the Academy of American Poets in April 1996, National Poetry Month is a special occasion that celebrates poets' integral role in our culture and in our lives; and

WHEREAS, National Poetry Month highlights the legacy and ongoing achievement of American poets, celebrates the pleasures and benefits of reading poetry and calls attention to the important role poetry plays in literacy and education; and

WHEREAS, poetry takes many forms, from traditional rhymed stanzas to spoken word performances, from folk song lyrics to hip-hop verses and many other modes; and

WHEREAS, poetry has produced some of our nation's leading creative artists and has inspired other artists in fields such as music, theater, film, dance and the visual arts; and

WHEREAS, poetry is an essential part of arts and humanities education, literary and creative expression, community pride and development; and


WHEREAS, the City of Menlo Park celebrates youth creative expression and recognizes the important role poetry plays in inspiring our youth and creating a vibrant community; and

WHEREAS, in April, the Menlo Park Library is hosting many poetry month events, including an April 7 Poetry Night event, hosted by local poet Charlotte Muse; and

WHEREAS, starting April 1, the Menlo Park Library and Menlo Park Library Foundation are accepting submissions for the Annual Youth Poetry Voices Exhibition, for which there will be a reception and City Council presentation on May 12; and

NOW, THEREFORE, BE IT PROCLAIMED, that I, Betsy Nash, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim and celebrate April 2026 as National Poetry Month in Menlo Park.





Betsy Nash, Mayor
March 24, 2026

Proclamation

NATIONAL LIBRARY WEEK 2026

WHEREAS, National Library Week is an annual celebration highlighting the valuable role libraries, librarians and library workers play in strengthening our communities and transforming lives; and

WHEREAS, this year's theme, "Find Your Joy," is an invitation for people of all backgrounds to explore and discover what sparks joy in them at the library; and

WHEREAS, the City of Menlo Park Library, through its brick-and-mortar two locations at 800 Alma Street and 100 Terminal Avenue and a wide range of online resources, inspires creativity and brings together people of all ages and walks of life, from young families seeking educational play and storytime, to teens hanging out together in an enriching and safe environment after school; from seniors seeking technology help and lifelong learning to entrepreneurs sketching out their next project; the library helps us connect the dots from one part of our journey to the next; and

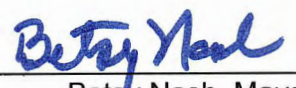
WHEREAS, the City of Menlo Park Library's mission is to provide equal access to information and resources for all residents and promote the free exchange of information and ideas for all; and

WHEREAS, the City of Menlo Park Library continuously adapts to the evolving needs of the community by providing public access to books, computers, and high-speed internet; study and learning spaces; early childhood literacy programs; cultural and educational events to support lifelong learning and enrichment for community members of all ages and abilities; and

WHEREAS, the City of Menlo Park Library receives grassroots support from local residents through volunteering, through fundraising by Friends of Menlo Park Library and Menlo Park Library Foundation, and with the support and advice of the City Council-appointed Library Commission; and

NOW, THEREFORE, BE IT PROCLAIMED, that I, Betsy Nash, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim and celebrate April 19 – 25, 2026 as National Library Week in Menlo Park.





Betsy Nash, Mayor
March 24, 2026



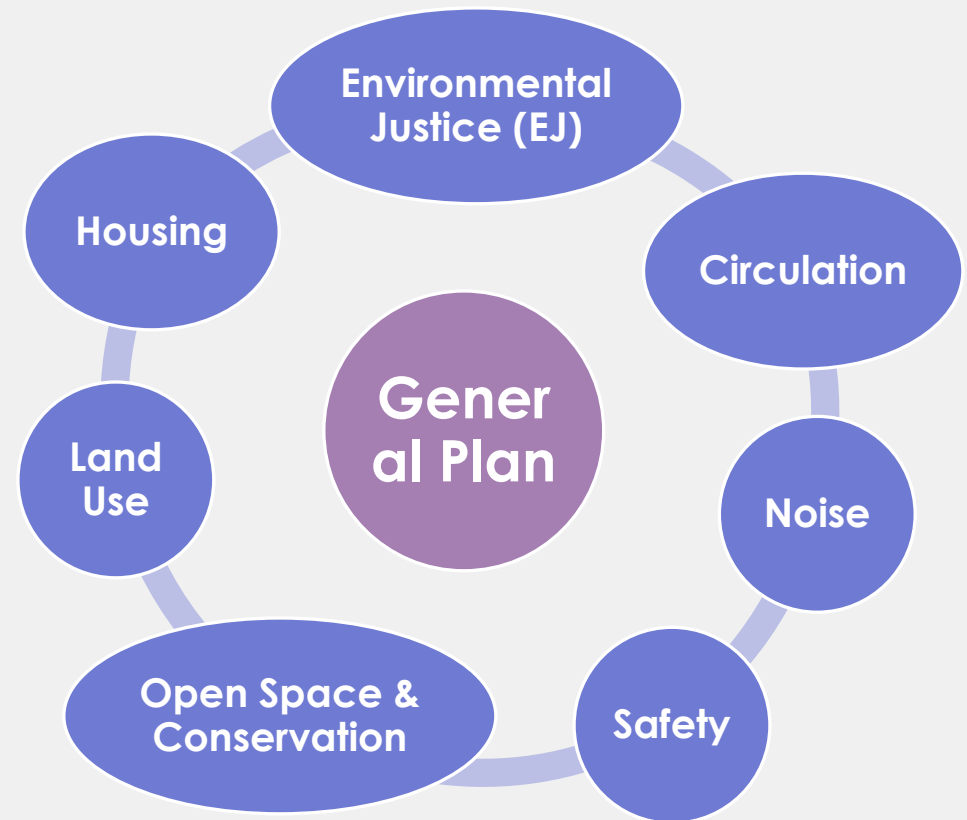
2025 General Plan Annual Progress Report

Tom Smith, Principal Planner



Background: Annual Progress Report (APR)

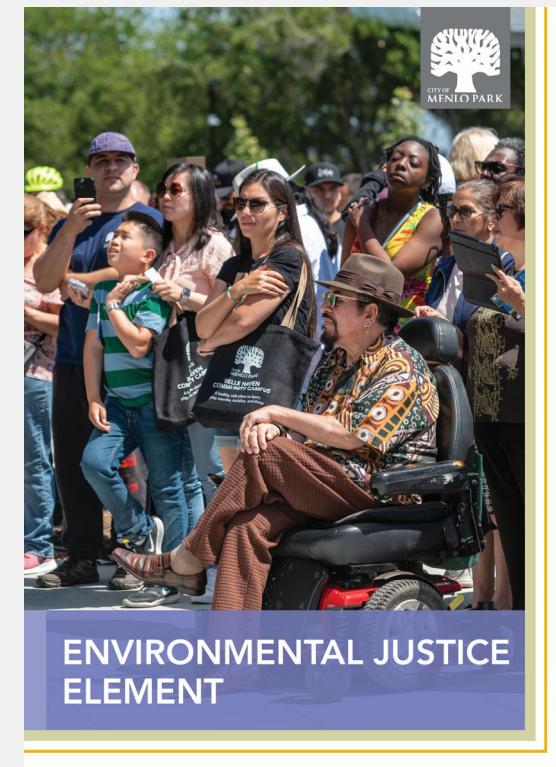
- General Plan: blueprint for meeting the community's long-term vision
- APR describes General Plan implementation
- Documents 2025 activities
- Submittal due April 1st





Housing Element APR & EJ Element APR

- Housing Element APR tracks status of implementing the 2023-2031 Housing Element
- EJ Element Action Guide update tracks progress implementing EJ Element





Housing Element implementation highlights

- Table D of APR
- \$3.6 million loan towards development of 8 affordable ownership units at 335 Pierce Rd.
- Anti-displacement plan development
- BMR Housing Guidelines amendments





Housing Element implementation highlights

- RFP for downtown parking lots
- USGS redevelopment; Oak Gardens project on VA campus; 320 Sheridan Drive approval





RHNA progress to date

6 th Cycle RHNA Progress					
	Very Low	Low	Moderate	Above Moderate	Total
6 th Cycle RHNA allocation	740	426	496	1,284	2,946
2025 new units	19	20	18	45	102
Total new units (June 2022-Dec. 2025)	137	119	134	763	1,153
Percent complete	18.5%	27.9%	27.0%	59.4%	39.1%
Remaining RHNA units	603	307	362	521	1,793



Potential future production

- Over 2,100 units approved in previous years
 - Willow Village (1,730 units)
 - 123 Independence Drive (432 units)
- Over 1,000 units approved in 2025
 - Parkline (800 units)
 - 3705 Haven Avenue (112 units)
 - 320 Sheridan Drive (88 units)
- Over 1,500 units currently under review
 - USGS redevelopment (670 units)
 - 80 Willow Road (665 units)
 - 155 Jefferson Drive (199 units)
 - 68 Willow Road (50 units)
- Will count towards future APRs as building permits are issued



EJ Element

- 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.*

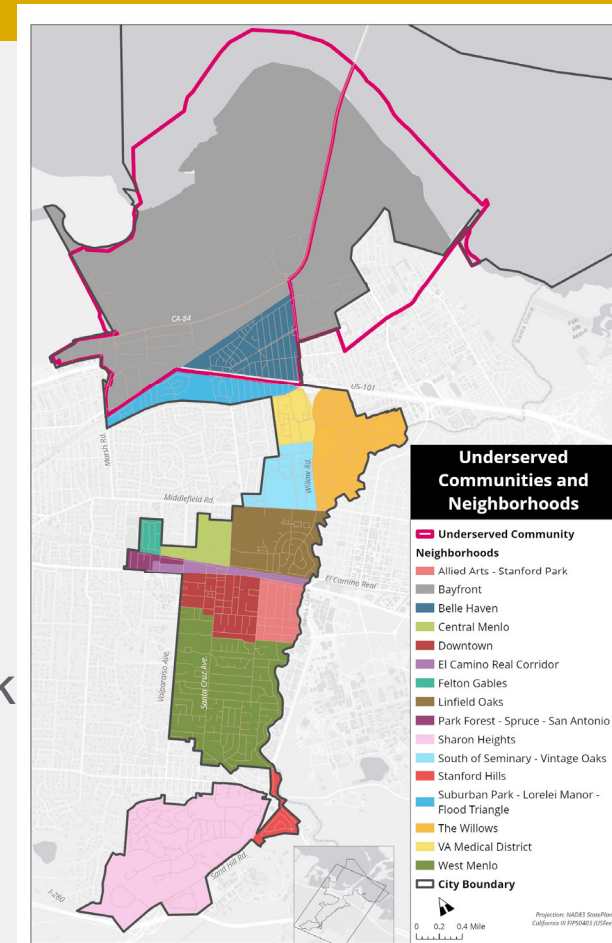


ENVIRONMENTAL JUSTICE
ELEMENT



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.



[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:

- **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

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 +

Share     



EJ implementation 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





EJ implementation 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

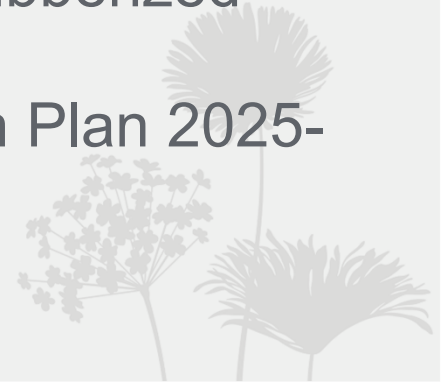


Home Upgrade Services Program workshop hosted in Spanish



Other General Plan Elements Implementation Highlights

- Safety Element: Emergency and disaster preparedness events and training (English and Spanish), heat relief through three cooling centers
- Circulation Element: Vision Zero Action Plan to eliminate traffic fatalities; Safe Routes to School Program; traffic calming projects
- Noise Element: Tree plantings for sound buffers; rubberized asphalt concrete option along local streets
- Open Space/Conservation Element: Climate Action Plan 2025-2030 actions to achieve carbon neutrality by 2030; programming for Flyway Trail





Recommendation

- State law requires APR and Annual Housing Successor Report to be provided to the state by April 1
- Adopt resolution accepting the APR



Provide direction on possibilities for programming at the Belle Haven Pool

Nick Szegda, Assistant Library and Community Services Director





Recommendation

- City staff recommends that City Council provide direction on possibilities for providing programming at the Belle Haven Pool.
- City staff will incorporate City Council's direction to prepare any necessary follow-up actions for City Council consideration and potential authorization during the FY 2026-27 budget development process.





Background

1. A timeline of aquatics-related activities from 2022-present (Attachment A)
 1. Five-year agreement signed Oct. 2023
 2. Operator concerns Jan. 2025
 3. Cost-sharing for additional hours Sep. 2025
 4. Hybrid model task force meetings Oct.- Dec. 2025
2. Results from city aquatics survey and updated table of days closed due to maintenance issues (Attachments F and G)
3. Community survey results and aquatics working group notes are available on the city's aquatics webpage (menlopark.gov/aquatics).



City community aquatics survey

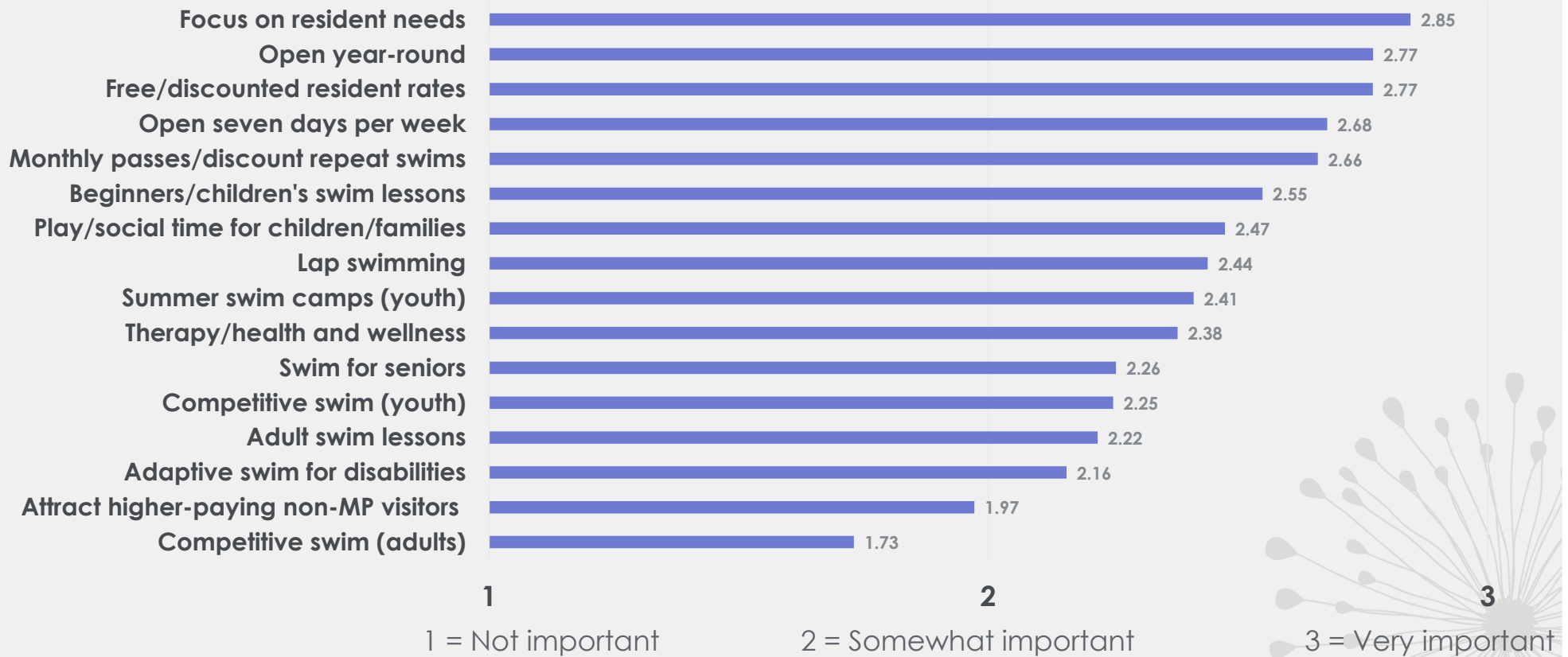
- Reviewed by PRC prior to distribution
- Open from October 22, 2025 – January 20, 2026
- Citywide distribution in English and Spanish (multiple formats)
- 624 participants – 61 self identified as BH residents
- Belle Haven Pool
 - 11% visit BH Pool 1x per week
 - 61% never visit BH
 - 41% satisfied or somewhat satisfied
 - 51% have no opinion
 - Filtered for BH residents 88% satisfied or somewhat, 12% dissatisfied





Belle Haven Resident Responses

How important are the following things to you?





Survey highlights

- Respondents from Belle Haven neighborhoods prioritized affordable rates, while neighborhoods more likely to visit Burgess Pool prioritized lap swim
- Both groups of residents placed importance on youth swim lessons
- Belle Haven respondents placed higher importance on social/play time for families while respondents likely to attend Burgess Pool prioritized senior swim programs over social and family swim





Challenges and opportunities

- Work with the Operator to provide services at the Belle Haven Pool that meet community needs
- Need to increase effective community outreach to users and non-users
 - Building an aquatics community at Belle Haven Pool
- Has been an increase in number of swim lessons, pool usage and scholarships offered at Belle Haven Pool (2019 vs. 2025)
- Days closed due to mechanical issues a concern
 - Decrease number of closures and length of time for each







Programming possibilities

- Continue cost share for additional hours per amended agreement (Cost Share)
- Hybrid model – safety and CPO from Operator, programming provided by city through staff and contractor (Hybrid Model)
- City staff run all aspects of Belle Haven Pool (Staff run)
- Re-bid provider for Belle Haven Pool (Re-bid contract)





Cost Share

- In place since contract amendment in Sept. 2025
 - City supporting 30 hours per week, 44 weeks per year
 - \$193,000 current contract year
 - \$215,779 effective October 1, 2026
 - \$224,410 effective October 1, 2027
-
- Operator providing 4 staff per open hour
 - Hourly head counts, detailed invoices submitted





Hybrid model

- Operator provides safety services, risk management and CPO
- The city would provide all programming and program oversight through a combination of staff and contracted program providers
- Cost estimates dependent on number of staff needed, availability and cost of contract instructors
- \$1,713,00 per year
 - 2 FTE, 10 hourly
 - \$530,000 for contract services
 - \$683,000 for Operator safety services





Staff run all Belle Haven Pool services

- Change to current agreement
- Approve and define new staff positions
- Recruit and train staff
- City assumes all risk management
- Ongoing costs
- \$965,000 - \$1,440,000
 - Staff recommend aquatics study if this option is chosen





Re-bid for Belle Haven Pool services

- Issue new RFP for Belle Haven Pool only
 - Change to current agreement
- Original RFP in 2022 for both aquatic facilities received 3 bids
- Could be net zero cost to city
- New contractor could encounter same or similar attendance problems and require subsidies
 - Staff recommend aquatics study if this option is chosen





Recommendation

City staff recommends that City Council provide direction on programming possibilities :

- Cost share
- Hybrid model
- Staff run
- Re-bid

City staff will incorporate City Council's direction for follow-up actions during the 2026-27 budget development process



Summary chart

Option	Notes	Estimated Cost
Cost share	Current model	\$193,00/\$215,779/\$224,410
Hybrid model	Operator provides safety & CPO. City provides programming through staff and contract services	\$1,713,000
Staff run	City staff run all aspects of Belle Haven Pool including programming, safety, compliance and risk management	\$965,000 - \$1,440,00
Re-bid	New contractor runs completed services	\$0 – unknown (cost share)





Thank you

PROGRAM IDEAS





SPLASHBALL WATER POLO

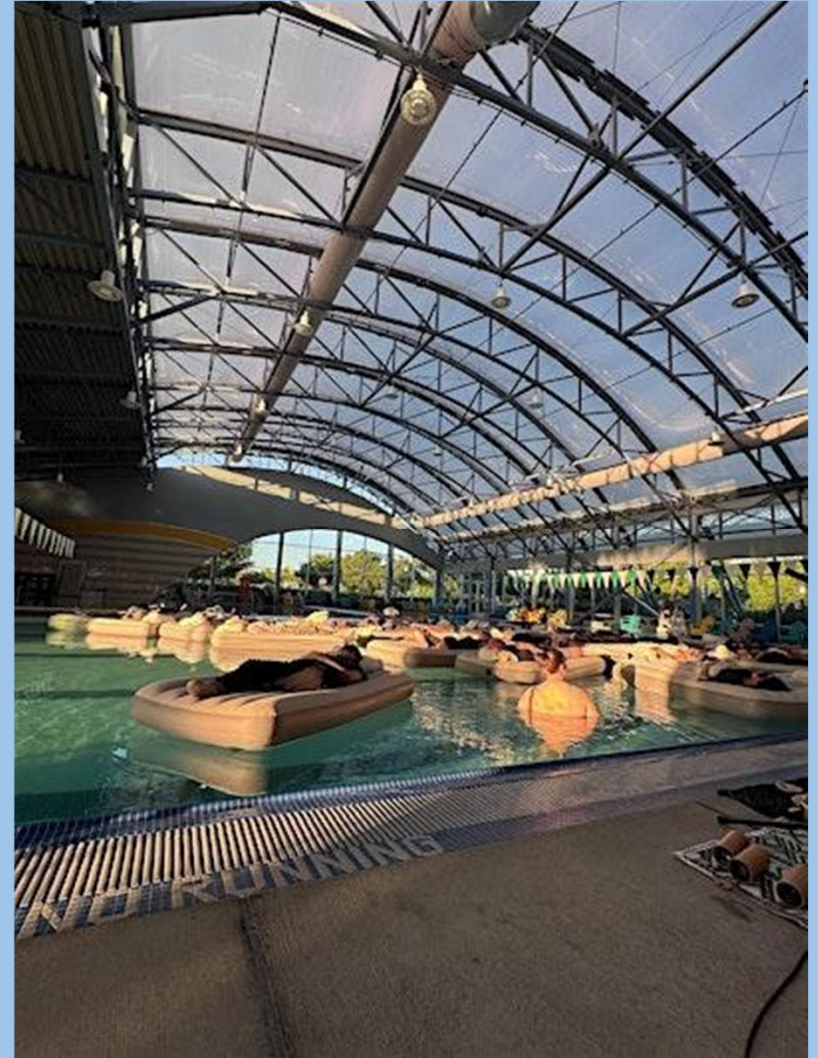
INNERTUBE WATER POLO



INNERTUBE BASKETBALL



FLOATING SOUND BATH





Cost of Services Study – Cost Recovery Findings and Update

Fenny Lei, Assistant Administrative Services Director
Cindy Sconce, Director, Government Consulting Partners, Inc.



Agenda

- Policy and history
- Methodology
- Proposed fees and cost recovery
- Council direction
- Next steps





Policy and History



Policy

- Purpose of a Cost of Services Study
- Cost recovery policy (no recommended staff edits)
- Equity and community benefit
- Fiscal sustainability





History

- The most recent comprehensive fee study was completed in 2017
- Master Fee Schedule fees have not been adjusted, even for CPI, since 2019
- The City's User Fee Cost Recovery Policy was updated in 2022





State Law

- **Proposition 218 (1996)** Ensures user fees are fair, transparent, and directly connected to the actual cost of the service provided.
- **Proposition 26 (2010)** States that user fees are limited to the "estimated reasonable cost of providing a service" by Government Code section 66014(a) and other supplementary legislation.
 - It should be noted that fees charged for the use of government property are exempt from Proposition 26. These include fees for parks and facility rentals as well as other equipment rental fees. All of these fees may be set at a price the market will bear.



Methodology



Methodology

- Most fees in this study were calculated via a per-unit analysis approach. Commonly called a “bottom-up” approach.
- The analysis to determine the cost of providing fee-for-service activities is comprised of two basic elements:
 - **Hourly Rates** direct labor costs plus indirect costs results in the fully-burdened hourly rate (FBHR).
 - **Average Time** required to perform each fee-related service.

$$\text{FBHR} \times \text{Average Time Spent} = \text{Cost}$$





Methodology

- GCP's Per Unit "bottom-up" process:
 1. Define the fees to be analyzed.
 2. Analyze direct staff time spent on the fee related services.
 3. Develop fully burdened hourly rates for direct staff.
 4. Compare total costs to current fee schedule.
 5. Annualize results by extrapolating per unit results by typical volume demand.
- Assessment of Current Level Of Cost Recovery vs the Cost Recovery Policy
- Development of Proposed Changes to Fees





Methodology

- Library and Community Service fees were evaluated using a two-level approach:
 - **Level 1:** GCP evaluated the annual cost recovery levels within various program groupings to the City's cost recovery policy.
 - Example of a program grouping: Gymnastics Classes, Arrillaga Family Gymnasium Rental, Athletic Fields: Natural Turf, Menlo Children's Center Preschool, etc.
 - **Level 2:** GCP performed a comparison of some of the City's high demand or high interest fees against other jurisdictions offering similar services.





Methodology

- **Level 1:** GCP incorporated the following into the annualized analysis:
 - Direct Labor Costs
 - Direct Service and Supply Costs
 - Indirect Labor
 - Indirect Service and Supply Costs
 - Citywide Indirect Costs: Costs allocated to LCS through the cost allocation plan.





Methodology

- **Level 2:** GCP reviewed the current fees and compared them to other jurisdictions with similar services.
- Key Considerations when setting fees:
 - Price Elasticity of Demand
 - Economic Barriers
 - Competition
 - Community Benefit
 - Public Service vs Private Service
 - Cost recovery policy



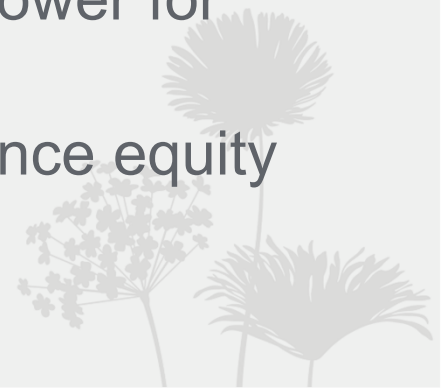


Proposed Fees and Cost Recovery



Cost Recovery Policy

- Equity-focused approach balancing cost recovery with access and community benefit
- Fees consider policy goals, demand impacts and ease of collection
- Three tiers: low (0-30%), mid (30-70%), high (70-100%)
- Higher recovery for individual/regulatory services; lower for community-wide services
- Some services are intentionally subsidized to advance equity and community goals





Cost Recovery Highlights

Technology Fee

- Current Fee: 3% surcharge against Engineering, Building and Planning revenue.
- The technology fee provides a dedicated revenue stream for the acquisition, update and regular maintenance of the City's permitting systems and other related technologies required to provide advanced cloud-based services to its customers.
- The City's projected cost of providing technology services to permit-holders is \$385,180 annually, or 9% of total development revenue charges.



Cost Recovery Highlights

Agency	Technology Surcharge
City of Menlo Park - Current	3%
City of Menlo Park - Proposed	9%
Peer Average	5.25%
City of Los Altos	5%
Town of Los Gatos	4%
City of Mountain View	5%
City of Redwood City	13%
City of Santa Cruz	6%
City of San Bruno	5%
County of San Mateo	4%
City of South San Francisco	2%
City of Sunnyvale	5%
Town of Atherton	3.5%





Cost Recovery Highlights

General Plan Maintenance Fee

- Current Fee: 3% surcharge against development-related revenue to fund future long range planning costs.
- Government Code 66014(b) allows for the recovery of costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make findings and determinations related to development projects.
- The amortized cost of maintaining the City's long-range elements (\$340,000) by annual revenue subject to the surcharge (\$4,323,002) yields a proposed General Plan Maintenance surcharge of 8%.



Cost Recovery Highlights

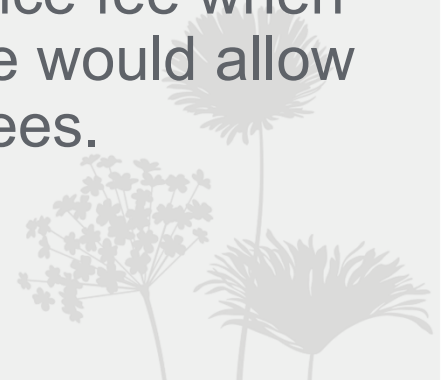
Agency	General Plan Maintenance Fee
City of Menlo Park - Current	3% of development revenue
City of Menlo Park - Proposed	8% of development revenue
Atherton	2.65% of development revenue
Emeryville	0.50% of construction valuation
Fremont	15% of building pc and permit revenue
Los Gatos	0.50% of construction valuation
Morgan Hill	15% of development revenue
Redwood City	0.39% of construction valuation
San Carlos	0.74% of construction valuation
San Jose	10% of development revenue
Santa Cruz	4% of development revenue



Cost Recovery Highlights

Credit Card Convenience Fee

- Cities and other government entities may charge a convenience fee when payments are made by credit card.
- The City of Menlo Park has experienced a large increase in costs associated with credit card fees.
- GCP recommends implementing a 2.5% convenience fee when customers pay by credit card. This convenience fee would allow the City to offset the costs incurred by credit card fees.





Cost Recovery Highlights

Housing

- Many cities have recently been instituting housing fees to recover a portion of program costs.
- The Housing division does not currently charge fees to its Housing division customers – neither affordable housing tenants or landlords.
- The division provides many services to this group for which a fee could be charged.
- There are several new fees being recommended.
- Projected housing revenue is unavailable because the fees are new and volume cannot yet be reliably estimated.



Cost Recovery Highlights

Library and Community Services

- There are eight program areas that GCP is proposing an increase of 10% to the fees.
 1. Gymnastics Classes
 2. Youth Afterschool Sports – City Run
 3. Youth Afterschool Sports – Contractor Run
 4. Meeting Room Rentals: Arrillaga Family Recreation Center
 5. Meeting Room Rentals: Belle Haven Community Campus
 6. Athletic Fields: Natural Turf
 7. Athletic Fields: Lighting Fee – All Fields
 8. Child Development: Menlo Children's Center – Seasonal Programs
 - *Note: No decision regarding the various Aquatic fees has been determined. This decision is pending.*

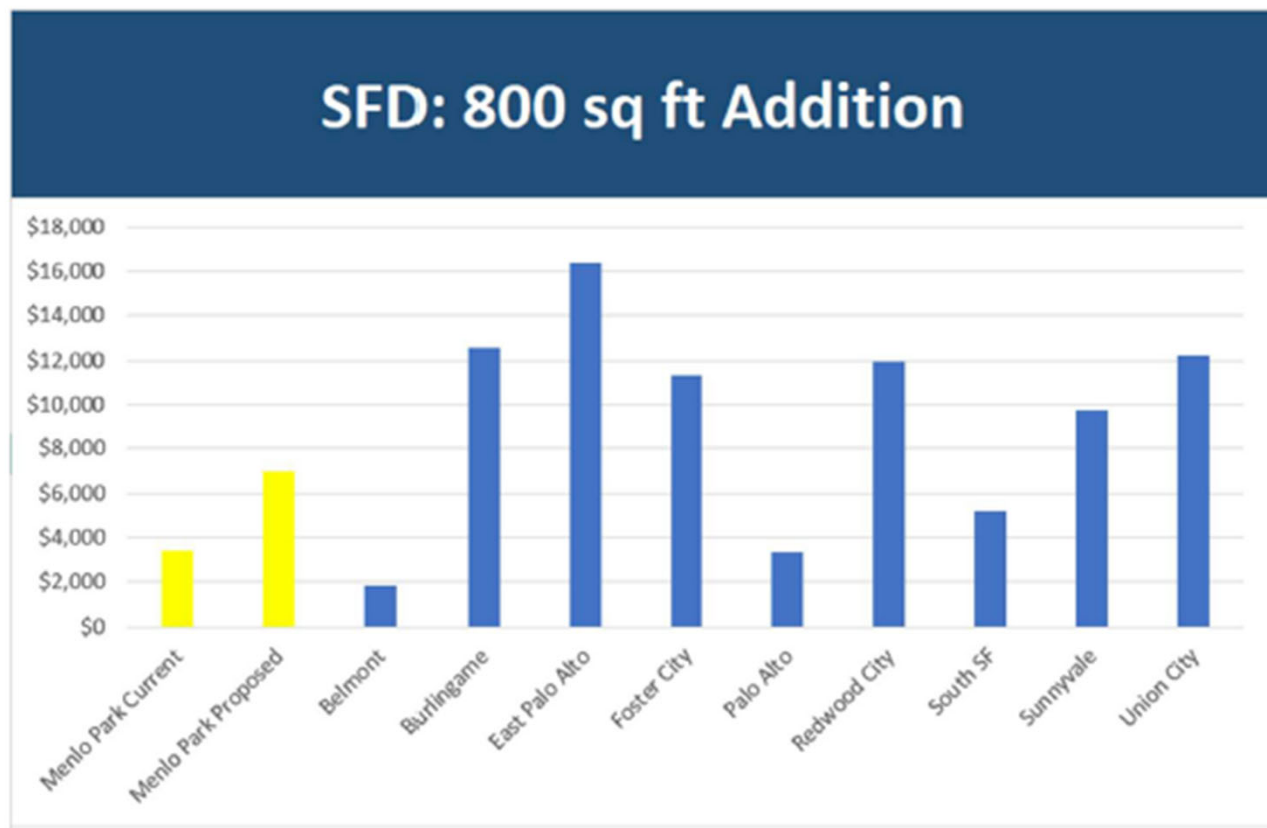


Cost Recovery Highlights

- **Building:** Adjusted fees to better align with and improve recovery of the cost of providing services.
- **Planning:** Mix of flat fees and deposit-based fees.
 - Appeal fees are purposely set low at \$110. Actual cost is approximately \$21k. Cost recovery policy is 0-30%.
 - Appeals of staff decision: \$110 Flat Fee
 - Appeals of Planning Commission Decision: \$110 Flat Fee plus Actual Cost
- **Public Works:** Several fees restructured to provide better cost recovery; Six new fees are recommended.
- **Public Works – Water:** Eight new fees are recommended



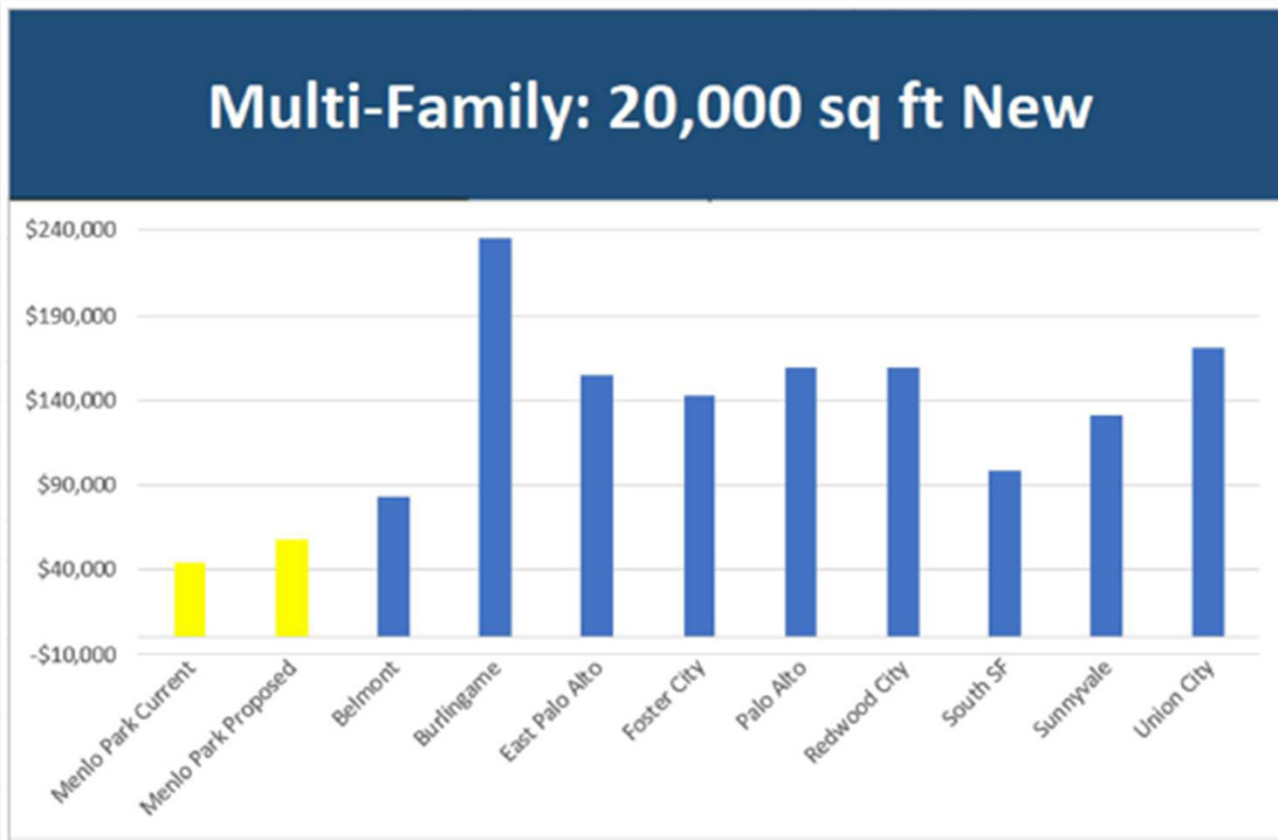
Cost Recovery Building Comparison Survey Results



Agency	Cost
Menlo Park	\$ 6,937
Belmont	\$ 1,859
Burlingame	\$ 12,535
East Palo Alto	\$ 16,351
Foster City	\$ 11,306
Palo Alto	\$ 3,317
Redwood City	\$ 11,698
South San Francisco	\$ 5,189
Sunnyvale	\$ 9,743
Union City	\$ 12,216
Peer Average:	\$ 9,357



Cost Recovery Building Comparison Survey Results



Agency	Cost
Menlo Park	\$ 57,850
Belmont	\$ 83,535
Burlingame	\$ 235,209
East Palo Alto	\$ 155,293
Foster City	\$ 143,477
Palo Alto	\$ 159,701
Redwood City	\$ 160,160
South San Francisco	\$ 99,282
Sunnyvale	\$ 131,905
Union City	\$ 171,678
Peer Average:	\$ 148,916



Cost Recovery

FEE AREA	COST OF FEE RELATED SERVICES	CURRENT USER FEE REVENUE	COST RECOVERY RATE	GENERAL FUND SUBSIDY	PROJECTED REVENUE FROM PROPOSED FEES	COST RECOVERY RATE AT PROPOSED FEES	PROJECTED REVENUE INCREASE
Building	\$4.3	\$2.2	51%	\$2.1	\$4.3	100%	\$2.1
Housing							
Planning	\$1.9	\$1.4	72%	\$0.5	\$1.8	96%	\$0.5
EV Charging	\$0.3	\$0.2	80%	\$0.1	\$0.2	86%	\$0.0
Library and Community Services	\$13.8	\$4.1	30%	\$9.7	\$4.3	31%	\$0.2
Police	\$0.2	\$0.1	58%	\$0.1	\$0.2	65%	\$0.0
Public Works	\$2.1	\$1.7	83%	\$0.3	\$2.0	99%	\$0.3
Public Works - Water	\$0.1	\$0.0	53%	\$0.0	\$0.1	100%	\$0.0
General Plan Maint. Fee	\$0.3	\$0.1	37%	\$0.2	\$0.3	100%	\$0.2
Technology Surcharge	\$0.4	\$0.1	34%	\$0.3	\$0.4	100%	\$0.3
Credit Card Convenience Fee	\$0.6	\$0.0	0%	\$0.6	\$0.2	28%	\$0.2
TOTAL	<u>\$23.9</u>	<u>\$10.0</u>	42%	<u>\$13.3</u>	<u>\$13.8</u>	58%	<u>\$3.8</u>



Council Direction



Council Direction

- Staff is requesting Council direction to finalize Master Fee Schedule and proceed with public hearing including:
 - Proposed cost recovery levels
 - Recommended fee increases
 - Proposed new fees





Next Steps



Next Steps

- Staff to finalize fees with GCP
- Public notice of fee public hearing and proposed Master Fee Schedule on April 10
- Public hearing and adoption on April 28
- Fees effective on July 1





Thank You