



## ADMINISTRATIVE SERVICES

Council Meeting: October 18, 2005

Staff Report #: 05-171

Agenda Item D2

### CONSENT:

**Approval of a \$23,500 Increase in the Agreement with Community Focus, a Project of the Tides Center, Resulting in a Total Agreement of \$85,780 for the Provision of Services to Support the Your City/Your Decision Budget Process and Adoption of a Resolution Appropriating \$23,500 from the General Fund Reserve to Fund This Increase.**

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### RECOMMENDATION

Staff recommends that the City Council:

- 1) Approve a \$23,500 increase in the agreement with Community Focus, a Project of the Tides Center, resulting in a total agreement of \$85,780 to provide consulting services in support of the Your City/Your Decision budget process
- 2) Adopt a resolution appropriating \$23,500 from the General Fund Reserve to fund the increase in the project expense

### BACKGROUND

Since 2000-01, the City has faced an imbalance between General Fund operating revenues and expenses. In total, over the past four fiscal years, the City has trimmed its expenses by over \$4 million (approximately 15% of the City's annual budget) and reduced its workforce by the equivalent of 30 full-time positions. Despite these measures, deficits are forecast to continue until 2012-13.

At the Council's February 1, 2005 Budget Workshop, staff proposed a new approach to build the budget from the ground up, based on community priorities. The purpose of this approach was to achieve the type of comprehensive, long-term, community-supported service and funding strategy that often cannot be reached through successive rounds of incremental measures.

Following Council's approval of the proposed approach, staff sent a Request for Proposals to 14 firms seeking assistance with the community engagement process. Four proposals were received by the deadline of April 18. Staff evaluated the proposals and selected Community Focus, a project of the Tides Foundation, based on its experience with similar budget outreach projects and its combination of strengths – including community

organizing, policy analysis – communication strategy and polling, which was not matched by the other proposals. In addition, staff felt that Community Focus’s nonprofit mission and emphasis on outreach as a community-building and problem-solving tool, rather than a marketing or public relations strategy, best met the needs of the City. Finally, the proposal from Community Focus was the most cost-effective.

At its May 10 meeting, Council approved an agreement with Community Focus in the amount of \$62,280. The scope of services to be provided by Community Focus included:

- Creating and distributing citywide a budget mailer and survey asking community members to specify their priorities regarding service cuts, service enhancements and new or increased taxes
- Recruiting a random sample to complete the survey in order to provide methodological soundness to confirm the representativeness of the citywide survey
- Analyzing and writing up the results of both the citywide and random sample survey
- Designing a website to provide information about the City’s budget and keep the public up-to-date on the opportunities to get involved
- Developing materials and assisting in the outreach to engage community members in the process
- Planning, outreach, material development and facilitator training for three community workshops during which participants will work in small groups to deliberate and make recommendations regarding specific strategies to accomplish the priorities identified in the survey
- Preparing a final written report with the findings of the surveys and workshops

The goals of this scope of work were to: achieve broad public participation and informed public judgment; gather feedback on community priorities and specific budget balancing options; facilitate opportunities for residents to deliberate with each other and experience the trade offs and different points of view inherent in local government budget-making; and generate an understanding of and support for the final budget solutions.

## **ANALYSIS**

Over the course of the last five months since Community Focus began its work with the City, several adjustments have been made to the original scope of the project. These adjustments have come as the result of the input of the Budget Advisory Committee (BAC), in that group’s efforts to improve the survey and increase the success of the process. In addition, City staff and the consultant team realized that the amount of work needed to successfully carry out the original scope of work was underestimated. As a result, the cost to implement Community Focus’s workplan has increased by \$23,500 to \$85,780. Consequently, staff now seeks Council approval to increase the agreement amount and appropriate funds from the General Fund Reserve to cover this increase.

The primary factors leading to the increase in scope and cost are summarized below.

### ***Redesign of the budget mailer and survey***

Working with staff, Community Focus developed a draft budget mailer and survey, which staff reviewed with the BAC at a meeting in early August. Acting as a beta test group,

BAC members read the mailer and completed the survey in order to make sure that the important themes were covered, the instructions were clear, the survey was easy to complete and the layout was appropriate. BAC members made a number of suggestions at the meeting to improve the mailer and survey design. In particular, the BAC suggested the addition of a new section on the survey to gauge community opinion about business development and user fees as revenue generating strategies. Also, the group was concerned that the mailer was too long and dense and that having the survey as a pullout in the center of the mailer made the narrative sections hard to follow. The BAC asked whether it was possible to make the survey a stand-alone insert. Staff agreed that it made sense to streamline the document in this way and therefore cut two pages from the mailer, rearranged the order of the text, and directed Community Focus to create new graphics and redesign the layout. The time necessary for this redesign exceeded what had been budgeted for edits and creation of a final draft after the BAC review. In addition, there were increased production costs associated with the printing and inserting of a separate survey document.

***Addition of an interactive online version of the survey***

The original scope of work included the creation of a website to provide an opportunity for residents to view the mailer online and to get other information about the City's budget and the Your City/Your Decision process. The BAC outreach subcommittee recommended strongly that the website be enhanced to include an online, interactive version of the survey so that residents could actually complete and submit the survey from the webpage. The BAC agreed that this would provide a convenient, alternative way for many in the community to participate. Staff therefore directed Community Focus to create an online survey and database, which increased the cost associated with developing the website.

***Random sample recruiting cost***

The original budget underestimated the cost to conduct the random sample survey because it was initially thought that existing databases would be available and appropriate for use in generating the list of participants in the random sample. Since this turned out not to be the case, it was necessary to purchase a random digit dial database.

***Extension of the project timeline***

The original workplan called for the community workshops to be held in early December in order for the outreach and analysis to be completed in time for the normal start of the 2006-07 budget process in January. Upon reviewing the schedule, the BAC expressed significant concern that even in early December, community participation would be low due to the holidays. Instead, they recommended holding the workshops after the New Year. Staff agreed and modified the schedule, moving the workshops to February and extending the project timeline by two months. This extension also allowed more time for outreach and analysis, which had been compressed, perhaps unrealistically, in the original timeline. This increase in outreach and analysis will require additional hours of consultant assistance.

***Greater than anticipated consultant role in developing outreach materials and planning meetings***

Staff has found the need to rely on Community Focus for more assistance in developing outreach materials than was contemplated in the original budget. This budget was based

in part on the way responsibilities were assigned to city staff and the consultant team in the other cities Community Focus has worked with on similar projects. It has turned out that Menlo Park requires additional assistance in drafting flyers, letters, talking points and other outreach materials due to the City's leaner staff and lack of dedicated public communications personnel.

In addition, the BAC meeting schedule has been somewhat more intensive than was anticipated. Consequently, staff has requested more assistance from the Community Focus team in planning for meetings, responding to BAC member requests and attending BAC meetings as appropriate.

The input received from the BAC and the adjustments that have been made to the scope have contributed in significant ways to the success of the community engagement effort to-date. More than 1000 surveys were submitted by mail or by hand and several hundred surveys were submitted online.

### **IMPACT ON CITY RESOURCES**

The above factors have resulted in a \$23,500 increase in the cost of the agreement with Community Focus, resulting in an amended total agreement amount of \$85,780. The funds to cover the increase are not available in the 2005-06 budget. Consequently, staff asks that Council appropriate \$23,500 from the General Fund Reserve.

Your City/Your Decision project costs not covered in the Community Focus agreement include staff time and approximately \$12,500 for BAC meeting and outreach supplies, copies, survey return postage, advertising and editing and translation services.

### **POLICY ISSUES**

There are no policy issues associated with this recommendation.

### **ENVIRONMENTAL REVIEW**

Environmental review is not required.

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Audrey Seymour, Assistant City Manager

**PUBLIC NOTICE:** Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

**ATTACHMENTS** A. Resolution Appropriating \$23,500 from the General Fund Reserve

cc: Budget Advisory Committee

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF MENLO PARK APPROPRIATING \$23,500 FROM  
THE GENERAL FUND RESERVE TO FUND THE  
INCREASE IN THE AGREEMENT WITH COMMUNITY  
FOCUS, A PROJECT OF THE TIDES CENTER**

The City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore;

NOW BE IT, AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby approve an appropriation of \$23,500 from the General Fund Reserve to fund the increase in the agreement with Community Focus, a project of the Tides Center.

I, Silvia M. Vonderlinden, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on October 18, 2005 by the following vote:

AYES: Council members:

NOES: Council members:

ABSENT: Council members:

ABSTAIN: Council members:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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SILVIA M. VONDERLINDEN, City Clerk