REGULAR MEETING MINUTES

Date: 6/9/2026
Time: 6:00 p.m.
Locations: Teleconference and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Regular Session

A. Call To Order

Mayor Nash called the meeting to order at 6:02 p.m.

B. Roll Call

Present: Combs, Nash, Schmidt (remote), 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. Agenda Review

Staff to provide an update on item F1.

The City Council to provide a comment on items F3. and H2.

D. Public Comment

- Gerald Wluka spoke on concerns about the traffic during pickup time at La Entrada Middle School.

E. Presentations and Proclamations

E1. Proclamation: Cal Water 100-year anniversary (Attachment)

Mayor Nash introduced the proclamation.

Bear Gulch District Manager Dawn Smithson accepted the proclamation (Attachment).

E2. Proclamation: Pride Month (Attachment)

Mayor Nash introduced the proclamation.

Lead Training and Peer Group Coordinator for the San Mateo County Pride Center Ishani Dugar accepted the proclamation (Attachment).

E3. Proclamation: Juneteenth (Attachment)

Mayor Nash introduced the proclamation.

Program Assistant Anasia Juniel-Rufus accepted the proclamation (Attachment).

F. Consent Calendar

F1. Accept the City Council meeting minutes for May 12, 2026 (Attachment)

City staff provided amendments to the May 12 minutes, item G2.

F2. Waive the second reading and adopt an ordinance to repeal and replace Chapter 16.79 (Accessory Dwelling Units) of Title 16 (Zoning) of the Menlo Park Municipal Code for consistency with State law and incorporating local objective standards (Staff Report #26-092-CC)

F3. Award a construction contract to Bortolussi & Watkin, Inc. and authorize the city manager to execute an amended memorandum of understanding with the San Mateo County Transportation Authority for the Willow Road and Highway 101 Interchange Landscaping Project (Staff Report #26-093-CC)

The City Council discussed increasing the number of trees proposed in the project, delays resulting from plan modifications and funding.

The City Council directed staff to consider additional trees without impacting the project with the use of Bay Front Mitigation Funds.

F4. Authorize the city manager to execute an agreement for fiscal year 2026-27 with Tripepi Smith for communications support services (Staff Report #26-101-CC)

F5. Authorize the city manager to execute a maintenance agreement with Priority 1 Public Safety Equipment Installation, Inc. for on-call vehicle upfitting services (Staff Report #26-102-CC)

ACTION: Motion and second (Taylor/ Combs), to approve the consent calendar with the amendments to the May 12 minutes, passed unanimously.

G. Public Hearing

G1. Consider and adopt a resolution to approve a vesting tentative subdivision map to subdivide a property into 50 condominium parcels and one common area parcel in the C-1 (Administrative and Professional, Restrictive) zoning district, at 68 Willow Rd. (Staff Report #26-096-CC)

Senior Planner Chris Turner made the presentation (Attachment).

Mayor Nash opened the public hearing.

- Will Oursler spoke in support of the vesting tentative subdivision map and additional housing.

Mayor Nash closed the public hearing.

The City Council received clarification on replacement of heritage trees and construction timing.

The City Council discussed housing density in the neighborhood.

ACTION: Motion and second (Combs/ Wise), to adopt a resolution approving a tentative subdivision map to subdivide the parcel located at 68 Willow Rd. into 50 condominium parcels and one common area parcel, passed unanimously.

G2. Hold public hearing on the proposed fiscal year 2026-27 budget and capital improvement plan; hold public hearing on vacancies, recruitment and retention; and consider and adopt a resolution to amend the fiscal year 2025-26 budget (Staff Report #26-103-CC)

Assistant Administrative Services Director Fenny Lei and Administrative Services Director Brittany Mello made the presentation (Attachment).

Mayor Nash opened the public hearing.

- Ken Kershner spoke in support of funding the El Camino Real protected bike lanes project.
- Adrian Silva spoke in support of funding the Safe Routes to School (SRTS) consultant services.
- Adina Levin spoke in support of funding the El Camino Real protected bike lanes project.
- Marcy Abramowitz spoke in support of funding the quiet zone and concerns of the matching funds method to secure funding.
- Katie Behroozi spoke in support for the SRTS program and using non-public resources for holiday tree lighting.

Mayor Nash closed the public hearing.

The City Council received clarification on historic data on reserve funds for neighboring cities, vacancy rates and full-time equivalents (FTEs), deficit numbers, expenditure reductions, library and community services (LCS) reductions, SRTS contract reduction, tree lights in Santa Cruz Avenue medians, holiday tree lighting and event, reduced/suspended discretionary programs/projects and revenue increase with newly adopted master fee schedule.

The City Council discussed pool maintenance cost responsibility, utilizing the Friends of Library and Library Foundation, weed removal and maintenance, reduction in pool hours and funding, personnel and non-personnel reductions, reserve comparison with other/similar cities, the city's bond rating and individual restrictive funds.

The City Council directed staff to proceed with:

- Reducing the SRTS (safe routes to school) consultant services provided by Alta
- Continuing with the proposed LCS reductions while prioritizing staff
- Reducing tree lights in Santa Cruz Avenue medians between University Drive and Doyle Drive
- Reviewing whether holiday tree lighting event funds could cover the cost of tree lighting
- Reducing general non-herbicide weed removal
- Reviewing post-summer pool hour reduction and gymnastics and child care fees
- Reviewing personnel and non-personnel reductions to bridge the $1.8 million gap
- Reviewing the freezing of vacant positions outside of core services
- Reducing temporary employee hours
- Reducing overtime wherever possible
- Reviewing the Bayfront Mitigation Grant Fund restrictions and uses.

ACTION: Motion and second (Nash/ Combs), to adopt a resolution approving budget amendments for fiscal year 2025-26, passed unanimously.

G3. Consider and adopt a resolution overruling protests, ordering the improvements, confirming the diagram/area of assessment and ordering the levy and collection of assessments for Landscaping Assessment District for fiscal year 2026-27 (Staff Report #26-094-CC)

Management Analyst II Joanna Chen made the presentation (Attachment).

Mayor Nash opened the public hearing.

Mayor Nash closed the public hearing.

ACTION: Motion and second (Wise/ Schmidt), to adopt a resolution overruling protests, ordering improvements, confirming the diagram/area of assessment, and ordering the levy and collection of assessments for the Landscaping Assessment District, passed unanimously.

G4. Conduct a public hearing, rate protest hearing, and consider adoption of a resolution approving maximum increases in rates for the collection, processing, and disposal of waste, recycling, and compost materials for commercial, multi-family, and single-family customers (Staff Report #26-098-CC) **– Continued from May 12, 2026**

Public Works Internal Services Manager Eren Romero made the presentation (Attachment).

Mayor Nash opened the public hearing.

- Ezio Alviti spoke in opposition of the rate increase.

Mayor Nash closed the public hearing.

ACTION: Motion and second (Wise/ Nash), to adopt a resolution approving maximum increases in rates for the collection, processing, and disposal of waste, recycling, and compost materials for commercial, multi-family, and single-family customers effective July 1, 2026, with annual adjustments each July 1 for 2027, 2028, 2029, and 2030, passed 4-1 (Taylor dissenting).

G5. Conduct a public hearing, rate protest hearing, and consider adoption of a resolution approving maximum rate increases for Menlo Park Municipal Water, including pass-throughs of any increases in the costs of wholesale water from the San Francisco Public Utilities Commission, and establishing and setting water capacity charges (Staff Report #26-099-CC) **– Continued from May 12, 2026**

Public Works Internal Services Manager Eren Romero made the presentation (Attachment).

Mayor Nash opened the public hearing.

- Arlene Navaro spoke in opposition of the rate increase.

Mayor Nash closed the public hearing.

ACTION: Motion and second (Combs/ Nash), to adopt a resolution approving maximum increases in rate increases for Menlo Park Municipal Water services effective July 1, 2026, with annual adjustments July 1, 2027 and 2028, including pass through of any increases in costs of the wholesale water from San Francisco Public Utilities Commission, and establishing and setting water capacity charges, passed 4-1 (Taylor dissenting).

H. Informational Items

H1. City Council agenda topics: June – July 2026 (Staff Report #26-100-CC)

H2. Update on implementation of the zero emission landscape equipment ordinance (Staff Report #26-095-CC)

The City Council received clarification on enforcement methods.

The City Council directed staff to reduce staff workload through leading with an educational approach and to return to the City Council if approach is ineffective.

H3. Police department quarterly update / Q1 January – March 2026 (Staff Report #26-097-CC) (Informe de Personal #26-097-CC)

The City Council received clarification on the zero hate crimes during the quarter.

I. City Manager Report

None.

J. City Councilmember Reports

J1. Vice Mayor Wise report (Attachment)

Mayor Nash reported out on Peninsula Clean Energy (PCE) and Bay Area Water Supply and Conservation Agency (BAWSCA) meetings and the police department swearing in ceremony.

K. Adjournment

Mayor Nash adjourned the meeting at 10:11 p.m.

Assistant to the City Manager/ City Clerk Judi Herren

These minutes were approved at the City Council meeting July 14, 2026.

Proclamation

RECOGNIZING CALIFORNIA WATER'S CENTENNIAL

WHEREAS, in recognition and to honor a business that has demonstrated unwavering commitment to serving our community, the City of Menlo Park and contributing to the quality of life for our residents; and

WHEREAS, California Water Service Group (Cal Water) was founded in 1926 and has served communities throughout California for one hundred years, providing safe, clean, reliable water to more than 2 million people throughout California; and

WHEREAS, Cal Water has been a trusted partner to the State of California since 1926, delivering essential water services guided by their promise to provide quality, service and value; and

WHEREAS, the company has demonstrated exemplary stewardship through conservation programs and rebates that have helped customers reduce their water use by 30% between 2000 and 2020, supporting both environmental sustainability and household affordability; and

WHEREAS, Cal Water has invested responsibly in infrastructure, sustainability initiatives and community well-being, undertaking proactive, ongoing maintenance and upgrades to deliver safe, clean drinking water and improve emergency readiness; and

WHEREAS, Cal Water has been recognized as one of "America's Most Responsible Companies" and "World's Most Trustworthy Companies" by Newsweek and as a Great Place to Work, reflecting the company's commitment to protecting the planet, caring for people and operating with the utmost integrity; and

WHEREAS, through generations of employees and leadership, Cal Water has maintained its commitment to enhancing the quality of life for customers and communities, creating jobs, supporting the local economy and engaging with community organizations in our neighborhoods and throughout California; 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 recognize and celebrate the 100th anniversary of Cal Water.

Betsy Nash, Mayor
June 9, 2026

AGENDA ITEM E-2

Proclamation

RECOGNIZING PRIDE MONTH – JUNE 2026

WHEREAS, every June Menlo Park joins the County of San Mateo and the greater Bay Area in observance of Pride Month, to honor the history of the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) liberation movement, and to support the rights of all residents to experience equality and freedom from discrimination; and

WHEREAS, all human beings are born free and equal in dignity and rights and the City of Menlo Park is committed to supporting visibility, dignity and equality for LGBTQIA+ people in our diverse community, while also recognizing that LGBTQIA+ individuals have had an immeasurable impact to the cultural, civic and economic successes of our country; and

WHEREAS, while society at large increasingly supports LGBTQIA+ equality, it is essential to acknowledge that the need for education and awareness remains vital to end discrimination, prejudice and violence against the LGBTQIA+ community; and

WHEREAS, celebrating Pride Month influences awareness and provides support and advocacy for our local LGBTQIA+ community, and is an opportunity to take action and engage in dialogue to strengthen alliances, build acceptance and advance equal rights; and

WHEREAS, the rainbow flag, widely recognized as a symbol of pride and raised at City Hall for the month of June, and celebrates all LGBTQIA+ residents whose influential and lasting contributions to our neighborhoods make Menlo Park a vibrant community in which to live, work and visit; and

WHEREAS, the theme for San Francisco Pride this year, "Resistance in Action," acknowledges the vital importance of community action, protest and education in response to attacks on the LGBTQIA+ community, especially trans people and queer people of color; 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 June 2026 as Pride Month in Menlo Park.

Betsy Nash

Betsy Nash, Mayor
June 9, 2026

Proclamation

RECOGNIZING JUNETEENTH – JUNE 19, 2026

WHEREAS, during the Civil War, after the Union Army captured New Orleans in 1862, slave owners in Confederate states migrated to Texas with more than 150,000 enslaved Black persons, keeping them deprived of their freedom and basic dignity, even after President Abraham Lincoln issued the Emancipation Proclamation; and

WHEREAS, June 19, 1865 — nearly three years after President Lincoln declared all enslaved persons free — Major General Granger and Union Army troops marched to Galveston, Texas to enforce the Emancipation Proclamation and free the last enslaved Black Americans; and

WHEREAS, those who were freed from bondage celebrated their long-overdue emancipation June 19, and today, our Nation commemorates Juneteenth as a chance to celebrate human freedom, reflect on the grievous and ongoing legacy of slavery and rededicate ourselves to rooting out the systemic racism that continues to plague our society as we strive to deliver the full promise of America to every American; and

WHEREAS, Juneteenth, recognized as a federal holiday in 2021 and celebrated in the Black community for over 150 years, commemorates African American freedom, emphasizes education and achievement, symbolizes freedom, celebrates the abolishment of slavery and reminds all of the significant contributions of African Americans to our society; and

WHEREAS, this year, on Juneteenth, we recognize the power and resilience of Black Americans, who have endured generations of oppression in the ongoing journey toward equal justice, equal dignity, equal rights, and equal opportunity in America and pay tribute to those, then and now, who fought so long and worked so hard to make the dream of equality a reality; and

WHEREAS, the Juneteenth flag, raised at City Hall in the month of June, was created in 1977 by activist Ben Haith and the colors and symbols on the flag are representative of freedom and the end of slavery; and

WHEREAS, on June 19, all are encouraged to join us at the Belle Haven Community Campus from 5 – 8 p.m., to gather together, enjoy cultural entertainment, live music, family activities, delicious food and more, in celebration this important day; 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 June 19, 2026 as Juneteenth in Menlo Park.

Betsy Nash

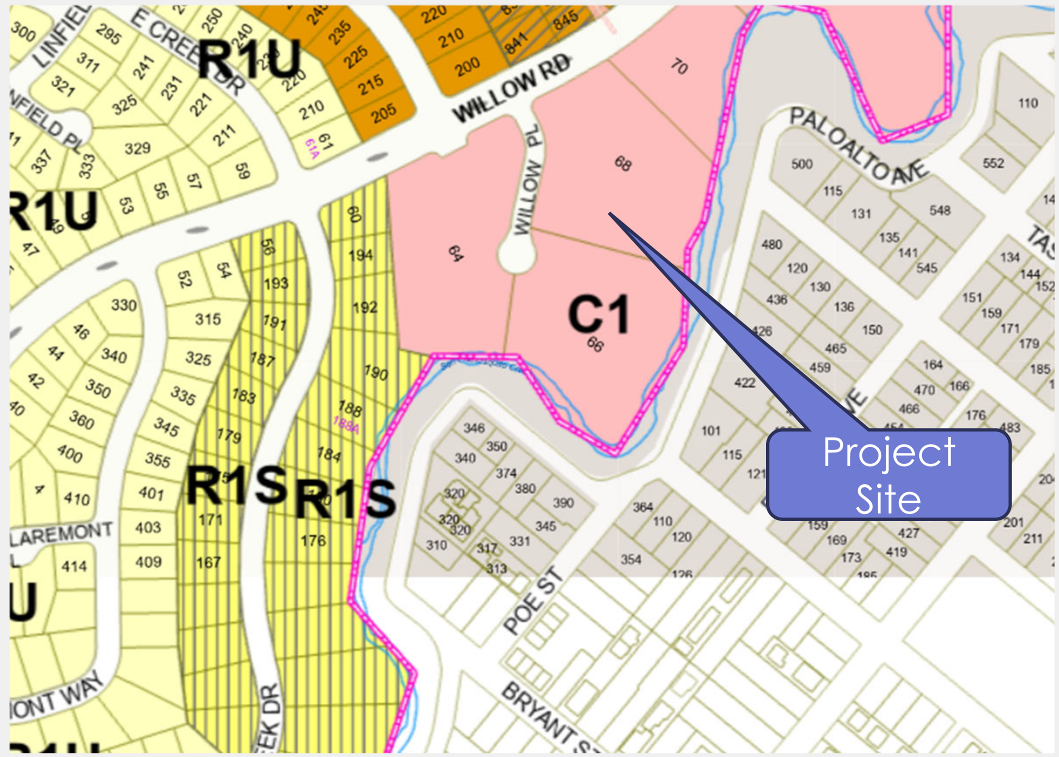
Betsy Nash, Mayor
June 9, 2026


CITY OF MENLO PARK
68 Willow Rd. vesting tentative subdivision map
Chris Turner, Senior Planner
1

Project location

CITY OF MENLO PARK

- Corner of Willow Road and Willow Place
- C-1 zoning district
- Borders San Francisquito Creek and Palo Alto

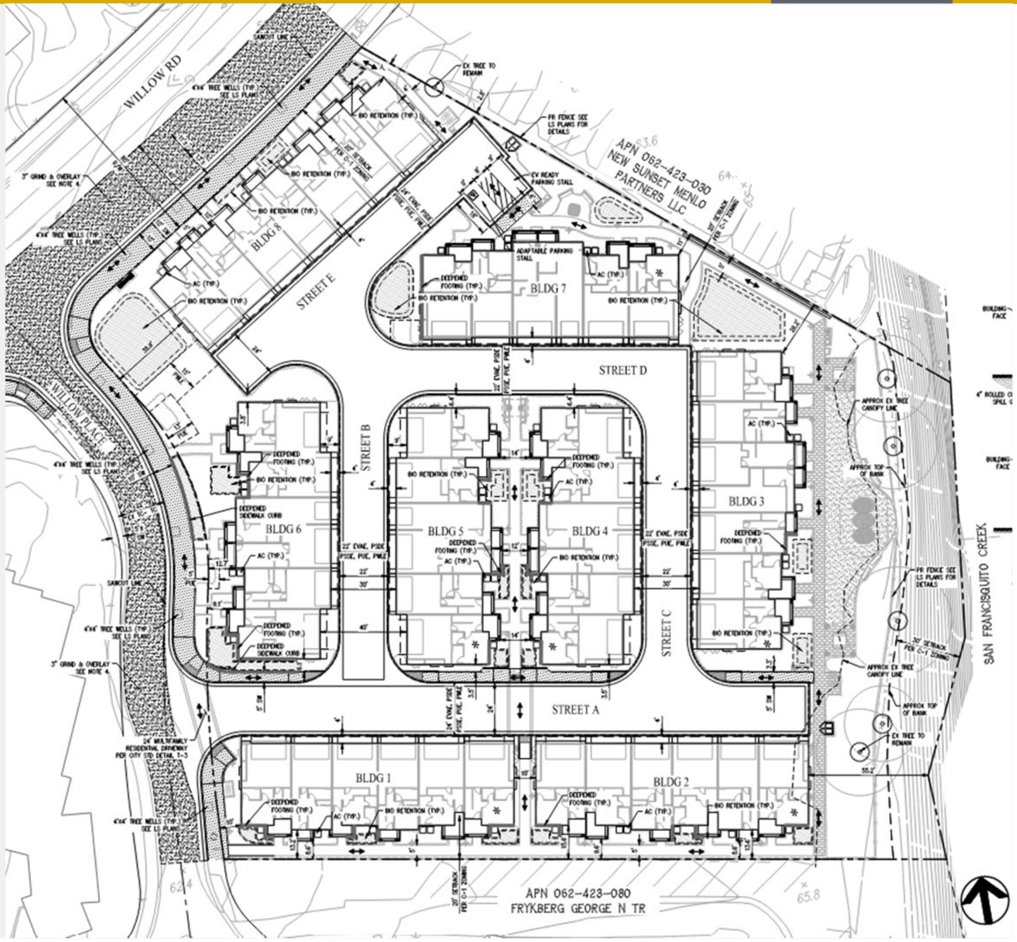


Approved development

- Project approved by Planning Commission May 4, 2026:
  - Demolish existing office building
  - Construct 50 townhouse units and associated site improvements
  - Below Market Rate (BMR) Housing agreement
  - Project was not appealed
- Recommended approval of vesting tentative subdivision map

Proposed project

- Vesting tentative subdivision map
  - Subdivide property into 50 condominium parcels and one common area parcel
  - Would allow for sale of individual units



CITY OF MENLO PARK

Recommendation

- Staff and the Planning Commission recommend the City Council approve the vesting tentative subdivision map

G2-PRESENTATION

Agenda

- Budget team
- Fiscal year 2025-26 budget update
- City Council priorities
- Proposed fiscal year 2026-27 budget
- Five-year General Fund forecast
- Capital Improvement Plan (CIP)
- City workforce vacancies, recruitment and retention trends
- Next steps

Budget team

- Stephen Stolte, Assistant City Manager
- Brittany Mello, Administrative Services Director
- Fenny Lei, Assistant Administrative Services Director
- Katie Lee, Interim Finance and Budget Manager
- Adrian Patino, Management Analyst II

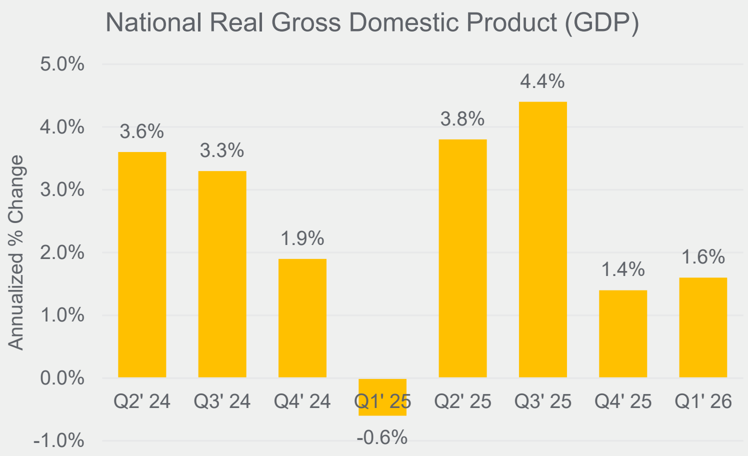
Budget contributors

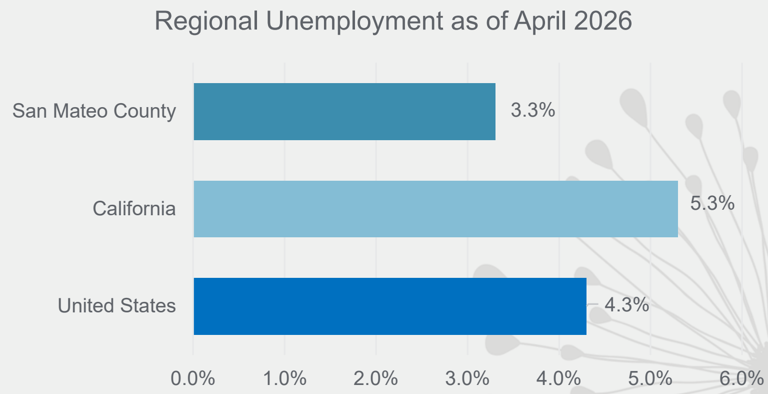
- General Administration
  - Nicole Casados, Judi Herren
- Administrative Services
  - Anna Peluffo, Danny Daniels
- Community Development
  - Deanna Chow, Vanh Malathong, Adam Patterson, Kyle Perata, Tim Wong
- Library and Community Services
  - Nick Szegda, Rani Singh
- Police
  - David Norris, Dani O'Connor
- Public Works
  - Azalea Mitch, Eren Romero, Joanna Chen

Economic overview

Economic overview

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






CITY OF
MENLO PARK
Fiscal year 2025-26
General Fund budget
update

Fiscal year 2025-26 General Fund year-end projection

- Fiscal year 2025-26 is projected to have a deficit of approximately $2-2.6 million
  - Projected revenues of $85 million, while projected expenditures of $87 million, resulting in an estimated $2 million shortfall.
  - The deficit will be offset with use of reserve in the unassigned fund balance, resulting in projected ending unassigned fund balance of 3.2 million
  - Projections remain in flux pending year-end closure and will be updated
- Year-end process and accruals will be completed by mid-September


City Council priorities
CITY OF
MENLO PARK

City Council priorities

During the annual priority-setting workshop March 21, the City Council identified the following priorities:

- Climate action - mitigation, adaptation and resilience
  - Reducing greenhouse gas emissions through community wide electrification program, EV charging at municipal parking lots, and more
  - Advancing Environmental Justice Element priorities
  - Supporting the Environmental Quality Commission
- Downtown vibrancy
  - Providing support to businesses in locating in Menlo Park, permitting processes, and more
  - Addressing maintenance issues downtown
  - Planning for resurfacing of parking plazas 7 and 8
  - Managing process for potential development of parking plazas 1, 2, and 3
- Public safety (New*)
  - Providing high quality safety for the entire public
  - Addressing staffing vacancies and assess workload
  - Advancing technology governance, accountability and transparency

City Council priorities

- Housing
  - Implementing the 2023-2031 Housing Element
  - Enacting anti-displacement strategies
  - Preparing a nexus and feasibility study to update the Below Market Rate (BMR) Program
  - Supporting the Housing Commission
- Safe routes
  - Continuing enforcement and education efforts in collaboration with Menlo Park schools, school resource officer, Safe Routes to Schools program, and traffic enforcement unit
  - Improving roadways with a focus on incorporating safety upgrades
  - Delivering on the Vision Zero Action Plan and transportation capital improvement projects with a focus on connected, multimodal networks
  - Supporting the Complete Streets Commission

CITY OF MENLO PARK

Proposed fiscal year 2026-27 budget

Proposed fiscal year 2026-27 budget

- Proposed budget includes revenues and expenditures across all funds

Fund Types	Description
General Fund	City's primary operating fund, reserve policy, unrestricted revenue sources
Special Revenue Funds	Revenues restricted to a specific purpose
Capital Project Funds	Revenues restricted to acquire or construct capital facilities
Enterprise Funds	Revenues from charges to users for services provided; similar to a private business
Internal Service Funds	Tracks goods or services provided to other departments for reimbursement and allocates overhead and shared items.
Debt Service Funds	Revenues collected to pay for debt payments
Fiduciary Fund	City acts as fiduciary on behalf of other

Proposed fiscal year 2026-27 budget

CITY OF MENLO PARK

- The City has over 50 funds with a proposed expenditure budget of $151.5 million, not including CIP carryforward budget (prior unspent City Council budget appropriations)
  - General Fund: $90.5 million, all other funds: $61 million
  - Capital Improvement Program (CIP): $13 million new funding, approximately $60 million carryforward funding
- The proposed fiscal year 2026-27 budget includes General Fund expenditures of $90.5 million and revenues of $88 million, with a deficit of $2.5 million, balanced with use of reserve
- Three additional items (AFSCME MOU, BCJPIA insurance premium adjustment and downtown development financial feasibility study), total $0.3 million

Fiscal year 2026-27 operating budget: revenue

The proposed budget anticipates revenues of $88 million compared to $82 million in the fiscal year 2025-26 amended budget

Key revenue assumptions:

- Total Property Taxes of $37 million
  - Property Tax in Lieu of Vehicle License Fee (VLF) backfill revised to 0
- Transient Occupancy Tax (TOT): $18.4 million
  - Increase of $2.2 million from the prior fiscal year partly driven by higher tax rate from success of Measure CC in November 2024
- Sales Tax: $7.2 million
  - Growth of 11% from the prior fiscal year due to adjustment in projection

Fiscal year 2026-27 operating budget: expenditure

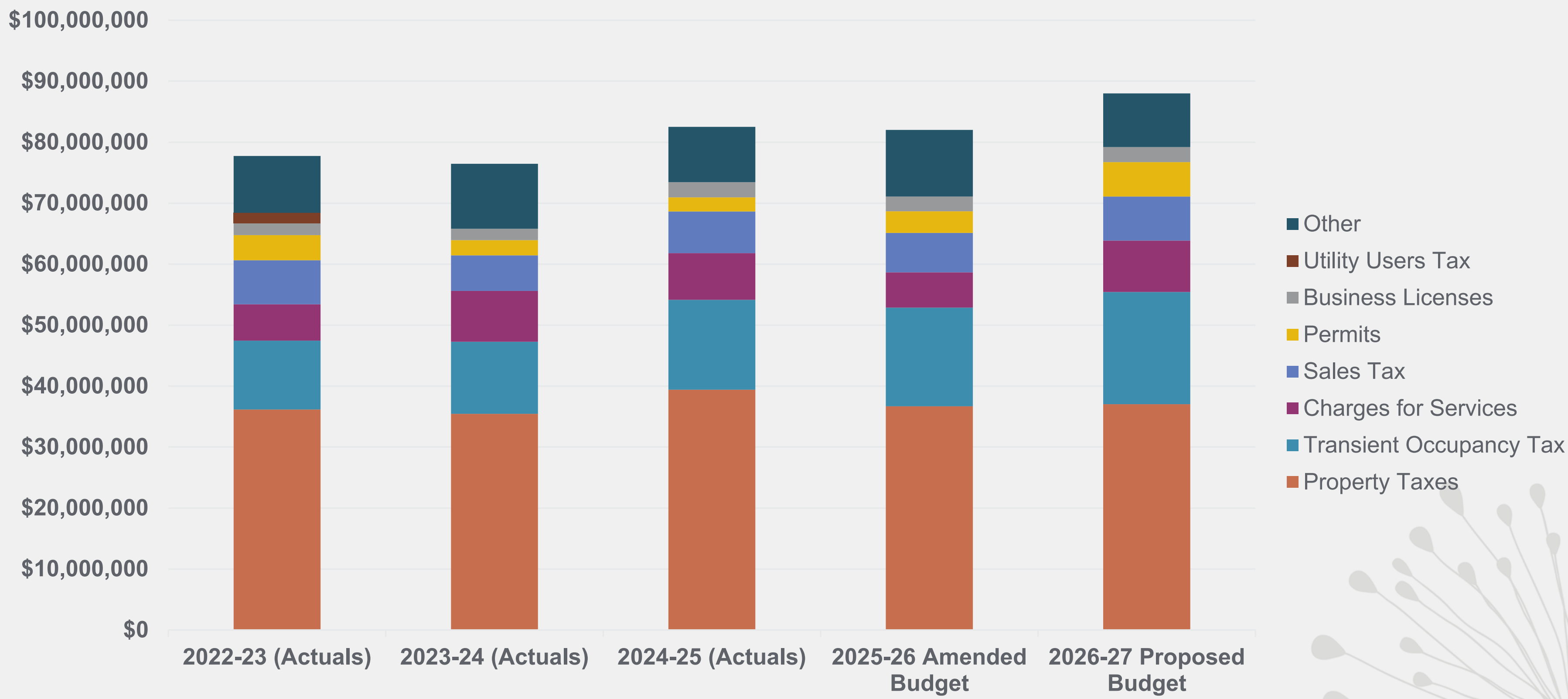
The proposed General Fund budget anticipates expenditures of $90.5 million compared to $84.6 million in the fiscal year 2025-26 amended budget

Key expenditure assumptions:

- Personnel
  - 297 full-time equivalent positions (FTEs)
  - General Fund supports an estimated 83% of City staff
  - Vacancy and turnover rate of 10%
- Transfer to General Capital Improvement Fund decreased to $3.9 million as directed by City Council following May 12 study session
- Transfer to vehicle replacement fund of $1.8 million

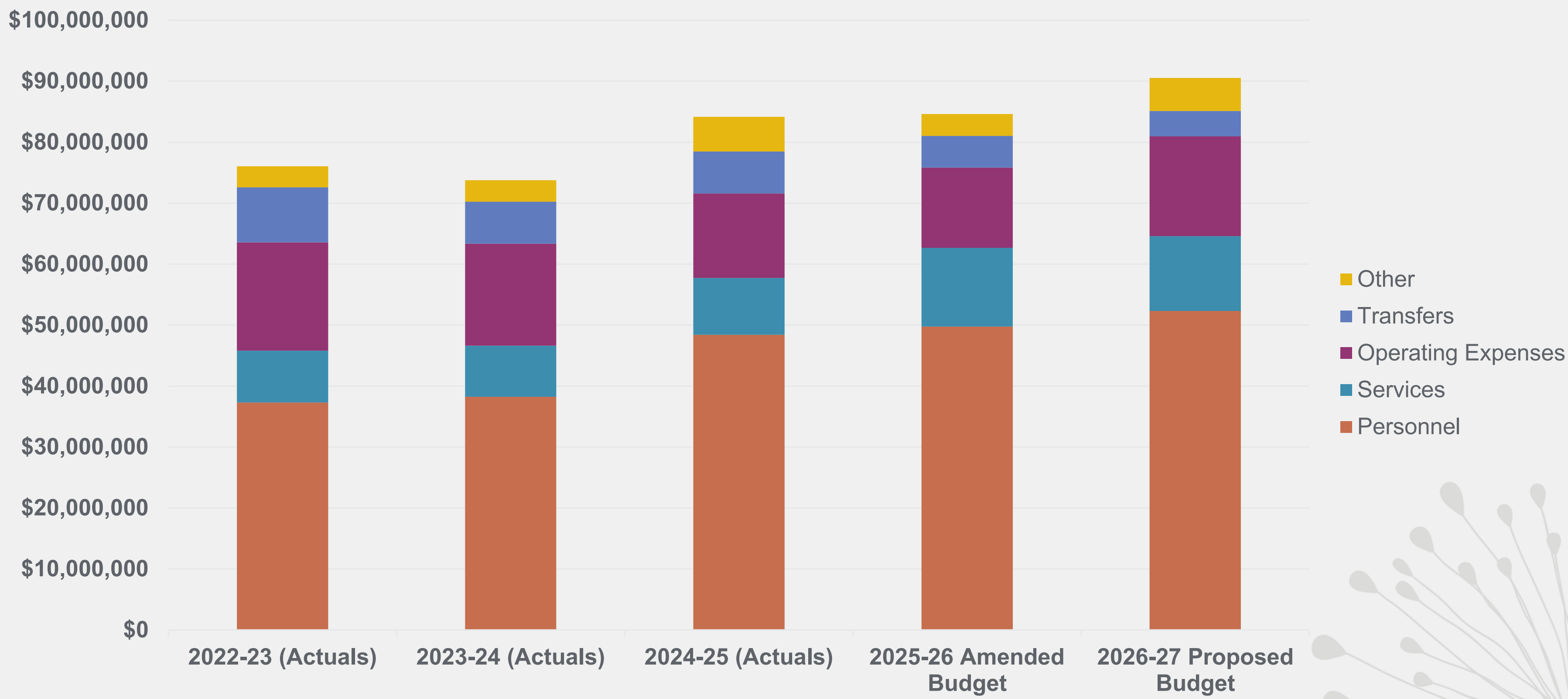
General Fund revenue and expenditure trends

General Fund revenue trends



Other: Fines and Forfeitures, Franchise Fees, Use of Money & Property, Intergovernmental

General Fund expenditure trends



Other: Utilities, Repairs & Maintenance, Special Projects


CITY OF
MENLO PARK
General Fund
five-year forecast

Background

- Five-year forecast provides financial outlook of revenues and expenditures for the General Fund
- Serves as a planning tool to support long-range decision-making
- Based upon current policies, economic trends and known future obligations
- Developed with input from a variety of sources, including the subject matter experts and consultants

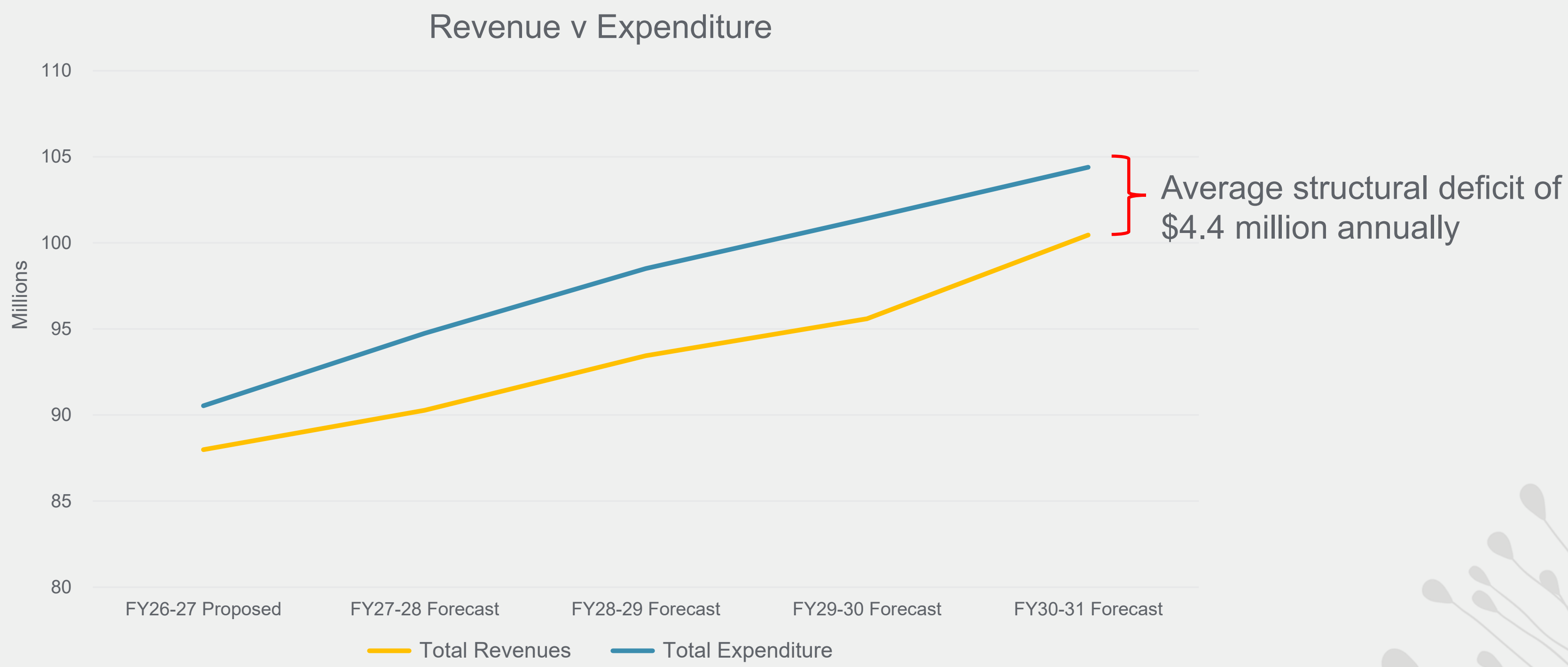
Revenue assumptions

- Property taxes: average annual growth of 4.5%
- Transient Occupancy Tax (TOT): 15.5% tax rate effective Jan. 1
  - Does not consider planned addition of Hotel Moxy; estimated $1.9 million additional revenue beginning 2027-28
- Sales tax: average annual growth of 3%
- Licenses and permits: increased to reflect new Master Fee Schedule in 2026-27; average annual growth of 3% thereafter
- $1 million annual transfer from Developer Special Revenue fund through fiscal year 2028-29
  - Used for Belle Haven Community Campus (BHCC) operations
- Grant revenues reduced to reflect current funding levels

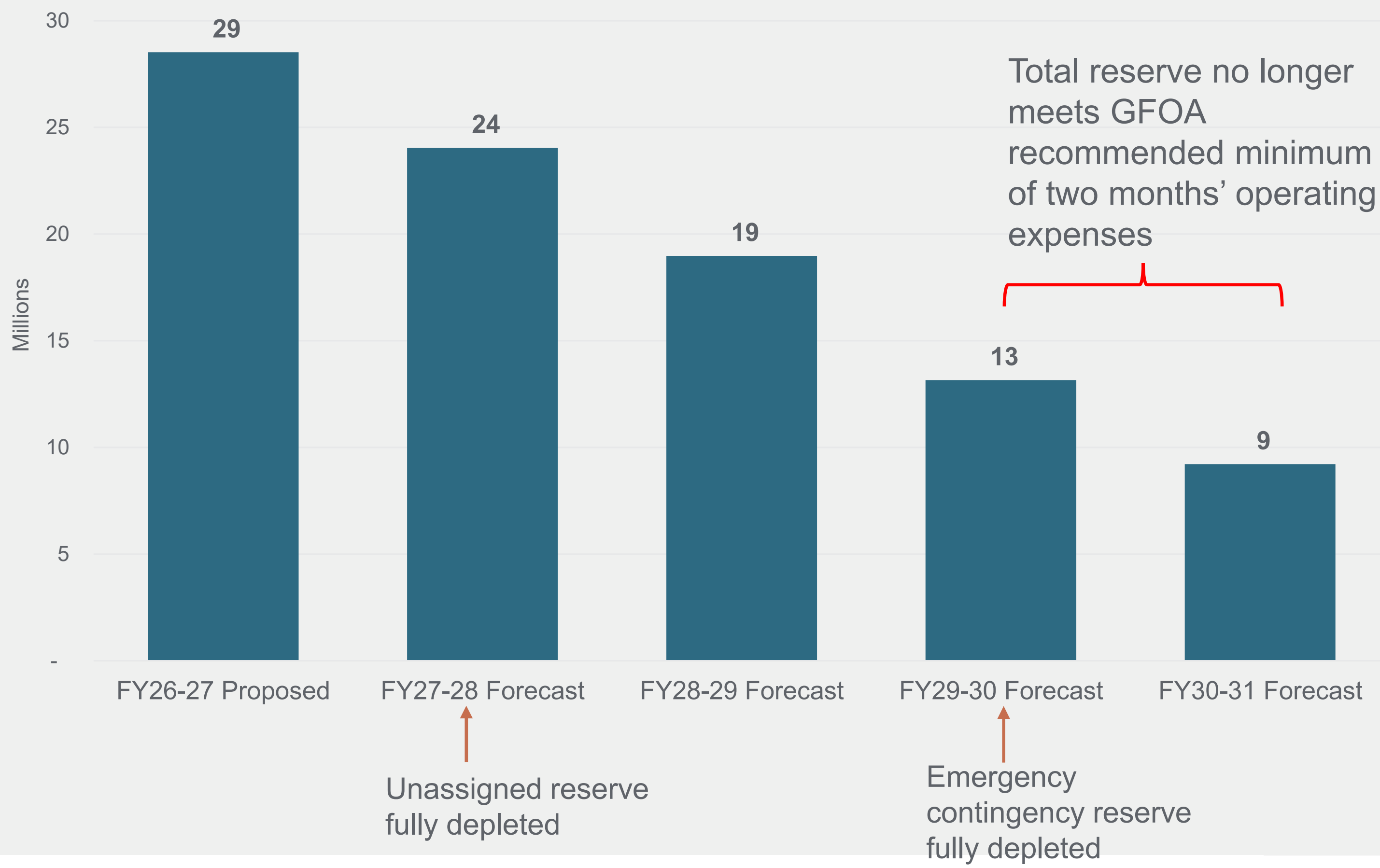
Expenditure assumptions

- Salaries and wages forecast using annual growth of 3%
  - Includes vacancy and turnover rate assumption of 10%, decreasing 2% annually until stabilizes at 6%
- Non-retirement benefits: average annual growth of 3%
  - Health insurance premiums grow 6% annually
- Retirement benefits and unfunded actuarial liability (UAL) payment forecast using most recent CalPERS actuarial data
- Services and operating expenses: annual growth of 3%
- Transfer to the General CIP Fund for capital projects of $3.9 million in 2026-27; remains flat in out years

Operating surplus/(deficit)



General Fund reserve impact



Fiscal year 2026-27 Operating budget: reserves

- Projected reserve levels
  - Strategic pension: $0.66 million
  - Emergency Contingency Reserve: $10.4 million at 11% (does not meet policy minimum 15%)
  - Economic Stabilization Reserve: $13.9 million at 15% (does not meet policy minimum 20%)

Reserve comparison

City	General Fund reserve* as of June 30, 2025 (millions)	FY 2024-25 General Fund operating expenditure (millions)	General Fund reserve as % of operating expenditure
Foster City	$71.1	$62.4	114%
Belmont	$31.6	$29.1	109%
East Palo Alto	$33.9	$33.2	102%
San Bruno	$53.4	$65.5	82%
Burlingame**	$54.5	$95.9	57%
South San Francisco	$92.4	$162.9	57%
San Mateo	$106.9	$189.8	56%
Menlo Park	$31.3	$84.1	37%

*Only includes reserves related to pension, economic stabilization, emergency contingency and unassigned.
**Burlingame is the closest benchmark based on budget size

Revenue generation and cost recovery

- Staff plans to further study and present revenue enhancement options for City Council consideration in the fall
  - Half cent sales tax
  - Business license tax modernization
  - Reauthorization and modernization of UUT
  - Other revenue measures focused on capital project funding
- Staff also plans to bring back updated user fee cost recovery policy in the fall

Department expenditure reductions

Targeted reductions of $0.7 million incorporated by departments:

- Delayed technology hardware replacement cycles and transition from proactive to reactive replacement
- Reduced department supplies, contracts
- Placed community funding program on hold
- Reduced training, conferences and memberships
- Shifted costs to alternative funding sources whenever possible

Vehicle license fee

- On June 11, printed State budget will be available for review
- Any inclusion of VLF backfill would likely be one-time funding since department of finance is not currently open to long term legislative fix
  - With 2/3 VLF backfill of $1.9 million, deficit for fiscal year 2026-27 will be reduced to approximately $0.9 million
  - With 1/2 VLF backfill of $1.4 million, deficit for fiscal year 2026-27 will be reduced to approximately $1.4 million

Review potential service level reductions

CITY OF MENLO PARK

Seeking City Council direction on:

- Reviewing potential service level reductions and identifying those to move forward
  - Selected reductions will be incorporated into the budget presented for adoption June 23
- Establishing target deficit to be achieved through these measures

Potential service level reductions

Department	Service	Proposed Change
Library and Community Services	Reductions to library program offerings, small reductions of materials and contract services	(169,255)
Library and Community Services	Reductions to contract services for indoor recreation programs, small reductions to materials, staffing efficiencies	(104,400)

Potential service level reductions

Department	Service	Proposed Change
Public Works	The Safe Routes to School reduction reflects a decrease in consultant services provided by Alta equivalent to a half-time position	($105,000)
Public Works	Eliminate the contract for maintaining the existing tree lights in the Santa Cruz Avenue medians between University Drive and Doyle Drive. Existing lights would remain in place and operational but not maintained. Failed lights would no longer be repaired or replaced.	($43,000)
Public Works	Fremont Park and Belle Haven Community Center Tree lighting	($70,000)
Public Works	General non-herbicide weed removal	($91,600)
Public Works	Landscape median and right of way maintenance	($69,800)
Public Works	Mechanical non-herbicide weed removal	($50,000)
	Total	**($703,055)**


CITY OF
MENLO PARK
Department budgets

Fiscal year 2026-27 General Fund: department budgets

Department	Revenues (millions)	Expenditures (millions)	General fund FTEs
Police	$1.2	$29.2	73.00
Public Works	$1.8	$19.2	45.94
Library and Community Services	$6.1	$17.9	55.25
Community Development	$6.9	$11.0	32.50
General Administration	$0.05	$7.1	18.36
Administrative Services	$0	$5.7	18.22
Non-Departmental*	$72.0	$0.5	0.00
Total	$88.0	$90.5	243.27

*Non-Departmental includes items not attributable to a specific department. Revenues include taxes, franchise fees, business licenses, and investment income. Expenditures include the vacancy and turnover factor, operating factor, and transfers to other funds.


CITY OF MENLO PARK
Capital improvement program

Capital improvement program (CIP)

Seven project categories and ongoing programs:

- City buildings and systems
  - City buildings minor
- Environment
- Parks and Recreation
  - Aquatic center maintenance
  - Parks improvement minor
  - Sport field renovations
  - Sport court maintenance
- Stormwater
- Streets and sidewalks
  - Street resurfacing
- Transportation
  - Traffic signal modifications
  - Transportation projects
- Water
  - Water main replacement
  - Water system improvements

Funding the CIP

- General Fund
  - Decreased transfer from $4.9 million to $3.9 million
- Water Enterprise Fund
- Grants
- Special Revenue Funds
  - Highway Users Tax (Gas Tax)
  - Road Maintenance and Rehabilitation (SB1)
  - Transportation Impact Fees
  - Construction Impact Fee
  - Landfill Post-Closure
  - Recreation In-Lieu
  - Downtown Public Amenity Fund
  - In-lieu Payment for Community Amenities
  - Heritage Tree in-lieu fee
  - Landscape/Tree Assessment and Sidewalk Assessment Districts
  - Downtown Parking Permits
  - Measure T
    - Recreation general obligation (GO) bonds
  - Measure A & Measure W
    - San Mateo County ½ cent sales tax for transit and traffic congestion relief projects

Funding the CIP

CITY OF MENLO PARK

Summary of capital project requests for fiscal year 2026-27 by category				
Category	**Funding requested**	**Percent of total requests**	**Amount of General CIP Fund requests**	**Percent funded by General CIP**
City buildings and systems	$1,070,000	8%	$800,000	26%
Environment	$0	0%	$0	0%
Parks and recreation	$1,320,000	10%	$500,000	16%
Stormwater	$1,520,000	12%	$1,520,000	49%
Streets and sidewalks	$4,310,000	33%	$0	0%
Traffic and transportation	$1,285,000	10%	$275,000	9%
Water	$3,500,000	27%	$0	0%
Total	**$13,005,000**	**100%**	**$3,095,000**	**100%**


CITY OF
MENLO PARK
Vacancies, recruitment and
retention trends

AB 2561 overview

- Assembly Bill (AB) 2561 requires public agencies to:
  - Present the status of vacancies and recruitment and retention efforts during a public hearing at least once per fiscal year, before the annual budget is adopted
  - Identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process
- Additional reporting requirements apply if the vacancy rate meets or exceeds 20% in a bargaining unit
- Labor groups entitled to make a presentation

Vacancy rates by Labor Group

Employee group	Budgeted FTEs	Vacant FTEs	Vacancy rate
SEIU	152.25	15.75	10.34%
AFSCME	57.75	6.5	11.26%
POA	35	6	17.14%
PSA	9	0	0%
Confidential (Unrepresented)	9	1	11.11%
Management (Unrepresented)	29	3	10.34%
City Council	5	0	0%
Total vacancies	**297**	**32.25**	**10.86%**

*Vacancy data is as of the last pay period in May (May 18, 2026)

Vacancy Rates by Department

Department	Budgeted FTEs	Vacant FTEs	Vacancy rate
Administrative Services	29.48	0	0%
Community Development	34	7.5	22.06%
General Administration	14	3	21.43%
Library and Community Services	68.25	2.75	4.03%
Police	73	9	12.33%
Public Works	73.27	10	13.65%
Total vacancies	**297**	**32.25**	**10.86%**

*Vacancy data is as of the last pay period in May (May 18, 2026)

Human Resources

- 6 budgeted FTEs and 1 temporary employee
- Currently, 2.0 FTEs focused on recruitment efforts

Recruitment and retention trends

CITY OF MENLO PARK

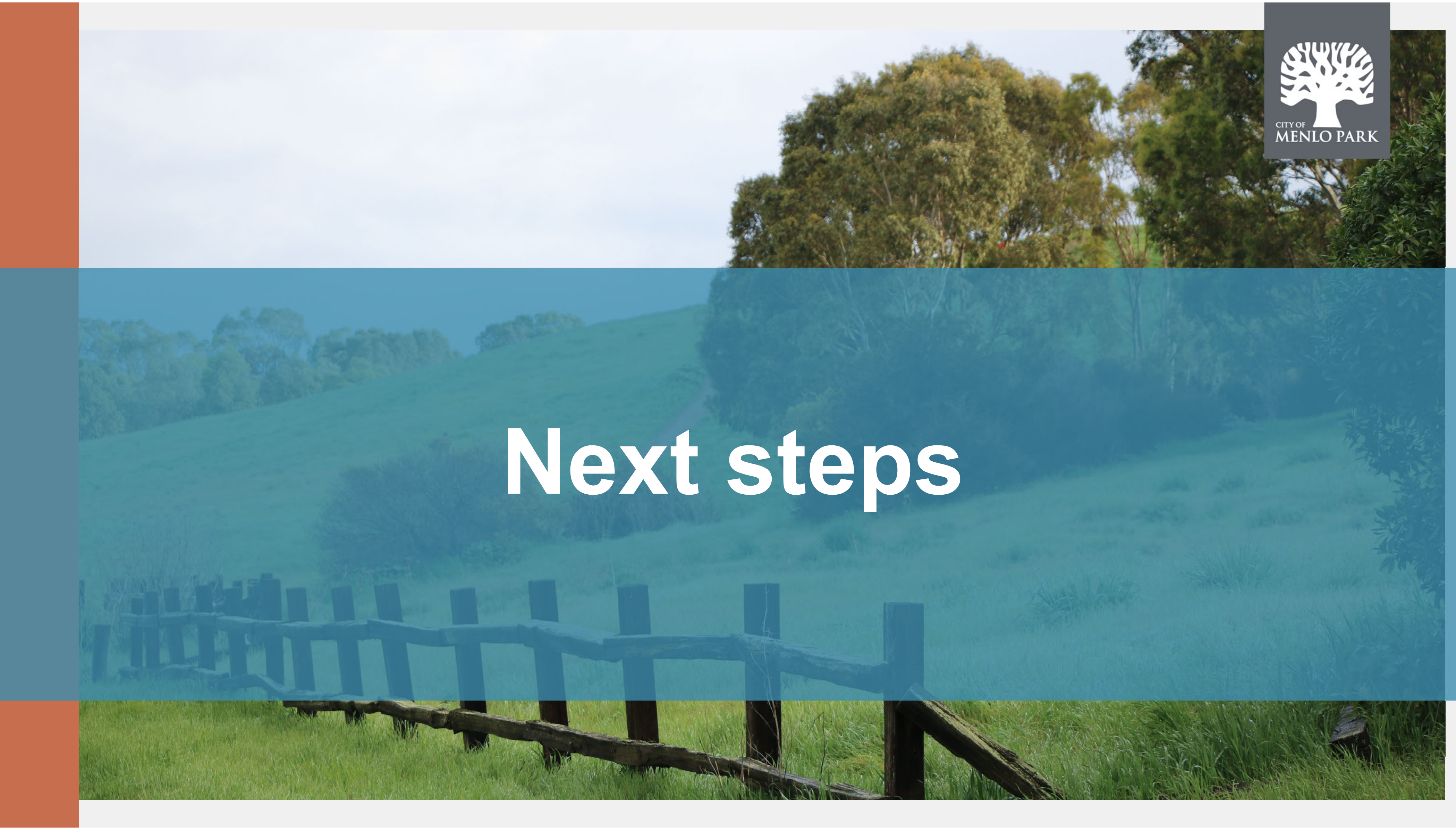
- For the period of May 1, 2025 – April 30, 2026:
  - 33 total FTE recruitments

Methodology	Total
New hires	33
Promotions	5
Advancements in a flexibly-staffed job series	3
Total positions filled	**41**

  - Employee Turnover Rate: 8.08%
  - Employee Retention Rate: 91.78%
  - The average tenure of employees is 8.30 years; the median tenure is 5 years
- Additional information in the staff report and Attachment F

Planned and ongoing recruitment and retention efforts

- Hiring incentives for lateral police officers and police academy graduates
- Conducting a citywide employee engagement survey and focus groups
- Developing new/revised classifications to meet evolving operational needs
- Conducting a citywide classification and compensation study
- Collaboration with City departments and external community partners to attend career and resource fairs


CITY OF
MENLO PARK
Next steps

City Council direction

CITY OF MENLO PARK

- Staff requests direction from the City Council:
  - Provide direction on budget strategies and/or service level reductions to incorporate into the fiscal year 2026-27 budget for adoption June 23
  - Adopt resolution approving budget amendments for fiscal year 2025-26
- Consider information related to vacancies, recruitment and retention trends in compliance with AB 2561
- Proposed budget available online: menlopark.gov/budget
- June 23 City Council meeting agenda items:
  - Adopt the fiscal year 2026-27 budget that incorporates any direction provided this evening


Questions
CITY OF
MENLO PARK

G3-PRESENTATION

Landscaping Assessment District

Joanna Chen, Management Analyst II

Agenda

- Background
- Services provided
- Fee proposal
- Recommendation

Background

- 1982: Voters approved Measure N to form the Landscaping Assessment District (District)
- 1983: City established the District to provide proper street tree maintenance
- 1990: City added an assessment for the repair and maintenance of sidewalk, curb, gutter, and parking strips damaged by city tree roots
- 1998: Voters approved a ballot measure to increase the District fees

Services provided

- City street tree maintenance
  - Routine maintenance every five years
  - Inspections, trimming, planting, debris removal, and removal requests
  - Funding: District and General Fund
- Sidewalk, curb, gutter, and parking strip repair and replacement program
  - Public right-of-way sidewalks damaged by city trees
  - Funding: District and Highway Users Tax Fund

Fiscal year 26-27 fee proposal

- The amount increase per single family equivalent accounts for:
  - Additional tree care services to address pests and diseases
  - Increase in agreement costs for tree maintenance, debris removal, and sidewalk repair/replacements
  - Rising construction costs = fewer sidewalk locations repaired
- Annual action is required by the City to continue the collection of assessments

Assessment	Fiscal year 25-26 rate	Increase	Fiscal year 26-27 rate
Tree	$96.94	$7.74 (8%)	$104.68
Sidewalk	$57.82	$4.62 (8%)	$62.44

RECOMMENDATION

Consider adoption of a resolution

- Overruling protests, ordering improvements, confirming the diagram/area of assessment, and ordering the levy and collection of assessments for fiscal year 2026-27

THANK YOU

G4-PRESENTATION

Public Hearing of Solid Waste Rate Increases for July 1, 2026 – June 30, 2031

Eren Romero, Internal Services Manager

AGENDA

CITY OF MENLO PARK

- Background
- Rate study and proposed rates
- Rate assistance program
- Protests
- Recommendation
- Next steps

BACKGROUND

- Feb. 24 Staff presented an informational item to update the City Council on the Solid Waste 5-Year Rate Study.
- March 10 Staff recommended solid waste rate increases for the next five fiscal years.
- March 16 Proposition 218 notices were mailed out. Due to errors, however, the notices had to be mailed out again which required rescheduling of the public hearing.
- May 12 Staff recommended that the City Council open the public hearing, receive and consider comments as part of the public record, take no final action on the proposed solid waste rates, and continue the public hearing to June 9.

RATE STUDY

- Strategy to fund on-going operations
  - Solid waste collection
  - Management of landfill at Bedwell Bayfront Park
- Based on a cost-of-service analysis that meets Prop. 218 requirements
  - Rate revenue does not exceed the cost required to provide the service
- Recommended the revenue needed for operations and rate stability
- Recommended the rates for next five years

PROPOSED RATES

CITY OF MENLO PARK

- Single-family (1-4 units) bundled rates
  - 6% increases effective annually July 1, 2026 – 2030
  - Averaging an additional $3 to $4 per month
  - *No changes to rates for additional carts*
- Multi-family (>4 units) and commercial garbage rates
  - 1 cubic yard and less – annual increases from 0.04% to 4.72%
  - *No changes to rates for 2 cubic yards or more*
- Multi-family (>4 units) and commercial recycling rates
  - Annual increases ranging 3.86% to 5.07%
- Multi-family (>4 units) and commercial organics rates
  - Less than 1 cubic yard – annual increases from 0% to 5%
  - 1 cubic yard and more – annual increases from 0.19% to 6%

RATE ASSISTANCE PROGRAM

CITY OF MENLO PARK

- On Dec. 8, 2020, the City Council approved a rate assistance pilot program to provide discounts to qualified households.
  - 50% on the monthly fixed meter charge for Menlo Park Municipal Water customers
  - 20% monthly discount for Recology customers
  - Funded by the General Fund and renewed by City Council annually
- This fiscal year
  - Budgeted $15,000
  - Provided $10,345 in discounts for 99 households
  - Eligible households – 30% Area Median Income

PROTESTS

- Written protests may be submitted up to the close of the public hearing.
- After the City Council closes the public hearing:
  - The City Clerk will provide a final number of protests received.
  - If the number of protests received is more than 50% of the total parcels served (10,398), there would be a "majority protest."
  - The City would not be authorized to approve the proposed rates under Prop. 218, if there was a "majority protest."

RECOMMENDATION

CITY OF MENLO PARK

Consider adoption of a resolution:

- Approving maximum increases in rates for the collection, processing, and disposal of waste, recycling, and compost materials for all customers effective July 1, 2026, with annual adjustments each July 1 for 2027, 2028, 2029 and 2030

NEXT STEPS

CITY OF MENLO PARK

- Receive protests and close the public hearing.
- Receive City Council direction.
- With rates approved:
  - Staff would update the solid waste rates webpage and work with Recology on updating rates.
  - New rates become effective and then adjust annually for the next five fiscal years July 1.

Thank you

G5-PRESENTATION

Public Hearing of Menlo Park Municipal Water rate increases for July 1, 2026 – June 30, 2029

Eren Romero, Internal Services Manager

AGENDA

CITY OF MENLO PARK

- Background
- Rate study and proposed rates
- Rate assistance program
- Protests and objections
- Recommendation
- Next steps

BACKGROUND

- Feb 24 — Staff presented an informational item to update the City Council on the Water Rate Study.
- March 10 — Staff recommended water rate increases for the next three fiscal years.
- March 16 — Proposition 218 notices were mailed out. Due to errors, however, the notices had to be mailed out again which required rescheduling of the public hearing.
- May 12 — Staff recommended that the City Council open the public hearing, receive and consider comments as part of the public record, take no final action on the proposed water rates and continue the public hearing to June 9.
- May 25 — Water rate objection deadline.

RATE STUDY

- Strategy to fund on-going operations and planned capital expenditures
- Based on a cost-of-service analysis that meets Prop. 218 requirements
  - Rate revenue does not exceed the cost required to provide the service
- Recommended the revenue needed for operations and capital needs
- Recommended the rates and water capacity charges for next three years

PROPOSED REVENUE OPTION

- Lowest revenue increase to customers, allows for long-term debt financing to support the capital program and meets cost obligations.

Option	Revenue increase	Fiscal year	Result/Impact
Uniform rates and capital improvement plan	4.25%	2026-27 & 2027-28	• Lowest rate impact to customers • Debt financing of $16M by 2029 • Meets cost obligations
	4.5%	2028-29	

CITY OF MENLO PARK

PROPOSED RATES

- Uniform rates
- Estimated monthly bill total and annual rate increase for a single-family home.

Proposed water rates for 5/8" meter		
Fiscal year	Total amount billed for 10 ccfs	Approximate % increase per year ER1
2026-27	$150.64	15.5%
2027-28	$157.04	4.2%
2028-29	$164.11	4.5%

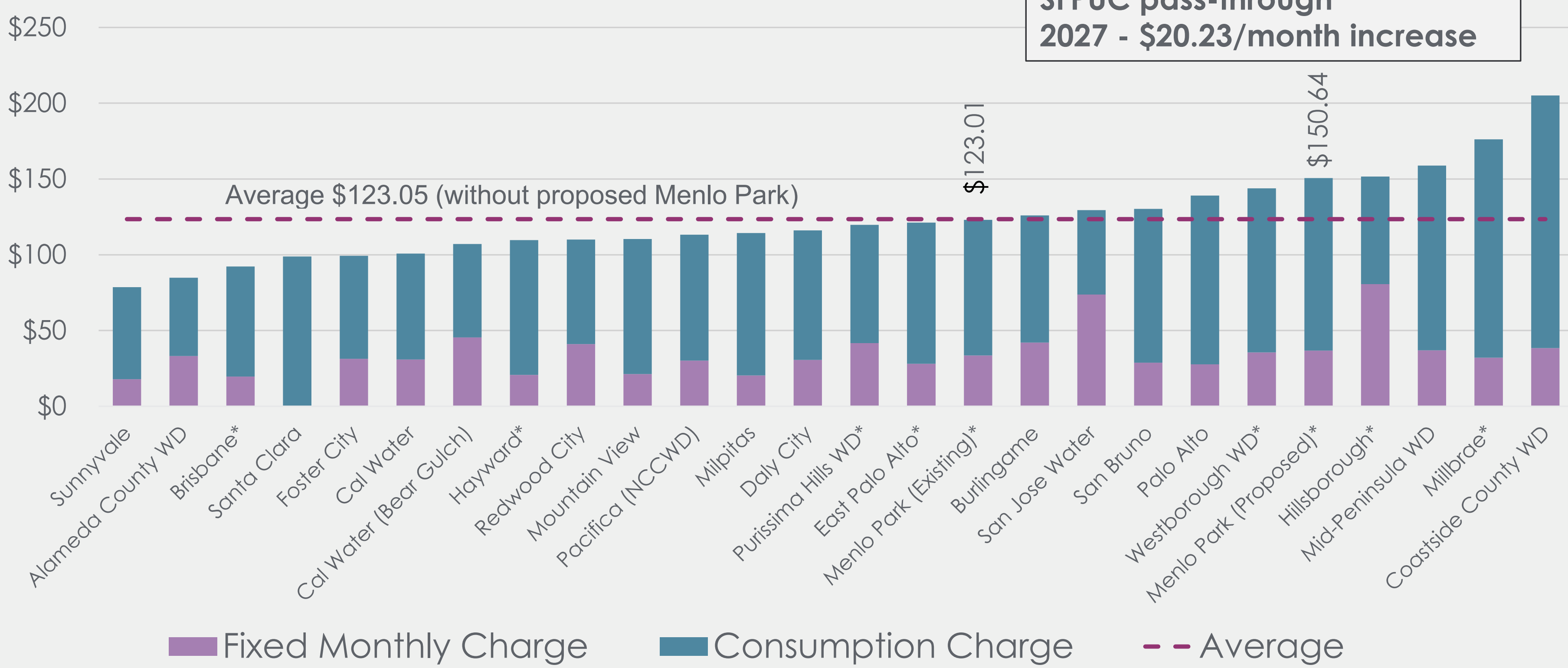
Slide 6

ER1 [@Natalie A. Bonham]is this right?
Eren Romero, 2026-06-04T23:52:14.153

NB1 0 [@Eren Romero] These are the same amounts that we have used the March 10th PP and based on the rate model they are correct. These do not include SFPUC passthrough
Natalie A. Bonham, 2026-06-05T06:44:01.483

RATE COMPARISON OF BAWSCA AGENCIES
10 CCF, 5/8" METER

2026 - $130.41/month with SFPUC pass-through
2027 - $20.23/month increase



- 9 other agencies purchase 100% water from SFPUC*

7

CAPACITY FEES

- One-time development fees for new connections
- Fees fund the costs of existing and future water system facilities for new development
- Not subject to Prop. 218 requirements
- Proposed to increase by approximately 17%

RATE ASSISTANCE PROGRAM

CITY OF MENLO PARK

- On Dec. 8, 2020, the City Council approved a rate assistance pilot program
  - 50% on the monthly fixed meter charge for Menlo Park Municipal Water customers
  - 20% monthly discount for Recology customers
  - Funded by the General Fund and renewed by City Council annually
- This fiscal year
  - Budgeted $12,000
  - Provided $10,043 in discounts to 84 households
  - Eligible households – 30% Area Median Income

OBJECTIONS AND PROTESTS

CITY OF MENLO PARK

- The City received zero (0) objections.
- Written protests may be submitted up to the close of the public hearing.
- After the City Council closes the public hearing:
  - The City Clerk will provide a final number of protests received.
  - If the number of protests received is more than 50% of the total parcels served (4,250), there would be a "majority protest."
  - The City would not be authorized to approve the proposed rates under Prop. 218, if there was a "majority protest."

RECOMMENDATION

Consider adoption of a resolution:

- Approving maximum increases in rates for Menlo Park Municipal Water services effective July 1, 2026, with annual adjustments each July 1 for 2027 and 2028;
- Approving pass through of any increases in costs of the wholesale water from San Francisco Public Utilities Commission (SFPUC); and
- Establishing and setting water capacity charges.

NEXT STEPS

- Receive protests and close the public hearing.
- Receive City Council direction.
- With rates approved:
  - Staff would update the water rates webpage and work with utility biller to include information on monthly water bill statements.
  - New rates become effective and then adjust annually for the next three fiscal years on July 1.

CITY OF MENLO PARK

THANK YOU