SPECIAL AND REGULAR MEETING MINUTES

CITY OF MENLO PARK

Date: 6/23/2026
Time: 5:30 p.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 5:34 p.m.

B. Roll Call

Present: Combs (remote, exited the meeting at 11:07 p.m.), Nash, Schmidt, Taylor (remote), Wise
Absent: None
Staff: City Manager Justin Murphy, Assistant City Attorney Denise Bazzano, Assistant to the City Manager/ City Clerk Judi A. Herren

C. Closed Session

C1. Conference with legal counsel – existing litigation
Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: County of San Mateo, et al. v. State of California, et al. (Sup. Court, County of San Francisco, Case No. CPF-25519270)

C2. Conference with labor negotiators
Government Code Section 54957.6
Labor negotiations with Service Employees International Local 521 and Service Employees International Union Local 521 – Temporary Employees Unit

Agency designated representatives: City Manager Justin I.C. Murphy, Assistant City Manager Stephen Stolte, Assistant City Attorney Denise Bazzano, Administrative Services Director Brittany Mello, Legal Counsel Charles Sakai

- Deborah Calvillo, Brandon Palominos, Radina Philyaw, Jabari Loudd, Alan Acker, Juan Quinonez spoke in support of fair contracts for the Service Employees International, Local 521 (SEIU) and SEIU – Temporary Unit.
- Keith Dowdell spoke in support of fair contracts for SEIU.

Regular Session

D. Call To Order

Mayor Nash re-called the meeting to order at 7:07 p.m.

E. Report from Closed Session

No reportable actions.

F. Agenda Review

None.

G. Public Comment

- San Mateo County Tobacco Education Coalition representative Alheli Kang spoke in support of a multi-unit smoke free housing ban.
- Gerald Wluka spoke on concerns about the traffic pickup time at La Entrada Middle School.
- San Mateo County Tobacco Education Coalition Chair Tricia Barr spoke in support of a multi-unit smoke free housing ban.
- Ken Kershner requested the City Council to agendize the El Camino Real Phase 1 quick build bikeway project and to direct staff to pursue grant funding.
- Will Oursler spoke in opposition of Flock, ALPRs (automate license plate readers) and Northern California Regional Intelligence Center (NCRIC) data sharing and on concerns of potential abuse.

H. Advisory Body Vacancies and Appointments

H1. Consider applicants and make appointments to fill an unexpired vacancy on the Environmental Quality Commission (Staff Report #26-105-CC)

Deputy City Clerk Sarah Sandoval introduced the item.

- Pam Jones spoke in support of Nabil Saad's appointment to the Environmental Quality Commission.
- Takiyah Smith spoke in support of their appointment to the Environmental Quality Commission.

The City Council made an appointment to fill a vacancy on the Environmental Quality Commission: Nabil Saad – term expiring April 30, 2028

I. Consent Calendar

I1. Accept the City Council meeting minutes for May 19 and June 2, 2026 (Attachment)

I2. Consider and adopt a resolution calling and giving notice of holding a General Municipal Election for three City Council seats in Districts 1, 2 and 4, requesting that the City Council consolidate the election with the Statewide General Election to be held Nov. 3, and authorize the city manager to execute an agreement with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for election services (Staff Report #26-110-CC)

I3. Authorize the city manager to execute a professional services agreement with Meredith Roberts, LMFT for an amount not to exceed $160,000 for services as a Community Wellness Crisis Response Team Clinician (Staff Report #26-106-CC)

I4. Consider and adopt a resolution approving the list of projects eligible for fiscal year 2026-27 funds from Senate Bill 1: The Road Repair and Accountability Act of 2017 (Staff Report #26-107-CC)

I5. Authorize the city manager to execute a maintenance agreement with Cal-West Lighting & Signal Maintenance Inc., for traffic signals and lighting maintenance services (Staff Report #26-109-CC)

I6. Authorize the city manager to execute a maintenance agreement with Significant Cleaning Services for janitorial and day porter services at various city facilities (Staff Report #26-111-CC)

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

J. Public Hearing

J1. Consider and adopt a resolution to amend the El Camino Real/Downtown Specific Plan to modify land uses allowed within the Downtown/Station Area "Main Street" Overlay land use designation; allow existing buildings within the "Main Street" Overlay to have up to two-thirds of the public benefit bonus floor area ratio for office uses, if located in the rear half of the ground floor without frontage on Santa Cruz Avenue and/or on the second floor and not increasing the overall square footage of the building, subject to a use permit and a public benefit agreement; and modify four use classifications across the entire El Camino Real/Downtown Specific Plan
(Staff Report #26-112-CC)

Associate Planner Matt Pruter made a presentation (Attachment).

Applicant Co-founder of Windy Hill Property Ventures Tod Spieker made a presentation (Attachment).

Mayor Nash opened the public hearing.

- Kylie Holmes spoke in support of the proposed amendments.
- Jenna Atchison spoke in support of the proposed amendments.
- Kimberly Lytikainen spoke in support of the proposed amendments.
- Chris Kummerer spoke in support of the proposed amendments and recommended reviewing the Specific Plan every four years.
- Chair of Downtown Menlo Fund Marnie Foody spoke in support of the proposed amendments.
- Mina Malek spoke in support of the proposed amendments and continuing to broaden zoning.
- Patti Fry spoke on concerns of a lack of public and community input on the Specific Plan amendments and in opposition of additional banks, personal services and offices.
- Michelle Wagner spoke in support of the proposed amendments.
- Laura Melahn spoke in support of the proposed amendments.

Mayor Nash closed the public hearing.

The City Council received clarification on examples of land use category designations, risks to current retail operations on Santa Cruz Avenue, adoptions and sale of live animals, process for removing provisions in the future, personal services in relation to therapeutic massage, conditional use application and permitting processes and noise from indoor sports uses.
The City Council discussed Downtown vibrancy beyond the Specific Plan, animal clinics and hospitals, retail services on Santa Cruz Avenue and a joint City Council and Planning Commission review of the Specific Plan.

The City Council directed staff to provide an annual informational item with the uses and vacancies to the City Council and Planning Commission.

ACTION: Motion and second (Combs/ Wise), to adopt a resolution approving the following amendments to the El Camino Real/Downtown Specific Plan (Specific Plan amendments):

- Modify the land uses allowed on Santa Cruz Avenue between the Caltrain station and University Drive within the Downtown/Station Area “Main Street” Overlay (“Main Street Overlay”) land use designation (Chapter E). The proposed revisions include 1) changing the banks and financial institutions use from not allowed to conditional, subject to a maximum size of 5,000 square feet and a total development limit of 30,000 square feet for all existing and proposed banks and financial institutions, 2) changing the business services use from not allowed to conditional, 3) changing the personal improvement services use from on upper floors only to permitted, 4) changing personal services – general from on upper floors only to permitted, and 5) changing commercial recreation small-scale from not permitted to conditional;
- Allow existing buildings within the Main Street Overlay (Chapters E and G) to have an additional allowance of up to two-thirds (2/3) of the public benefit bonus floor area ratio (FAR) for office uses, if located in the rear half of the ground floor without ground floor frontage on Santa Cruz Avenue and/or on the second floor, and not increasing the overall square footage of the building, subject to a use permit and a public benefit agreement;
- Modify ~~four~~ three use classifications across the entire El Camino Real/Downtown Specific Plan (Specific Plan) area (Chapter H): 1) business services: expand to include businesses that primarily provide goods and services to the public, 2) personal improvement services: remove spas~~, 3) personal services – restricted: remove therapeutic massage services,~~ and ~~4~~3) personal services – general: expand to include ~~therapeutic massage services,~~ nail salons, biometric screening, and a broader set of spa services, which include non-surgical and non-invasive cosmetic and aesthetic services, such as injectables, laser treatments, skin rejuvenation, and body contouring; and
- Amending table E1 of resolution removing the office use category ”see Footnote #1” reference,

passed unanimously.

J2. Hold public hearing and consider and adopt a resolution approving the 2025 Urban Water Management Plan and authorizing its submittal to the Department of Water Resources (Staff Report #26-108-CC)

Associate Engineer Scott Jaw and EKI Environment & Water, Inc. Water Resources Engineer Tina Wang made the presentation (Attachment).

Mayor Nash opened the public hearing.

Mayor Nash closed the public hearing.

The City Council took a recess at 9:47 p.m.

The City Council reconvened at 10 p.m.

The City Council discussed water supply uncertainty and the San Francisco Public Utilities Commission’s (SFPUC) design drought and water supply reliability analysis.

ACTION: Motion and second (Nash/ Wise), to adopt a resolution adopting the 2025 Urban Water Management Plan and authorizing its submittal to the Department of Water Resources, passed unanimously.

K. Regular Business

K1. Consider and adopt resolutions for fiscal year 2026-27: adopting budget and capital improvement plan; establishing appropriations limit; amending salary schedule effective July 12, 2026; extending rate assistance program through June 2027; and accept award authority and bid requirements through June 2027 (Staff Report #26-114-CC)

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

The City Council received clarification on further and future reductions and special event scope and frequency.

The City Council discussed timeline for the reduction in library services, utilizing Fund 111 for library and community services, and cost recovery amounts in gymnastics.

The City Council directed staff to
- Utilize Fund 111 to fund areas of proposed reductions in library and community services, including (a) library program offerings, small reductions of materials and contract services ($169,255) and (b) reductions to contract services for indoor recreation programs, small reductions to materials, staffing efficiencies ($104,400); and
- Review and bring forward a future increase to gymnastics fees by up to 20% to generate additional revenue of $0.5 million for consideration at the July 14 City Council meeting.

ACTION: Motion and second (Taylor/ Wise), to adopt resolutions:
- Adopting fiscal year 2026-27 budget and capital improvement plan;
- Utilizing Fund 111 for library and community services proposed reductions: (a) reductions to library program offerings, small reductions of materials and contract services ($169,255) and (b) reductions to contract services for indoor recreation programs, small reductions to materials, staffing efficiencies ($104,400);
- Establishing the appropriations limit;
- Amending the salary schedule effective July 12, 2026;
- Extending the solid waste and water rate assistance program through June 2027; and
- Accepting award memo for authority and bid requirements through June 2027,

passed unanimously.

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

K2. Consider and adopt a resolution to approve the successor agreement between the City of Menlo Park and the American Federation of State, County and Municipal Employees, Local 829 expiring June 30, 2027 (Staff Report #26-104-CC)

Administrative Services Director Brittany Mello introduced the item.

ACTION: Motion and second (Wise/ Taylor), to adopt a resolution to approve the successor agreement between the City of Menlo Park and the American Federation of State, County and Municipal Employees, Local 829 (AFSCME) expiring June 30, 2027, passed unanimously.

L. Informational Items

L1. City Council agenda topics: July – August 2026 (Staff Report #26-113-CC)

- San Mateo County Tobacco Education Coalition Chair Tricia Barr spoke in support of a multi-unit smoke free housing ban.

M. City Manager Report

City Manager Murphy reported out on gratitude for the budget process, Fourth of July events, Summer Concert series beginning July 8 and the next City Council meeting July 14.

N. City Councilmember Reports

City Councilmember Schmidt reported out on the Commute.org meeting, Assembly Bill 2667 and the Juneteenth event.

Mayor Nash reported out on a call with Galway Ireland's Mayor Mike Cubbard celebrating 10-years as Sister Cities, Annual Service Academy event and the Association of Bay Area Governments (ABAG) meeting.

City Councilmember Taylor reported out on the Juneteenth event and Belle Haven Action Farmers Market.

O. Adjournment

Mayor Nash adjourned the meeting at 11:14 p.m.

Assistant to the City Manager/ City Clerk Judi Herren

These minutes were approved at the City Council meeting August 11, 2026.

J1-STAFF PRESENTATION

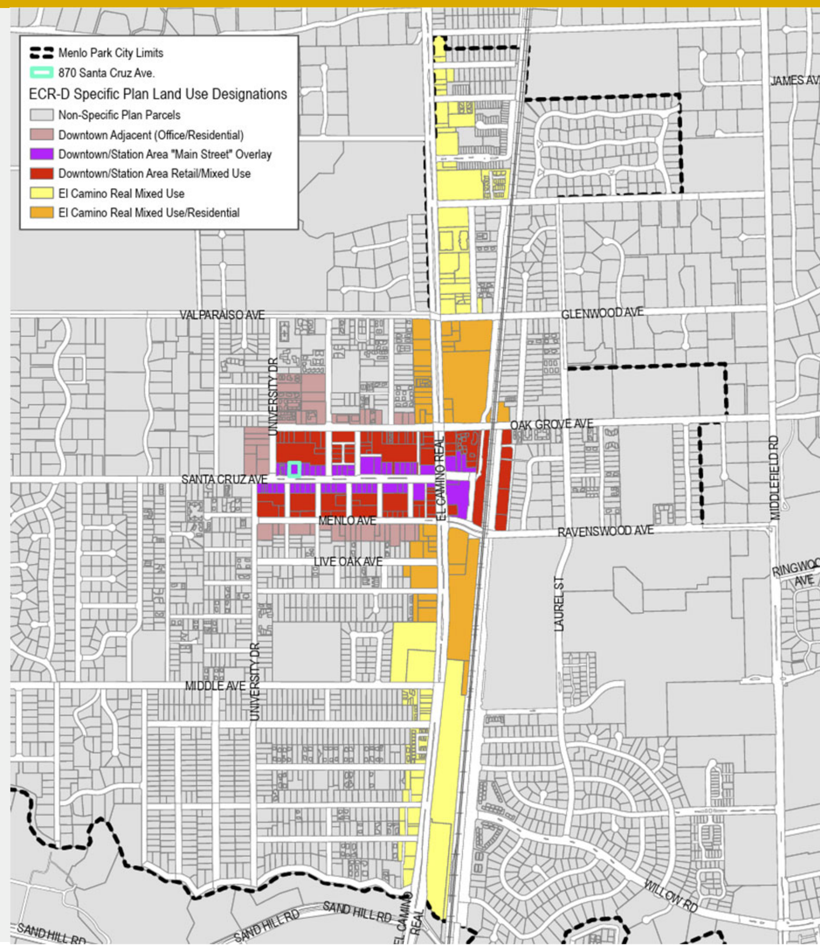
CITY OF MENLO PARK

Specific Plan amendments

Matt Pruter, Associate Planner

Background

CITY OF MENLO PARK



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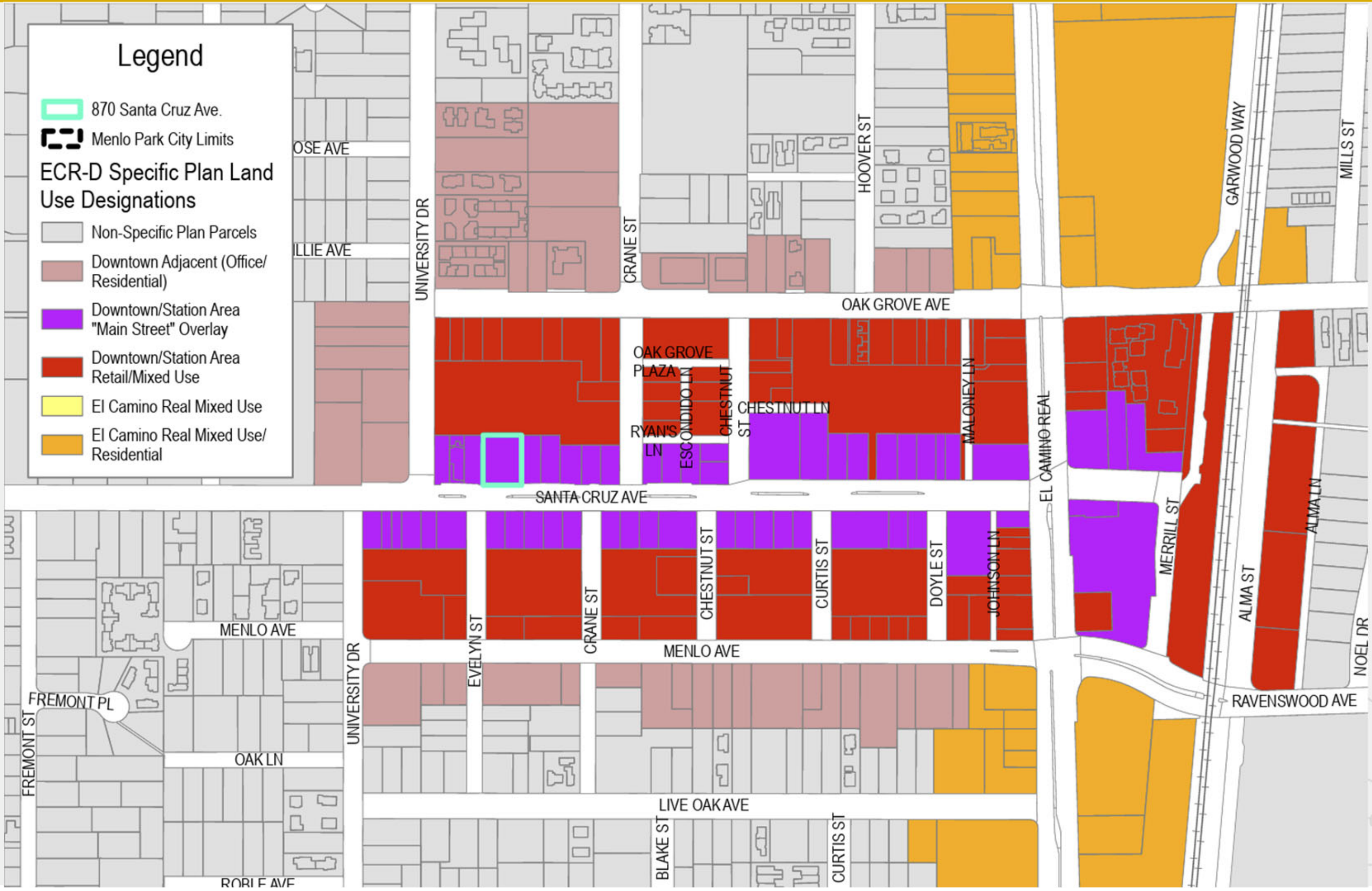

Legend
870 Santa Cruz Ave.
Menlo Park City Limits
ECR-D Specific Plan Land Use Designations
Non-Specific Plan Parcels
Downtown Adjacent (Office/ Residential)
Downtown/Station Area "Main Street" Overlay
Downtown/Station Area Retail/Mixed Use
El Camino Real Mixed Use
El Camino Real Mixed Use/ Residential
OAK GROVE AVE
SANTA CRUZ AVE
MENLO AVE
LIVE OAK AVE
UNIVERSITY DR
CRANE ST
HOOVER ST
GARWOOD WAY
MILLS ST
OAK GROVE PLAZA
ESCONDIDO LN
CHESTNUT ST
CHESTNUT LN
RYAN'S LN
MALONEY LN
EL CAMINO REAL
MERRILL ST
ALMA ST
ALMA LN
NOEL DR
RAVENSWOOD AVE
EVELYN ST
CURTIS ST
DOYLE ST
JOHNSON LN
BLAKE ST
FREMONT PL
FREMONT ST
OAK LN
ROBLE AVE

Proposed Specific Plan amendments

CITY OF MENLO PARK

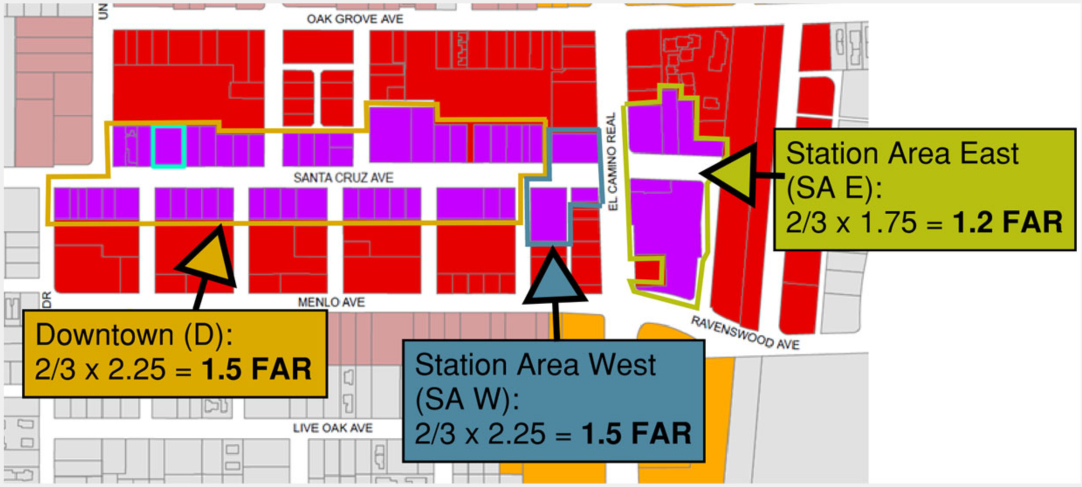
1. Modify allowable uses within Downtown/Station Area “Main Street Overlay” land use designation
2. Allow increased office square footage within Main Street Overlay for qualifying existing buildings
   - Require public benefit agreement for increased office square footage within Main Street Overlay
3. Modify four use classifications across entire Specific Plan area

Proposed Specific Plan amendments

Proposed use changes for the Main Street Overlay land use designation		
Land use category	**Current**	**Proposed**
Animal clinics and hospitals	Not permitted	Use permit required
Animal retail sales and service	Permitted if < 5,000 s.f.; use permit required if ≥ 5,000 s.f.	Permitted
Banks and financial institutions	Not permitted	Use permit required with square footage limits
Business services	Not permitted	Use permit required
Commercial recreation - small-scale	Not permitted	Use permit required
Offices, business and professional	Maximum 1/2 FAR and upper floors only	• No change for new construction • Existing buildings could have maximum 2/3 FAR and rear half of ground floor and upper floors if no ground floor frontage on Santa Cruz Avenue, not increasing overall square footage, and must obtain use permit and provide a public benefit
Offices, medical and dental	Maximum 1/3 FAR and upper floors only	Same criteria as Offices, business and professional
Personal improvement services	Permitted on upper floors only	Permitted
Personal services – general	Permitted on upper floors only	Permitted

Office uses and public benefit agreement

- Allow qualifying existing buildings within Main Street Overlay up to two-thirds of public benefit bonus floor area ratio (FAR) for office uses
  - Use permit and public benefit agreement required; one PC meeting



Proposed Specific Plan amendments

- Modify four use classifications across entire Specific Plan area
  - *Business services*: allow services to the public
  - *Personal improvement services*: remove spas
  - *Personal services – general*: add and expand spa services
  - *Personal services – restricted*: remove massage

Planning Commission recommendation

CITY OF MENLO PARK

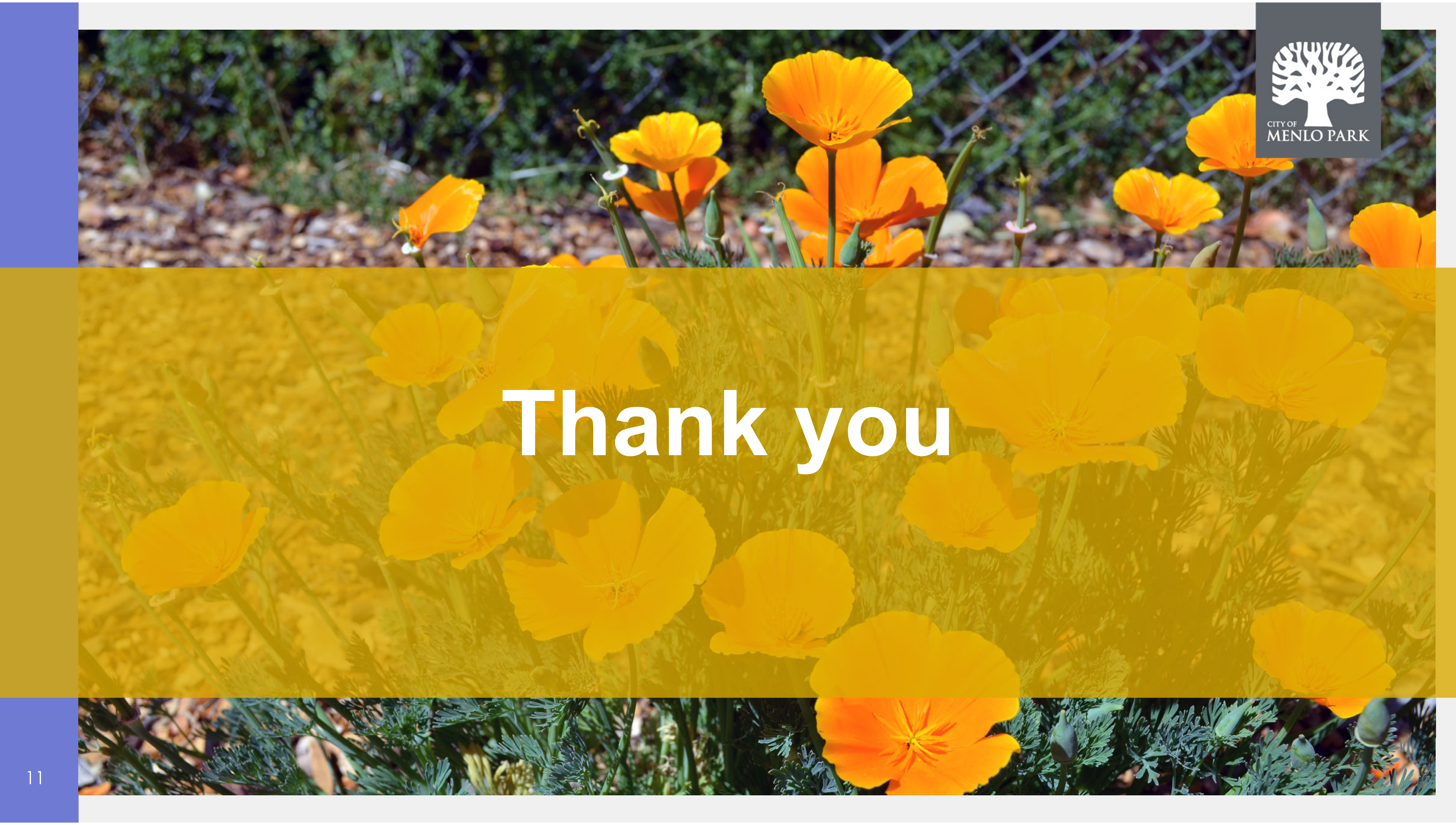
- Adopt resolution with modifications
  - Within Main Street Overlay land use designation:
    - Maintain *banks and financial institutions* use classification as not allowed
    - Change *commercial recreation – small scale* use classification from not allowed to conditional
- Recommendation that City Council direct staff to prepare a Planning Commission study session to explore additional Specific Plan changes

Staff Recommendation

- Allow banks and financial institutions as conditional use in the Main Street Overlay with limitations:
  - Maximum total square footage of 30,000 sq. ft.
  - Maximum individual square footage of 5,000 sq. ft.
  - Existing banks and financial institutions can remain
- Adopt resolution to approve proposed amendments
  - Promotes variety of uses and activity along Santa Cruz Ave.
  - Includes criteria to limit office growth in Main Street Overlay
  - Consolidates wellness and spa uses in one category
  - Expands business services uses to the public

Next Steps

- Take action on the proposed amendments (June 23)
- Amendments would be effective upon adoption


Thank you
CITY OF
MENLO PARK
11

J1-APPLICANT PRESENTATION

Menlo Park
Downtown Specific Plan Text Amendments
City Council
June 23, 2026

WINDY HILL
property ventures

About Us

- Downtown Menlo Park Property– 870 Santa Cruz Avenue
- Mixed-Use, Commercial & Multi-Family Projects
- Bay Area Experience-Locally Focused
- Longtime Menlo Park Residents with children attending local schools

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Planning Commission and City Staff Recommendations & Goals of the General Plan and DSP

- **We are in full agreement with the recommendation of the Planning Commission and City staff regarding proposed banks/financial institutions and small recreational uses. We feel these and our proposal would result in the following:**
- **Diverse Business Options:** Allowing additional uses downtown would support a variety of businesses, benefitting the community and enhancing services for residents, shoppers, and other businesses alike.
- **Optimized Retail Frontage:** This flexibility would enable existing and new retail tenants to optimize their floorplates, maximizing the ratio of sales to square footage along Santa Cruz Avenue.
- **Enhanced Pedestrian Experience:** Currently, many rear sections of these buildings serve as storage or office space, providing little interaction with pedestrians. Allowing alternative uses would bring life to these spaces and increase foot traffic in underutilized areas, benefiting the entire downtown district.
- **Improved Leasing Opportunities:** Increased flexibility would provide property owners with more options for leasing and allow them to optimize building spaces, potentially stabilizing rents. This would support property owners and help ensure that retail spaces on Santa Cruz Avenue remain viable for current and future businesses.

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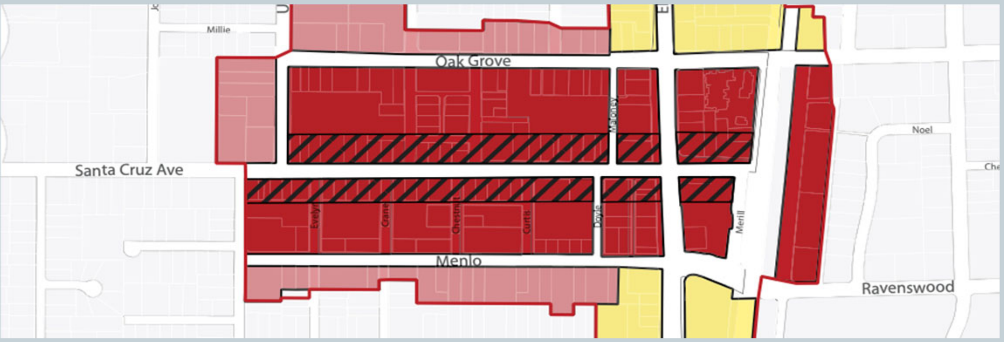
Project Area

- Santa Cruz Avenue between the Caltrain and University Avenue - Downtown/Station Area "Main Street" Overlay



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Downtown Vacancies

North Side of Santa Cruz Avenue

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Downtown Vacancies

South Side of Santa Cruz Avenue

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Reasons for Proposal

- While some ***fitness studios and wellness services*** exist in our broader area, they are not represented on Santa Cruz Avenue itself. Bringing these uses to our downtown corridor would make them more ***accessible to residents, fill vacant storefronts, and draw more foot traffic*** that supports the shops and restaurants already here.
- Given all the ***vacancy*** we need to be more accommodative and less restrictive. Adding ***fitness and wellness*** uses will bring more people downtown to eat and shop.
- Allowing ***financial and other business-serving uses on a limited basis*** uses will ***diversify*** what Santa Cruz Avenue has to offer, attract more visitors throughout the day, and help ***support our existing local retailers and restaurants*** that are struggling with reduced foot traffic.
- Many of the larger ground-floor spaces along Santa Cruz Avenue are simply ***too big*** to be filled by retail alone, and that is a key reason ***so many sit empty***. Allowing a limited amount of office use in these existing buildings would enable smaller, more flexible retail floor plates that can attract a variety of ***vibrant, pedestrian-friendly businesses***.
- More office workers downtown also means ***more daytime foot traffic*** that benefits everyone on the avenue.

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Menlo Park
Downtown Specific Plan Text Amendments
City Council
June 23, 2026

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CITY OF MENLO PARK

2025 Urban Water Management Plan Public Hearing and Adoption

Scott Jaw - Associate Engineer, EKI - Consultant

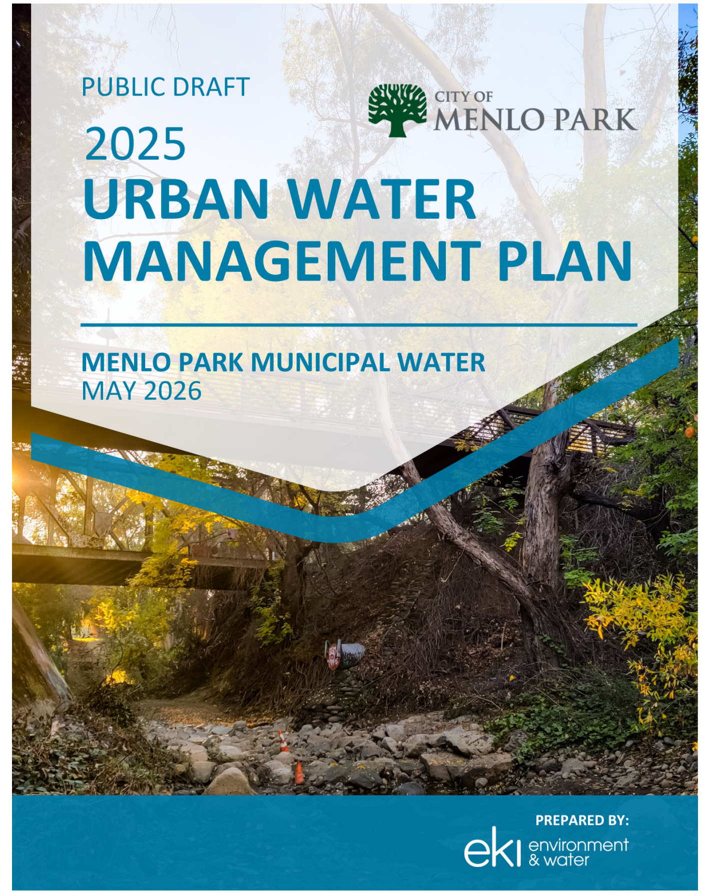
Agenda

CITY OF MENLO PARK

- Hold a public hearing on the draft 2025 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan
- Adopt a resolution adopting the 2025 Urban Water Management Plan

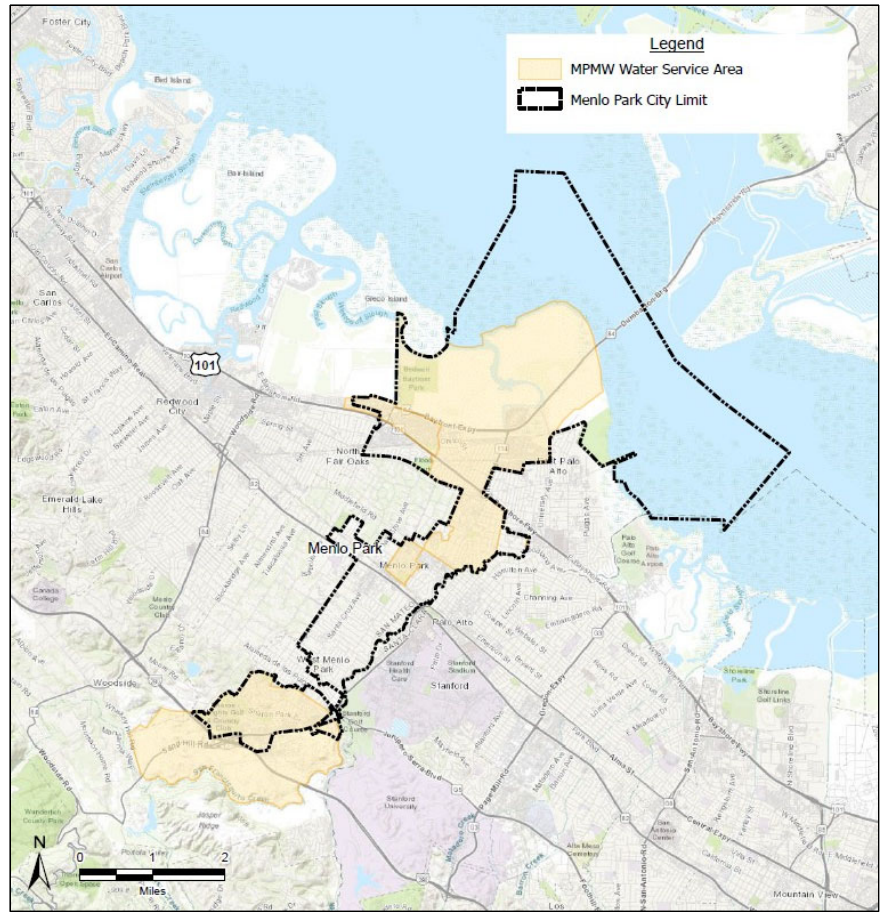
UWMP OVERVIEW

- Key document that articulates long-term water planning strategy to the public and governing body – promotes the "value of water"
- Framework to discuss water shortage contingency planning, water rates, and other issues
- State-mandated water supply and demand planning document required to be updated every 5 years (pre-requisite to receive State funding)
- Foundation for Water Supply Assessments



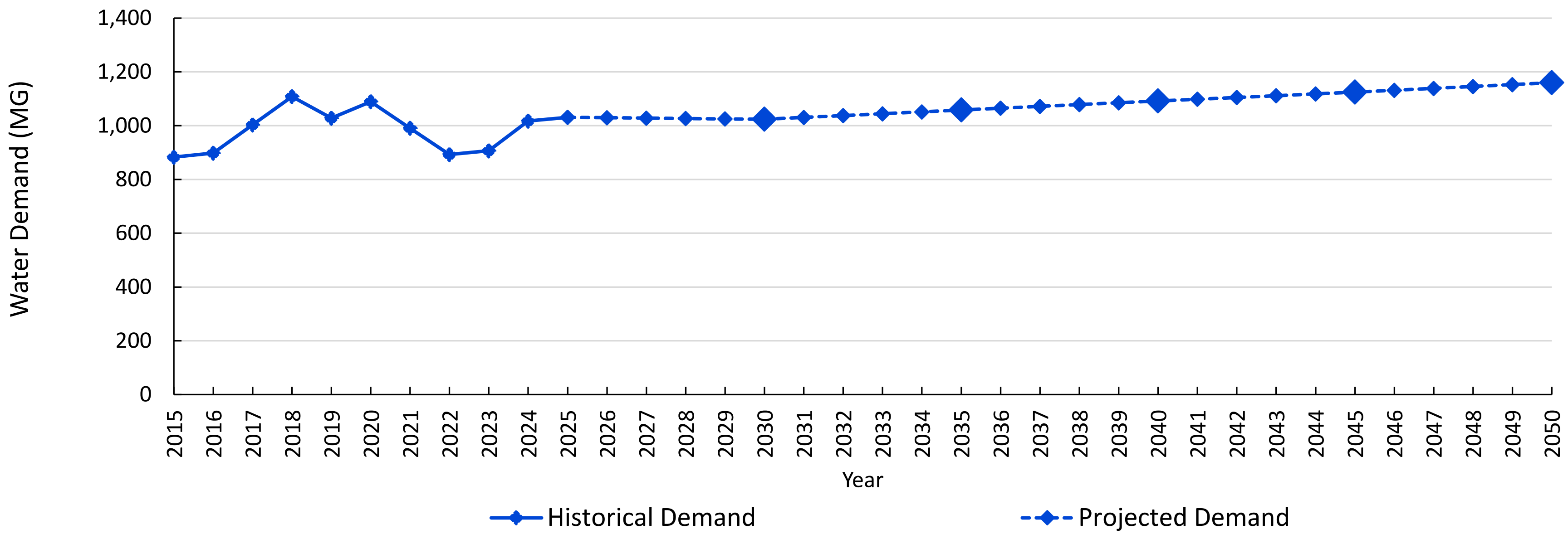
MENLO PARK MUNICIPAL WATER SERVICE AREA

- Service area covers approximately half of the City of Menlo Park
- Approximately 4,229 connections
- Water sources:
  - Potable water from San Francisco Public Utilities Commission (SFPUC) Regional Water System (RWS)
  - Non-potable water provided by West Bay Sanitary District (WBSD)



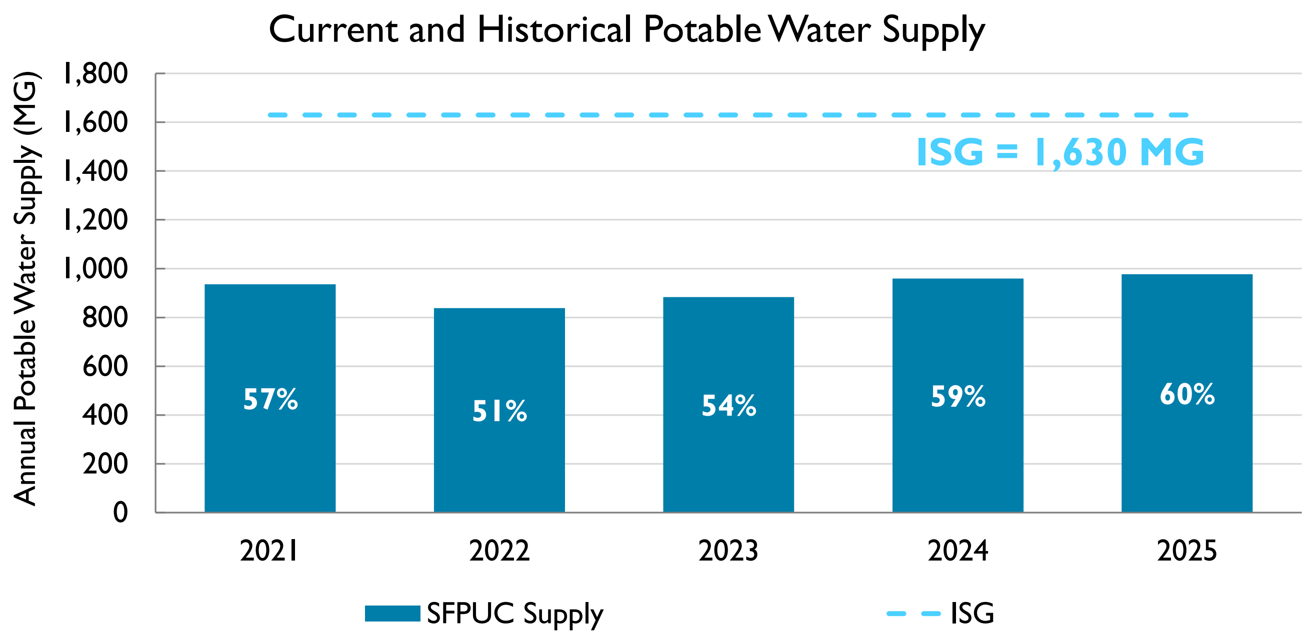
WATER DEMAND TRENDS

- Past 10 years - water use fluctuated in response to droughts and rebounds
- From 2025 to 2050
  - Demands projected to increase 13%
  - Population and employment projected to increase 62% and 16%, respectively



SFPUC WATER IS SOLE SOURCE OF POTABLE SUPPLY

- MPMW has a perpetual Individual Supply Guarantee (ISG) of 4.456 MGD (1,630 MGY) from SFPUC
- MPMW purchases remained well below the ISG, fluctuating between 51% and 60% of its ISG from 2021 to 2025



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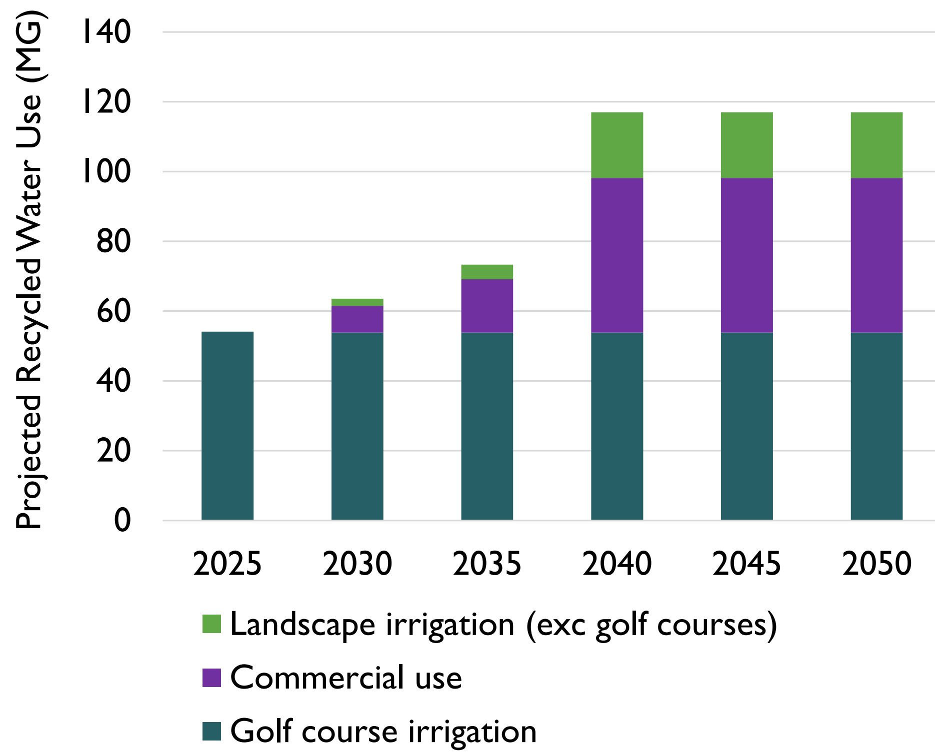
RECYCLED WATER USE IS ANTICIPATED TO GROW

- WBSD is the recycled water purveyor within MPMW (Sharon Heights and Bayfront)
- Recycled water is currently produced at a satellite plant and delivered to the Sharon Heights Golf Course
- New facilities and customers anticipated in the Bayfront Area post 2028



BAY DELTA PLAN IMPACTS ON SFPUC SUPPLY

- The Bay-Delta Plan (BDP) Amendment (adopted in 2018) establishes water quality objectives for rivers flowing to SF Bay / Sacramento–San Joaquin Delta
- No immediate impact anticipated due to BDP implementation uncertainties
- SFPUC and stakeholders proposed Tuolumne Healthy Rivers & Landscapes (HRL) Program as an alternative to reduce supply impacts and protect the environment
  - No timeline has been provided for when the HRL will be considered for adoption by the State Water Resources Control Board
- As required by the Water Code, MPMW relied on SFPUC and BAWSCA for its potable water supply reliability information
- SFPUC provided two reliability projection scenarios
  - (1) Implementation of BDP as written
  - (2) No implementation of BDP
- SFPUC presents both scenarios in their UWMP and uses Scenario 1 in their DWR standardized table submittal
  - BAWSCA agencies mirroring SFPUC approach

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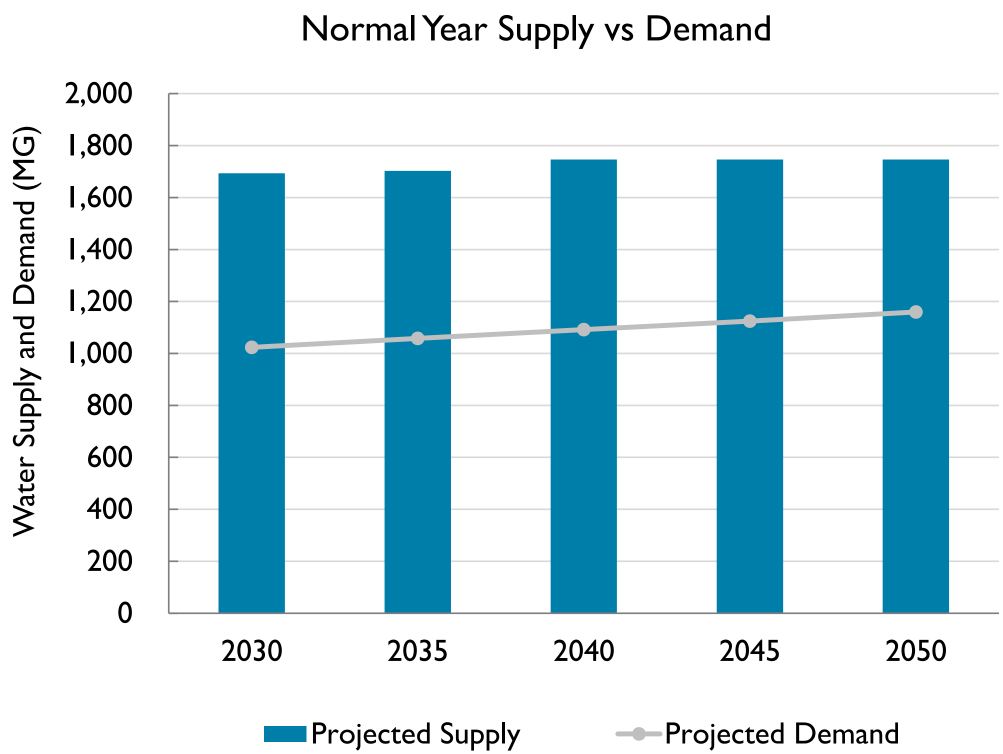
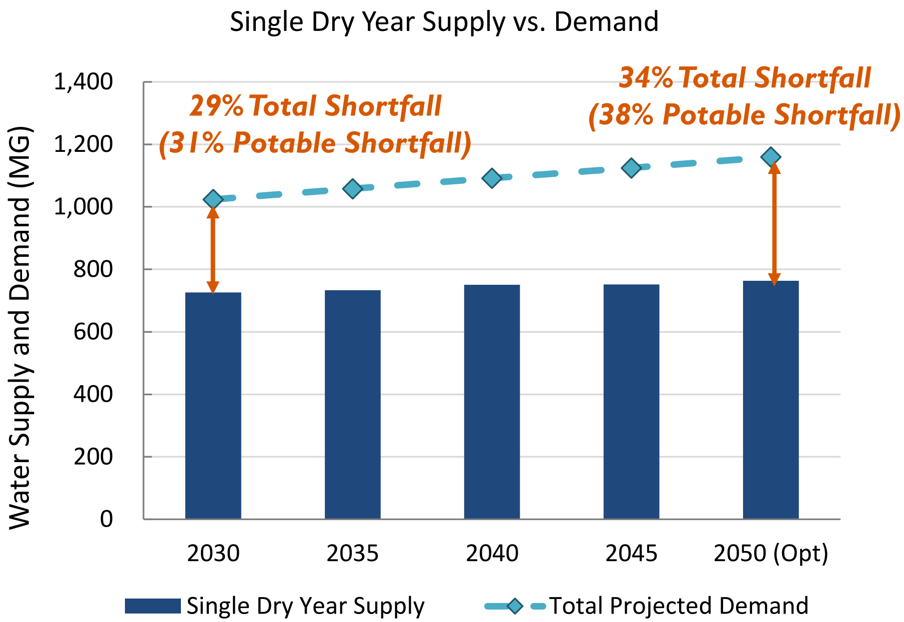
NORMAL YEAR SUPPLY SUFFICIENT TO MEET DEMANDS

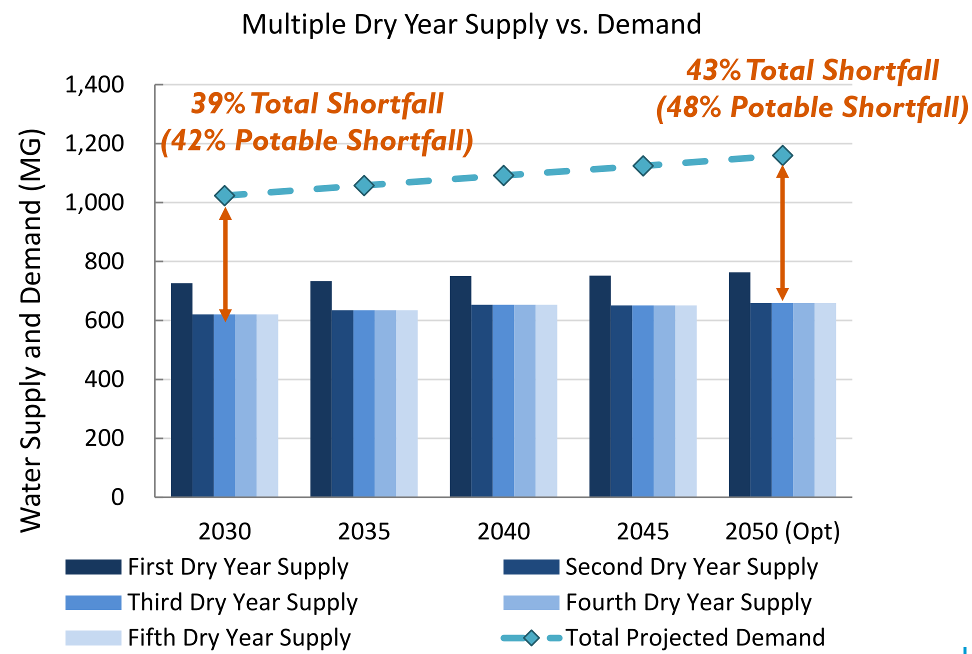
- Total available potable supply is projected to meet the MPMW's ISG during normal years in both SFPUC scenarios
- Recycled water supply is drought-proof and sufficient to meet projected recycled water demands through 2050



BDP SCENARIO: SIGNIFICANT SUPPLY SHORTFALLS PROJECTED IN DRY YEARS

- Scenario 1: Implementation of BDP as written; significant shortfall during dry years
  - No current mechanism to allocate shortages greater than 20%; BAWSCA assumed equal percentage for UWMP planning purposes
- Scenario 2: No implementation of BDP; SFPUC is able to meet 100% of projected wholesale customer demand





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ADDRESSING PROJECTED SHORTAGES

- SFPUC common language addresses
  - No immediate impact on water supplies because of the inherent challenges in implementing the BDP
  - SFPUC's commitment to its Level of Service Goal: no more than 20% shortage
  - Water supply projects included in the Alternative Water Supply Planning Program (AWSP) and BAWSCA's Long-Term Reliable Water Supply Strategy 2050
- MPMW Actions
  - (Through BAWSCA participation) advocate for SFPUC's AWSP and alternative to the BDP
  - Implement water conservation programs
  - Support recycled water supply
  - Develop alternative local supplies, including emergency groundwater wells and a potential underground reservoir
  - Implement its Water Shortage Contingency Plan during dry years

eki

WATER SHORTAGE CONTINGENCY PLAN (WSCP)

- Provides guidelines, actions, and procedures for managing water supply and demand during a shortage (e.g., drought or emergency).
- Includes six standard stages and response actions within each stage
- Guiding Principles
  - *Eliminate water waste, prioritize the reduction of non-essential water uses, and preserve water uses that are essential to the health, safety, welfare, and economic vitality of MPMW's customers during periods of water shortage.*
- 2025 WSCP updates are minor adjustments
  - Bring information up to date with 2025 UWMP contents
  - Incorporate actual measures implemented during 2021-2023 drought
  - Expand list of public outreach and emergency response actions

eki

KEY TAKE-AWAYS

- MPMW's customers have become increasingly water efficient
- Sufficient supplies available during normal non-drought years through 2050
- Uncertainties on dry-year supplies remain
  - Timeline on BDP implementation
  - Adoption of voluntary agreement (or other agreement)
  - Water supply allocation for shortages greater than 20%
- MPMW is proactively managing water demands, developing its recycled water program, and evaluating alternative sources of supply (e.g., Emergency Water Storage and Supply Project)
- MPMW's WSCP provides guidelines, actions, and procedures for managing water supply and demands during a water shortage from any cause

UWMP and WSCP Schedule

CITY OF MENLO PARK

- Public Hearing and adoption (June 23, 2026)
- Recommend City Council to adopt a resolution adopting the 2025 UWMP and WSCP
- Submission to DWR by July 1, 2026
- Public access
  - Final Draft available on City website within 30 days of submittal
  - WSCP included as standalone appendix

K1-PRESENTATION

Agenda

- City Council priorities
- Summary of budget changes
- Updated five-year General Fund forecast
- Resolutions and actions
- Final City Council direction and adoption

City Council Priorities

City Council Priorities

CITY OF MENLO PARK

- During the annual priority-setting workshop on March 21, the City Council identified the following priorities:
  - Climate action - mitigation, adaptation and resilience
  - Downtown vibrancy
  - Public safety (new)
  - Housing
  - Safe routes

Proposed Fiscal Year 2026-27 Budget Changes

Changes Since June 9 Public Hearing

- Vehicle license fee (VLF) shortfall backfill of 65% for fiscal year 2024-25 was included in the State budget bill on June 11 and passed in both the senate and assembly on June 15
  - Increasing the General Fund revenues by approximately $1.9 million in fiscal year 2026-27 only
  - VLF backfill revenue is not included in the forecasts for fiscal year 2027-28 through fiscal year 2030-31, as this was a one-time fix and future funds are not guaranteed
  - Continuing to work with partners across the County through advocacy regarding future VLF payments

General Fund changes since June 9 Public Hearing

- Incorporated additional expenditures of $0.2 million:
  - BCJPIA insurance premium true-up
  - AFSCME MOU
  - Downtown development financial feasibility study
- Included City Council directed General Fund reductions in public works of $0.4 million and library and community services of $0.5 million for a total of $0.9 million reduction
- Net $0.7 million ongoing reduction

Reductions since June 9 public hearing

Description	Amount
Reductions to library program offerings, small reductions of materials and contract services	($169,255)
Reductions to contract services for indoor recreation programs, small reductions to materials, staffing efficiencies	($104,400)
Reduction to pool hours after Labor Day	($273,300)
Reduction in consultant services to shift focus from outreach to implementation efforts.	($105,000)
Reduction in Downtown/Santa Cruz median and street tree lighting maintenance contract	($43,000)
Reduction in general non-herbicide weed removal contract	($91,600)
Reduction in mechanical non-herbicide weed removal contract	($50,000)
Reduction in landscape median and right of way maintenance contract	($69,800)
Total	($906,355)

Other potential expenditure reductions

- Reduce library operating hours by 12 less hours / week, resulting in a reduction in temporary staffing hours, generating $0.2M savings
  - If City Council wishes to proceed, staff would develop a strategy to minimize community impact, potentially staggering reductions to keep one library location open
- Reduce special events scope and frequency to generate $0.08M savings
- Reduce non-safety overtime hours by 33% to generate $0.08M savings
- Increase gymnastics fees by 44% to generate additional revenue of $0.5M
  - Consideration of phasing in increases to reduce impact to participants
- Given structural deficit, an in-depth analysis of which services are offered, at what levels, and the level of General Fund subsidy as outlined in the User Cost Recovery Policy – Long-term process to begin with a study session planned in fall 2026

Proposed Fiscal Year 2026-27 Budget

CITY OF MENLO PARK

- The City has over 55 funds with a proposed expenditure budget of $151.1 million
  - General Fund: $89.8 million
  - All other funds: $61.3 million
  - Capital Improvement Plan (CIP):
    - $13 million new funding, $3.1 million from General CIP
    - $60 million in estimated carry-over funding
- The proposed fiscal year 2026-27 budget is now balanced without the use of reserves
- Budget includes General Fund expenditures of $89.8 million and revenues of $89.9 million, resulting in a nominal surplus of $9,296

Path to a balanced budget

Description	Amount (million)
Fiscal year 2026-27 original projected deficit	**($7.9)**
Additional costs (ISF allocation, BCJPIA, AFSCME, etc.)	($0.9)
Update Master Fee Schedule and cost allocation plan	$4.4
Reduce General Fund transfer to CIP	$1
Reduce department budget June 9	$0.7
Reduce department budget per City Council direction after June 9	$0.9
Update VLF backfill	$1.9
New surplus/(deficit)	**$0.01**

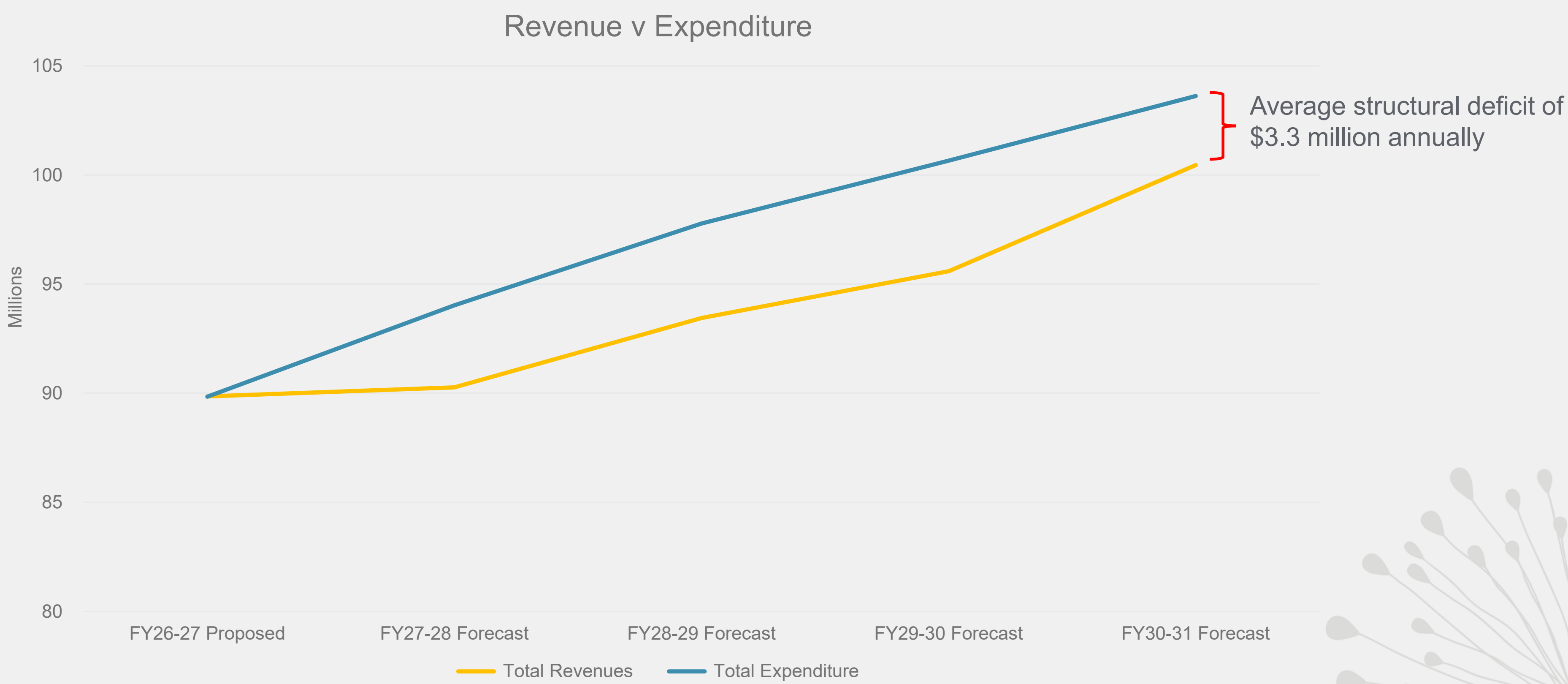
*For clarity, negative values reflect actions that increase the deficit, while positive values reflect actions that reduce or offset the deficit.

General Fund Five-Year Forecast

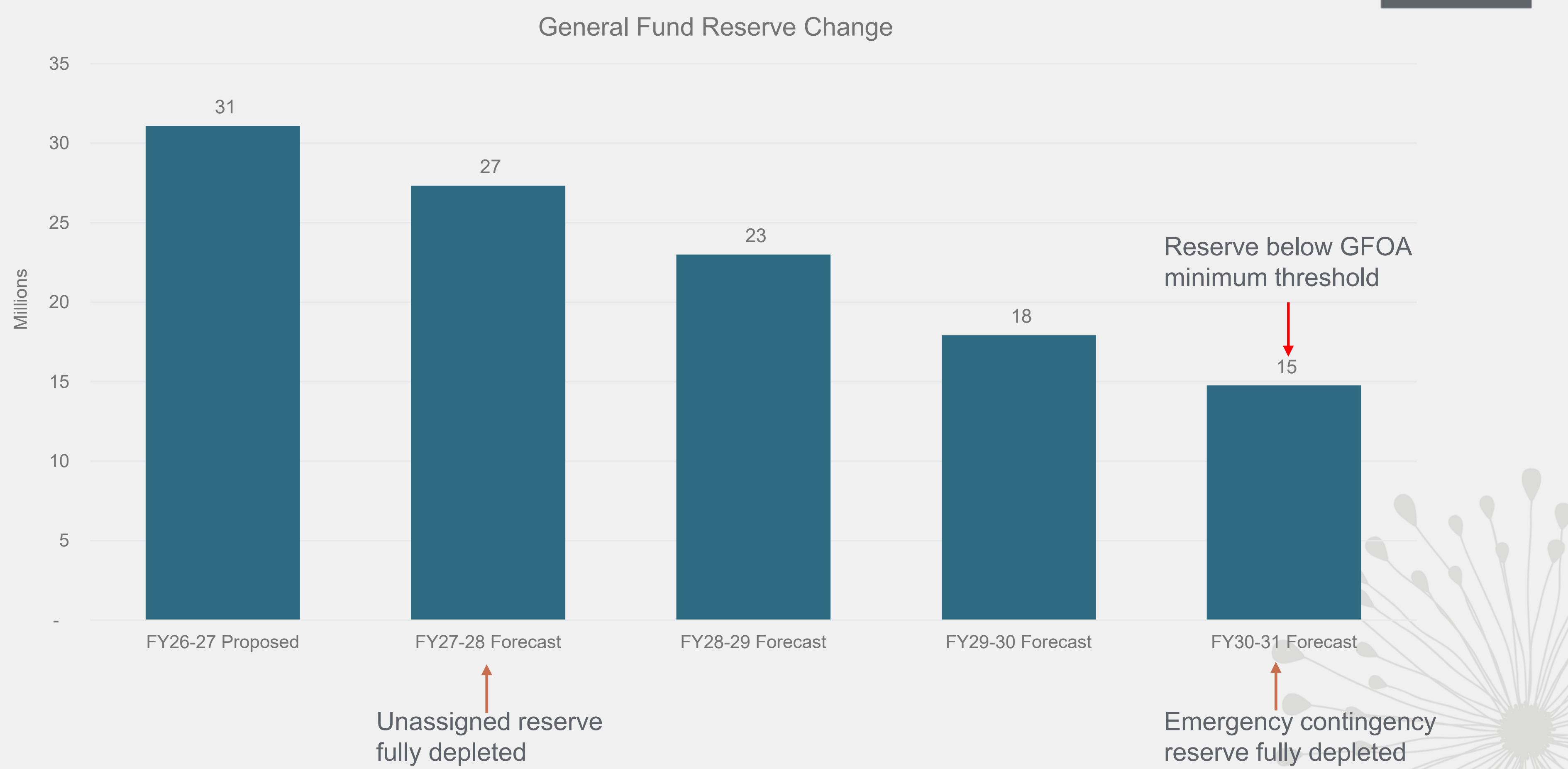
General Fund five-year forecast

- Includes ongoing net expenditure reduction of $0.7 million
- Projected total fund balance would decrease from $31.1 million to $14.8 million over the five-year period
  - Unassigned fund balance depleted in fiscal year 2027-28
  - Emergency Contingency Reserve would be fully depleted by fiscal year 2030-31
  - Economic Stabilization Reserve depletion beginning in fiscal year 2030-31

Operating surplus/(deficit)



General Fund reserve impact

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Resolutions

Resolutions

- Adoption of the fiscal year 2026-27 budget and capital improvement plan
  - Formally appropriates funds and expenditures during the fiscal year
  - Authorized payments up to the budget amount for certain items
- Establish the appropriations limit for fiscal year 2026-27
  - California Government Code sets a limit on appropriations based several factors, including the prior limit, population change and cost-of-living adjustment (COLA) changes
- Salary schedule amendments
  - Approves updates to salary schedule pursuant to AFSCME MOU with corresponding changes to Confidential and Unrepresented Management; addition of one new position; and equity adjustment for one existing position
  - Effective first full pay period following July 1

Resolutions

- Rate assistance program
  - Extends the rate assistance program for solid waste and water utilities through June 30, 2027
  - Promotes equity and helps low-income households cover basic living expenses
- Award authority
  - Establishes award authority, bid requirements and approving authority for fiscal year
  - Staff is developing a comprehensive purchasing policy for City Council consideration later this summer that will update procurement authorities, strengthen internal controls, and clarify key purchasing definitions

City Council Action

- Provide final direction on the proposed fiscal year 2026-27 budget
- Adopt resolutions


Questions
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