

YOUR CITY/ YOUR DECISION

Phase I Report: Survey Results *November 2005*

**Submitted by:
Community Focus**



MENLO PARK BUDGET

YOUR CITY/ YOUR DECISION

Phase I Report: Survey Results *November 2005*

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Executive Summary

Just imagine...

Imagine a city seeking to achieve deep and broad community participation on a very complex and serious topic – the City’s budget shortfall. The City leaders would like to engage in a conversation that will engender detailed, specific, useful feedback about how citizens feel about the level and mix of current City services. This City decides to embark on a process to get community residents to spend thoughtful time and energy reviewing the budget and providing explicit feedback about exactly by how much they think each city service should be reduced or increased, and what revenue options the City should explore.

Sound impossible?

The City of Menlo Park has accomplished just that in the first phase of a two-phase process and has achieved the outcome of *involving over 1,600 residents in giving specific and useful feedback to help the City produce a long-term service and funding plan based on community priorities.*

Here’s how it happened...

Your City/Your Decision

In the spring of 2005, the City of Menlo Park forecast a \$2.9 million gap between revenues and expenditures in the General Fund for the upcoming fiscal year 2006-2007. After having gone through years of trimming the budget, the budget was still not in balance. The City required a more sustainable solution and turned to the citizens of Menlo Park for their input in facing this series of important decisions.

On February 1, 2004, the City Council of Menlo Park approved a recommendation from City staff to engage the community to understand its priorities in order to develop a budget based on these preferences. The City of Menlo Park enlisted the help of Community Focus, a non-profit organization that helps bring government and community together to create solutions, to develop a process not only to solicit and gather community input, but also to educate residents about the important budget issues at stake. The resulting process is called *Your City/Your Decision*.

In addition, the City Council directed that the Budget Advisory Committee, an ad-hoc residents advisory committee, be formed. The members of the Budget Advisory Committee were appointed by City Council and given the task of providing input into the City's 2006-07 budget process and facilitating community involvement.

Your City/Your Decision includes two phases of data-gathering. This report summarizes the findings from the first phase. The first phase gathered information about the priorities of the community through a survey that asked residents to balance the budget. Each household and business received a survey with information about City services, their current net costs, the potential impact of reduced net costs, and potential revenue options. The respondent was then

asked to give input on his/her particular priorities by using net cost reductions and/or revenue increases to balance the budget.

From this data, the City staff will develop a list of possible budget-balancing strategies (e.g. various levels of net cost reductions, alternative ways to provide a service, revenue increases, etc.) to address the community's priorities. In the second phase of data gathering, the City will then present these strategies to the community in a series of workshops. Residents will be arranged in small groups to simulate what a City Council might experience. Residents will then deliberate over the possible strategies, with each group developing a set of recommendations by voting for or against each presented strategy.

Only Part of the Picture

Your City/Your Decision is only one part of the City's budget process. It is an important and major enhancement of an existing process that also utilizes the expertise of City staff and the deliberations and final decisions by the City Council. *Your City/Your Decision* is not a replacement or substitute for the traditional budget process: community input is one source of information that must be balanced with long-term cost analyses, legal requirements and limitations, and a number of other important factors. Ultimately, it is the elected City Council that has the responsibility for adopting a service and funding strategy for the city.

A Two-Phase Process

Phase I (October 2005)

There are two-phases to *Your City/Your Decision*. The first phase, the subject of this report, is focused on identifying citizen preferences for the range and level of city services. For example, do citizens favor the city's provision of recreation services? If so, which services and at what level? Do citizens favor or oppose the use of fees to fund recreational services? Phase I also asks about citizen support for additional taxes to pay for desired services.

At the heart of Phase I is an eight-page newsletter that was mailed to every household and business in Menlo Park. This newsletter does three things: it explains the financial situation facing the city; it describes the tax-supported services provided by the City; and it offers citizens a budget template with which they can construct a balanced budget that reflects their personal preferences.

Citizens had three avenues of participation in Phase I. First, the newsletter with the budget-balancing questionnaire was distributed throughout the community, including a mailing to each household and business in Menlo Park. Second, an online version of the newsletter was made available on the internet with a web-based budget balancing worksheet. Finally, copies of the newsletter were mailed to a random sample of Menlo Park households.

The budget-balancing survey offered respondents the choice of adding service improvements, reducing services, increasing or establishing combinations of general taxes, or increasing or establishing user fees. The budget balancing exercise required respondents to balance the General Fund budget within the context of the projected \$2.9 million gap between revenues and current expenditures. Respondents were also asked to rate how strongly they supported or opposed

business development. In addition, respondents were also asked to rate how strongly they supported or opposed user fees for different city services.

Phase II (February 2006)

Phase II of *Your City/Your Decision* will use a different method to engage citizens. Instead of a detailed newsletter being mailed to their homes, Phase II will engage citizens in face-to-face deliberations with their neighbors. Community budget workshops will be held throughout the community. At these workshops, citizens will work in small groups. Each work-group will act as a simulated city council charged with developing a balanced budget for Menlo Park. It will start its deliberations with a budget that has a \$2.9 million projected shortfall. Decisions about the budget will be made by the group through majority vote.

In Phase II, citizens will construct their preferred budget from a set of detailed options. For example, instead of simply specifying a level of funding for, say, aquatics or police patrol services, the workshops will enable citizens to choose how the cost savings will be achieved. For example, perhaps the hours of operation of the city pools will be reduced, perhaps certain city-provided services such as life-guarding will be contracted out, or perhaps the city will terminate the aquatics program altogether. While Phase I provides a picture of the service and financing priorities of citizens, the Phase II budget exercise, by providing citizens more detailed information about specific budget choices, enables participants to assess the implications of their choices and come to a more informed judgment about their preferred budget solution.

Using the Survey Results as a Guide

In comparing the three avenues of participation described above, there is a level of consistency that offers confidence that the results reflect the community's preferences of approach to net cost reductions and revenue increases. That said, the findings in this report are most useful as a guide for developing options to present to the community in Phase II. These findings are results from the first phase of a two phase process and should not be used as stand-alone results. In addition, the numbers should not be analyzed with a great deal of specificity. That would imply more accuracy in the tool and process than existed or would be possible in this type of public participation process. The data reported in this chapter represents a "snapshot" of public opinion about service levels and revenue options to be explored further in the Phase II workshops.

Key Findings

Key findings from the data-gathering activities are provided below. Because results of all surveys cannot be presented in this brief summary and because there is consistency across all data sources, the conclusions stated in this summary will cite the random sample survey. More details can be found in the body of the report.

Overall Approaches to Balancing the Budget

Do citizens prefer to solve the budget deficit by reducing net costs, increasing revenues, or by using a combination of these approaches?

Respondents favor a mix of service reductions and new revenues, rather than a strategy which relies solely on net cost reductions or solely on new or increased revenue.

Respondents selected an average of \$1.80 million in net cost reductions and an average of \$1.045 million in tax increases. There was no significant support for net cost additions. This suggests a greater emphasis on net cost reductions than tax increases in the overall approach.

Current Services

*What services do citizens want to maintain? What services do citizens want to reduce?
What services do citizens want to enhance?*

Respondents show general support for the current mix of City services. There is no service that is cut in its entirety. However, there is significant support for changes in the levels of funding for different services.

Respondents strongly target services that have fee-based revenue streams for net cost reductions (e.g. aquatics, community classes, etc.). Combined with the results from closed-end question regarding user fees, there appears to be strong support for raising user fees to cover a larger portion of these services.

There is, however, no one City department that respondents chose to maintain in its entirety. Though at varying levels, net cost reductions are spread throughout City departments.

Overall, the findings suggest that a variety of policy options be explored, including direct service reduction, increased reliance on user fees, and a search for alternative methods of service delivery which may permit an acceptable level of service at a lower General Fund cost. Strategies should offer net cost reductions at multiple levels to explore the level of trade-offs community members are willing to accept and support.

Increased Revenue Options

Do citizens support increased revenue options? If so, what options do they support?

Taxes. Respondents were offered four different types of tax increases from which they could select any combination or none at all. A large majority of respondents (72.8%) chose one or more of the general taxes to balance the budget. A slight majority (56.1%) supported the utility user tax. No other tax received majority support.

User Fees. Respondents were asked for their level of support for setting user fees to cover most or all of the cost of providing a service. Respondents demonstrated support for establishing user fees for many of the recreational services.

Business Development

What is the level of support for attracting additional retail businesses or hotels to Menlo Park?

Business development is strongly supported as an abstract concept. However, this cannot be extrapolated as support for any specific business development proposal. Various factors (e.g. location, type of development, etc.) greatly affect level of support. These factors should be explored before assuming community support.

“In Your Own Words”

Respondents also had an opportunity to share ideas in their own writing. They are compiled without organization in order to avoid implying false conclusions. They are as they were received.

These responses, together, give depth and texture to the statistical findings and offer a compelling picture of how citizens think about local government. In interpreting these comments it is important to read, if not the full 180 pages, at least enough to avoid an over-reliance on a few random comments.

Chapter One: Phase I Process and Data-Gathering Methodology

Your City/Your Decision *seeks to produce a long-term City service and funding plan that balances the budget in a manner that reflects the community's values and priorities.* To this end, *Your City/Your Decision* is designed to solicit an informed judgment from the community with regard to the City General Fund budget. It offers each citizen the opportunity to learn about the city's current array of services and to form a judgment about how money is spent in the City budget. *Your City/Your Decision* differs from the typical public involvement process in both the breadth of participation, offering all citizens a meaningful opportunity to participate, and in the depth of participation, offering citizens extensive background information and the freedom to propose a solution that reflects their preferences. Furthermore, the depth of participation offers a level of specificity of information that conventional means of public involvement typically do not offer. The completion of *Your City/Your Decision* will yield information such as willingness to accept certain tradeoffs, support for different levels of net cost reductions, and support for different types of revenue options.

This chapter describes the entire *Your City/Your Decision* process, and also describes the data gathering methodology used in Phase I.

The *Your City/Your Decision* Newsletter

To allow for informed public participation, an eight-page, newsletter was produced. This newsletter described the financial circumstances the City faced, introduced *Your City/Your Decision*, and offered a succinct description of each of the major, tax-supported services provided by the City. Thirty-four city services are described, with each description including the cost of providing the service as well as the likely consequences of a significant reduction of the service. Care was taken to avoid the appearance of advocacy in the description of the services. Charges for building maintenance and administrative overhead were included in the cost of each service. Administrative services include: accounting, insurance, revenue collections, budgeting, purchasing, information technology, printing, human resources, legal counsel, policy support and the city clerk functions. Finally, the newsletter also included a discussion of four revenue options: a utility users tax, business license tax, parcel tax, and special assessment districts. The *Your City/Your Decision* newsletter was designed to deliver enough information about the complexity of the budget shortfall to enable citizens to understand the tradeoffs entailed in their budget choices.

The newsletter also clarified that the budget shortfall was specific to the City's General Fund budget. It listed services that are provided by other government entities which include: schools, fire protection, the sanitary sewer system, regional transit, health care, the courts, community college, mental health services, job training, jails, and welfare payments.

The Survey Instrument

A survey instrument was developed to gather specific community input about how the City should balance the General Fund budget. For Phase I, it is the survey instrument that allows for the depth of input that is not typically possible in conventional forms of civic engagement. The most

effective way to underscore the depth of feedback possible is to describe the instrument itself. There were four main parts to this survey instrument. Part one began with a \$2.9 million budget shortfall and asked the respondent to balance the budget through reducing city service net costs and/or raising additional funds through taxes. For each of the thirty-four city services described in the newsletter, respondents were given the opportunity to reduce the service budget, increase the service budget, or leave the service budget at its current funding level. The respondent was then asked to consider four different revenue options (also described in the newsletter) as further strategies to close the \$2.9 million shortfall. Part two of the survey gave space to the respondent to share his/her own ideas about the city budget in writing. Part three asked the respondent to indicate his/her level of support or opposition to the concept of business development. It also asked the respondent, for each city service with fee-based revenue, to indicate his/her level of support for or opposition to setting user fees at a level that would cover most or all of the cost. Finally, part four asks for demographic information about the respondent.

Phase I Process

As was mentioned above, *Your City/Your Decision* aims to expand the breadth of community engagement in the budget process. To this end, the newsletter and survey instrument was administered in three ways – in a community-wide mailing to all Menlo Park households and businesses, through a web-based survey, and to a randomly selected group of Menlo Park residents.

Community-Wide Mailing

All Menlo Park households and businesses, a total of 17,256, received the newsletter and survey instrument as part of the community-wide mailing. Though this community-wide mailing was not implemented in a manner intended to yield data that is statistically representative of the Menlo Park community, it provided a meaningful opportunity to engage any and all residents who wanted to be involved in the budget process. In addition to soliciting input from interested residents, the community-wide mailing also has educational value. A lack of understanding around City budget issues is not uncommon. It is a complex subject matter on which there is usually little accessible information. The community-wide mailing puts into all households and businesses of Menlo Park a lay person's description of all City budget items, their costs, what would happen if their budgets were to be reduced, and possible ways to raise funds. For those who only read the newsletter and do not complete and return the survey, they still develop a sense of what they are getting for their money.

The newsletter and survey instrument were also made available at various City facilities, and were distributed at community meetings and gatherings.

Web-Based Newsletter and Survey Instrument

Menlo Park citizens also had the option of filling out the survey instrument online. A website was developed to not only give information about the *Your City/Your Decision* process, but also to give respondents another option for filling out the survey instrument and submitting their feedback. The website offered the same information that the paper newsletter and survey instrument provided. A pdf file of the newsletter was available for download, but a respondent could also get

information about individual services by “clicking on” a particular city service title. The web-based version expanded accessibility of the *Your City/Your Decision* process.

Random Sample Survey

In order to assure that the data gathered accurately reflected the policy preferences of the community, the newsletter and survey instrument were mailed to a randomly selected sample population. This random sample survey provides a reference point from which the results from the community-wide mailing can be compared, offering methodological rigor to the process. Four hundred participants were recruited through a random telephone number digit dial. Participants were sent the survey with an introductory letter that explained the scientific survey. In order to achieve a higher response rate, random sample survey participants received follow-up reminders about the importance of their response.

Follow-up to the participants included:

- a postcard reminder
- periodic email reminders
- a follow-up reminder letter that also offered the participant the option of having an additional survey mailed to them
- telephone call reminders that also offered the participant the option of having an additional survey mailed to them

Looking Ahead

In the following months, City staff will use the data from Phase I to develop budget-balancing strategies (e.g. various level net cost reductions, alternative ways to provide a service, revenue increase options, etc.), responding to the community’s priorities. During February 2006, these budget-balancing strategies will then be presented back to the community in the Phase II workshops.

Community budget workshops will be held throughout the community. At these workshops, citizens will work in small groups. Each work-group will act as a simulated city council charged with developing a balanced budget for Menlo Park. The groups will start their deliberations with a budget that has a \$2.9 million projected shortfall. Each group will make decisions about the budget by majority vote.

A full discussion of Phase II and the results of the community workshops will be provided in the *Your City/Your Decision* final report.

Chapter Two: Outreach Mechanisms

This chapter describes the outreach mechanisms used in round one of *Your City/Your Decision*. Successful community engagement can be fairly elusive, especially when the type of participation sought is more complex in nature. Though there are a number of factors that can be controlled (location of outreach, type of outreach, amount of outreach, languages used, etc.), there are many that cannot (life circumstances of potential participants, a potential participant's pre-existing values around civic engagement, etc.). Participation in any process requires that the potential participant (1) is aware of the process; (2) is able to participate; (3) has a desire to participate; (4) decides to participate; and then (5) acts on the decision. An outreach strategy can help address the first three steps, but the final two (the decision to participate and the precipitating action) rest with the individual. An outreach strategy focuses on directly influencing the first three factors in hopes of indirectly influencing the final two.

Therefore, the goals of the *Your City/Your Decision* outreach were to:

- heighten awareness about the project and its process
- demonstrate the importance of the project
- demonstrate the uniqueness of the opportunity
- remove barriers to participation

Outreach Subcommittee

In order to more effectively connect the development of the specific outreach strategies to the community, an Outreach Subcommittee was formed as a subcommittee of the Budget Advisory Committee. (The Budget Advisory Committee is an ad hoc committee appointed by the City Council to provide input into the City's 2006-07 budget process and facilitate community involvement.) The primary role of the Outreach Subcommittee was to:

- 1) map out the outreach and marketing plan
- 2) develop outreach/marketing roles for BAC members/City staff/City Council/others
- 3) encourage, push and recruit others into outreach implementation
- 4) drive implementation and provide overall direction

The consultant worked with the Outreach Subcommittee and City staff to develop a range of strategies. These strategies were then implemented by Budget Advisory Committee members, City staff and City Council. Table 1 describes the outreach strategies utilized.

Outreach Strategies

It was important to raise awareness of the *Your City/Your Decision* process in order for citizens to know that an important mailing was being sent to their homes, that it was legitimately supported by the City, and that there was a deadline before which responses needed to be submitted. Repeated exposure to the project and process in a variety of venues were important in creating this awareness. Some of the outreach included placing banners over streets, distributing flyers in a multitude of locations, making announcements at events, and making presentations at various

community meetings. The Outreach Subcommittee developed a comprehensive list of different types of venues in the community. Budget Advisory Committee members, City staff and City Council members implemented the outreach strategies at those different locations. (See Appendix B for a detailed description of locations).

Table 1

Outreach Strategies Utilized in Phase I of *Your City/Your Decision*

	<i>Outreach strategy</i>	<i>Description</i>
1	Flyers	Distributed flyers through community groups, faith-based institutions, public locations, businesses, schools, neighborhood groups, etc.
2	Speakers Bureau	Provided speakers to present to community groups, businesses, neighborhood groups, faith-based institutions about <i>Your City/Your Decision</i> .
3	City-Hosted Hotline	Established a hotline for residents to call for more information
4	Website	Developed a website to provide information and documents related to <i>Your City/Your Decision</i> . Website also provided another avenue in which citizens can fill out the survey.
5	Email lists	Distributed outreach emails through a variety of email lists and listserves.
6	Media Outreach	Worked with local media outlets to cover developments in the process.
7	Banners	Hung large street banners in public locations
8	Incentives	Provided raffle incentives for participation in the survey
9	Bill Inserts	Added <i>Your City/Your Decision</i> flyers as city bill inserts
10	Outgoing City Documents	Attached flyer or announcements to outgoing city documents (e.g. receipts and applications)
11	Events	Made announcements, passed out flyers at local events
12	Counter Displays	Set up counter displays at public City department counters
13	Survey Parties	Encouraged Budget Advisory Committee members and other community members to host parties to fill out the survey together
14	Scroll on Government Channel	Placed announcement on scroll on government channel
15	Local Newsletters	Inserted newsletter article in local newsletters

It was also necessary to demonstrate the importance and uniqueness of this opportunity. Positively linking well-known institutions (media, City departments) and people (community leaders, City Council, City Manager, other City staff, etc.) to the process was necessary not only to establish

credibility, but also to emphasize the importance of this project. City staff worked with local media to cover developments in the project.

Finally, measures were also taken to reduce barriers to participation in this process. Multiple forms of outreach were utilized in order to reach citizens in different circles. Outreach materials were translated into Spanish and distributed in appropriate neighborhoods. The newsletter and survey instrument were also translated into Spanish and delivered to all households and businesses in the Belle Haven community. In order to increase the participation in communities with traditionally low participation in civic engagement processes, additional outreach was implemented (e.g. survey parties, flyering at schools, etc.). A website was also developed in order to create ease in participation for those who preferred the online format. For a complete list of outreach, please see Appendix B.

Chapter 3: Phase I Survey Results

This chapter covers the results from the community-wide mailing, the online survey and the random sample survey. The results will be organized around the four major questions that the survey instrument was designed to answer:

1. *Do citizens prefer to solve the budget deficit by reducing net costs of services, increasing revenues, or by using a combination of these approaches?**
2. *What services do citizens want to maintain? What services do citizens want to reduce? What services do citizens want to increase?*
3. *Do citizens support increased revenue options? If so, what options do they support?*
4. *What is the level of support for attracting additional retail businesses or hotels to Menlo Park?*

*Please note that “reducing net costs” does not necessarily mean a reduction in services. “Reducing net costs” can also include the option of increasing user fees to cover the cost of the particular service or finding alternate ways to provide the same level of service at a reduced cost.

Using the Survey Results as a Guide

The data reported in this chapter is an important reflection of community input into the budget process. It represents public judgment about service levels and revenue options at a particular point in time. However, it is also the first iteration of a two-phase process. As such, **the Phase I data is most appropriately used as a guide for developing options for Phase II.** There are inherent limitations to the data as a guide to policy.

- The data is part of a larger picture. There are other important considerations upon which to base service and revenue policy choices such as state mandates, existing contractual arrangements, public health, safety concerns, etc. As was stated before, public input is an important enhancement to a pre-existing budget process that also incorporates necessary City staff and City Council expertise and experience.
- The data reflects public judgment at a particular point in time. Although this process is designed to garner a more stable and informed judgment about budget policy issues, public opinion still changes over time as community members acquire more information and have opportunities for deliberation with other citizens.
- The survey data reflects only the first phase of data-gathering. *Your City/Your Decision* offers a structure in which the City can dialogue with the community about budget policy. As with any dialogue, the first response to the initial question posed only offers the initial thoughts and perspectives on the subject matter. In order to push the conversation to a deeper level of understanding for both parties, further questions must be posed and information given to more fully understand not only the response, but also the impact and consequences of the ideas presented in the initial response. The Phase II workshops will provide this opportunity.

Response Rates

Overall

Table 2 shows that there were a total of 1,650 responses in Phase I of *Your City/Your Decision*. This response is outstanding and truly impressive, especially when compared to other means of civic engagement. For example, given the track record of low attendance at town-hall meetings, it is almost impossible to even imagine the idea of over 1,600 residents attending a town-hall meeting and systematically taking careful time and attention to study the budget and make specific recommendations for each City department.

Table 2 shows the number of responses that did not have useable budgets. For the budget-balancing portion of the survey instrument (Part I), in order to be deemed useable, the respondent had to balance the budget within plus or minus 10% of the \$2.9 million budget shortfall. If a respondent returned a survey with a budget that was not useable, the remaining parts of the survey (Part II, Part III, and Part IV) that were fully completed were included in the remaining data analysis.

Random Sample Survey

Four hundred participants were recruited to participate in the random sample survey portion of Phase I. One hundred and ninety participants completed and returned the survey instrument for a response rate of 47.5%. Compared to the average response rate to municipal random sample surveys, this is a solid response rate. In a meta-analysis of 261 citizen surveys assessing citizen evaluations of municipal services, Michelle Miller and Thomas Miller (1992) found an average response rate of 35% for mailed surveys. The surveys included in the Miller and Miller analysis employed simple fixed-choice instruments. Comparatively, the *Your City/Your Decision* survey is a much more complex instrument. The 47.5% response rate obtained for this survey is even more impressive when one considers the challenging nature of the budget-balancing survey instrument.

Community-wide Survey

The community-wide mailing was sent out to 17,256 households and businesses in Menlo Park. In addition, an online version of the survey was made available. Combining responses from the community-wide mailing with the online survey responses, there was a total of 1,460 responses. Out of those responses, 1,193 were useable data sources. To give some context for this response rate, a similar project in Eugene, OR will be used for comparison. At the time of its project, Eugene, OR was a city of 125,000 residents. *Eugene Decisions* was a similar project to *Your City/Your Decision* and utilized a similar survey instrument. The response rate for the community-wide mailing in *Eugene Decisions* was 1,052. Ed Weeks (2000) reported that this and other results in the process were considered to be strong and reliable by policy makers, news media, organized interests and ordinary citizens. In comparison, though Menlo Park is a much smaller city (current population of 30,648), *Your City/Your Decision* yielded not only a higher rate of response, but a higher number of actual responses.

Table 2**Data Sources and Responses**

Source	Number of Responses
Community-wide mailing, usable budget	701
Web responses	492
Random Sample	190*
Responses with not usable budgets	267**
Total responses	1650

*Response rate = 47.5%

**Includes community-wide and random sample surveys

Sampling Error

The accuracy of the survey data is conventionally reported in terms of “margin of error.” Making the most conservative assumptions, the margin of error for a sample size of 190 is +/- 7% at the 95% confidence level, 5.8% at the 90% confidence level, and 4.6% at the 80% confidence level. So, for example, if the data says 30% of people reduce a particular service, you can be 95% confident that between 23% and 37% of people in fact reduced a particular service.

This refers to sampling error for the random sample survey -- the error that occurs by chance when sampling randomly from a population. It is simply a probabilistic statement to consider when reviewing the results. As was stated before, it must be remembered that this data is from only the first phase of a two-phase process. Its most useful purpose is as a guide for developing options for the second round.

Though the random sample survey was designed to yield data in a statistically representative manner, the community-wide survey was not intended for this purpose. As was stated earlier, the main goal of the community-wide survey was to give a meaningful opportunity to engage any and all residents who wanted to be involved in the budget process. As such, there is no sampling error for the community-wide survey.

As there are three different data sources, it is possible to compare results to ascertain the reliability of the data. In comparing the data from the random sample survey, the community-wide mailing, and the website survey, the high degree of consistency among the three data sources offers some confidence that the results do reflect community preferences on the important question of taxes and municipal services. That said, it is also important not to make too much out of small differences. For example, the difference in community support for a service reduced by 45% of the respondents compared to another service reduced by 50% is probably not meaningful for policy-making purposes.

Demographics

Endemic to civic participation is the issue of participation that is not representative of the general population. Voter registration and voting patterns consistently show that people who vote tend to be older, have higher incomes, and are more likely to own a home than the general population. Additionally, there is a higher participation rate in the non-Hispanic/White community. There are

many factors that contribute to this result. In order to move closer to representative participation, it is important while designing and implementing any civic engagement process that these factors are considered and mitigated when possible. There is, however, not the same level of control in a public participation effort as there is in, say, a laboratory experiment. This level of expectation of control would be inappropriate and unrealistic. Appropriate comparisons would include other efforts at engaging citizens such as voting, public hearings, committees/commissions, town-hall meetings, etc.

Tables 3, 3a, 3b, 3c, and 3d show a breakdown of participation by ethnicity, age, home owner status, income and neighborhood. Though similar in pattern to voting patterns, the amount of departure from the general population distribution is less for the *Your City/Your Decision* survey response than voting patterns tend to be. It is also a far more representative response compared to the other civic engagement efforts mentioned above.

Table 3

Ethnicity of Respondents

	Community-Wide Web		Random Sample	All Sources	2000 Census
	Mailing	Responses			
Non-Hispanic, White	68.7	65.0	76.8	68.5	66.4
Hispanic	9.5	1.6	4.2	6.5	15.6
Asian-American	3.9	4.3	5.3	4.2	7.1
African-American	1.3	1.4	1.1	1.3	6.9
Native American	.4	4.3	.2	.2	.2
Pacific Islander	.2	.0	.5	.2	1.3
Other	.4	4.3	1.1	1.6	2.6
Decline to state	15.5	23.4	11.1	17.3	

Table 3a

Age of Respondents

	Community-Wide Web		Random Sample	All Sources	2000 Census
	Mailing	Responses			
20 – 24	1.1	.4	1.1	.8	6.0
25 – 34	7.9	9.6	7.4	8.3	22.7
35 – 44	18.3	34.6	13.2	22.5	22.7
45 – 54	20.0	20.5	21.6	20.4	17.4
55 – 59	8.8	5.9	14.7	8.6	5.9
60 – 64	9.8	3.5	8.4	7.8	4.6
65 – 74	12.0	3.5	14.2	9.7	8.8
75 – 84	8.0	.8	9.5	6.0	3.7
Decline to state	14.4	21.3	10.0	15.9	

Table 3b

Renter/Homeownership of Respondents

	Community-Wide Web		Random Sample	All Sources	2000 Census
	Mailing	Responses			
Rent	31.4	30.7	26.3	30.6	43.0
Own	68.6	69.3	73.7	69.4	57.0

Table 3c

2004 Household Income

	Community-Wide Web		Random Sample	All Sources	2000 Census
	Mailing	Responses			
Less than \$25,000	9.6	.8	1.9	6.2	13.8
\$25,000 – 49,999	11.3	4.6	13.5	9.7	15.4
\$50,000 - \$74,999	12.5	5.7	11.6	10.5	16.3
\$75,000 - \$99,999	10.5	10.5	20.6	11.7	11.3
\$100,000 - \$149,000	19.9	19.7	16.1	19.4	17.3
\$150,000 - \$199,999	12.1	17.0	11.6	13.4	8.8
More than \$200,000	24.1	41.8	24.5	29.2	17.0

Table 3d

Neighborhood of Respondents

	Community-Wide Web		Random Sample	All Sources
	Mailing	Responses		
Belle Haven/Bohannon Indus. Park	6.9	1.6	1.6	4.7
Flood Triangle & Willows	24.0	32.1	21.6	26.1
Central Menlo/Downtown	13.4	12.0	17.4	13.5
West Menlo	27.9	24.6	24.7	26.5
Sharon Heights	13.0	7.3	24.7	12.7
Decline to state	14.8	22.4	10.0	16.5

Overall Approaches to Balancing the Budget

Do citizens prefer to solve the budget deficit by reducing net costs to services, increasing revenues, or by using a combination of these approaches?

Targeting the \$2.9 million shortfall, respondents to the random sample survey raised an average of \$1.0452 million in taxes, selected an average of \$1.8001 million in net cost reductions, and added an average of \$78.4 thousand in service enhancements. Thus, respondents raised a total of \$2.8453 million through net cost reductions and increasing taxes.

The data suggests an overall preference for a budget-balancing approach that combines reducing current service net costs with increasing taxes, rather than a strategy that relies solely on one or another. The data further suggests a policy placing greater emphasis on net cost reductions to services compared to tax increases to balance the budget. Additionally, the data suggests that there is no significant interest in service enhancements. (See Tables 4 and 5.)

Consistency of Approach

Participants in the budget-balancing exercise were asked to start with the projected \$2.9 million budget deficit. They were given the opportunity to reduce, increase or leave as is the annual net cost. Next, participants were asked if and how they would like to raise revenues. Through reductions and revenue increases, participants were asked to balance the budget.

Because not all respondents correctly used the survey instrument, only responses that balanced the budget within plus/minus 10% of the \$2.9 million were deemed as usable. (See Table 4 for a breakdown of responses by data source.)

Looking at the data from all three data sources, there is a general consistency of approach. The community-wide survey questionnaire shows a slightly higher average net cost reduction and a slightly lower average tax increase than the random sample survey. And the web-based responses show a slightly lower average net cost reduction and a slightly lower average tax increase than the random sample survey. However, the responses fall very much within a similar range, demonstrating consistency and reliability of results.

Table 4

General Approaches to Balancing the Budget

	Community-wide Mailing	Web Responses	Random Sample
Net Cost Reductions Alone	32.0%	28.7%	27.2%
Increased Taxes Alone	4.1	5.7	3.5
Combination of Reductions and Taxes	63.9	65.6	69.3

Service Reductions versus New Revenue

Respondents had a choice to reduce net costs to services, increase revenue, or use a combination of approaches. Nearly 70% of the random sample survey respondents favored a combined approach of reductions and new taxes to balance the budget. Only 27.2% chose to use net cost reductions alone to balance the budget. And only 3.5% favored balancing the budget through only increased taxes.

(Please note that net cost reductions can also include the use of increased user fees to offset costs. They are not the same as service reductions.)

The data from the community-wide survey questionnaire and the web-based responses also show similar preferences with the majority favoring the combination approach and far fewer using solely net cost reductions or increased taxes to balance the budget.

Table 5 shows the greater emphasis placed on net cost reductions compared to tax increases as a strategy to balance the budget for all three data sources. On average, respondents from the random sample survey balanced the budget through \$1.80 million in services reductions and \$1.04 million in tax increases. Both the community-wide mailing and the web-based responses fell very close within range compared to the random sample survey in both the average net cost reductions and average tax increases.

Table 5

Average Reductions, Additions, and Tax Increases (in \$1,000's), All Respondents

	Community-wide Mailing	Web Responses	Random Sample
Average Net Cost Reduction	\$1,894.3	\$1,788.5	\$1,800.1
Average Net Cost Additions	81.1	119.0	78.4
Average Tax Increase	1,002.5	1,006.9	1,045.2

Current Services

What services do citizens want to maintain? What services do citizens want to reduce? What services do citizens want to enhance?

Respondents show general support for the mix of current City services, but want change in the levels at which the services are funded. In general, respondents target services with fee-based revenue streams (e.g. aquatics, community classes, etc.) for larger percentage net cost reductions.*

Lower percentage net cost reductions were spread out among a range of other services (e.g. patrol response, right of way/street maintenance, etc.). A majority of respondents chose net cost reductions for a majority of community services programs, and a portion of public safety services, community development services, and public work services. There is no significant support for any service enhancements.

In order to minimize actual service reductions, increased user fees should be considered as an alternative revenue stream. The data strongly suggests that increased user fees are supported by respondents.

Additionally, there is not majority support for the complete removal of any City service in its entirety.

*A percentage net cost reduction refers not to the actual amount of reduction but to the percent by which a service net cost amount is decreased.

Important Considerations

Data on public support for City services was collected to identify which services might be reduced to balance the budget. At the most basic level, the rank ordered lists in Table 6 and 6a provide that guidance. In theory, at least one could start at the top of the list and work downwards, reducing services until the budget was balanced. There are, however, several problems with this approach.

The first problem is a fundamental one: with few exceptions, the services that are most often reduced do not, individually, yield substantial savings – if they are reduced by the average recommended amount. If all services which were reduced by a majority of random sample survey respondents are reduced by the average amount recommended by reducers, the total savings would be slightly less than \$1.4 million, or \$0.4 million (22%) short of the target.

Another problem with cutting from the top of the list down is rooted in a basic limitation of public opinion data as a guide for this type of decision. Some of the services targeted for reductions by a majority of respondents are ones whose products are indirect and intangible. For example, few individuals would be able to identify an instance where their life has been directly affected by the City's land use planning efforts – the results of planning are diffuse and long term. Apart from whether planning is being done well or poorly, or whether planning is needed or not needed, public opinion will likely treat it harshly because its value is not apparent in the ordinary way. In addition, the complexities of how a large short-term reduction may result in higher long-term costs may not be clear to the general public.

Another problem is the specificity with which this data can be interpreted. As was stated earlier, the most appropriate use of this data is as a guide to developing strategies to present in Phase II. Many of the tables present data in the form of averages. While averages allow for a quick summary comparison between different data sets, they hide the range and complexity of individual responses.

All this being said, however, the data presented provides a reasonably clear assessment of public opinion at a particular point in time. The three survey measures indicate public preferences at a level of detail that cannot be assessed in the traditional ways. In addition, Phase I of *Your City/Your Decision*, particularly through the community-wide mailing, enabled many citizens to make their voice heard and many more to learn in more detail about the services the City provides.

A Starting Point

One of the most valuable things about the data is that it offers a starting point at which the City can begin to identify general themes about whether the current mix of City services are supported, and more specifically what kinds of services are supported and which are not. For example, Table 6 suggests that respondents are in fact satisfied with the current mix of services. There was no service that received a net cost reduction of more than 39%, with most net cost reductions being under 30%. Excluding services with fee-based revenue streams, net cost reductions were kept under 20%. However, though respondents demonstrate a level of support for the mix of services, they also clearly show support for changing levels at which different services are funded. These general themes can then be explored further in Phase II of *Your City/Your Decision*.

Tables 6, 7, 8 and 8a give a first in-depth view of the responses by department. Table 6, combines all sources of data, and shows the percent reducing a service, the average reduction, the percent adding a service and the average addition. It is noted that there is not significant support for service additions in this phase of data-gathering.

Table 7 breaks down the percent reducing each service by data source. Input from each data source falls within similar ranges, demonstrating consistency of data.

Table 8 shows the average net cost reduction for services by data source. In comparison, Table 8a shows the average net cost reduction for services by data source among those reducing the service. This gives a sense of the level at which respondents are reducing net costs. This can be taken as another consideration when developing a range of budget-balancing strategies to offer during Phase II.

Table 6

Percent and Average Net Cost Reduction and Additions for Services, All Sources, All Respondents

	<u>Reductions</u>		<u>Additions</u>	
	Percent Reducing	Average (\$1000s)	Percent Adding	Average (\$1000s)
Public Safety Services				
Patrol Response	41%	\$208.1	2%	\$3.3
Investigations	36	65.7	1	2.3
Traffic Enforcement	51	138.8	3	6.7
Community Emergency Preparedness	13	3.5	11	13.5
Community Outreach	67	198.4	1	.7
Public Works				
Fields & Grounds Maintenance	46	74.5	2	4.1
City Tree Maintenance	28	12.27	3	1.2
Heritage Trees	37	20.1	1	.6
Right-of-Way & Street Maintenance	45	139.6	3	10.8
Median & Roadway Landscaping	45	43.2	2	2.4
Storm Water Management & Environment	19	9.9	3	3.9
Transportation & Congestion Management	37	25.5	2	3.3
Community Services				
Senior Services	43	53.4	1	.8
Menlo Children's Center	46	71.0	2	1.8
Belle Haven Child Development Center	40	84.1	2	2.8
Peninsula Partnership/BH-Life Initiative	29	18.0	1	.7
Burgess School Age Child Care	38	26.0	2	1.7
Belle Haven School Age Child Care	40	64.8	2	2.3
Teen Services	20	5.7	3	.8
Youth Sports	37	24.9	2	1.2
Adult Sports	61	37.0	0	.2
Gymnastics	46	20.1	1	.4
Aquatics	71	180.2	1	.3
Community Classes	63	94.4	1	.3
Events and Concerts	54	44.4	1	.7
Libraries				
Main Library	33	57.3	6	10.4
Belle Haven Branch	19	14.2	5	3.8
Community Development				
Comprehensive Planning	31	13.9	2	1.6
Development Information Services	22	57.6	1	.3
Planning Level Reviews	48	55.7	0	.2
Permit & Inspection Services	29	1.8	2	.8
Other Services				
Community Funding	27	11.9	1	1.8
Community Relations	42	21.7	1	.2
Business Development	30	16.8	8	6.0

Table 7

Percent Reducing Each Service, by Data Source

	Community-Wide Mailing	Web Responses	Random Sample
Public Safety Services			
Patrol Response	38%	46%	40%
Investigations	31	43	35
Traffic Enforcement	45	59	53
Community Emergency Preparedness	9	18	15
Community Outreach	62	72	74
Public Works			
Fields & Grounds Maintenance	44	47	54
City Tree Maintenance	24	32	33
Heritage Trees	33	38	46
Right-of-Way & Street Maintenance	41	52	44
Median & Roadway Landscaping	38	52	53
Storm Water Management & Environment	16	22	19
Transportation & Congestion Management	33	40	45
Community Services			
Senior Services	40	48	46
Menlo Children's Center	47	45	47
Belle Haven Child Development Center	37	43	46
Peninsula Partnership/BH-Life Initiative	27	30	34
Burgess School Age Child Care	38	37	40
Belle Haven School Age Child Care	38	40	48
Teen Services	19	22	24
Youth Sports	37	36	46
Adult Sports	62	58	69
Gymnastics	47	44	53
Aquatics	75	63	75
Community Classes	62	62	70
Events and Concerts	52	54	64
Libraries			
Main Library	29	35	39
Belle Haven Branch	18	20	20
Community Development			
Comprehensive Planning	27	35	38
Development Information Services	20	24	28
Planning Level Reviews	44	52	55
Permit & Inspection Services	25	32	32
Other Services			
Community Funding	25	30	31
Community Relations	38	46	46
Business Development	29	31	30

Table 8

Average Net Cost Reduction for Services, by Data Source (in \$1,000s), All Respondents

	Community-Wide Mailing	Web Responses	Random Sample
Public Safety Services			
Patrol Response	\$202.4	\$220.3	\$210.4
Investigations	59.2	77.7	62.7
Traffic Enforcement	130.9	156.9	129.7
Community Emergency Preparedness	2.4	4.9	4.4
Community Outreach	203.5	193.2	199.8
Public Works			
Fields & Grounds Maintenance	78.5	71.4	71.6
City Tree Maintenance	12.6	11.9	12.2
Heritage Trees	21.7	18.9	18.0
Right-of-Way & Street Maintenance	136.7	156.1	114.5
Median & Roadway Landscaping	40.3	48.4	43.4
Storm Water Management & Environment	10.7	9.0	9.8
Transportation & Congestion Management	25.9	24.5	27.9
Community Services			
Senior Services	55.6	52.2	51.6
Menlo Children's Center	80.2	61.9	60.6
Belle Haven Child Development Center	91.7	75.1	83.9
Peninsula Partnership/BH-Life Initiative	18.1	17.5	20.0
Burgess School Age Child Care	28.3	22.9	27.0
Belle Haven School Age Child Care	70.6	58.1	64.3
Teen Services	5.8	5.0	7.5
Youth Sports	29.3	17.0	30.5
Adult Sports	40.7	31.4	38.7
Gymnastics	21.9	16.8	22.4
Aquatics	208.3	142.3	168.6
Community Classes	101.7	83.2	98.8
Events and Concerts	46.3	40.8	48.4
Libraries			
Main Library	54.0	55.4	79.4
Belle Haven Branch	16.1	12.3	10.1
Community Development			
Comprehensive Planning	13.7	13.9	15.8
Development Information Services	6.1	5.1	6.0
Planning Level Reviews	57.8	56.9	46.7
Permit & Inspection Services	19.8	16.1	19.5
Other Services			
Community Funding	12.5	11.5	10.9
Community Relations	22.9	20.1	21.6
Business Development	18.2	16.5	11.7
Total	1944.4	1825.2	1848.4

Table 8a

Average Net Cost Reduction for Services Among Those Reducing Service, by Data Source (in \$1,000s)

	Community- Wide Mailing	Web Responses	Random Sample	All Sources
Public Safety Services				
Patrol Response	\$584.4	\$464.3	\$506.3	\$527.3
Investigations	240.0	175.9	201.0	209.5
Traffic Enforcement	306.0	265.2	248.9	283.8
Community Emergency Preparedness	43.7	30.8	31.4	36.5
Community Outreach	342.5	273.3	270.0	306.5
Public Works				
Fields & Grounds Maintenance	191.4	151.9	134.7	171.3
City Tree Maintenance	57.0	35.9	40.9	47.3
Heritage Trees	70.0	50.9	42.7	59.9
Right-of-Way & Street Maintenance	362.7	319.8	262.5	333.9
Median & Roadway Landscaping	115.1	94.4	85.7	103.3
Storm Water Management & Environment	68.3	40.8	59.4	56.2
Transportation & Congestion Management	88.0	66.8	66.8	77.1
Community Services				
Senior Services	156.5	123.4	112.1	138.2
Menlo Children's Center	177.1	133.7	134.3	158.3
Belle Haven Child Development Center	272.5	188.1	228.3	236.5
Peninsula Partnership/BH-Life Initiative	74.8	60.6	64.9	68.2
Burgess School Age Child Care	78.8	61.5	66.1	71.8
Belle Haven School Age Child Care	210.2	153.3	161.4	184.6
Teen Services	38.1	28.5	36.7	34.6
Youth Sports	86.7	52.8	72.8	74.5
Adult Sports	66.5	53.6	56.0	61.2
Gymnastics	47.5	37.1	41.3	43.6
Aquatics	296.5	222.5	246.0	26.8
Community Classes	169.1	139.0	140.5	155.7
Events and Concerts	94.3	74.1	73.4	85.0
Libraries				
Main Library	22.4	150.0	196.6	193.8
Belle Haven Branch	87.7	62.0	57.7	75.6
Community Development				
Comprehensive Planning	59.4	41.4	42.8	50.2
Development Information Services	35.8	104.3	27.0	29.1
Planning Level Reviews	143.6	53.1	102.1	122.7
Permit & Inspection Services	85.0	37.0	61.4	69.8
Other Services				
Community Funding	52.3	37.0	34.1	44.0
Community Relations	62.7	46.4	43.2	54.1
Business Development	66.7	57.9	42.5	60.6
Total	4853.30	3887.3	3991.5	4251.5

Patterns to Explore

In order to develop strategies for Phase II, it is useful to look for patterns to determine possible implied policy directions to explore further with the community.

No Generalizations by Department

One pattern to note is that there is not necessarily complete uniform support for all services within one department. In each department, net costs to one or more services were reduced by 30% or more respondents. This could imply that net cost reduction strategies should be developed for all departments to pose to the community.

User fees vs. City Subsidization

The data may also suggest policy directions other than a simple service reduction. All reductions in this survey are to net costs and do not necessarily intend an approach that includes only a reduction in service level. Alternate ways of providing the service, like user fees, should be explored. For example, five out of ten services for which a majority of random sample survey respondents chose net cost reductions were services with fee-based revenue streams. This finding paired with the results of user fee question, in Part III of the survey, imply a level of support for increased user fees to cover a larger portion of the program costs.

Table 9 shows in rank order of the percentage of those reducing a particular service, the average percent reduction and the average net cost reduction for all respondents. Table 9a differs in that it shows the average percent reduction and average net cost reduction only amongst those who recommend a reduction.

Table 9

Rank-Ordered List of Service Reductions and Average Percent and Amount of Reduction:
Random Sample, All Respondents

	% Reducing Service	Average % Reduction	Average Net Cost Reduction (\$ in thousands)
City Services			
Community Aquatics	75	21	\$168.6
Public Safety – Community Outreach	74	19	199.8
Community – Community Classes	70	27	98.8
Community – Adult Sports	69	39	38.7
Community – Events & Concerts	64	27	48.4
Community Dev. Planning Level Reviews	55	10	46.7
Public Works – Fields/Grounds Maintenance	54	6	71.6
Community – Gymnastics	53	32	22.4
Public Safety – Traffic Enforcement	53	9	129.7
Public Works – Median/Roadway Landscaping	53	9	43.4
Community – BH School Age Child Care	48	12	64.3
Community – Menlo Children’s Center	47	19	60.6
Community – BH Child Development Ctr.	46	11	83.9
Community - Senior Services	46	10	51.6
Community – Youth Sports	46	16	30.5
Other – Community Relations	46	14	21.6
Public Works – Heritage Trees	46	13	18.0
Public Works – Transp. & Congest. Mgmt.	45	9	27.9
Public Works – Right of Way/Street Maint.	44	4	114.5
Community – Burg. School Age Child Care	40	21	27.0
Public Safety – Patrol Response	40	3	210.4
Libraries – Main Library	39	4.72	79.4
Community Dev. – Comp. Planning	38	8	15.8
Public Safety – Investigations	35	3	62.7
Community – Peninsula Part./BF Life Init.	34	14	20.0
Public Works – City Tree Maintenance	33	8	18.0
Community Dev. – Permit/Inspection	31	11	19.5
Other – Community Funding	31	13	10.9
Other – Business Development	30	8	11.7
Community Dev. – Dev. Info. Services	28	9	6.0
Community – Teen Services	24	9	7.5
Libraries – Belle Haven Branch	20	4	10.1
Public Works – Storm Water Mgmt./Env.	19	2	9.8
Public Safety – Comm. Emer. Preparedness	15	3	4.4
		Total	

Table 9a

Rank-Ordered List of Service Reductions and Average Percent and Amount of Reduction:
Random Sample, Respondents Reducing the Service Only

	% Reducing Service	Average % Reduction	Average Net Cost Reduction (\$ in thousands)
City Services			
Community Aquatics	75	31	\$246.0
Public Safety – Community Outreach	74	26	270.0
Community – Community Classes	70	38	140.5
Community – Adult Sports	69	56	56.0
Community – Events & Concerts	64	41	73.4
Community Dev. Planning Level Reviews	55	22	102.1
Public Works – Fields/Grounds Maintenance	54	11	134.7
Community – Gymnastics	53	59	41.3
Public Safety – Traffic Enforcement	53	18	248.9
Public Works – Median/Roadway Landscaping	53	17	85.7
Community – BH School Age Child Care	48	31	161.4
Community – Menlo Children’s Center	47	43	134.3
Community – BH Child Development Ctr.	46	22	161.4
Community - Senior Services	46	21	112.1
Community – Youth Sports	46	38	72.8
Other – Community Relations	46	28	43.2
Public Works – Heritage Trees	46	32	42.7
Public Works – Transp. & Congest. Mgmt.	45	23	66.8
Public Works – Right of Way/Street Maint.	44	10	262.5
Community – Burg. School Age Child Care	40	51	66.1
Public Safety – Patrol Response	40	8	506.3
Libraries – Main Library	39	12	196.6
Community Dev. – Comp. Planning	38	22	42.8
Public Safety – Investigations	35	9	201.0
Community – Peninsula Part./BF Life Init.	34	45	64.9
Public Works – City Tree Maintenance	33	17	40.9
Community Dev. – Permit/Inspection	32	36	61.4
Other – Community Funding	31	39	34.1
Other – Business Development	30	28	42.5
Community Dev. – Dev. Info. Services	28	40	27.0
Community – Teen Services	24	42	36.7
Libraries – Belle Haven Branch	20	22	57.7
Public Works – Storm Water Mgmt./Env.	19	13	59.4
Public Safety – Comm. Emer. Preparedness	15	21	31.4

Smaller Percentage Reductions for Relatively Larger Budgets

The data also suggests openness to looking at small percentage net cost reductions to services with substantially larger budgets. These net cost reductions are a small percentage of a particular service budget. However, due to the relatively larger budget, the small percentage reduction is able to yield a substantial actual cost reduction to the overall budget. For example, though most of the services in the public works department were not chosen by a majority of respondents for reductions, its largest budget item, fields and grounds maintenance, was chosen by a majority of random sample survey respondents for an average of a 6% net cost reduction among all respondents, yielding a cost savings of \$71,600. As another example, 40% of random sample survey respondents support an average of a 3% reduction in patrol response in the public safety department. This 3% reduction yields a cost savings of \$210,400.

Internal Analysis and Decision Making

Community development services span the range from low support for reductions (under 30% of respondents choosing development information services for net cost reductions) to a majority of support for reductions (planning level review). There is no discernable pattern to the relative ranking of services within this category. It is probable that respondents were least knowledgeable about how these services affect them and that the wide variation of support these programs received maybe related to a general lack of familiarity with the content of the services. Reductions in these services may have to depend less on public opinion and more on internal analysis of benefits, costs, and alternatives.

Overall, the findings suggest that a variety of policy options be pursued, including direct service reduction, increased reliance on user fees, and a search for alternative methods of service delivery which may permit an acceptable level of service at a lower General Fund cost. Strategies should offer net cost reductions at multiple levels to explore the level of trade-offs community members are willing to accept and support.

Increased Revenue Options

Do citizens support increased revenue options? If so, what options do they support?

Taxes: A large majority of random sample survey respondents chose one or more of the general taxes to balance the budget. There is a slight majority of support for utility taxes at 56.1% of respondents from the random sample survey. All other tax sources do not receive a majority of support. Thus, although the overall budget-balancing strategies adopted by the random sample survey respondents place a heavy reliance on new revenue to balance the budget, there is not clear agreement on the source of the revenue.

User Fees: User fees are generally, but not unequivocally, accepted. Where there is a direct, identifiable consumer of a service and where the user fee is perceived to be reasonable for the benefit received, there is generally strong support for user fees.

General Taxes. One mechanism for balancing the budget is to raise new taxes. Participants in the budget-balancing exercises considered a set of four different types of tax increases from which they could select any combination or none at all.

Table 10

Percent Selecting Some Taxes for Balancing Budget, by Data Source

	Community-Wide Mailing	Web Responses	Random Sample
Utility User Tax	50.4%	52.9%	56.1%
Business License Tax Increase	26.3	29.6	30.7
Parcel Tax	38.7	45.5	44.7
Special Assessment Districts	14.6	23.2	10.5
Any of above taxes	68.0	71.3	72.8

Table 10 shows the percent of respondents selecting each of the specific taxes, and the percent of the respondents selecting at least one tax. Almost three-quarters of random sample survey respondents chose at least one of the available taxes to balance the budget with the utility user tax receiving a slight majority (56.1%). Respondents gave more support to taxes that would be paid by more of the population than to those that would tax a smaller and more targeted portion of the population. The parcel tax and the utility user tax received support from 44.7% and 56.1% of random sample survey respondents respectively, whereas the business license tax increase and the special assessment districts were chosen by 30.7% and 10.5% of random sample survey respondents respectively.

Table 10a shows the average amount of revenue raised by various taxes for all respondents. In comparison, table 10b shows the average amount of revenue raised by various taxes among those raising taxes. This comparison gives a sense of at what level taxes are supported by those raising taxes. This information should be used in proposing different tax strategies to the community in Phase II.

Table 10a

Average Amount of Revenue Raised by Various Taxes, All Respondents

	Community-Wide Mailing	Web Responses	Random Sample
Utility User Tax	\$511.7	\$489.7	\$527.6
Business License Tax Increase	49.5	51.1	58.0
Parcel Tax	327.9	355.5	379.8
Special Assessment Districts	114.4	110.5	79.7
Any of above taxes	1,002.5	1,006.9	1,045.2

Table 10b

Average Amount of Revenue Raised by Various Taxes, Among Those Selecting Each Tax (in \$1,000's)

	Community-Wide Mailing	Web Responses	Random Sample
Utility User Tax	\$1,138.7	\$1,075.7	\$1,077.9
Business License Tax Increase	204.2	180.9	212.2
Parcel Tax	946.1	897.1	1,016.3
Special Assessment Districts	863.0	584.6	688.3
Any of above taxes	\$1,626.8	\$1,613.7	\$1,614.5

User Fees. Respondents were asked to indicate their level of support to establish user fees in order to cover most or all of the cost of a particular service. Respondents could choose from six answers including (1) strongly oppose; (2) somewhat oppose; (3) neutral; (4) somewhat favor; (5) strongly favor; (6) don't know/no opinion. Table 11 shows the average rating of support by respondents by all data sources. Respondents show a range of support for establishing user fees to cover the expenses for different services. There appears to be some reluctance to impose fees on the users of these services with a social service aspect. This could demonstrate that there is sensitivity to social equity issues.

Services that received support for establishing user fees to cover costs include many of the recreational services. The results of this data correlate well with the data describing the percent of respondents choosing a net cost reduction for different services. Aquatics, community classes,

adult sports, events and concerts, and gymnastics all were chosen by a majority of random sample survey respondents for net cost reductions of over 20% of their budget. These same services were five out of six of the highest average rates of support for setting fees to cover most or all of the cost of providing that particular service.

Phase II will offer more of an opportunity to explore what level of user fees are acceptable to the community.

Table 11

Average Rating of Support for Setting Fees to Cover Most or All of the Cost of Providing Services, All Respondents

	<u>Average Rating of Support for Fees*</u>		
	Community-Wide Mailing	Web Responses	Random Sample
Senior Services	2.9	2.8	2.8
Menlo Children’s Center	3.6	3.5	3.3
Belle Haven Child Dev. Center	2.7	2.6	2.6
Peninsula Partnership	2.9	2.9	3.1
Burgess School Age Child Care	3.4	3.4	3.4
Belle Haven School-Age Child Care	2.7	2.7	2.8
Teens Services	3.0	2.9	3.0
Youth Sports	3.6	3.5	3.6
Adult Sports	4.4	4.4	4.4
Gymnastics	4.2	4.1	4.2
Aquatics	4.2	4.1	4.2
Community Classes	4.1	4.2	4.2
Events and Concerts	3.6	3.7	3.7
Main Library	2.3	2.4	2.5
Belle Haven Library	2.1	2.1	2.3
Permit and Inspection Services	3.9	4.1	3.9

*Average based on 5-point rating scale (1=strongly oppose; 2=somewhat oppose; 3=neutral; 4=somewhat favor; 5=strongly favor)

Business Development

What is the level of support for attracting additional retail businesses or hotels to Menlo Park?

As a general response to attracting additional retail businesses or hotels in Menlo Park, 73% of random sample survey respondents at least somewhat favor this strategy in the abstract. The average support level for random sample survey respondents is 3.9.

Table 11 shows that a large majority of respondents support the concept of attracting additional retail businesses or hotels to Menlo Park. This is complemented by the fact that only a minority of respondents chose to reduce net costs to business development. In fact, business development had one of the highest percentage rates of respondents adding to that service.

However, it is not possible to extrapolate this support to specific business development proposals. The complexities of business development, including location, type, to what level, etc., all influence a respondent’s level of support for a specific proposal. Exploration of those specifics with the community will better reflect the level of support for a specific proposal.

Table 12

Support for Attracting Additional Retail Businesses or Hotels to Menlo Park, All Respondents

Level of Support	Community-wide Mailing	Web Responses	Random Sample
Strongly Oppose	6.5	7.4	10.2
Somewhat Oppose	10.9	10.7	6.6
Neutral	9.1	5.6	10.2
Somewhat Favor	30.9	30.4	29.3
Strongly Favor	42.6	45.8	43.7
Average*	3.9	4.0	3.9

*Average based on 5-point rating scale (1=strongly oppose; 2=somewhat oppose; 3=neutral; 4=somewhat favor; 5=strongly favor)

References

Miller, Thomas I., and Michelle A. Miller. 1992. Assessing Excellence Poorly: The Bottom Line in Local Government. *Journal of Policy Analysis and Management* 11(4): 612-23.

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