



# CITY COUNCIL SPECIAL AND REGULAR MEETING AGENDA

Tuesday, May 8, 2012  
4:45 p.m.  
701 Laurel Street, Menlo Park, CA 94025  
City Council Chambers

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## 4:45 P.M. CLOSED SESSION (1<sup>st</sup> floor Council Conference Room, City Hall)

Public Comment on Closed Session item will be taken prior to adjourning to Closed Session

**CL1.** Conference with legal counsel pursuant to Government Code Section 54956.9 regarding existing litigation; 2 cases:

(1) Town of Atherton, et al. v. California High Speed Rail Authority  
*Superior Court of California, County of Sacramento, Case No. 34-2008-8000022 (Atherton 1)*

(2) Town of Atherton, et al. v. California High Speed Rail Authority  
*Superior Court of California, County of Sacramento, Case No. 34-2010-80000679 (Atherton 2)*

**CL2.** Conference with legal counsel pursuant to Government Code Section 54956.9(c) regarding potential litigation: 1 case

## 5:30 P.M. STUDY SESSION (Council Chambers)

**SS1.** State Requirements for the Housing Element and what that means for Menlo Park

## 7:00 P.M. REGULAR SESSION

**ROLL CALL** – Cline, Cohen, Fergusson, Keith, Ohtaki

**PLEDGE OF ALLEGIANCE**

**REPORT FROM CLOSED SESSION**

**ANNOUNCEMENTS**

### A. PRESENTATIONS AND PROCLAMATIONS

**A1.** Proclamation declaring Bike to Work Day May 10, 2012 ([Attachment](#))

**A2.** Presentation: LEED Certification for the Arrillaga Family Gymnasium

**A3.** Presentation: Police Department Social Media Outreach Program

**A4.** Presentation: Public Works Week

### B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

**B1.** Approve a revision to the Environmental Quality Commission's 2 Year Work Plan ([Attachment](#))

**B2.** Transportation Commission quarterly report on the status of their 2 Year Work Plan ([Attachment](#))

**C. PUBLIC COMMENT #1 (Limited to 30 minutes)**

Under “Public Comment #1”, the public may address the Council on any subject not listed on the agenda and items listed under the Consent Calendar. Each speaker may address the Council once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Council cannot act on items not listed on the agenda and, therefore, the Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

**D. CONSENT CALENDAR**

- D1. Accept Council minutes for the meeting of April 17, 2012 ([Attachment](#))

**E. PUBLIC HEARING - None**

**F. REGULAR BUSINESS**

- F1. Hear protest of the determination that Amland Corporation is the responsible low bidder for the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation Project and consider award of a contract to Amland Corporation in the amount of \$233,808 for the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation Project and authorize a total budget of \$264,451 for construction, contingencies, testing, inspection, and construction administration ([Staff report #12-072](#))

- F2. Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item

**G. CITY MANAGER’S REPORT – None**

**H. WRITTEN COMMUNICATION – None**

**I. INFORMATIONAL ITEMS**

- I1. Quarterly financial review of General Fund operations as of March 31, 2012 ([Staff report #12-071](#))
- I2. Review of City’s Investment Portfolio as of March 31, 2012 ([Staff report #12-070](#))
- I3. Quarterly update on Council goals and deliverables ([Staff report #12-069](#))

**J. COUNCILMEMBER REPORTS**

**K. PUBLIC COMMENT #2 (Limited to 30 minutes)**

Under “Public Comment #2”, the public if unable to address the Council on non-agenda items during Public Comment #1, may do so at this time. Each person is limited to three minutes. Please clearly state your name and address or jurisdiction in which you live.

**L. ADJOURNMENT**

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at <http://www.menlopark.org> and can receive e-mail notification of agenda and staff report postings by subscribing to the "Home Delivery" service on the City's homepage. Agendas and staff reports may also be obtained by contacting the City Clerk at (650) 330-6620. Copies of the entire packet are available at the library for viewing and copying. (Posted: 05/03/2012)

At every Regular Meeting of the City Council, in addition to the Public Comment period where the public shall have the right to address the City Council on the Consent Calendar and any matters of public interest not listed on the agenda, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Mayor, either before or during the Council's consideration of the item.

At every Special Meeting of the City Council, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Mayor, either before or during consideration of the item.

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Office of the City Clerk, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours. Members of the public may send communications to members of the City Council via the City Council's e-mail address at [city.council@menlopark.org](mailto:city.council@menlopark.org). These communications are public records and can be viewed by anyone by clicking on the following link: <http://ccin.menlopark.org>.

City Council meetings are televised live on Government Access Television Cable TV Channel 26. Meetings are re-broadcast on Channel 26 on Thursdays and Saturdays at 11:00 a.m. A DVD of each meeting is available for check out at the Menlo Park Library.

Live and archived video stream of Council meetings can be accessed at [http://menlopark.granicus.com/ViewPublisher.php?view\\_id=2](http://menlopark.granicus.com/ViewPublisher.php?view_id=2). Persons with disabilities, who require auxiliary aids or services in attending or participating in City Council meetings, may call the City Clerk's Office at (650) 330-6620.

# Proclamation

## BIKE-TO-WORK DAY THURSDAY, MAY 10, 2012

**WHEREAS**, breathing clean air is vital to healthy lungs and life and levels of air pollution in the City of Menlo Park may exceed health standards; and

**WHEREAS**, the City of Menlo Park acknowledges that cycling to work is a successful commute mode to alleviate traffic congestion, reduce air pollution and decrease fuel consumption; and

**WHEREAS**, bike-to-work days have proven effective in converting drivers into bicyclists and educating residents about the environmental importance of biking to work regularly; and

**WHEREAS**, the City of Menlo Park encourages its residents to bike to work, in order to improve air quality and promote the health benefits of cycling; and

**WHEREAS**, the Bay Area Bike to Work Day event is part of National Bike Month, an annual recognition of bicycling as a convenient and fun form of transportation that is growing more popular in the United States; and

**WHEREAS**, the Bay Area Bicycle Coalition will host the 18<sup>th</sup> annual Bike to Work Day event partnering with local bicycle coalitions, Bay Area corporate sponsors, government agencies, environmental and transportation organizations and non-profit agencies and hundreds of volunteers in promoting the message that bicycling is a fun, healthy, and environmentally viable form of transportation.

**NOW, THEREFORE, I, Kirsten Keith**, Mayor of the City of Menlo Park and on behalf of the City Council, do hereby proclaim Thursday, May 10, 2012, as Bike-to-Work Day in the City of Menlo Park.

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Kirsten Keith, Mayor

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May 10, 2012





## Environmental Quality Commission-2012 to 2014 Work Plan

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### *Mission Statement*

The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability.



**Environmental Quality Commission  
2012-2014**

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Work Plan for 2012-2014

**Commission Members**

Commissioner	Mitchel Slomiak (Chair)
Commissioner	Christina Smolke (Vice Chair)
Commissioner	Chris DeCardy
Commissioner	Kristin Kuntz-Duriseti
Commissioner	Adina Levin
Commissioner	Scott Marshall
Commissioner	Douglas Scott



## Environmental Quality Commission Priority List

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The **Environmental Quality Commission** has identified the following priorities to focus on during 2012 through 2014:

1.	Analyze and recommend improvement on how the City's planning process can be used to advance environmental sustainability
2.	Assist in developing sustainable building policies and programs for private and public development projects
3.	Maximize the urban canopy through programs and policies
4.	Implement Climate Action Plan
5.	Develop and evaluate resource conservation and pollution prevention programs and policies, such as solid waste reduction and water conservation and management policies, including gray water and groundwater management policies.



## Commission Work Plan Guidelines Work Plan Worksheet

### Step 1

<p>Review purpose of Commission as defined by Menlo Park Council Policy CC-01-0004</p>	<p>The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability. Specific focus areas include:</p> <ul style="list-style-type: none"> <li>• Preserving heritage trees</li> <li>• Using best practices to maintain City trees</li> <li>• Preserving and expanding the urban canopy</li> <li>• Making determinations on appeals of heritage tree removal permits</li> <li>• Administering annual Environmental Quality Awards program</li> <li>• Organizing annual Arbor Day Event; typically a tree planting event</li> <li>• Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.</li> </ul>
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### Step 2

<p>Develop or review a Mission Statement that reflects that purpose</p> <p><i>Who we are, what we do, who we do it for, and why we do it</i></p>	<p>The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability.</p>
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### Step 3

<p>Discuss any priorities already established by Council</p>	<p><b>2. Future focused planning and visioning, supporting a high quality of life:</b></p> <ul style="list-style-type: none"> <li>○ Recommend implementation of more projects in the Climate Action Plan</li> <li>○ Early adoption of State Green Building Codes</li> <li>○ Funding Green Projects</li> </ul> <p><b>3. Regional focus creating synergy of efforts on issues of mutual interest:</b></p> <ul style="list-style-type: none"> <li>○ Increase water conservation polices and programs that are in line with the State and the Bay Area Water Supply and Conservation Agency (BAWSCA).</li> <li>○ Increase recycling efforts through South Bayside Waste Management Authority (SBWMA)</li> </ul>
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**Step 4**

Brainstorm goals, projects or priorities of the Commission	Benefit, if completed	Mandated by State/local law or by Council direction?	Required policy change at Council level?	Resources needed for completion? Staff or creation of subcommittees?	Estimated Completion Time	Measurement criteria How will we know how we are doing?
Analyze and recommend improvement on how the City's planning process can be used to advance environmental sustainability.	<ul style="list-style-type: none"> <li>Enables the policy choices taken as part of the planning process to have better environmental outcomes.</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Creation of a Sustainable Transportation Subcommittee and staff resources for information and data	1 year	<ul style="list-style-type: none"> <li>Periodic reports</li> <li>Recommendations to City Council</li> </ul>
Assist with the development of a sustainable building policy for private and public development projects. Look into and/or recommend standards that are beyond the minimum CalGreen Code requirements.	<ul style="list-style-type: none"> <li>Improved indoor air quality</li> <li>Increase water and energy conservation</li> <li>Reduced greenhouse gas emissions</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Minimum State CalGreen Requirements were adopted in November 2010.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Creation of a subcommittee.  Staff time to educate commission	1 year	<ul style="list-style-type: none"> <li>Periodic reports</li> <li>Recommendations to City Council</li> </ul>
Maximize urban canopy	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions</li> <li>Improve wildlife habitat</li> <li>Reduce erosion</li> <li>Improve air quality</li> <li>Improve scenic beauty</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Creation of subcommittee.  Staff resources for data collection.	Ongoing	<ul style="list-style-type: none"> <li>Periodic reports</li> <li>Recommendations to City Council</li> </ul>
Climate Action Plan Implementation	<ul style="list-style-type: none"> <li>Reduce Greenhouse Gas Emissions from community and municipal operations.</li> <li>Reduce methane emissions</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Existing subcommittee	Ongoing	<ul style="list-style-type: none"> <li>Periodic reports</li> <li>Recommendations City Council</li> </ul>
Enhance, develop and evaluate resource conservation and pollution prevention programs and policies, such as : <ul style="list-style-type: none"> <li>Waste reduction</li> <li>Water conservation and Management</li> </ul>	<ul style="list-style-type: none"> <li>Increase Landfill Capacity</li> <li>Reduce Methane</li> <li>Increase Recycling</li> <li>Increase Resource Conservation</li> <li>Storm water Pollution Prevention</li> <li>Preserve future water supply</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Commission time or creation of subcommittee.  Staff resources for information	Ongoing	<ul style="list-style-type: none"> <li>Periodic reports</li> <li>Recommendations to Staff</li> <li>Possible recommendations to City Council if new policy increases operation costs</li> </ul>

**Step 5**

List identified Tasks for the Commission	Prioritize Tasks by their significance			
	1 Urgent	2 1-year	3 2-year	4 Long Term
<p>Analyze and recommend improvement on how the City's planning process can be used to advance environmental sustainability and develop criteria and metrics to evaluate process: Specific tasks include:</p> <ul style="list-style-type: none"> <li>• Reviewing current process and planning documents</li> <li>• Developing criteria and metrics to evaluate progress</li> <li>• Ad Hoc Sustainable Transportation Subcommittee to provide recommendations</li> </ul>	X			
<p>Assist in developing, evaluating, and/or recommending a sustainable building policy for private and public development projects that are beyond minimum State CalGreen requirements. Specific tasks include:</p> <ul style="list-style-type: none"> <li>• Engage with City staff on implementation of phase I and support phase II of green building code</li> <li>• Research best practices in terms of sustainable building (ultimately feed into general plan). The ad hoc subcommittee will look into incentives and initiatives, potentially engage in public outreach and outreach to specific parties, and potentially engage with a Planning Commission representative.</li> </ul>	X			
<p>Review Heritage Tree Ordinance and develop an improvement plan, including but not limited to, application and appeal procedures, a drought tolerant replacement policy, heritage tree replacement verification, urban canopy, urban canopy expansion through staff and volunteer efforts.</p>	X			
<p>Develop a tree planting volunteer program.</p>	X			

List identified Tasks for the Commission	Prioritize Tasks by their significance			
	1 Urgent	2 1-year	3 2-year	4 Long Term
Advise City Council on the Climate Action Plan Assessment Report and assist with evaluation of each project before implementation. <ul style="list-style-type: none"> <li>• Work with Council to adopt GHG reduction target</li> <li>• Work with staff to re-assess CAP priorities</li> <li>• Identify new initiatives toward reduction target adopted by Council</li> <li>• Review 2011 GHG inventory when available and recommend any course corrections to CAP</li> </ul>	X To Start	X Ongoing		
Enhance, evaluate and propose waste reduction program improvements.		X		
Enhance, evaluate and propose water conservation and management program improvements.	X January-July	X Ongoing		

- Step 6** Prepare final work plan for submission to the City Council for review, possible direction and approval and attach the Worksheets used to determine priorities, resources and time lines.
- Step 7** Once approved; use this plan as a tool to help guide you in your work as an advisory body.
- Step 8** Report out on status of items completed. Provide any information needed regarding additional resources needed or And to indicate items that will need additional time in order to complete.



## Transportation Commission

### *Mission Statement*

In conjunction with other City appointed Commissions and staff, advise City Council on transportation-related matters that affect first and foremost the City of Menlo Park and the extended region as a whole, and provide oversight to the City's Transportation Programs on behalf of the community.

The Commission's duties include, but are not limited to, the following:

1. Advising the City Council on matters related to the adequacy and improvement of all types of transportation within and across the City, including the best approaches to establish and maintain systems and facilities for the transport of people and goods; the coordination of all modes of transportation facilities within the city; the development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan.
2. Reviewing and providing input to the City staff, City Council and Planning Commission on major land use and development projects as it relates to transportation.
3. Advising Council on matters relating to regional transportation agencies and systems.
4. Serving as an appeals board for residents' appeals from staff determinations related to transportation issues, including but not limited to establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, and bus stops.

Transportation Commission

Work Plan for 2010-2011

Approved by the City Council November 15, 2011



**Transportation Commission  
2010-2011**

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**Commission Members Listing**

Commissioner	Penelope Huang (Chair)
Commissioner	Charlie Bourne (Vice Chair)
Commissioner	Robert Cronin
Commissioner	Martin Engel
Commissioner	Raymond Mueller
Commissioner	Maurice Shiu
Commissioner	Katherine Strehl



**Transportation Commission  
Priority List**

The **Transportation Commission** has identified the following priorities to focus on during 2010-2011:

<p>1.</p>	<p><u>Assist Downtown Businesses: Menlo Park Signage and Branding Project</u>                  Review the signage that presently directs people to downtown and other points of interest in the City.                  Review points of interest and maps of public transportation.                  Work with Chamber of Commerce, and the community to create signage (How to get to Downtown, how to get to other points of interest.)                  The project goal is to improve the profile, stature, and ease of accessibility of downtown Menlo Park businesses, and other points of interest in Menlo Park to those living both within and outside of Menlo Park.</p>
<p>2.</p>	<p><u>Review for potential revision of the Neighborhood Traffic Management Program (NTMP)</u>                  Project will entail re-visiting of the NTMP, its intent and practical applications.</p>
<p>3.</p>	<p>A program wherein volunteer students from local high schools will be tasked with collecting feedback from their peers regarding transportation related challenges facing teenagers in Menlo Park. Thereafter the groups from each high school will present their data and project proposal to the Transportation Commission, who will then pick one proposal for presentation to City Council. The projects will be coordinated with individual high school civics programs. Menlo College has graciously offered assistance in coordinating the program, to reduce any impact on City Staff time.</p> <p>The project goal will be to provide a positive experience for the teenagers, and inspire public service. Moreover, the program should be a great opportunity for Menlo Park students to pick up experiences and letters for College applications. The City Transportation Division will have the opportunity to gain feedback from a hard to reach demographic.</p>
<p>4.</p>	<p><u>Conduct a more comprehensive review of the Street Light Program in Menlo Park</u>                  The Commission wishes to review if there are any other locations in the City that are more urgently in need of street lights than West Santa Cruz Avenue before a decision is made.</p>



**Commission Work Plan Guidelines  
Work Plan Worksheet**

**Step 1**

<p>Review purpose of Commission as defined by Menlo Park Council Policy CC-01-0004</p>	<p>This Commission is charged with advising the City Council on matters related to the adequacy and improvement of all types of public and private transportation within and across the City, including the best approaches to establishing and maintaining systems and facilities for the transport of people and goods around the City; the coordination of motor vehicle, bicycle, mass transit, and pedestrian traffic facilities; the development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan; coordination with regional transportation systems; and, serving as an appeals board for appeals from staff determinations concerning establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, bus stops, etc.</p>
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**Step 2**

<p>Develop or review a Mission Statement that reflects that purpose</p> <p><i>Who we are, what we do, who we do it for, and why we do it</i></p>	<p>In conjunction with other City appointed Commissions and staff, advise City Council on transportation-related matters that affect first and foremost the City of Menlo Park and the extended region as a whole, and provide oversight to the City's Transportation Programs on behalf of the community.</p> <p>The Commission's duties include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. Advising the City Council on matters related to the adequacy and improvement of all types of transportation within and across the City, including the best approaches to establish and maintain systems and facilities for the transport of people and goods; the coordination of all modes of transportation facilities within the city; the development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan.</li> <li>2. Reviewing and providing input to the City staff, City Council and Planning Commission on major land use and development projects as it relates to transportation.</li> <li>3. Advising Council on matters relating to regional transportation agencies and systems.</li> <li>4. Serving as an appeals board for residents' appeals from staff determinations related to transportation issues, including but not limited to establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, and bus stops.</li> </ol>
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## AGENDA ITEM B-2

### Step 3

<p>Discuss any priorities already established by Council</p>	<p><b>Council Goal 1: Vibrant and resilient economy supporting a sustainable budget.</b> <b>Project Priority 1:</b> Assist/Downtown Businesses: Menlo Park Signage and Branding Projects.</p> <p><b>Council Goal 2: Future focused planning and Visioning supporting a high quality of life.</b> <b>Project Priority 2:</b> Review for potential revisions of the Neighborhood Traffic Management Program (NTMP) <b>Project Priority 3:</b> A program wherein volunteer students from local high schools will be tasked with collecting feedback from their peers regarding transportation related challenges facing teenagers in Menlo Park. Thereafter the groups from each high school will present their data and project proposal to the Transportation Commission, who will then pick one proposal for presentation to City Council. The projects will be coordinated with individual high school civics programs. Menlo College has graciously offered assistance in coordinating the program, to reduce any impact on City Staff time. <b>Project Priority 4:</b> Conduct a comprehensive review of the Street Light Program in Menlo Park</p>
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## AGENDA ITEM B-2

### Step 4

Brainstorm goals, projects or priorities of the Commission	Benefit, if completed	Mandated by State/local law or by Council direction?	Required policy change at Council level?	Resources needed for completion? Staff or creation of subcommittees?	Estimated Completion Time	Measurement criteria How will we know how we are doing?
<p>Assist Downtown Businesses: Menlo Park Signage and Branding Project</p> <ul style="list-style-type: none"> <li>• Review the signage that presently directs people to downtown and other points of interest in the City.</li> <li>• Review points of interest and maps of public transportation.</li> <li>• Work with Chamber of Commerce, and the community to create signage (How to get to Downtown, how to get to other points of interest.)</li> </ul>	<ul style="list-style-type: none"> <li>• The profile, stature, and ease of accessibility of downtown Menlo Park businesses, and other points of interest in Menlo Park to those living both within and outside of Menlo Park will improve</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>• Subcommittee</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Number of meetings with Chamber of Commerce and the community to talk about accessibility to downtown</li> <li>• Number of additional directional signs to downtown proposed</li> </ul>
<p>Review for potential revision of the NTMP (Neighborhood Traffic Management Program)</p>	<ul style="list-style-type: none"> <li>• Provide potential revisions to the NTMP</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• Staff/Subcommittee</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Number of meetings with residents</li> <li>• Approval of the NTMP revisions by Transportation Commission and</li> </ul>

## AGENDA ITEM B-2

						ultimately, by City Council
<p>A program wherein volunteer students from local high schools will be tasked with collecting feedback from their peers regarding transportation related challenges facing teenagers in Menlo Park. Thereafter the groups from each high school will present their data and project proposal to the Transportation Commission, who will then pick one proposal for presentation to City Council. The projects will be coordinated with individual high school civics programs. Menlo College has graciously offered assistance in coordinating the program, to reduce any impact on City Staff time.</p>	<ul style="list-style-type: none"> <li>Provide a positive experience for the teenagers, and inspire public serve. Moreover, the program should be a great opportunity for Menlo Park students to pick up experiences and letters for College applications. The City Transportation Division also will have the opportunity to gain feedback from a hard to reach demographic</li> </ul>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<ul style="list-style-type: none"> <li>Subcommittee</li> </ul>	<p>Ongoing</p>	<ul style="list-style-type: none"> <li>Number of volunteer high-school aged students</li> <li>Number of meetings with high school aged students</li> <li>Number of presentations by high school aged students to City Council</li> </ul>
<p>Conduct a more comprehensive review of the Street Light Program in Menlo Park</p>	<ul style="list-style-type: none"> <li>Establish prioritized locations for new street lights in Menlo Park</li> </ul>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<ul style="list-style-type: none"> <li>Staff/Subcommittee</li> </ul>	<p>On-going</p>	<ul style="list-style-type: none"> <li>Formulation of prioritization criteria for locations of new street lights</li> <li>Establish list of prioritized locations for street lights</li> </ul>

## AGENDA ITEM B-2

### Step 5

List identified Goals, Priorities and/or Tasks for the Commission	Prioritize Tasks by their significance			
	1 Urgent	2 1-year	3 2-year	4 Long Term
Assist Downtown Businesses: Menlo Park Signage and Branding Project Review the signage that presently directs people to downtown and other points of interest in the City. Review points of interest and maps of public transportation. Work with Chamber of Commerce, and the community to create signage (How to get to Downtown, how to get to other points of interest.)			X	
Review for potential of the NTMP (Neighborhood Traffic Management Program).			X	
A program wherein volunteer students from local high schools will be tasked with collecting feedback from their peers regarding transportation related challenges facing teenagers in Menlo Park. Thereafter the groups from each high school will present their data and project proposal to the Transportation Commission, who will then pick one proposal for presentation to City Council. The projects will be coordinated with individual high school civics programs. Menlo College has graciously offered assistance in coordinating the program, to reduce any impact on City Staff time.			X	
Conduct a more comprehensive review of the Street Light Program in Menlo Park.			X	

**Step 6** Prepare final work plan for submission to the City Council for review, possible direction and approval and attach the Worksheets used to determine priorities, resources and time lines.

**Step 7** Once approved, use this plan as a tool to help guide you in your work as an advisory body.

**Step 8** Report out on status of items completed. Provide any information needed regarding additional resources needed or And to indicate items that will need additional time in order to complete.



**CITY COUNCIL  
SPECIAL AND REGULAR MEETING **DRAFT** MINUTES**

Tuesday, April 17, 2012  
5:00 p.m.  
701 Laurel Street, Menlo Park, CA 94025  
City Council Chambers

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Mayor Keith called the meeting to order at 5:10 p.m.  
Council Member Fergusson arrived at 5:18 p.m.

There were no members of the public to speak on the item and the Council adjourned into Closed Session.

**CL1.** Conference with legal counsel pursuant to Government Code Section 54956.9 (c) regarding potential litigation: 1 case

Mayor Keith called the Regular Session to order at 7:07 p.m. with all members present.

The pledge of allegiance was led by Mayor Keith.

**REPORT FROM CLOSED SESSION**

**ACTION:** There was no reportable action from Closed Session.

**ANNOUNCEMENTS:** None

**A. PRESENTATIONS AND PROCLAMATIONS**

**A1.** Proclamation: National Volunteer Week ([Attachment](#))  
Mayor Keith read the Proclamation

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS**

**B1.** Bicycle Commission quarterly report on the status of their 2-Year Work Plan  
Presentation given by Commission Chair Gregory Klingsporn

**B2.** Consider approval of a revision to the 2-Year Work Plan for the Housing Commission  
([Staff report #12-064](#))  
Presentation given by Housing Commission Chair Yvonne Murray

**C. PUBLIC COMMENT #1**

- Darryl Warren spoke regarding racial profiling.
- Kristi Breisch invited the Council to the Annual Compassion event hosted by the Presbyterian Church on April 28 and 29.
- Omar Chatty spoke regarding accidents on Caltrain and bringing BART to the area.
- Barbara Hunter spoke regarding the ratio of city employees to residents. ([Letter](#))
- Chief Harold Schapelhouman spoke regarding Consent Calendar Item D-2, the Grand Jury Report response, and addressed the bidding for other agency's fire services.

**D. CONSENT CALENDAR**

**ACTION:** Motion and second (Ohtaki/Fergusson) to approve the Consent Calendar Items D1 and D3 passes unanimously.

**D1.** Approve an extension of the agreement between the County of San Mateo and the City of Menlo Park to toll statutes of the limitations for claims regarding property tax administration fees ([Staff report #12-057](#))

**D2.** Approve the City of Menlo Park's response to the San Mateo County Civil Grand Jury report, 'The County, San Carlos and Cal Fire, a Missed Opportunity?' ([Staff report #12-062](#))

Item pulled by K. Keith for discussion

**ACTION:** Motion and second (Cline/Fergusson) to approve the letter with amendments made by the Mayor.

**ACTION:** Friendly Amendment by Fergusson to allow the Fire Chief to provide input into the letter and to give the Mayor the discretion to approve the final letter was accepted by Cline.

**ACTION:** Motion and second (Cline/Fergusson) to approve the letter with amendments made by the Mayor and to allow the Fire Chief to provide input into the letter and to give the Mayor the discretion to approve the final letter passes unanimously.

**D3.** Accept Council minutes for the meeting of March 27, 2012 and April 9, 2012 ([Attachment](#))

**E. PUBLIC HEARING**

**E1.** Adopt a resolution approving the sale of certain real property located behind properties fronting on the north side of Terminal Avenue, consisting of the Beechwood School property and vacant land between the school and Menlo Park Fire Protection District Station No. 77 and south of the Joint Powers Authority owned railroad right of way, and 297 Terminal Avenue to the California Family Foundation for \$1,255,000 and authorize the City Manager to execute all necessary documents to complete the sale ([Staff report #12-060](#))

Staff presentation by Bill McClure, City Attorney

The Public Hearing was opened at 7:46 p.m.

Public Comments

- David Laurance, Principal of Beechwood School, spoke in favor of the item and urged the Council to finalize the purchase.

**ACTION:** Motion and second (Cline/Fergusson) to close the Public Hearing at 7:47 p.m. passes unanimously.

**ACTION:** Motion and second (Fergusson/Ohtaki) to adopt **Resolution No. 6060** approving the sale of certain real property located behind properties fronting on the north side of Terminal Avenue, consisting of the Beechwood School property and vacant land between the school and Menlo Park Fire Protection District Station No. 77 and south of the Joint Powers Authority owned railroad right of way, and 297 Terminal Avenue to the California Family Foundation for

\$1,255,000 and authorize the City Manager to execute all necessary documents to complete the sale passes unanimously.

## F. REGULAR BUSINESS

**F1.** Approve a comment letter on Metropolitan Transportation Commission Memorandum of Understanding on High Speed Rail Early Investment Strategy for a Blended System on the Peninsula Corridor to be sent to Caltrain and SMCTA ([Staff report #12-061](#)) (PowerPoint)

**NOTE:** Council Member Cohen and City Attorney Bill McClure announced their recusal on this item due to the proximity of property and left the meeting at 7:50 p.m.

Staff presentation by Atul Patel, Senior Transportation Engineer  
SamTrans/Caltrain/San Mateo County Transportation Authority presentation by Seamus Murphy ([PowerPoint](#))

### Public Comments

- Omar Chatty spoke regarding the MOU, the blended system and the enforceability of the MOU.
- Adina Levin, Friends of Caltrain, spoke regarding concerns she has with the letter.
- Mark Leach, Electrical Workers, is pleased to see transportation issues moving forward and urged approval of the MOU.

**ACTION:** The Council gave general direction to Council Member Fergusson and Mayor Keith to collaborate on changes to the letter, and then submit to the Joint Powers Authority.

Council Member Cohen and City Attorney McClure returned to the meeting at 8:55 p.m.

**F2.** Consider the Term Sheet for the Development Agreement for the Facebook East Campus located at 1601 Willow Road ([Staff report #12-63](#)) ([PowerPoint](#))

**NOTE:** Starla Jerome-Robinson, Assistant City Manager announced her recusal from the item due to her husband's employment and left the meeting at 8:55.

Staff presentation by Chip Taylor, Public Works Director

The Council took a recess at 9:11 and reconvened at 9:18 p.m.

Mr. Ebersman representing Facebook addressed the process for the Development Agreement Term Sheet and the process. Highlights of the term sheet and what they are already providing was provided. He urged the Council to support the hard work of the negotiating team.

### Public Comments

- Maggie Creighton, Exploratory Experiences, thanked the Council and Facebook for the cooperation of the parties.
- Louise DeDera spoke regarding the jobs that are being brought to Menlo Park and encouraged the employees of Facebook to spend their Facebooks in the Allied Arts area. She urged the Council to approve the Term sheet.
- Spence Leslie strongly urged the Council to approve the Term Sheet and commented on how Facebook is contributing to the community. Facebook and Tyco added timers to the crossing signals at Bayfront and Willow Roads.

- Opha Wray, Dr. H.L.B. Education Center – CPNDEC, stated that Facebook has already demonstrated friendliness by providing funds, mentoring after school and laptops for the students. She encouraged the Council to approve the Term Sheet.
- Bishop T.L. Bostic Sr., Mt. Olive O.A.H. Church of God, stated he supports the expansion of Facebook and pleaded with the Council to approve the Term Sheet.
- William Webster, EPACT Education Fund, stated he is happy to see indications of concerns for the impacts to East Palo Alto.
- David Ibarra, Job Train, stated that the help from Facebook by being in the community is of great help as well as inspiring. He urged the Council to approve the Term Sheet, which is generous.
- David Tuipulotu asked if Belle Haven residents have been given the opportunity to provide input and if so, who and how. He also asked if there was still an opportunity for the residents to provide additional input. He stated his support for public improvements such as adding speed bumps around the Belle Haven Schools and suggested the Term Sheet not be approved.
- Eileen McLaughlin, Citizens Committee to Complete the Refuge, stated she is pleased with the progress with Facebook on the sensitivity of the shoreline.
- Raymond Mueller stated his opinion that this agreement is so generous and asked the Council to consider the indirect benefits that will also come with Facebook being in Menlo Park. He urged the Council to approve the Term Sheet.
- Shirley Roybal, Menlo Park Chamber of Commerce Chair urged the Council to approve the Term Sheet and highlighted the benefits that Facebook has and will bring to the community. ([Letter](#))
- Bronwyn Alexander stated that since Facebook has moved onto the campus they have been providing benefits to the neighborhood. They have donated eight laptops to the eighth grade at the Belle Haven School and have volunteered time at the school.
- Bill Nack, San Mateo County Building Trades Council, urged the Council to approve the Term Sheet as it is generous and good for Menlo Park.
- Joseph Scott, Laborer's Local 389 San Mateo, urged the Council to approve the Term Sheet.
- Mark Leach, Electrical Workers, stated that Facebook has already provided many benefits and urged the Council to approve the Term Sheet.
- Chris Collins, UA Local 467, Plumbers, Pipefitters and AC Techs, urged the Council to approve the Term Sheet. The current and on-going work on the campus is a benefit for members of the union.
- Harry Bims urged the Council to approve the Term Sheet.
- Adina Levin spoke in support of the Term Sheet and the bicycle and pedestrian improvements will be beneficial to community members and Facebook employees.
- Andrew Boone spoke in support of the bicycle and pedestrian improvements included in the Term Sheet.
- Jim Bigelow stated that the Term Sheet is a great proposal, commented on the reduction of vehicle trips and urged the Council to approve the Term Sheet.

Council Members thanked Facebook for their generosity and expressed their appreciation for their work in the agreement to the Term Sheet.

**ACTION:** Motion and second (Ohtaki/Fergusson) to approve the Term Sheet for the Facebook East Campus Development Agreement and proceed expeditiously with the project review process according to the previously established schedule passes unanimously.

- F3.** Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item:  
(a) Consider placing AB 1455 for Council action on a City Council agenda  
([Staff report #12-065](#))

**NOTE:** Council Member Cohen and City Attorney Bill McClure announced their recusal on this item due to the proximity of property and left the meeting at 10:26 p.m.

Staff presentation by Alex McIntyre, City Manager

Public Comments

- Adina Levin stated she is not in favor of the Council taking a position opposing the Assembly Bill 1455 and the new Business Plan should be scrutinized.

The Council asked that the lobbyist prepare an analysis on the item to be provided to the Council at a future meeting.

Council Member Cohen and City Attorney McClure returned to the meeting at 10:30 p.m.

**G. CITY MANAGER'S REPORT:** None

**H. WRITTEN COMMUNICATION:** None

**I. INFORMATIONAL ITEMS**

**I1.** Recology collection of garbage and recycling day changes ([Staff report #12-059](#))

**I2.** Review timeline regarding a November 2012 ballot measure to increase the Transient Occupancy Tax rate for the City of Menlo Park ([Staff report #12-058](#))

**J. COUNCILMEMBER REPORTS:** None

**K. PUBLIC COMMENT #2:** None

**L. ADJOURNMENT**

The meeting was adjourned at 10:33 p.m.

Margaret S. Roberts, MMC  
City Clerk

Minutes accepted at the Council meeting of





## PUBLIC WORKS DEPARTMENT

Council Meeting Date: May 8, 2012  
Staff Report #: 12-072

Agenda Item #: F-1

**REGULAR BUSINESS:** Hear Protest of the Determination that Amland Corporation is the Responsible Low Bidder for the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation Project and Consider Award of a Construction Contract to Amland Corporation in the amount of \$233,808 for the Santa Cruz/Elder Avenue Traffic Signal Installation Project and Authorize a Total Budget of \$264,451 for Construction, Contingencies, Testing, Inspection, and Construction Administration

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### RECOMMENDATION

Staff recommends that the City Council hear the protest regarding whether Amland Corporation is a responsible bidder and if the protest is denied, to award a construction contract to Amland Corporation in the amount of \$233,808 for the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation Project and authorize a total budget of \$264,451 for construction, contingencies, testing, inspection, and construction administration.

### BACKGROUND

In 2009, the Menlo Park City School District (MPCSD) completed the Final Environmental Impact Report (FEIR) for the Hillview School Modernization Project. This FEIR recommended the installation of a traffic signal at the intersection of a traffic signal at the intersection of Elder Avenue and Santa Cruz Avenue as one of the mitigation measures for the potential significant traffic impact at this intersection.

On July 20, 2010, the City Council authorized staff to negotiate with MPCSD for a cost sharing agreement for the installation of a traffic signal at the intersection of Santa Cruz Avenue and Elder Avenue, including the removal of the pedestrian traffic signal in front of Hillview School.

On February 15, 2011, City Council authorized staff to enter into a Memorandum of Understanding with the MPCSD for a cost sharing agreement of 50% of the costs of the traffic signal installation at the intersection of Santa Cruz Avenue and Elder Avenue, including the removal of the existing pedestrian traffic signal in front of Hillview Middle School, including the expense of design, construction engineering, and construction costs, not to exceed \$120,000. The MOU requires that construction begin before

May 31, 2012 so that there is minimal impact to school children during construction. The City Council also approved the addition of a southbound right turn lane from Elder Avenue to Santa Cruz Avenue approximately 160 feet in length and a No Parking Zone on the west side of Elder Avenue, adding the estimated construction cost of \$35,000 to the project budget.

The proposed project consists, in general, of the installation of a new traffic signal system at the intersection of Santa Cruz Avenue and Elder Avenue, removal of the existing pedestrian traffic signal on Santa Cruz Avenue in front of Hillview School, widening of Elder Avenue to add a southbound right turn lane, new curb and gutter, sidewalk, handicapped ramps, and traffic striping, signing, and marking.

The City previously received grant funding for a separate Safe Routes to School project. The Safe Routes to Hillview School includes three in-pavement lighted crosswalks that will be installed at the following intersections on Santa Cruz Avenue with: 1) Olive Street; 2) Cotton Street; and 3) San Mateo Drive. This project is federally funded and staff is in the process of receiving permits from Caltrans and then, advertising the project to solicit bids. It is anticipated that this project will be completed prior to the start of School Year 2012-13.

## **ANALYSIS**

On April 11, 2012, the City issued a "Notice to Contractors" inviting qualified contractors to submit construction bid proposals for the project by April 25, 2012. Six contractors responded. Upon review of the submitted bids, staff determined Amland Corporation to be the lowest responsible bidder, with a bid of \$233,807.75. A summary of all the bid proposal amounts is included as Attachment A.

Staff has reviewed the most recent project related references and is satisfied with the Contractor's past performance.

Staff received a bid protest letter from Foundation for Fair Contracting (FFC) dated April 30, 2012, (Attachment B), and a bid protest letter from the second lowest bidder, Columbia Electric (Attachment C) dated May 2, 2012. Two response letters from Amland Corporation's attorney, DC Law, one dated May 2, 2012, and one dated May 3, 2012, (Attachment D) address the points raised in the bid protest letters. Columbia Electric has informed staff that they will not be withdrawing their protest. However, at the time this staff report was being written, they have not provided a response to DC Law's May 3<sup>rd</sup> letter. After reviewing the response letters from Amland Corporation, staff believes that Amland has addressed the questions raised in the protest letters and that the City Council can find Amland to be the lowest responsible bidder and that the bid may be awarded to Amland. Staff has informed FFC and Columbia Electric of staff's recommendation for the City Council to award the contract to Amland Corporation at the City Council meeting on May 8, 2012. At this point and time staff is unaware whether either FFC or Columbia Electric will appear at the Council Meeting to protest the bid. If

any additional information comes to staff prior to the Council meeting, staff will present it at the meeting.

Staff recommends that the City Council hear the protest, and if the City Council denies the protest to thereafter award the contract to Amland Corporation.

## **IMPACT ON CITY RESOURCES**

The budget for Santa Cruz Avenue/Elder Avenue Traffic Signal Installation project is as follows:

### **Proposed Construction Budget:**

Contract Amount	\$233,808
Contingency (approx. 9%)	\$ 20,643
Testing, Inspection, and Construction Administration	<u>\$ 10,000</u>
<b>Total Construction Cost:</b>	<b>\$264,451</b>

There are sufficient funds in the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation project budget for this project. The City's share of the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation project is funded from Transportation Impact Fees funds.

At the completion of this project, per the cost sharing agreement MOU between MPCSD and the City of Menlo Park, MPCSD would reimburse the City 50% of the costs of the installation of a traffic signal at Santa Cruz Avenue and Elder Avenue and the removal of the pedestrian traffic signal in front of Hillview School, including the expense of design, construction engineering, and construction costs not to exceed \$120,000.

## **POLICY ISSUES**

The installation of a traffic signal at the intersection of Elder Avenue and Santa Cruz Avenue along with the installation of a right turn lane from Elder Avenue to Santa Cruz Avenue and the removal of the existing pedestrian traffic signal on Santa Cruz Avenue in front of Hillview School are consistent with several policies in the 1994 General Plan Circulation and Transportation Element. These policies seek: 1) to maintain a circulation system using the Roadway Classification System that will provide for the safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes and to enhance the safety of school children who walk and bicycle to school.

## **ENVIRONMENTAL REVIEW**

The 2009 Final Environmental Impact Report for the Hillview Middle School Expansion Project recommended the installation of a traffic signal at the intersection of Elder

Avenue and Santa Cruz Avenue as a mitigation measure for the potential significant traffic impact at this intersection.

The installation of the right turn lane from Elder Avenue to Santa Cruz Avenue is categorically exempt under Class 1 of the current California Environmental Quality Act Guidelines. Class 1 allows for minor alterations of existing facilities, including highways and streets, sidewalks, gutters, bicycle and pedestrian access, and similar facilities, as long as there is a negligible or no expansion of use.



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Rene Baile, P.E.  
Transportation Engineer



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Matt Ocamou, P.E.  
Engineering Services 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. Bid Summary
  - B. Foundation for Fair Contracting April 30, 2012 letter
  - C. Columbia Electric May 2, 2012 letter
  - D. DC Law's Response Letters dated May 2 and May 3, 2012

## Bid Summary

### TRAFFIC SIGNAL INSTALLATION AT THE INTERSECTION OF SANTA CRUZ AVENUE AND ELDER AVENUE PROJECT

**BID OPENING DATE: April 25, 2012**

	<b>CONTRACTOR</b>	<b>BID AMOUNT</b>
1.	Amland Corp.	\$233,808*
2.	Columbia Electric	\$242,358
3.	W. Bradley Electric, Inc.	\$257,913
4.	Beltramo Electric, Inc.	\$267,386*
5.	Tennyson Electric, Inc.	\$291,548*
6.	Prism Engineering, Inc.	\$306,432*

\*Bid amounts revised due to errors in calculations.



RECEIVED

MAY - 1 2012

City Clerk's Office  
City of Menlo Park

VIA FACSIMILE (650) 328-7935/FIRST CLASS MAIL

April 30, 2012

Margaret Roberts  
City Clerk's Office  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 994025

RE: **LOW BIDDER:** AMLAND CORP.  
**AWARDING BODY:** CITY OF MENLO PARK  
**PROJECT:** TRAFFIC SIGNAL INSTALLATION - SANTA CRUZ/ELDER  
AVE. INTERS 77078 - MENLO PARK (SAN MATEO COUNTY)

Dear Ms. Roberts:

In accordance with Public Contract Code Section 1103, please accept this letter as a formal bid protest against the low bidder and request that the above contractor's bid be rejected due to Amland Corp. (Amland), being a non-responsible bidder.

To be considered responsible, a bidder must have the attribute of trustworthiness, as well as, quality, fitness, and capacity to perform the work set forth in the contract. Responsibility should be determined from reliable information concerning ownership, management, skill, judgment, integrity, financial resources, performance of other contracts, conduct, claims, labor practices and compliance with relevant laws and regulations. The Legislature finds and declares that this Section is declaratory of existing Law.

The facts are as follows:

**Bid Proposal Package: List of Subcontractor(s) - Page 8**

Amland stated that they had no subcontractors. Amland solicited and received bids from lower-tiered subcontractors for concrete line items. Even though the subcontractors confirmed bids to Amland, at bid submission time, Amland did not list any lower-tiered subcontractors.

FOUNDATION FOR FAIR CONTRACTING  
3807 Pasadena Avenue, Suite 150 - Sacramento, CA 95821  
(916) 487-7871 - Fax (916) 487-0306  
[www.ffccalifornia.com](http://www.ffccalifornia.com)

Margaret Roberts  
 City Clerk's Office  
 City of Menlo Park  
 April 30, 2012  
 Page 2

Amland Corp. holds the following licenses with the State of California Contractors Licensing Board: Class A- General Engineering; Class B- General Building Contractor; Specialty Class-C-10- Electrical; Specialty Class-C-27- Landscaping. The Bid Line Items for Concrete Work fall under the guidelines for specialized services as stated in the Notice to Contractors under Contractors License Section and requires a C-8 Concrete Specialty license under the California State Contractor Licensing Board.

As Amiland would be required to perform all work under its own workforce and is not appropriately licensed, the attributes of trustworthiness and responsible bidder are in question as outlined in Public Contracting Code Section 1103.

**Bid Proposal Package: Experience & Financial Qualifications - Page 9**

Amland stated that they have been in the contracting business for 10 years. Under the California State Contractors Board records, Amiland Corp. has held the following licenses for less than the stated 10 years; therefore, the attribute of trustworthiness and experience is also in question as set forth in Public Contracting Code Section 1103.

**Contractor's License Personnel Detail**

**Contractor License #:** 572858

**Contractor Name:** AMLAND CORP

**Name:** KEVIN BAO PHAN

**AKA:** PHAN BAO QUY

	TITLE	CLASS	ASSOCIATION DATE	DISASSOCIATION DATE
	SOLE OWNER	C27 LANDSCAPING	07/13/1989	10/04/2007
	SOLE OWNER	B GENERAL BUILDING CONTRACTOR	11/15/2004	10/04/2007
Title and Class History	SOLE OWNER	A GENERAL ENGINEERING CONTRACTOR	05/09/2005	10/04/2007
	RMO/CEO/PRES	A GENERAL ENGINEERING CONTRACTOR		10/04/2007
	RMO/CEO/PRES	B GENERAL BUILDING CONTRACTOR		10/04/2007
	RMO/CEO/PRES	C27 LANDSCAPING		10/04/2007
	RMO/CEO/PRES	C10 ELECTRICAL		02/04/2009

Margaret Roberts  
City Clerk's Office  
City of Menlo Park  
April 30, 2012  
Page 3

**Bid Specifications**

As per the City of Menlo Park Specifications, Stamped Asphalt, the special provision for the Bid Item # 13 Section 74:

- Part 1, 1.1-F: "Is that to ensure a quality installation, it is recommended to obtain confirmation of applicator accreditation or qualification from Integrated Paving Concepts Inc."
- Part 1.3-A: "Accredited StreetPrint Applicator" is a licensed StreetPrint Applicator who holds a valid license as offered by Integrated Paving Concepts."
- Part 3, 3.1 General: "StreetBondCL cycle lane coating shall be supplied and applied by an Accredited StreetPrint Applicator or an applicator designated by Integrated Paving Concepts in accordance with the plans and specifications or as directed by the Owner. Do not begin installation without confirmation of Applicator qualification."

To perform this work a company is required to have the following Specialty Licenses:

- C-12 Earthwork and Paving
- C-32 Parking and Highway Improvement

Amland Corp. did not state on its List of Subcontractors any of the three licensed StreetPrint Applicators in Northern California and does not hold any of the Specialty Licenses required to perform this work with their own workforces.

Please contact our office with questions, comments, or clarifications. We thank you for maintaining the highest of standards at the City of Menlo Park.

Sincerely,

  
Bryan Berthiaume  
Executive Director

Enclosures

Case: 435SJ

cc: Alex D. McIntyre, City Manager - City of Menlo Park - Fax (650) 328-7935  
Bill McClure, City Attorney - City of Menlo Park - Fax (650) 328-7935  
Kevin Bao Phan - Amland Corp. - Fax (408) 298-4344



1980 Davis Street  
San Leandro, CA 94577



510.430.9505  
fax 510.430.1860

May 2<sup>nd</sup>, 2012

City of Menlo Park  
Mr. Matheu Oscamou  
Engineering Services Manager  
701 Laurel St.  
Menlo Park, CA 94025

Reference: City of Menlo Park  
Traffic Signal Installation at the Intersection of Santa Cruz Ave. & Elder Ave.  
Bid Date: April 25<sup>th</sup> 2012 at 2:00PM

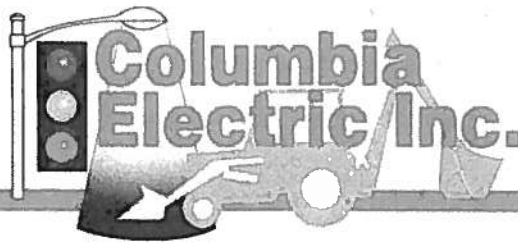
Dear Mr. Oscamou:

This letter serves as Columbia Electric, Inc. (CEI) formal bid protest against the apparent low bidder Amland Corp. Under Public Contract Code Section 1103 "Responsible bidder, as used in this part, means a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract. The Legislature finds and declares that this section is declaratory of existing law."

Amland Corp. did submit a bid for the above referenced project on April 25<sup>th</sup>, 2012. Upon review of Amland Corp's Bid Package provided to Columbia Electric, Inc on April 26<sup>th</sup>, 2012. Columbia Electric, Inc extensively reviewed all Bid Documents that Amland Corp. submitted to the City of Menlo Park and we have found the following discrepancies:

**List of Subcontractors:**

Amland Corp submitted in their Bid Package Page 8- List of Subcontractors, Amland Corp marked on the form that they had no subcontractors. Amland Corp solicited and received several bids from subcontractors for the concrete work, slurry seal and striping. The subcontractors had confirmed bids to Amland Corp at bid submission time and yet Amland Corp did not list any subcontractor to perform the specialty work. The Bid Line Items for Concrete Work (approximately 25% of Bid), Asphalt Stamping, Slurry Seal and Striping fall under the guidelines for specialized services as stated in the Notice to Contractors under Contractors License Section. The Specialty License that are associated with this specialized work with be C-8 Concrete, C-32 Highway Improvement, C-12 -Earthwork & Paving This would require Amland Corp. to perform all work under their workforce, which requires specialty licenses that Amland Corp does not hold, under California State Contractor Licensing Board. Therefore the attribute of trustworthiness and responsible bidder is in question under Public Contracting Code 1103.



**Experience & Financial Qualifications:**

Amland Corp. submitted in the Bid Package Page 9- that the bidder has been engaged in the contracting business under state license # 572858 for a period of Ten (10) years. Under the California

State Contractors Board records, Amland Corp. has held the following licenses for less than the stated 10 years, therefore the attribute of trustworthiness and experience is in question under Public Contracting Code 1103.

Specialty Class-C27- Landscaping - Held since 07/13/1989 under Kevin Phan-Sole Owner, Transferred to Amland Corp on 10/04/2007. (23 Years 10 Months)

Class B- General Building Contractor- Held since 11/15/2004 under Kevin Phan-Sole Owner, Transferred to Amland Corp on 10/04/2007. (7 Years 6 Months)

Class A- General Engineering- Held since 05/09/2005 under Kevin Phan-Sole Owner, Transferred to Amland Corp on 10/04/2007. (7 Years)

Specialty Class- C10- Electrical- Held since 02/04/2009 under Amland Corp. (3 Years 3 Months)

Amland Corp. in their statement included an attachment stating their Three (3) most recently completed projects. The projects listed do not in fact meet the guidelines as most recent completed projects. The projects listed were completed from 2006,2007,2008,2009,2010 and 2012 with only 2 being completed in 2012, therefore the attribute of trustworthiness and experience is in question under Public Contracting Code 1103.

**Bid Specifications:**

As per the City of Menlo Park specifications for the Bid Item #13 Section 74 Stamped Asphalt, the special provision for the Bid Item # 13 Section 74 Part 1, 1.1-F "Is that to ensure a quality installation, it is recommended to obtain confirmation of applicator accreditation or qualification from Integrated Paving Concepts Inc."

As stated in the special provision Section 74 1.3-A "Accredited StreetPrint Applicator" is a licensed StreetPrint Applicator who holds a valid license as offered by Integrated Paving Concepts"

As stated for Bid Item # 13,Special Provision Section 74 Part 3, 3.1 General-"StreetBondCL cycle lane coating shall be supplied and applied by an Accredited StreetPrint Applicator or an applicator designated by Integrated



Paving Concepts in accordance with the plans and specifications or as directed by the Owner. Do not begin installation without confirmation of Applicator qualification.”

This work also falls under the Contractors State License Board requiring a Specialty License of C-12 Earthwork and Paving & C-32 Parking and Highway Improvement. Amland Corp. did not state on the List of Subcontractors any of the three licensed StreetPrint Applicators in Northern California and does not hold any of the specialty licenses with the California State Contractors Board or with the Manufacture, Integrated Paving Concepts Inc/Quest Construction Products of the StreetPrint product to perform this work with their own workforces.

Therefore Columbia Electric, Inc respectfully request that the City of Menlo Park reject the bid from Amland Corp. under Public Contract Code Section 1103 “Responsible bidder, as used in this part, means a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract. The Legislature finds and declares that this section is declaratory of existing law.”

***Columbia Electric, Inc request that the bid be rejected due the facts stated above and that the bid be Awarded to Columbia Electric, Inc who is in fact the lowest responsible bidder.***

Columbia Electric, Inc. thanks the City of Menlo Park in advance for taking the time to review all facts stated and requested that we receive a response to our formal protest in a timely manner.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jo Anne Scruggs".

Jo Anne Scruggs  
President & CEO  
Columbia Electric, Inc

Enclosures:

- Copy of State of California Contractors License Personnel Detail for Amland Corp.
- Sposeto Engineering Inc. Request for Protest to Columbia Electric, Inc.
- Asphalt Impressions 2012 Accreditation for Street Bond/StreetBondCL

- Cc: Matheu Oscamou, P.E. City of Menlo Park -Fax 650-327-5497,Email-mboscamou@menlopark.org  
Rene Baile, P.E. City of Menlo Park-Fax 650-327-5497, Email- rcbaile@menlopark.org  
Alex D. McIntyre, City Manager, City of Menlo Park-Fax 650-328-7935  
Bill McClure, City Attorney, City of Menlo Park -650-328-7935

## Contractor's License Personnel Detail

Contractor License #: 572858

Contractor Name: AMLAND CORP

Name: KEVIN BAO PHAN  
AKA: PHAN BAO QUY

	TITLE	CLASS	ASSOCIATION DATE	DISASSOCIATION DATE
<b>Title and Class History</b>	SOLE OWNER	C27 LANDSCAPING	07/13/1989	10/04/2007
	SOLE OWNER	B GENERAL BUILDING CONTRACTOR	11/15/2004	10/04/2007
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	RMO/CEO/PRES	A GENERAL ENGINEERING CONTRACTOR	10/04/2007	
	RMO/CEO/PRES	B GENERAL BUILDING CONTRACTOR	10/04/2007	
	RMO/CEO/PRES	C27 LANDSCAPING	10/04/2007	
	RMO/CEO/PRES	C10 ELECTRICAL	02/04/2009	

	PERCENT	SURETY COMPANY	BOND#	BOND AMOUNT	EFFECTIVE DATE	CANCELLATION DATE
<b>Bonding History</b>	%				02/04/2009	
	%				10/04/2007	02/04/2009

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April 30, 2012

Columbia Electric, Inc.  
1980 Davis Street  
San Leandro, Ca

RE: Project: City of Menlo Park  
Traffic Signal Installation at the Intersection of Santa Cruz Ave and Elder Ave Project  
Bid Opening: April 25, 2012 @ 2:00 pm

Pertaining to the above noted project which bid on April 25, 2012 to the City of Menlo Park, Sposeto Engineering, Inc. strongly urges Columbia Electric, inc. to protest the bid of the *apparent low bidder* Amland Corporation. This bidder is NOT the lowest responsible bidder due to their failure to comply with State Civil Codes and State Contractors Licensing Laws. Amland Corporation has shown no evidence of qualifications in performance of specialty concrete or asphalt paving.

We have encountered this company previously on other projects. They have shown to ignore the provisions of listing of subcontractors within certain scopes of work pursuant to State Civil Codes and Contractors licensing laws for subcontractor listings, while soliciting and accepting sub-bid proposals.

Our review has indicated that Amland Corporation is non-signatory to any labor unions. We do question compliance with the Davis Bacon Act in the certification of payroll classification and wages.

We have contacted the Foundation for Fair Contracting for assistance as to whether this contractor has the expertise and experience to perform the specialty items required in this contract. Due to the fact that they have not listed any subcontractors, Amland Corporation is required to perform all work within his own work force or be subject to penalties that the State Civil Codes require.

Sincerely,

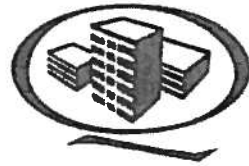
A handwritten signature in black ink, appearing to read "John P. Sposeto".

John P. Sposeto  
President

Cc: Mr. Matheu Ocamou, P.E.  
Engineering Services  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

4558 Contractors Place - Livermore, CA 94551  
Phone 925-443-4200 - Fax 925-443-5800 Est - Fax 925-443-6800 Adm  
www.sposetoengineering.com

000



QUEST  
CONSTRUCTION PRODUCTS

*hereby confirms*

***ASPHALT IMPRESSIONS INC.***  
***SACRAMENTO, CALIFORNIA***  
**Is accredited to install for the year 2012:**

 **StreetBond™**  **StreetBondCL™**

**Charlie Van Gelder, Executive Vice President**



ACCREDITED  
APPLICATORS

**DC LAW**

Dawna J. Cilluffo, A Professional Corporation  
2005 De La Cruz Boulevard, Suite 215  
Santa Clara, CA 95050  
p. 408.988.7946  
f. 408.988.7949

**RECEIVED**

**MAY - 3 2012**

**City Clerk's Office  
City of Menlo Park**

**FACSIMILE TRANSMISSION**

---

**TO:** Margaret Roberts  
City Clerk's Office  
City of Menlo Park  
Facsimile: (650) 328-7935

**CC:** Amland Corporation  
Facsimile: (408) 298-4344

**FROM:** Dawna J. Cilluffo, Esq.

**RE:** Amland Corp. (Low Bidder)  
Traffic Signal Installation  
Santa Cruz/Elder Avenue, City of Menlo Park

**DATE:** May 2, 2012

**TOTAL PAGES INCLUDING COVER:** 3

**ORIGINAL TO FOLLOW:** Via U.S. Mail

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**CONFIDENTIALITY NOTICE**

This facsimile transmission is confidential. If you have received this transmission in error, please notify the sender at the number listed above and discard the transmission.

Thank you for your assistance.

---

Dawna J. Cilluffo  
Jennifer M. Ross

2005 De La Cruz Boulevard, Suite 215  
Santa Clara, CA 95050  
T 408.988 7946  
F 408.988 7949

**VIA FACSIMILE AND U.S. MAIL**

May 2, 2012

Margaret Roberts  
City Clerk's Office  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025  
Facsimile: (650) 328-7935

Re: Amland Corp. (Low Bidder)  
Traffic Signal Installation  
Santa Cruz/Elder Avenue, City of Menlo Park

Dear Ms. Roberts:

This firm represents Amland Corporation ("Amland"). This letter serves as Amland's written response concerning a protest letter from Foundation for Fair Contracting ("FFC"). In response, Amland respectfully submits the following:

**1) Amland failed to list any subcontractors.**

Response: FFC's assertion that Amland's failure to list subcontractors as grounds for rejection is nonsensical. Amland has been licensed by the California Contractors State License Board for over twenty years. Amland holds classifications in general engineering (A), general building (B) and landscaping (C27) and electrical (C10). Amland is certified and credentialed to self-perform the contract work, thus, Amland did not list any subcontractors on its bid.

**2) Amland fails to hold the requisite experience & financial qualifications.**

Response: FFC's assertion that Amland has been licensed for less than 10 years is refuted by the license printout included in FCC's protest letter. Amland was first licensed in 1989 thus evidencing almost 23 years experience in California's construction industry. Further FFC provides no evidence or information to support its claim that Amland lacks the financial qualification to perform this public works project.



Regardless, Amland is a successful and solvent business enterprise and is active and in good standing in the State of California.

**3) Bid Specifications.**

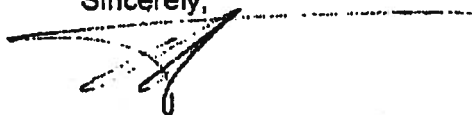
FFC falsely states that a specialty contractor is required to apply certain specified coatings to asphalt paving. This is patently false.

Response: Amland has successfully applied lane coatings on numerous CalTrans projects and holds the proper license classification to perform such work on this project. Further, FFC references vendor certification and not CSLB certification in the bid specification. Finally, in composing its bid, Amland anticipated that should a subcontractor be engaged for any portion of the asphalt work the dollar value of this work would be less than .05% of the total bid; thus, Amland did not list its available subcontractors.

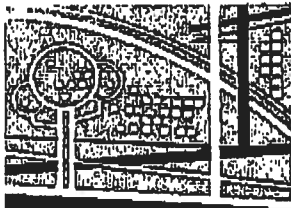
The above rebuttals evidence that FFC's protest is frivolous and without merit. FFC is simply a pro-union organization with a political agenda that does not protect the tax payers of Menlo Park; FFC's haste in submitting this letter its tortious and rises to the level of intentional interference with prospective economic advantage. Unlike FFC, Amland is a contractor licensed by the State of California and is also certified as a small business enterprise by the SBA. Amland stands behind its bid and looks forward to working with the City of Menlo Park to achieve successful execution of the contract work.

Should you require any additional or supporting information on the above please do not hesitate to contact me directly at (408) 988-7946 or Kevin Phan, President of Amland at (408) 772-3979. Thank you in advance for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dawna J. Cilluffo', is written over a horizontal dotted line. The signature is fluid and cursive.

Dawna J. Cilluffo




# AMLAND CORP.

ELECTRICAL AND CIVIL ENGINEERING CONTRACTOR

## FAX COVER

---

DATE:	May 3, 2012	TO:	Atul Patel, PE, PTOE Senior Trans. Engineer
FROM:	Robert Asuncion 	COMPANY:	City of Menlo Park
PHONE:	(408) 929-3949	PHONE:	(650) 330-6744
FAX:	(408) 298-4344	FAX:	(650)327-5497

Reference: Santa Cruz/ Elder BID PROTEST RESPONSE - COLUMBIA

Number of pages including cover page: 4

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Hello Mr. Patel,

Amland Corp respectfully submits a formal bid protest response to Columbia's bid protest letter to City of Menlo Park.

Please contact me should you have any more questions at 408-786-6816 or via email at [Robert.Asuncion@AmlandCorp.com](mailto:Robert.Asuncion@AmlandCorp.com)

Regards,  
Robert

DC LAW

Dawn J. Cilluffo, A Professional Corporation

Dawn J. Cilluffo  
Jennifer M. Ross

2005 De La Cruz Boulevard, Suite 211  
Santa Clara, CA 95050  
T. 408.988.794  
F. 408.988.794

VIA FACSIMILE AND U.S. MAIL

May 3, 2012

Margaret Roberts  
City Clerk's Office  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025  
Facsimile: (650) 328-7935

Re: Amland Corp. (Low Bidder)  
Traffic Signal Installation  
Santa Cruz/Elder Avenue, City of Menlo Park

Dear Ms. Roberts:

This firm represents Amland Corporation ("Amland"). This letter serves as Amland's written response concerning a protest letter from Columbia Electric, Inc. ("Columbia") regarding the above-referenced project. Because many of the issues raised by Columbia are similar, if not identical to those raised by Foundation for Fair Contracting ("FFC"), Amland's reply is similar to that submitted yesterday in response to FFC.

**1) Amland failed to list any subcontractors.**

Response: Columbia's assertion that Amland's failure to list subcontractors as grounds for rejection is nonsensical. Amland has been licensed by the California Contractors State License Board for over twenty years. Amland holds classifications in general engineering (A), general building (B) and landscaping (C27) and electrical (C10). Amland is certified and credentialed to self-perform the contract work, thus, Amland did not list any subcontractors on its bid.

**2) Amland fails to hold the requisite experience & financial qualifications.**

Response: Columbia's assertion that Amland has been licensed for less than 10 years is refuted by the license printout included in Columbia's protest letter. Amland was first licensed in 1989 thus evidencing almost 23 years experience in California's construction industry.

Columbia also asserts that Amland has "only" completed two jobs in 2012. Columbia does not understand the nature and length of most Amland projects. Amland is currently performing significant electrical upgrades on the San Mateo Bridge in the counties of San Mateo and Alameda. The project is a significant undertaking and commenced in 2011. Further, we are only four months into the 2012 calendar year. Thus, Columbia's reliance on project completions during the first few months of the year is baseless and without merit.

**3) Union Status.**

Columbia included a letter from Sposeto Engineering Services that makes false and defamatory statements regarding Amland. Further, Sposeto states that Amland is not signatory to any unions. This fact is true. There is no such law in the State of California that requires union organized labor on public jobs. Amland has a successful history of working on public jobs, is readily familiar with prevailing wage statutes and properly compensates its workers in accordance with prevailing wage rates. Again, the fact that Amland is a non-union contractor does not render its bid non-responsive.

**4) Bid Specifications.**

Columbia falsely states that a specialty contractor is required to apply certain specified coatings to asphalt paving. This is patently false.

Response: Amland has successfully applied lane coatings on numerous CalTrans projects and holds the proper license classification to perform such work on this project. Further, like FFC, Columbia references vendor certification and not CSLB certification in the bid specification. Finally, in composing its bid, Amland anticipated that should a subcontractor be engaged for any portion of the asphalt work the dollar value of this work would be less than .05% of the total bid; thus, Amland did not list its available subcontractors.

The above makes certain that Columbia's protest is frivolous and without merit. Columbia is a union contractor and was pushed by FFC to submit a protest to further the union's agenda and strategy to scare away non-union competition. The policy and spirit behind California's extensive Public Contract Code is to protect the taxpayers. For the City of Menlo Park to indulge FFC and consider arguments like that submitted by Columbia is in complete contravention of public policy. Further, the city leaders of Menlo Park should be reminded that they owe a fiduciary duty to the taxpayers and not the union.

Again, should you require any additional or supporting information on the above please do not hesitate to contact me directly at (408) 988-7946 or Kevin Phan, President of Amland at (408) 772-3979. Thank you in advance for your time and consideration.

Sincerely



Dawna J. Cilluffo



# ADMINISTRATIVE SERVICES

Council Meeting Date: May 8, 2012  
Staff Report #: 12-071

Agenda Item #: I-1

**INFORMATION ITEM: Quarterly Financial Review of General Fund Operations  
as of March 31, 2012**

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This is an information item and does not require Council action.

## BACKGROUND

This report is the third quarterly financial update for the 2011-12 fiscal year. The quarterly report schedule (Attachment) provides a comparison of the fund's year-to-date revenues and expenditures with the 2011-12 adjusted budget, as well as a comparison of the prior year-to-date operations. The report format provides a "snapshot" of General Fund activity on a *cash basis*. Because the City's cash flows of revenues and expenditures are not evenly paced throughout the year, this report is useful only when presented in conjunction with the prior year data and accompanied by a thorough analysis of major deviations from the prior year.

The fiscal year's second quarter report, presented to Council on February 14th, preceded the City's Mid-Year Report for the General Fund. The City's overall revenue and expenditure picture was discussed in detail in the Mid-Year Report at the February 28<sup>th</sup> Council meeting. Despite the identification of positive revenue growth and many short-term operational savings, the dissolution of the Community Development Agency as of January 31, 2012 resulted in the need to increase the General Fund expenditure budget by over \$840,000 to support redevelopment activities for the remainder of the fiscal year. The General Fund adopted budget for the year had already been increased \$226,000 to fund additional contract and outreach services for the El Camino Real/Downtown Specific Plan and \$50,000 for legal services to defend a lawsuit filed against Measure L and \$150,000 to initiate work on the Housing Element. All of these adjustments are reflected in the 2011-12 adjusted budget shown in Column E of the report and result in a budgeted draw on General Fund reserves of over \$1 million for the fiscal year. (An additional \$50,000 budget supplement for legal services related to the Specific Plan was also approved in April; this adjustment is not reflected in the attached budget-to-actual schedule.) However, staff believes that expenditure savings at year-end, as well as one-time revenues from the redistribution of the former redevelopment agency's unencumbered fund balance, will prevent such a draw on General Fund reserves.

## ANALYSIS

### Overview

The attached quarterly schedule shows revenues categorized in the familiar budgetary format, except that revenues from “Use of Money & Property” have been broken down into the two components of “Interest Earnings” and “Rental Income”. Expenditures are shown by department.

The first two columns show the budget and actual amounts of General Fund revenues and expenditures as of June 30, 2011. The format then provides comparisons with the prior fiscal year: three columns of budgetary comparison, three columns of year-to-date comparison, and three columns of budget-to-actual comparison. These various perspectives are helpful because of the irregular cash flows associated with the City’s revenues.

The Budget-to-Actual comparisons compare actual transactions of the third quarter of each year as compared to the *adjusted* budget as it stood on March 31<sup>st</sup>, including the carry-over of (expenditure) commitments funded in the prior year’s budget (encumbrances) and all budget adjustments made year-to-date. For fiscal year 2010-11, General Fund encumbrances from the prior year amounted to an additional \$432,183; in the current fiscal year \$419,900 of commitments have been carried forward to the expenditure budgets.

To the extent that General Fund operations do not vary greatly from year to year, this Budget-to-Actual comparative report provides a useful update on the performance of revenues and the level of expenditures for the fiscal year-to-date.

### Revenues

Actual revenues for the fiscal year ended June 30, 2011 fell short of the 2010-11 adjusted budget by less than \$50,000. The current year adjusted revenues budget is over \$1 million – nearly 3 percent – higher than the 2010-11 budgeted revenues as adjusted at mid-year. However, as of March 31, 2011, actual revenues received were only \$540,000 higher (2.28 percent) than in the same period of the prior year. The last three columns of the schedule indicate the City’s General Fund revenues are coming in at a similar pace as in the prior year. The third quarter analysis last year indicated that revenues are actually beginning to show some growth, and the current fiscal year indicates a continuation of this moderate recovery. The fourth quarter of the fiscal year should contribute a healthier *percentage* of the year’s total revenues than did the last quarter of 2010-11, as we anticipate this growth to continue in the final quarter.

Although the 2011-12 adjusted budget for the General Fund’s *total* revenues show an overall 3 percent growth, an analysis of the individual line items that make up these totals is necessary to formulate an accurate perspective of the impact of the economy on the City’s revenue base.

Receipts of property taxes are not quite holding up to the increased budget for 2011-12, although tax rolls reflected assessed values that had risen a full 2 percent from the prior

year. With a fourth quarter increase in property transfer taxes, this revenue category should come in right on target, notwithstanding any additional property taxes that might result from the redistribution of property tax increment from the dissolved Community Development Agency (CDA). There will be two distributions of this former tax increment: the largest will be the result of the CDA's unencumbered fund balances as of the date of dissolution (January 31, 2012), which should amount to a one-time distribution of over \$1 million to the City; and a second on-going allocation will represent the remainder of the CDA's tax increment revenues once the obligations of the former agency – including County and Successor Agency administrative expenses – have been accounted for. For 2011-12, this second distribution should amount to approximately \$30,000, representing one-half of the annual property tax increment re-allocation. In subsequent years this smaller distribution will be made twice a year.

Transient occupancy tax (TOT, or hotel tax) revenues have exceeded expectations as the Rosewood Hotel completes its third full year of operations and the area's other hotels report increased occupancy rates. (This revenue budget line item was increased by \$340,000 at mid-year to provide a more realistic projection for 2011-12.)

Revenues from licenses and permits, which fell approximately \$1.16 million in 2008-09 and an additional \$105,000 in 2009-10 due largely to a decline in permit activity in an uncertain real estate market, increased markedly (over \$500,000) in 2010-11. This revenue category is expected to stabilize at this higher level. The budget was increased slightly (\$64,000) with the mid-year budget analysis, and it appears that the revised budget may be exceeded by year end.

Although the year's revenue budget for sales taxes appears to be on-target, this revenue category continues to be a concern. The City is only armed with actual data for the first half of the fiscal year. But where statewide changes in taxable sales for the 2011 calendar year showed (preliminary) increases of 8 to 9 percent, the growth for Menlo Park was only 0.85 percent. The Business to Business category shows a 5.8 percent decline, which was largely anticipated with the receipt of final sales tax collected by Sun Microsystems/Oracle in the 2011 calendar year. But nearly all other categories reflect a healthy growth that offsets this decrease. Unfortunately, the largest increase comes from the Transportation Category, largely reflective of higher gasoline prices. As a whole, very slow growth is anticipated for this revenue category for the second half of the fiscal year. Note that the quarterly report (and the City's accounts) reflects only the monthly sales tax allocation from the State, which are *estimates* of the sales taxes actually collected for the City. A "true up" of sales taxes is made well beyond the end of the fiscal year, when sales taxes collected for the quarter ended June 30 are reported and paid to the State.

Interest income from the City's investment portfolio continues to decline as yields on treasuries and the other low-risk investments held by the City remain minimal. Because the 2010-11 earnings fell markedly short of the budget, the current year budget was decreased by \$244,000 at mid-year. With very short maturities in its risk-averse portfolio, the City is well poised to increase investments outside of the very conservative LAIF account once returns begin to rise. In the meanwhile, however, investment income contributes only a fraction of the revenues that the General Fund has come to rely upon. Adding to the uncertainty inherent in the analysis of this revenue category, any year-end



unrealized gain or loss on the portfolio must also be reported, further skewing the investment revenue results for the year. With a decrease in the fair market value of the portfolio, another downward adjustment (though not quite as large) in the portfolio's unrealized gain is anticipated for the current fiscal year.

Investment Income (General Fund only)	Actual (CAFR)							Budget
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Investment Income	962,321	1,306,789	2,364,600	2,367,396	1,383,402	489,493	212,240	315,000
Total Revenues	27,829,164	31,102,851	35,065,305	38,519,576	35,660,627	35,216,845	36,744,737	37,841,179
% Investment Income	3.46%	4.20%	6.74%	6.15%	3.88%	1.39%	0.58%	0.83%

A reduction in intergovernmental revenue was anticipated for the current fiscal year as the dispatch services contract with San Carlos came to an end in November 2011 and revenues from state grants were curtailed. Although the budget-to-actual comparison looks promising for this revenue category, the timing of these revenues is irregular, and actual revenues for the year are anticipated for fall slightly short of the adjusted budget.

The percentage of total budgeted revenues actually received as of March 31<sup>st</sup> of the current year was 64.14 percent compared to 64.49 percent in the prior fiscal year (“% Actual-to-Budget” columns). More importantly (in light of the revenue shortfall experienced in the last two fiscal years), at March 31, 2011, 64.58 percent of the year's actual revenues had been received. If the same holds true for the current year, overall revenues should be very close to the adjusted budget amounts. The economic climate was beginning to stabilize during the last half of 2010-11, so the growth in revenues should be similar in this final quarter of the current fiscal year.

### **Expenditures**

As previously noted, the budgets shown from both fiscal years are adjusted for commitments that were funded in the previous fiscal year. These adjustments are apparent in the budgetary shortfalls shown in columns D and E. It should be noted that while the actual rate of expenditures in relation to the budget has decreased from the 2010-11 fiscal year, the funding activities previously funded from the redevelopment agency will impact the last half of the fiscal year more heavily. In addition, recent budget revisions to support the completion of the Specific Plan and initiate work on the Housing Element will also increase the rate of expenditures in the months to come. However, it is still anticipated that expenditure *savings* (budget less actual expenditures) at the current year end should approximate expenditure savings experienced in the prior year.

### **Impact of Economy**

The impact of the recent national recession to Menlo Park's current year fiscal outlook was largely captured in the third year of downward adjustments to the City's revenues with the 2010-11 mid-year analysis. Even at that point, the General Fund forecast for anticipated the same slow recovery as the rest of the State. One year later, revenues have increased by 2.28 percent, and appear to be on target for a year-over-year total increase of nearly 3 percent. Investment income is expected to remain extremely low, while Licenses and Permits revenue is anticipated to grow with increased development

activity in the area. Though the state housing market is still struggling to regain price stability, property taxes in Menlo Park have not been diminished. Other revenues, such as hotel taxes, are already increasing as projected for the year. Unfortunately, expenditure projections were increased at mid-year with the significant burden presented by the loss of redevelopment funds, so that further cost-cutting strategies for departmental operating budgets had to be identified for the upcoming 2012-13 budget. Sustaining services to the community at a high-quality level, despite the lower resource levels, requires careful management. Staff continues to monitor the situation and will keep the City Council informed of critical market and economic events.

## **POLICY ISSUES**

This third quarterly financial review perhaps provides a higher degree of relevance to the Council than previous quarterly reports, as the comparison of General Fund activity to the same period in the prior fiscal year includes each year's mid-year adjustments. The City's Finance/Audit Committee helped to design the format of this quarterly report to be one that can be readily understood and can provide meaningful insight as to how current fiscal year transactions are tracking with the annual budget. This same analysis is prepared on a monthly basis and frequently reviewed by the committee.

Although not as rigorous a review as provided with the Mid-Year Report and annual budget process, a quarterly analysis can serve as an early indicator of any significant deviation from the General Fund operating budget.



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Carol Augustine  
Finance Director

Attachment: Comparative General Fund Budget-to-Actual Report as of March 31, 2012

City of Menlo Park - General Fund  
 Budget-to-Actual Report, FY 2011-12  
 As of March 31, 2012

A	B	C	D	E	(E-C)/C	G	H	(H-G)/G	G/C	G/D	H/E	
	Adjusted Budget as of 6/30/11	Audited Actual FY 2010-11	2010-11 (Mid-Year) Adjusted Budget 3/31/2011	2011-12 (Mid-Year) Adjusted Budget 3/31/2012	% Budget Change 3/31/12 to Audited Actual FY 10-11	Actual YTD 3/31/2011	Actual YTD 3/31/2012	% Actual Change	% of Actual YTD 3/31/2011 to Audited Actual FY 10-11	% Actual-to- Budget 3/31/2011	% Actual-to- Budget 3/31/2012	Notes
Property Tax	\$12,760,000	\$12,811,324	\$12,760,000	\$13,021,000	1.64%	\$7,588,553	\$7,603,647	0.20%	59.23%	59.47%	58.40%	1
Sales Tax	5,945,000	5,988,055	5,945,000	6,203,000	3.59%	3,756,987	3,869,965	3.01%	62.74%	63.20%	62.39%	2
Transient Occupancy Tax	2,435,000	2,453,981	2,435,000	2,920,000	18.99%	1,164,964	1,428,872	22.65%	47.47%	47.84%	48.93%	3
Utility Users' Tax	1,204,000	1,122,940	1,204,000	1,135,900	1.15%	754,810	757,878	0.41%	67.22%	62.69%	66.72%	
Franchise Fees	1,701,000	1,677,016	1,701,000	1,768,000	5.43%	673,714	792,383	17.61%	40.17%	39.61%	44.82%	
Charges for Services	5,056,787	5,246,251	5,056,787	6,030,515	14.95%	4,091,387	4,415,037	7.91%	77.99%	80.91%	73.21%	
Licenses and Permits	3,169,610	3,239,561	3,169,610	3,371,465	4.07%	2,714,430	2,936,260	8.17%	83.79%	85.64%	87.09%	4
Interest Income	652,000	212,238	652,000	315,000	48.42%	281,701	122,676	-56.45%	132.73%	43.21%	38.94%	5
Rental Income	357,000	363,520	357,000	366,188	0.73%	100,680	101,782	1.09%	27.70%	28.20%	27.80%	
Intergovernmental Revenue	1,809,977	1,946,156	1,809,977	1,140,552	-41.39%	1,413,769	960,389	-32.07%	72.64%	78.11%	84.20%	6
Fines & Forfeitures	994,000	953,195	994,000	980,000	2.81%	658,523	764,382	16.08%	69.09%	66.25%	78.00%	7
Operating Transfers In/ Other Revenue	710,302	730,505	710,302	589,559	-19.29%	528,949	517,235	-2.21%	72.41%	74.47%	87.73%	
<b>Total Revenues:</b>	<b>\$36,794,676</b>	<b>\$36,744,741</b>	<b>\$36,794,676</b>	<b>\$37,841,179</b>	<b>2.98%</b>	<b>\$23,728,467</b>	<b>\$24,270,506</b>	<b>2.28%</b>	<b>64.58%</b>	<b>64.49%</b>	<b>64.14%</b>	
Public Safety	14,187,502	13,927,896	14,187,502	14,158,619	1.66%	10,484,822	10,102,286	-3.65%	75.28%	73.90%	71.35%	8
Public Works	4,887,240	4,517,248	4,887,241	4,993,031	10.53%	3,412,333	3,272,907	-4.09%	75.54%	69.82%	65.55%	
Community Services Department	6,389,861	6,169,153	6,389,862	6,651,453	7.82%	4,423,841	4,416,614	-0.16%	71.71%	69.23%	66.40%	
Library Department	1,993,798	1,914,900	1,993,801	2,033,990	6.22%	1,439,406	1,379,728	-4.15%	75.17%	72.19%	67.83%	9
Community Development	2,633,687	2,503,578	2,583,688	3,507,601	40.10%	1,753,816	2,004,158	14.27%	70.05%	67.88%	57.14%	
Administrative Services	4,969,821	4,677,762	5,019,815	5,169,128	10.50%	3,489,837	3,172,090	-9.10%	74.60%	69.52%	61.37%	
Operating Transfers Out	2,267,950	2,267,950	2,267,950	2,377,800	4.84%	1,783,350	1,783,350	0.00%	78.63%	78.63%	75.00%	
<b>Total Expenditures:</b>	<b>\$37,329,859</b>	<b>\$35,978,487</b>	<b>\$37,329,859</b>	<b>\$38,891,622</b>	<b>8.10%</b>	<b>\$26,787,405</b>	<b>\$26,131,133</b>	<b>-2.45%</b>	<b>74.45%</b>	<b>71.76%</b>	<b>67.19%</b>	
Preliminary addition/draw on General Fund Reserves	<b>(\$535,183)</b>	<b>\$766,254</b>	<b>(\$535,183)</b>	<b>(\$1,050,443)</b>		<b>(\$3,058,938)</b>	<b>(\$1,860,627)</b>					
Carry-over encumbrances and Reappropriations from prior year subtracted from adjusted budget.	432,183		432,183	419,900								
Net addition to/draw on General Fund Reserves	<b>(\$103,000)</b>		<b>(\$103,000)</b>	<b>(\$630,543)</b>								
Subtract El Camino Real/Downtown Specific Plan	103,000		103,000	225,980								
Net Operating Revenue	<b>\$0</b>		<b>\$0</b>	<b>(\$404,563)</b>								

NOTES: Notes must be considered for proper analysis of the data contained herein; refer to 3rd Quarter Staff Report dated May 8, 2012

- (1) County of San Mateo Secured Property Tax refunds: Menlo Park's share \$114,000. Reflects property transfer tax through February.
- (2) Sales Tax receipts are based on State of California estimated allocation and are a adjusted quarterly.
- (3) Transient Occupancy Tax receipts increase from prior year due to occupancy rates higher along with room prices.
- (4) Licenses and Permits increase from prior year due to increased activity in business licenses.
- (5) Interest Income actual YTD columns do not reflect gain/loss adjustment: (FY09-10= -\$298,323 FY 10-11= -\$1,193 = NET -\$299,516).
- (6) Intergovernmental Revenue reduced due to discontinuation of San Carlos Dispatch contract on Nov 1, 2011.
- (7) Fines and Forfeitures increase \$106,000 from prior year due to increase in moving violations; less patrol officers on leave in current year. In addition, Redflex increases due to increased activity.
- (8) Police expenditures decrease due to Police Officers and Police Management Associations paying additional contribution of 3% for retirement fund. In addition, decrease of four Dispatch employees.
- (9) Expenditures include payroll paid through March for both periods.



# ADMINISTRATIVE SERVICES

Council Meeting Date: May 8, 2012  
Staff Report #: 12-070

Agenda Item #: I-2

**INFORMATION ITEM: Review of the City's Investment Portfolio as of  
March 31, 2012**

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This is an information item and does not require Council action.

## BACKGROUND

The City's investment policy requires a quarterly investment report, which includes all financial investments of the City and provides information on the investment type, value and yield for all securities. The report also provides a Council update on the cash balances of the City's various funds.

## ANALYSIS

### Investment Portfolio as of March 31, 2011

Various reports are prepared monthly by Cutwater Asset Management, the City's investment advisory firm, and are attached to this staff report. The "Recap Of Securities Held" confirms that the historical (book) value of the total portfolio at the end of March was slightly over \$98 million. The portfolio includes the General Fund, Water Fund, Special Revenue Funds, Successor Agency Funds, Capital Project Fund and Measure T General Obligation (GO) bond proceeds. Funds are invested in accordance with the City Council policy on investments using safety, liquidity and yield as selection criteria. Approximately \$48.5 million (49.4 percent) is invested in the State investment pool, the Local Agency Investment Fund (LAIF). LAIF is considered a safe investment and it provides the liquidity of a money market fund. Of the remaining \$49.5 million, \$24.1 million (24.6 percent) is invested in short-term Federal agency issues (U.S. Instrumentality), \$5 million (5.1 percent) in U.S. Treasury securities, \$9.9 million (10.2 percent) in medium-term corporate notes, and \$10.5 million (10.7 percent) in high-grade commercial paper. All the mentioned securities are prudent short-term investments, since they generally bear a higher interest rate than LAIF, provide investment diversification and remain secure investment instruments.

At the end of March, the fair value (market value) of the City's securities was nearly \$135,000 *higher* than the amortized historical cost. Although this is a relatively small difference, it represents a significant *decrease* in unrealized gain from the beginning of

the fiscal year (\$404,000) which will be reflected as a downward adjustment to investment revenues at fiscal year-end. Fair value fluctuates from one period to another depending on the supply and demand for bonds and securities at a particular point in time. Therefore, there is often a difference between the historical cost (the value at the time of purchase) and the fair value (the value of the same security at a specific date), creating an unrealized gain or loss. Several years ago, the unrealized gain on the City's portfolio was over \$2 million, but in the current economy, the number of securities in the City's portfolio that have yields higher than what is currently available in the market has decreased and many of those that remain will mature in less than a year. This leads to a lower market value for the investments, hence the significantly decreased unrealized gain. Since the City's portfolio is fairly short-term in nature and the City generally holds the securities to maturity in order to avoid market risk, the information on the unrealized gain is for fiscal year-end reporting purposes only.

### **Current Market Conditions**

As reported in Cutwater's Fixed Income Market Review, the U.S. economy continues on a slow pace of recovery. Some economists see evidence that the pace of growth is increasing. The Bureau of Economic Analysis, an arm of the federal government, said that the economy grew at an annual rate of 3 percent in the last three months of 2011, somewhat higher than its initial estimate of 2.8 percent. The unemployment rate has declined to 8.3 percent versus the 8.8 percent in March 2011, indicative of a strengthening economy.

In February, the CPI showed consumer prices increased 2.9 percent on a year-over-year basis. The year-over-year Core CPI (CPI less food and energy) increased at a 2.2 percent rate. Concerns recently developed about rising oil prices and the negative impact higher gas prices at the pump could have on consumer spending. However, the improving job market may provide confidence and encourage spending despite higher gasoline prices. Lower inflation may give the Federal Reserve flexibility to keep interest rates near zero to help spark employment and the overall economic recovery. The Federal Reserve has remained cautious, reiterating a familiar list of reasons for the continued "accommodative policies", including concern over European sovereign debt risk and a slowing economy in China.

With the continued slow growth of economic recovery and the federal funds rate remaining at the current level until at least 2014, it is expected that low yields on U.S. Treasuries and other safe investments will continue for some time.

### **Investment Yield**

The annualized rate of return for the City's portfolio shown on the performance summary as of March 31, 2012, prepared by Cutwater, is 0.77 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.35 percent and the rate of return earned through LAIF of 0.39 percent.

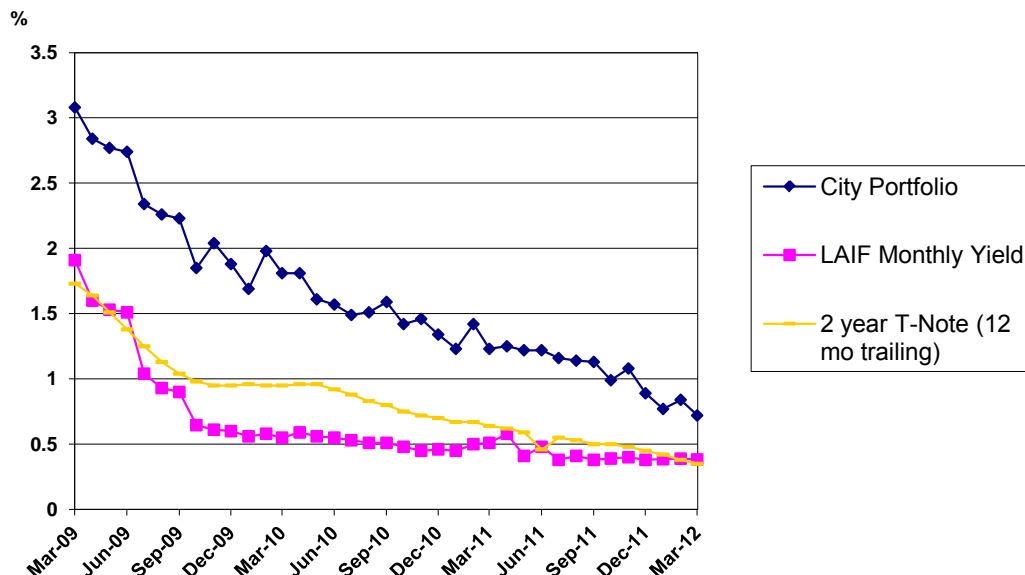
Over the first quarter of 2012, investment yields saw slight increases when compared to the prior quarter. Therefore, investment opportunities in Treasuries continue to be unattractive but still offer a higher yield than LAIF. Treasury bill investment yields have decreased over the past year, however, yields have increased on both short-term and longer-term bonds over the past quarter. The difference can be seen by the change in U.S. Treasuries rates:

<u>Term</u>	March 31,	December 31,	March 31,
	<u>2011</u>	<u>2011</u>	<u>2012</u>
3-month	0.09	0.01	0.07
6-month	0.17	0.06	0.13
2-year	0.82	0.24	0.33
5-year	2.28	0.83	1.04
10-year	3.47	1.88	2.21
30-year	4.51	2.89	3.34

The yield on deposits in LAIF remained relatively stable at 0.39 percent for the quarter ending March 31, 2012. Currently, 49 percent of the portfolio resides in the City's LAIF account. Since the City does not need all of its funds to be liquid, investments in U.S. Treasury, agency, corporate notes and commercial paper are made in an effort to enhance yields. The higher yields earned on holdings purchased through early 2008 maintained the portfolio's annualized return at a yield above one percent through November 2011. But because all holdings have a term of less than five years, these investments have matured or been called, and only two such instruments remain in the portfolio (for a total par value of \$3 million). Over the past year, the rates of return for LAIF have been consistently less than the 2-year Treasury note. Considering that the Fed's Fund rate will remain low until at least 2014, staff is continuing to commit City funds for the short term until rates eventually start to increase.

The maximum holding permitted by LAIF in a single agency account is \$50 million. At the end of January, nearly \$13.4 million of funds held by the Community Development Agency were transferred from the Agency's LAIF account to the City's regular bank account, and then transferred, to the extent possible, to the City's LAIF account. These funds, which represent largely unencumbered fund balances of the former Agency, will be forwarded to the County Controller's Office in the next few months. Until that time, the City's LAIF account will be maximized and excess funds invested in safe, short term investments that might not provide quite as high a yield as LAIF.

### Comparative Rates of Return



Fees paid to Cutwater (totaling \$8,902.57 for the quarter ended March 31, 2012) are deducted from investment earnings before calculating the City’s net rate of return. Staff continues to work with the City’s investment advisors to meet the City’s investment objectives and rearrange the portfolio for maximum yield.

### Investment Transactions in the First Quarter

Because of the closure of the Community Development Agency (CDA) LAIF account, many more purchases were made for the City’s portfolio than in past quarters. In particular, \$7.5 million was invested in short-term commercial paper in early February so that the former CDA’s funds could provide some interest earnings until they are transferred to the County. (A current audit of the CDA’s books as of January 31<sup>st</sup> is underway and should be concluded by June 1<sup>st</sup>. Once the final unencumbered fund balances are determined, the County will distribute these funds to all taxing agencies as regular property taxes. This should occur in late June or July.)

In addition, longer-term purchases were made to add some slightly-higher yielding instruments and support a higher weighted average duration of the total portfolio. The average number of days to maturity of the City’s portfolio as of March 31, 2012 is 288 days, as compared to LAIF’s average life of 243 days. Meanwhile, two of the City’s higher earning investments (\$2 million) matured during the last quarter and were replaced with lower yielding investments. In addition, \$8 million in callable investments were called during the quarter. Note that nearly all of the City’s recent purchases in agency securities have been callable bonds, as these investments provide a slightly higher yield because of the added risk of being called prior to maturity. Of the \$24

million of agency bonds currently held in the City's portfolio, eight are callable agency bonds with a par value of \$17 million.

Investments maturing, called, or purchased during the period January 1, 2011 through March 31, 2012 are shown in the schedule below:

<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Term</u>	<u>% Yield</u>	<u>Principal</u>
01/03/12	Maturity	FFCB	4.3 yr	4.79	\$1,000,000
01/12/12	Call	FHLB callable	3.00 yr	1.10	\$2,000,000
01/12/12	Maturity	FNMA	2.00 yr	1.01	\$1,500,000
01/18/12	Call	FHLMC callable	3.00 yr	1.15	\$2,000,000
01/24/12	Call	FFCB callable	3.00 yr	1.39	\$1,000,000
02/01/12	Purchase	CP – Barclays US	5 mos	0.68	\$2,500,000
02/01/12	Purchase	CP – Kells Funding	3 mos	0.60	\$2,500,000
02/01/12	Purchase	CP – UBS Finance	3 mos	0.48	\$2,500,000
02/02/12	Purchase	Berkshire Hathaway	5.00 yr	1.51	\$1,500,000
02/02/12	Purchase	GE Capital	2.00 yr	0.99	\$1,500,000
02/15/12	Purchase	FNMA callable, step	5.00 yr	0.50	\$2,000,000
02/24/12	Purchase	FHLMC callable	4.00 yr	0.74	\$2,000,000
02/29/12	Maturity	T-note	2.00 yr	0.89	\$2,000,000
03/05/12	Purchase	FNMA callable	4.75 yr	1.04	\$2,000,000
03/09/12	Maturity	FHLB	4.75 yr	5.16	\$1,000,000
03/12/12	Call	FNMA callable	3.00 yr	0.86	\$1,000,000
03/13/12	Call	FHMLC callable	1.5 yr	0.50	\$1,000,000
03/15/12	Maturity	Goldman Sachs	2.875 yr	1.80	\$1,000,000
03/20/12	Purchase	FHLB	10 mos	0.23	\$2,000,000
03/21/12	Purchase	CP – Standard	9 mos	0.73	\$2,000,000
03/28/12	Call	FNMA	2.00 yr	1.04	\$1,000,000
03/30/12	Purchase	CP – Rabobank	6 mos	0.50	\$1,000,000

As previously stated, staff continues to acquire short-term bonds so as not to be holding too many low yielding securities when interest rates eventually start to increase.

It should be noted that on April 3<sup>rd</sup> Moody's downgraded General Electric and GE Capital Corp. The rating changes were related to Moody's revised finance company rating methodology. Moody's essentially raised the bar for finance company ratings, reflecting their concerns about wholesale funding in particular. A summary of the ratings changes are as follows:

- 1) GE was lowered one notch to Aa3, the P-1 rating was affirmed and the outlook is stable for the name.
- 2) GE Capital Corp was lowered two notches to A1 from Aa2. The short-term rating was affirmed at P-1 and the outlook is stable for the name.

The current portfolio contains three GE Capital corporate notes with a total par value of \$3.25 million. Although the Investment Policy requires corporate notes be rated at least AA or the equivalent, the City's investment advisor, Cutwater Asset Management, recommends that the current GE Capital Corp exposure be maintained in the portfolio at this time, stating that "the rating changes reflect modifications in rating agency



methodology, rather than fundamental changes in the underlying credit of the issuer. GE's diversified industrial businesses continue to be very strong and exhibit many Aaa-like credit characteristics according to Moody's." At this time, Standard & Poor's maintains the AA+ long-term rating and A-1+ short-term rating for both GE and GE Capital Corp. Cutwater monitors GE and GE Capital Corp on a continuing basis and will inform staff of any changes in their recommendation.

### **Cash and Investments by Fund**

Overall, the City's investment portfolio decreased by over \$7.1 million in the first quarter of 2012, which reflects a very normal cash flow for the City. The schedule below lists the change in cash balance by fund type.

<b>Fund/Fund Type</b>	<b>Cash Balance as of 03/31/12</b>	<b>Cash Balance as of 12/31/12</b>	<b>Difference</b>	<b>% Change</b>
General Fund	16,859,101	16,884,058	(24,958)	-0.15%
Bayfront Park Maintenance Fund	789,368	804,299	(14,931)	-1.86%
Recreation -in-Lieu Fund	767,641	1,560,348	(792,708)	-50.80%
Other Expendable Trust Funds	1,257,794	1,430,267	(172,472)	-12.06%
Transportation Impact Fee Fund	3,040,961	3,061,026	(20,064)	-0.66%
Garbage Service Fund	864,594	721,121	143,473	19.90%
Parking Permit Fund	2,865,176	3,102,896	(237,720)	-7.66%
BMR Housing Fund	7,265,080	7,519,281	(254,201)	-3.38%
Measure A Funds	1,079,757	1,054,781	24,976	2.37%
Storm Water Management Fund	168,078	218,858	(50,780)	-23.20%
Community Dev. Agency- TIR	7,113,012	10,087,975	(2,974,963)	-29.49%
Measure T Funds	1,867,721	2,887,100	(1,019,379)	-35.31%
Other Special Revenue Funds	15,497,037	15,370,248	126,789	0.82%
Capital Project Fund- General	8,489,246	8,376,014	113,232	1.35%
Redevelopment Grant Capital	7,761,714	7,640,856	120,858	1.58%
Water Operating & Capital	15,440,514	15,835,739	(395,225)	-2.50%
Debt Service Fund	3,854,538	5,476,237	(1,621,699)	-29.61%
Internal Service Fund	3,196,318	3,251,618	(55,300)	-1.70%
<b>Total Portfolio of all Funds</b>	<b>98,177,649</b>	<b>105,282,721</b>	<b>(7,105,073)</b>	<b>-6.75%</b>

Cash and investment holdings in the General Fund decreased only slightly over the quarter, as regular operating costs were incurred, but no large property tax revenues were received. (Large property tax distributions from the County occur in April and December). The largest decrease in cash and investment balances occurred in the Community Development Agency funds. Other than the regular debt service payment due January 15<sup>th</sup> (\$2.6 million) there was relatively little activity in these funds as redevelopment activities ceased with the dissolution of the Agency on January 31<sup>st</sup>. The Agency received no tax increment revenues during the quarter.

The Recreation-in-Lieu Fund and Measure T funds both decreased as work on the Gymnastics Center progressed rapidly during this quarter. The Parking Permit Fund

was drawn down for remaining work on Parking Plaza 2. Although there were revenues in the BMR Fund this quarter, \$375,000 was used for Habitat for Humanity's work related to the City's Neighborhood Stabilization Program.

The Garbage Service Fund increased during the quarter as current collection rates provide additional revenues to the City for the eventual pay-off of the Allied liability (for collection services previous to January 1, 2011) due in October. And the City's Debt Service Funds decreased due to the scheduled debt service payments made in January for the City's general obligation bonds and the Community Development Agency's bonds.

### **IMPACT ON CITY RESOURCES**

Due to the liquidity of LAIF accounts, the City has more than sufficient funds available to meet its expenditure requirements for the next six months.

### **POLICY ISSUES**

The City and the Agency funds are invested in full compliance with the City's Investment Policy and State Law, which emphasize the following criteria, in the order of importance: safety, liquidity and yield.

### **ENVIRONMENTAL REVIEW**

This report is not subject to the California Environmental Quality Act (CEQA).



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Carol Augustine  
Finance Director

**ATTACHMENT:** Cutwater Investment Reports (attachment) for the period of March 1, 2012 – March 31, 2012, including:

- Fixed Income Market Review for the month of December;
- Activity and Performance Summary (amortized cost basis and fair market value basis);
- Recap of Securities Held;
- Maturity Distribution of Securities Held;
- Securities Held (detail); and

- Governmental Accounting Standards Board (GASB) 40  
Deposit and Investment Risk Disclosure



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**Cutwater Asset Management**  
1900 Sixteenth Street, Suite 200  
Denver, CO 80202  
**Tel: 303 860 1100**  
Fax: 303 860 0016

## City of Menlo Park

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Report for the period March 1, 2012 - March 31, 2012

Please contact Accounting by calling the number above or email [camreports@cutwater.com](mailto:camreports@cutwater.com) with questions concerning this report.

## Fixed Income Market Review March 31, 2012

### U.S. Personal Consumption Expenditures

**Chart 1**

01/01/06 - 12/31/11



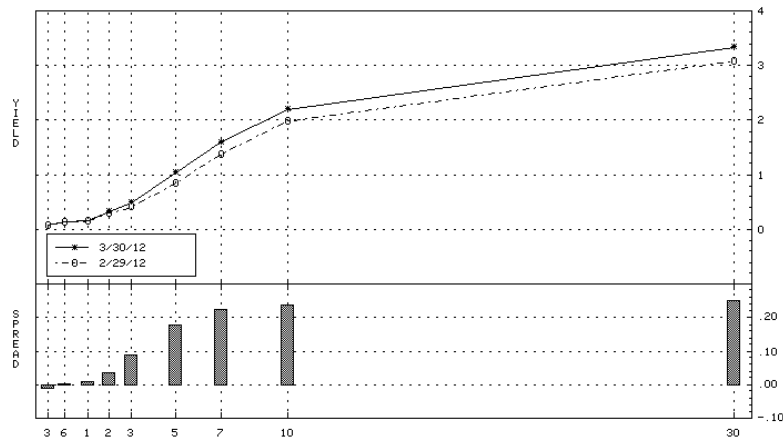
**Economic Indicators & Monetary Policy** – The U.S. economy is showing signs of strength as consumer spending increased the most in seven months with purchases up 0.8 percent in February. During the last quarter of 2011, personal consumption expenditures grew at a 2.1 percent annual rate. (See Chart 1.) Demand has continued to grow in the first quarter of 2012. Sales of cars and light trucks increased to a 15 million annualized rate in February, the strongest showing since February 2008. Consumer spending accounts for about 70 percent of the economy.

An improving job market and declining unemployment rate may be a justification by consumers for a preference to spend. Employers added 227,000 workers in February, concluding the best 6-month gain in payrolls since 2006. The unemployment rate remains at a three-year low of 8.3 percent. Federal Reserve Chairman Ben S. Bernanke said the central bank needs to keep interest rates low to maintain the recovery and make additional progress. Reducing joblessness further will likely require a quicker expansion of business production and consumer demand which “can be supported by continued accommodative policies” according to a statement by Bernanke to economists on March 26<sup>th</sup>.

### Treasury Yield Curves

02/29/12 - 03/31/12

**Chart 2**



The U.S. economy expanded at a 3 percent annual rate during the final quarter of 2011, unchanged from the previous estimate. The increase in GDP was the largest in more than a year and follows a 1.8 percent increase from the prior quarter according to revised data. Inflation has been subdued in recent months although prices of crude oil and gasoline have recently increased. While the recent increase in oil and gasoline prices will push up inflation temporarily, long term inflation expectations remained stable.

**Yield Curve & Spreads** – Treasury yields moved higher in March with continued improvement and confidence in U.S. economic conditions.

At the end of March, three-month Treasury bills yielded 0.07 percent, six-month Treasury bills yielded 0.13 percent, two-year Treasuries yielded 0.33 percent, five-year Treasuries yielded 1.04 percent, 10-year Treasuries yielded 2.21 percent, and 30-year bonds yielded 3.34 percent. (See Chart 2.)

**Additional Information**  
**March 31, 2012**

A current version of the investment adviser brochure, for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.  
Attention: Client Services  
113 King Street  
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at [www.adviserinfo.sec.gov/](http://www.adviserinfo.sec.gov/).

**City of Menlo Park**  
**Activity and Performance Summary**  
for the period March 1, 2012 - March 31, 2012

**Amortized Cost Basis Activity Summary**

<b>Beginning Amortized Cost Value</b>	98,900,445.87
Additions	
Contributions	0.00
Interest Received	73,125.00
Accrued Interest Sold	0.00
Gain on Sales	1,787.51
<b>Total Additions</b>	<b>74,912.51</b>
Deductions	
Withdrawals	941,681.31
Fees Paid	3,220.36
Accrued Interest Purchased	5,333.33
Loss on Sales	0.00
<b>Total Deductions</b>	<b>(950,235.00)</b>
Accretion (Amortization) for the Period	(13,744.73)
<b>Ending Amortized Cost Value</b>	<b>98,011,378.65</b>
Ending Fair Value	98,146,180.40
Unrealized Gain (Loss)	134,801.75

**Detail of Amortized Cost Basis Return**

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
<b>Current Holdings</b>				
Cash and Equivalents	16,412.39	0.00	0.00	16,412.39
Commercial Paper	0.00	4,192.08	0.00	4,192.08
U.S. Treasury	3,609.04	(22.67)	0.00	3,586.37
U.S. Instrumentality	31,038.20	(5,870.49)	0.00	25,167.71
Corporate	25,046.87	(12,006.78)	0.00	13,040.09
<b>Sales and Maturities</b>				
U.S. Agency	836.11	(130.55)	0.00	705.56
U.S. Instrumentality	2,662.50	93.68	1,787.51	4,543.69
<b>Total</b>	<b>79,605.11</b>	<b>(13,744.73)</b>	<b>1,787.51</b>	<b>67,647.89</b>

**Annualized Comparative Rates of Return**

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.09 %	0.09 %	0.13 %
Overnight Repo	0.06 %	0.08 %	0.14 %
3 Month T-Bill	0.03 %	0.03 %	0.07 %
6 Month T-Bill	0.06 %	0.06 %	0.12 %
1 Year T-Note	0.15 %	0.14 %	0.19 %
2 Year T-Note	0.35 %	0.28 %	0.34 %
5 Year T-Note	1.22 %	0.93 %	1.02 %

**Summary of Amortized Cost Basis Return for the Period**

	Total Portfolio	Excl. Cash Eq.
Interest Earned	79,605.11	63,192.72
Accretion (Amortization)	(13,744.73)	(13,744.73)
Realized Gain (Loss) on Sales	<u>1,787.51</u>	<u>1,787.51</u>
Total Income on Portfolio	67,647.89	51,235.50
Average Daily Historical Cost	98,657,900.87	48,305,442.67
Annualized Return	0.81%	1.25%
Annualized Return Net of Fees	0.77%	1.17%
Annualized Return Year to Date Net of Fees	0.77%	1.31%
Weighted Average Effective Maturity in Days	288	567

**City of Menlo Park  
Activity and Performance Summary  
for the period March 1, 2012 - March 31, 2012**

**Fair Value Basis Activity Summary**

<b>Beginning Fair Value</b>	99,086,914.15
Additions	
Contributions	0.00
Interest Received	73,125.00
Accrued Interest Sold	0.00
<b>Total Additions</b>	73,125.00
Deductions	
Withdrawals	941,681.31
Fees Paid	3,220.36
Accrued Interest Purchased	5,333.33
<b>Total Deductions</b>	(950,235.00)
Change in Fair Value for the Period	(63,623.75)
<b>Ending Fair Value</b>	98,146,180.40

**Detail of Fair Value Basis Return**

	<b>Interest Earned</b>	<b>Change in Fair Value</b>	<b>Total Income</b>
<b>Current Holdings</b>			
Cash and Equivalents	16,412.39	0.00	16,412.39
Commercial Paper	0.00	1,636.50	1,636.50
U.S. Treasury	3,609.04	(9,960.00)	(6,350.96)
U.S. Instrumentality	31,038.20	(27,020.00)	4,018.20
Corporate	25,046.87	(26,307.25)	(1,260.38)
<b>Sales and Maturities</b>			
U.S. Agency	836.11	(559.00)	277.11
U.S. Instrumentality	2,662.50	(1,414.00)	1,248.50
<b>Total</b>	<b>79,605.11</b>	<b>(63,623.75)</b>	<b>15,981.36</b>

**Annualized Comparative Rates of Return**

	<b>Twelve Month Trailing</b>	<b>Six Month Trailing</b>	<b>For the Month</b>
Fed Funds	0.09 %	0.09 %	0.13 %
Overnight Repo	0.06 %	0.08 %	0.14 %
3 Month T-Bill	0.07 %	0.02 %	0.12 %
6 Month T-Bill	0.24 %	0.12 %	0.24 %
1 Year T-Note	0.37 %	0.18 %	0.00 %
2 Year T-Note	1.47 %	0.04 %	-0.24 %
5 Year T-Note	8.52 %	1.54 %	-7.44 %

**Summary of Fair Value Basis Return for the Period**

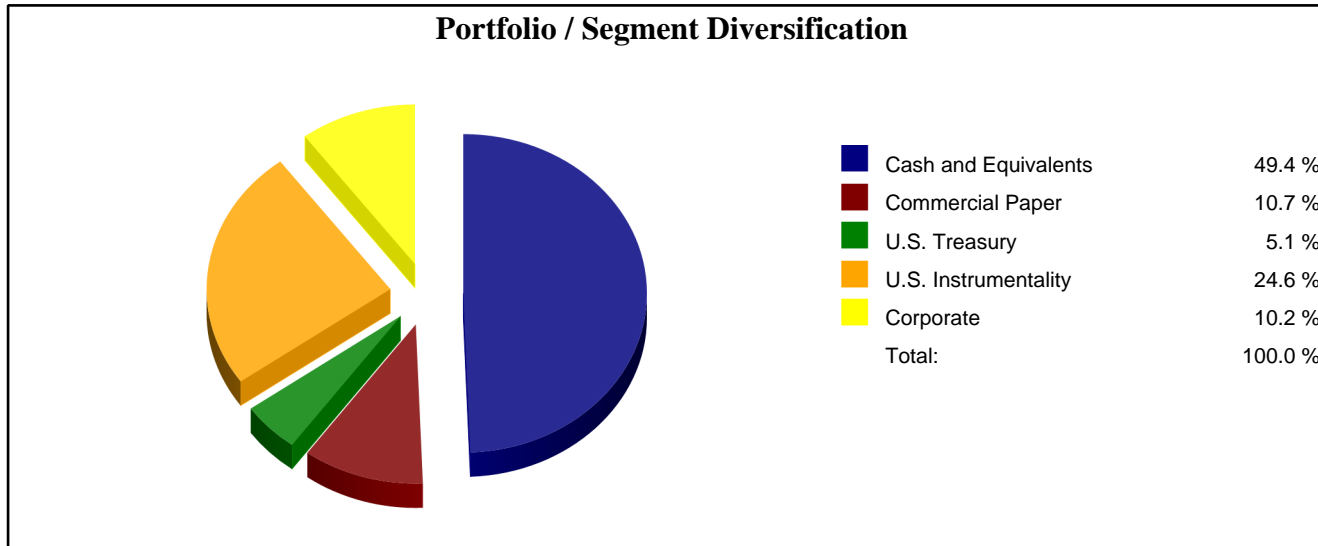
	<b>Total Portfolio</b>	<b>Excl. Cash Eq.</b>
Interest Earned	79,605.11	63,192.72
Change in Fair Value	<u>(63,623.75)</u>	<u>(63,623.75)</u>
Total Income on Portfolio	15,981.36	(431.03)
Average Daily Historical Cost	98,657,900.87	48,305,442.67
Annualized Return	0.19%	(0.01%)
Annualized Return Net of Fees	0.15%	(0.09%)
Annualized Return Year to Date Net of Fees	0.39%	0.45%
Weighted Average Effective Maturity in Days	288	567



**City of Menlo Park  
Recap of Securities Held  
March 31, 2012**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	48,488,184.00	48,488,184.00	48,488,184.00	0.00	1	1	49.39	0.39	0.00
Commercial Paper	10,472,387.64	10,480,063.75	10,480,626.50	562.75	108	108	10.67	0.61	0.00
U.S. Treasury	5,010,468.76	5,013,839.48	5,047,579.00	33,739.52	817	817	5.10	0.84	2.20
U.S. Instrumentality	24,174,030.00	24,150,562.42	24,167,745.50	17,183.08	1,067	628	24.62	1.28	1.68
Corporate	10,032,578.50	9,878,729.00	9,962,045.40	83,316.40	775	775	10.22	1.61	2.05
<b>Total</b>	<b>98,177,648.90</b>	<b>98,011,378.65</b>	<b>98,146,180.40</b>	<b>134,801.75</b>	<b>396</b>	<b>288</b>	<b>100.00</b>	<b>0.78</b>	<b>0.73</b>

\* Weighted Average Yield is calculated on a "yield to worst" basis.

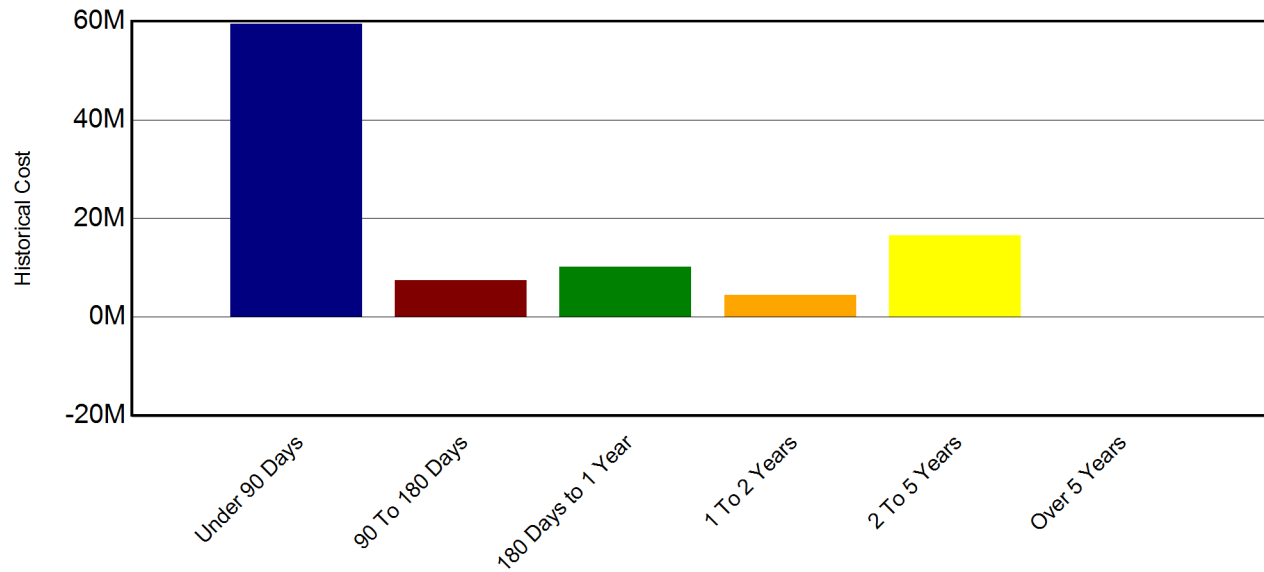


**City of Menlo Park  
Maturity Distribution of Securities Held  
March 31, 2012**

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Maturity	Historical Cost	Percent
Under 90 Days	59,483,183.86	60.59 %
90 To 180 Days	7,492,167.78	7.63 %
180 Days to 1 Year	10,141,833.50	10.33 %
1 To 2 Years	4,516,298.13	4.60 %
2 To 5 Years	16,544,165.63	16.85 %
Over 5 Years	0.00	0.00 %
	<b>98,177,648.90</b>	<b>100.00 %</b>

**Maturity Distribution**



**City of Menlo Park  
Securities Held  
March 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<b><u>Cash and Equivalents</u></b>													
LAIF - City 98-19-22	03/31/12	0.389V		45,972,803.25	45,972,803.25 0.00	45,972,803.25 0.00	45,972,803.25 0.00	0.00	0.00	15,583.07	45,447.76	46.83	0.39
LAIF-GO Bond	03/31/12	0.389V		2,511,630.75	2,511,630.75 0.00	2,511,630.75 0.00	2,511,630.75 0.00	0.00	0.00	829.32	3,203.28	2.56	0.39
Int Receivable	03/31/12	0.000	04/01/12	3,750.00	3,750.00 0.00	3,750.00 0.00	3,750.00 0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL (Cash and Equivalents)</b>				48,488,184.00	48,488,184.00 0.00	48,488,184.00 0.00	48,488,184.00 0.00	0.00	0.00	16,412.39	48,651.04	49.39	
<b><u>Commercial Paper</u></b>													
48802WKN7	02/01/12	0.000	05/10/12	2,500,000.00	2,495,943.75 0.00	2,498,402.08 1,270.14	2,499,382.50 545.00	980.42	0.00	0.00	0.00	2.54	0.60
KELLS FUNDING LLC													
90262CEB9	02/01/12	0.000	05/11/12	2,500,000.00	2,496,736.11 0.00	2,498,694.44 1,011.80	2,499,365.00 1,075.00	670.56	0.00	0.00	0.00	2.54	0.48
UBS Finance													
06737HG29	02/01/12	0.000	07/02/12	2,500,000.00	2,492,927.78 0.00	2,495,719.45 1,442.36	2,497,095.00 2,012.50	1,375.55	0.00	0.00	0.00	2.54	0.68
BARCLAYS US FUNDI													
74977KJS9	03/30/12	0.000	09/26/12	1,000,000.00	997,500.00 0.00	997,527.78 27.78	997,000.00 (500.00)	(527.78)	0.00	0.00	0.00	1.02	0.51
Rabobank USA													
85324TME3	03/21/12	0.000	12/14/12	2,000,000.00	1,989,280.00 0.00	1,989,720.00 440.00	1,987,784.00 (1,496.00)	(1,936.00)	0.00	0.00	0.00	2.03	0.73
STANDARD CHARTER													
<b>TOTAL (Commercial Paper)</b>				10,500,000.00	10,472,387.64 0.00	10,480,063.75 4,192.08	10,480,626.50 1,636.50	562.75	0.00	0.00	0.00	10.67	
<b><u>U.S. Treasury</u></b>													
912828QL7	04/12/11	0.750	03/31/13	1,000,000.00	998,671.88 0.00	999,327.63 57.26	1,005,156.00 (664.00)	5,828.37	3,750.00	635.24	20.49	1.02	0.82
T-Note													
912828PL8	12/15/10	0.750	12/15/13	2,000,000.00	1,985,781.25 0.00	1,991,917.63 402.18	2,014,610.00 (1,562.00)	22,692.37	0.00	1,270.49	4,426.23	2.02	0.99
T-Note													
912828RB8	08/25/11	0.500	08/15/14	1,000,000.00	1,003,046.88 0.00	1,002,429.65 (86.97)	1,001,797.00 (1,328.00)	(632.65)	0.00	425.83	631.87	1.02	0.40
T-Note													
912828QX1	08/25/11	1.500	07/31/16	1,000,000.00	1,022,968.75 0.00	1,020,164.57 (395.14)	1,026,016.00 (6,406.00)	5,851.43	0.00	1,277.48	2,513.74	1.04	1.02
T-Note													
<b>TOTAL (U.S. Treasury)</b>				5,000,000.00	5,010,468.76 0.00	5,013,839.48 (22.67)	5,047,579.00 (9,960.00)	33,739.52	3,750.00	3,609.04	7,592.33	5.10	

**City of Menlo Park  
Securities Held  
March 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<b><u>U.S. Instrumentality</u></b>													
3133XKSK2 FHLB	08/27/07	4.875	06/08/12	2,000,000.00	1,991,560.00 0.00	1,999,671.48 149.76	2,015,848.00 (7,612.00)	16,176.52	0.00	8,125.00	30,604.17	2.03	4.97
3133XW7L7 FHLB	03/20/12	1.500	01/16/13	2,000,000.00	2,020,860.00 5,333.33	2,020,031.13 (828.87)	2,019,912.00 (948.00)	(119.13)	0.00	916.67	6,250.00	2.06	0.23
3134G2NK4 FHLMC	Call 07/11/11	1.125	07/11/14 07/11/12	2,000,000.00	2,001,740.00 0.00	2,000,480.16 (147.38)	2,004,048.00 (924.00)	3,567.84	0.00	1,875.00	5,000.00	2.04	1.04
31398A3G5 FNMA	09/28/11	1.500	09/08/14	1,500,000.00	1,535,565.00 0.00	1,529,417.15 (1,024.64)	1,529,773.50 115.50	356.35	11,250.00	1,875.00	1,437.50	1.56	0.69
3135G0EQ2 FNMA	Call 11/07/11	1.000	11/07/14 11/07/12	3,000,000.00	3,000,000.00 0.00	3,000,000.00 0.00	3,007,086.00 966.00	7,086.00	0.00	2,500.00	12,000.00	3.06	1.00
3135G0GE7 FNMA	Call 12/12/11	1.000	12/05/14 06/05/12	2,000,000.00	2,002,920.00 388.89	2,001,078.41 (514.32)	2,001,086.00 1,024.00	7.59	0.00	1,666.66	6,444.44	2.04	0.70
313373XT4 FHLB	Call 06/16/11	1.875	06/08/15 06/08/12	2,000,000.00	2,007,840.00 0.00	2,001,489.16 (678.88)	2,004,884.00 (1,668.00)	3,394.84	0.00	3,125.00	11,770.83	2.05	1.47
3133XWNB1 FHLB	09/28/11	2.875	06/12/15	1,500,000.00	1,606,845.00 0.00	1,592,156.77 (2,448.04)	1,601,292.00 (919.50)	9,135.23	0.00	3,593.75	13,057.29	1.64	0.92
3134G3MK3 FHLMC	Call 02/24/12	1.000	02/24/16 02/24/14	2,000,000.00	2,010,200.00 0.00	2,009,683.72 (432.56)	1,992,490.00 662.00	(17,193.72)	0.00	1,666.67	2,055.56	2.05	0.74
3134G2TH5 FHLMC	Call 07/27/11	2.050	07/27/16 07/27/12	2,000,000.00	2,000,000.00 0.00	2,000,000.00 0.00	2,011,294.00 (2,672.00)	11,294.00	0.00	3,416.67	7,288.89	2.04	2.05
3136FT3C1 FNMA	Call 03/05/12	1.000	12/05/16 03/05/14	2,000,000.00	1,996,500.00 0.00	1,996,554.44 54.44	1,982,492.00 (14,008.00)	(14,062.44)	0.00	1,444.44	1,444.44	2.03	1.04
3136FTM30 FNMA	Call 02/15/12	0.500V	02/15/17 02/15/13	2,000,000.00	2,000,000.00 0.00	2,000,000.00 0.00	1,997,540.00 (1,036.00)	(2,460.00)	0.00	833.34	1,277.78	2.04	0.50
<b>TOTAL (U.S. Instrumentality)</b>				<b>24,000,000.00</b>	<b>24,174,030.00</b> 5,722.22	<b>24,150,562.42</b> (5,870.49)	<b>24,167,745.50</b> (27,020.00)	<b>17,183.08</b>	<b>11,250.00</b>	<b>31,038.20</b>	<b>98,630.90</b>	<b>24.62</b>	
<b><u>Corporate</u></b>													
87244EAC6 TIAA Global Markets	02/24/11	5.125	10/10/12	950,000.00	1,012,443.50 0.00	970,183.76 (3,258.83)	971,870.90 (3,201.50)	1,687.14	0.00	4,057.29	23,126.56	1.03	1.04
64952WAJ2 New York Life Global	07/19/10	5.250	10/16/12	1,000,000.00	1,086,950.00 0.00	1,020,995.24 (3,287.14)	1,025,048.00 (3,704.00)	4,052.76	0.00	4,375.00	24,062.50	1.11	1.30
36962G3K8 GE Capital	01/18/08	5.250	10/19/12	1,000,000.00	1,032,300.00 0.00	1,003,739.80 (576.79)	1,025,080.00 (4,671.00)	21,340.20	0.00	4,375.00	23,625.00	1.05	4.49
36962G4X9 GE Capital	02/02/12	2.100	01/07/14	1,500,000.00	1,531,845.00 2,187.50	1,529,179.96 (1,400.27)	1,531,110.00 1,156.50	1,930.04	0.00	2,625.00	7,350.00	1.56	0.99

**City of Menlo Park  
Securities Held  
March 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
931142DA8 Wal-Mart	07/26/11	1.625	04/15/14	1,000,000.00	1,020,000.00 0.00	1,014,969.82 (623.74)	1,024,174.00 (1,530.00)	9,204.18	0.00	1,354.17	7,493.06	1.04	0.88
478160AX2 Johnson & Johnson	05/20/11	1.200	05/15/14	1,000,000.00	998,830.00 0.00	999,169.95 33.24	1,017,290.00 (148.00)	18,120.05	0.00	1,000.00	4,533.33	1.02	1.24
36962GX41 GE Capital	12/14/11	5.650	06/09/14	750,000.00	818,760.00 588.54	810,505.77 (2,347.53)	820,563.00 (1,512.75)	10,057.23	0.00	3,531.25	13,183.33	0.83	1.86
594918AG9 MICROSOFT CORP	07/26/11	1.625	09/25/15	1,000,000.00	1,003,400.00 0.00	1,002,841.52 (69.26)	1,029,748.00 (1,964.00)	26,906.48	8,125.00	1,354.16	270.83	1.02	1.54
084670BD9 Berkshire Hathaway	02/02/12	1.900	01/31/17	1,500,000.00	1,528,050.00 158.33	1,527,143.18 (476.46)	1,517,161.50 (10,732.50)	(9,981.68)	0.00	2,375.00	4,829.17	1.56	1.51
<b>TOTAL (Corporate)</b>				<b>9,700,000.00</b>	<b>10,032,578.50</b> <b>2,934.37</b>	<b>9,878,729.00</b> <b>(12,006.78)</b>	<b>9,962,045.40</b> <b>(26,307.25)</b>	<b>83,316.40</b>	<b>8,125.00</b>	<b>25,046.87</b>	<b>108,473.78</b>	<b>10.22</b>	

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<b>GRAND TOTAL</b>	<b>97,688,184.00</b>	<b>98,177,648.90</b>	<b>98,011,378.65</b>	<b>98,146,180.40</b>	<b>134,801.75</b>	<b>23,125.00</b>	<b>76,106.50</b>	<b>263,348.05</b>	<b>100.00</b>
		<b>8,656.59</b>	<b>(13,707.86)</b>	<b>(61,650.75)</b>					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**March 31, 2012**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>LAIF</u></b>												
	Cash and Equivalents	0.389	01/30/3100				45,972,803.25	45,972,803.25	46.83	45,972,803.25	46.84	0.00
	Cash and Equivalents	0.389	01/30/3100				2,511,630.75	2,511,630.75	2.56	2,511,630.75	2.56	0.00
<b>ISSUER TOTAL</b>							48,484,434.00	48,484,434.00	49.38	48,484,434.00	49.40	0.00
<b><u>FNMA</u></b>												
3135G0GE7	U.S. Instrumentality	1.000	12/05/2014	06/05/2012	AA+	Aaa	2,000,000.00	2,002,920.00	2.04	2,001,086.00	2.04	0.18
3135G0EQ2	U.S. Instrumentality	1.000	11/07/2014	11/07/2012	AA+	Aaa	3,000,000.00	3,000,000.00	3.06	3,007,086.00	3.06	0.60
31398A3G5	U.S. Instrumentality	1.500	09/08/2014		AA+	Aaa	1,500,000.00	1,535,565.00	1.56	1,529,773.50	1.56	2.39
3136FT3C1	U.S. Instrumentality	1.000	12/05/2016	03/05/2014	AA+	Aaa	2,000,000.00	1,996,500.00	2.03	1,982,492.00	2.02	4.55
3136FTM30	U.S. Instrumentality	0.500	02/15/2017	02/15/2013	AA+	Aaa	2,000,000.00	2,000,000.00	2.04	1,997,540.00	2.04	4.72
<b>ISSUER TOTAL</b>							10,500,000.00	10,534,985.00	10.73	10,517,977.50	10.72	2.31
<b><u>FHLB</u></b>												
3133XKSK2	U.S. Instrumentality	4.875	06/08/2012		AA+	Aaa	2,000,000.00	1,991,560.00	2.03	2,015,848.00	2.05	0.19
313373XT4	U.S. Instrumentality	1.875	06/08/2015	06/08/2012	AA+	Aaa	2,000,000.00	2,007,840.00	2.05	2,004,884.00	2.04	0.19
3133XW7L7	U.S. Instrumentality	1.500	01/16/2013		AA+	Aaa	2,000,000.00	2,020,860.00	2.06	2,019,912.00	2.06	0.79
3133XWNB1	U.S. Instrumentality	2.875	06/12/2015		AA+	Aaa	1,500,000.00	1,606,845.00	1.64	1,601,292.00	1.63	3.05
<b>ISSUER TOTAL</b>							7,500,000.00	7,627,105.00	7.77	7,641,936.00	7.79	0.95
<b><u>FHLMC</u></b>												
3134G2NK4	U.S. Instrumentality	1.125	07/11/2014	07/11/2012	AA+	Aaa	2,000,000.00	2,001,740.00	2.04	2,004,048.00	2.04	0.28
3134G2TH5	U.S. Instrumentality	2.050	07/27/2016	07/27/2012	AA+	Aaa	2,000,000.00	2,000,000.00	2.04	2,011,294.00	2.05	0.32
3134G3MK3	U.S. Instrumentality	1.000	02/24/2016	02/24/2014	AA+	Aaa	2,000,000.00	2,010,200.00	2.05	1,992,490.00	2.03	3.81
<b>ISSUER TOTAL</b>							6,000,000.00	6,011,940.00	6.12	6,007,832.00	6.12	1.47
<b><u>T-Note</u></b>												
912828QL7	U.S. Treasury	0.750	03/31/2013		AA+	Aaa	1,000,000.00	998,671.88	1.02	1,005,156.00	1.02	1.00
912828PL8	U.S. Treasury	0.750	12/15/2013		AA+	Aaa	2,000,000.00	1,985,781.25	2.02	2,014,610.00	2.05	1.70
912828RB8	U.S. Treasury	0.500	08/15/2014		AA+	Aaa	1,000,000.00	1,003,046.88	1.02	1,001,797.00	1.02	2.36
912828QX1	U.S. Treasury	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	1.04	1,026,016.00	1.05	4.19
<b>ISSUER TOTAL</b>							5,000,000.00	5,010,468.76	5.10	5,047,579.00	5.14	2.20

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**March 31, 2012**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>GE Capital</u></b>												
36962G3K8	Corporate	5.250	10/19/2012		AA+	Aa2	1,000,000.00	1,032,300.00	1.05	1,025,080.00	1.04	0.54
36962G4X9	Corporate	2.100	01/07/2014		AA+	Aa2	1,500,000.00	1,531,845.00	1.56	1,531,110.00	1.56	1.73
36962GX41	Corporate	5.650	06/09/2014		AA+	Aa2	750,000.00	818,760.00	0.83	820,563.00	0.84	2.05
<b>ISSUER TOTAL</b>							3,250,000.00	3,382,905.00	3.45	3,376,753.00	3.44	1.45
<b><u>KELLS FUNDING LLC</u></b>												
48802WKN7	Commercial Paper	0.000	05/10/2012		A-1+	P-1	2,500,000.00	2,495,943.75	2.54	2,499,382.50	2.55	0.00
<b>ISSUER TOTAL</b>							2,500,000.00	2,495,943.75	2.54	2,499,382.50	2.55	0.00
<b><u>UBS Finance</u></b>												
90262CEB9	Commercial Paper	0.000	05/11/2012		A-1	P-1	2,500,000.00	2,496,736.11	2.54	2,499,365.00	2.55	0.00
<b>ISSUER TOTAL</b>							2,500,000.00	2,496,736.11	2.54	2,499,365.00	2.55	0.00
<b><u>BARCLAYS US FUNDING LLC</u></b>												
06737HG29	Commercial Paper	0.000	07/02/2012		A-1	P-1	2,500,000.00	2,492,927.78	2.54	2,497,095.00	2.54	0.00
<b>ISSUER TOTAL</b>							2,500,000.00	2,492,927.78	2.54	2,497,095.00	2.54	0.00
<b><u>STANDARD CHARTERED BANK</u></b>												
85324TME3	Commercial Paper	0.000	12/14/2012		A-1+	P-1	2,000,000.00	1,989,280.00	2.03	1,987,784.00	2.03	0.00
<b>ISSUER TOTAL</b>							2,000,000.00	1,989,280.00	2.03	1,987,784.00	2.03	0.00
<b><u>Berkshire Hathaway</u></b>												
084670BD9	Corporate	1.900	01/31/2017		AA+	Aa2	1,500,000.00	1,528,050.00	1.56	1,517,161.50	1.55	4.59
<b>ISSUER TOTAL</b>							1,500,000.00	1,528,050.00	1.56	1,517,161.50	1.55	4.59
<b><u>MICROSOFT CORP</u></b>												
594918AG9	Corporate	1.625	09/25/2015		AAA	Aaa	1,000,000.00	1,003,400.00	1.02	1,029,748.00	1.05	3.39
<b>ISSUER TOTAL</b>							1,000,000.00	1,003,400.00	1.02	1,029,748.00	1.05	3.39
<b><u>New York Life Global Funding</u></b>												
64952WAJ2	Corporate	5.250	10/16/2012		AA+	Aaa	1,000,000.00	1,086,950.00	1.11	1,025,048.00	1.04	0.53
<b>ISSUER TOTAL</b>							1,000,000.00	1,086,950.00	1.11	1,025,048.00	1.04	0.53

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**March 31, 2012**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>Wal-Mart</u></b>												
931142DA8	Corporate	1.625	04/15/2014		AA	Aa2	1,000,000.00	1,020,000.00	1.04	1,024,174.00	1.04	2.00
<b>ISSUER TOTAL</b>							1,000,000.00	1,020,000.00	1.04	1,024,174.00	1.04	2.00
<b><u>Johnson &amp; Johnson</u></b>												
478160AX2	Corporate	1.200	05/15/2014		AAA	Aaa	1,000,000.00	998,830.00	1.02	1,017,290.00	1.04	2.09
<b>ISSUER TOTAL</b>							1,000,000.00	998,830.00	1.02	1,017,290.00	1.04	2.09
<b><u>Rabobank USA</u></b>												
74977KJS9	Commercial Paper	0.000	09/26/2012		A-1+	P-1	1,000,000.00	997,500.00	1.02	997,000.00	1.02	0.00
<b>ISSUER TOTAL</b>							1,000,000.00	997,500.00	1.02	997,000.00	1.02	0.00
<b><u>TIAA Global Markets</u></b>												
87244EAC6	Corporate	5.125	10/10/2012		AA+	Aa1	950,000.00	1,012,443.50	1.03	971,870.90	0.99	0.51
<b>ISSUER TOTAL</b>							950,000.00	1,012,443.50	1.03	971,870.90	0.99	0.51
<b><u>Int Receivable</u></b>												
	Cash and Equivalents	0.000	04/01/2012				3,750.00	3,750.00	0.00	3,750.00	0.00	0.00
<b>ISSUER TOTAL</b>							3,750.00	3,750.00	0.00	3,750.00	0.00	0.00

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<b>GRAND TOTAL</b>	<b>97,688,184.00</b>	<b>98,177,648.90</b>	<b>100.00</b>	<b>98,146,180.40</b>	<b>100.00</b>	<b>0.73</b>
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Highlighted totals are issuers representing 5.00% or more of the portfolio's market value



**City of Menlo Park  
Securities Purchased  
March 1, 2012 - March 31, 2012**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<b><u>Cash and Equivalents</u></b>								
LAIF - City 98-19-228	03/14/2012	0.389V		975,000.00	100.000	975,000.00	0.00	0.39
LAIF - City 98-19-228	03/19/2012	0.389V		990,000.00	100.000	990,000.00	0.00	0.39
<b>TOTAL (Cash and Equivalents)</b>				<b>1,965,000.00</b>		<b>1,965,000.00</b>	<b>0.00</b>	
<b><u>Commercial Paper</u></b>								
85324TME3 STANDARD CHARTE	03/21/2012	0.000	12/14/2012	2,000,000.00	99.464	1,989,280.00	0.00	0.73
74977KJS9 Rabobank USA	03/30/2012	0.000	09/26/2012	1,000,000.00	99.750	997,500.00	0.00	0.51
<b>TOTAL (Commercial Paper)</b>				<b>3,000,000.00</b>		<b>2,986,780.00</b>	<b>0.00</b>	
<b><u>U.S. Instrumentality</u></b>								
3136FT3C1 FNMA	Call 03/05/2012	1.000	12/05/2016 03/05/2014	2,000,000.00	99.825	1,996,500.00	0.00	1.04
3133XW7L7 FHLB	03/20/2012	1.500	01/16/2013	2,000,000.00	101.043	2,020,860.00	5,333.33	0.23
<b>TOTAL (U.S. Instrumentality)</b>				<b>4,000,000.00</b>		<b>4,017,360.00</b>	<b>5,333.33</b>	
<b>GRAND TOTAL</b>				<b>8,965,000.00</b>		<b>8,969,140.00</b>	<b>5,333.33</b>	

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park**  
**Securities Sold and Matured**  
**March 1, 2012 - March 31, 2012**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<b><u>Cash and Equivalents</u></b>													
LAIF - City 98-19-228	03/05/2012	0.389V		950,000.00	950,000.00	950,000.00	100.00	950,000.00	0.00	0.00	0.00	0.00	0.39
						0.00		0.00					
LAIF - City 98-19-228	03/20/2012	0.389V		600,000.00	600,000.00	600,000.00	100.00	600,000.00	0.00	0.00	0.00	0.00	0.39
						0.00		0.00					
LAIF - City 98-19-228	03/21/2012	0.389V		2,100,000.00	2,100,000.00	2,100,000.00	100.00	2,100,000.00	0.00	0.00	0.00	0.00	0.39
						0.00		0.00					
LAIF - City 98-19-228	03/27/2012	0.389V		1,200,000.00	1,200,000.00	1,200,000.00	100.00	1,200,000.00	0.00	0.00	0.00	0.00	0.39
						0.00		0.00					
<b>TOTAL (Cash and Equivalents)</b>				<b>4,850,000.00</b>	<b>4,850,000.00</b>	<b>4,850,000.00</b>		<b>4,850,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
						<b>0.00</b>		<b>0.00</b>					
<b><u>U.S. Agency</u></b>													
38146FAK7 Goldman Sachs E	03/15/2012	2.150	03/15/2012	1,000,000.00	1,009,810.00	1,000,000.00	100.00	1,000,000.00	0.00	0.00	10,750.00	836.11	1.80
						(130.55)		(559.00)					
<b>TOTAL (U.S. Agency)</b>				<b>1,000,000.00</b>	<b>1,009,810.00</b>	<b>1,000,000.00</b>		<b>1,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,750.00</b>	<b>836.11</b>	
						<b>(130.55)</b>		<b>(559.00)</b>					
<b><u>U.S. Instrumentality</u></b>													
3133XJUT3 FHLB	03/09/2012	5.000	03/09/2012	1,000,000.00	993,080.00	1,000,000.00	100.00	1,000,000.00	0.00	0.00	25,000.00	1,111.11	5.16
						31.72		(1,084.00)					
3135G0CZ4 FNMA	Call 03/12/2012	0.850	09/12/2014 06/12/2012	1,000,000.00	999,800.00	999,833.21	100.00	1,000,000.00	166.79	0.00	4,250.00	259.72	0.86
						2.01		636.00					
3134G2B92 FHLMC	Call 03/13/2012	0.500	03/13/2013 06/13/2012	1,000,000.00	1,000,000.00	1,000,000.00	100.00	1,000,000.00	0.00	0.00	2,500.00	166.67	0.50
						0.00		(119.00)					
3135G0BF9 FNMA	Call 03/28/2012	1.500	03/28/2014 03/28/2014	1,000,000.00	997,600.00	998,379.28	100.00	1,000,000.00	1,620.72	0.00	7,500.00	1,125.00	1.58
						59.95		(847.00)					
<b>TOTAL (U.S. Instrumentality)</b>				<b>4,000,000.00</b>	<b>3,990,480.00</b>	<b>3,998,212.49</b>		<b>4,000,000.00</b>	<b>1,787.51</b>	<b>0.00</b>	<b>39,250.00</b>	<b>2,662.50</b>	
						<b>93.68</b>		<b>(1,414.00)</b>					
<b>GRAND TOTAL</b>				<b>9,850,000.00</b>	<b>9,850,290.00</b>	<b>9,848,212.49</b>		<b>9,850,000.00</b>	<b>1,787.51</b>	<b>0.00</b>	<b>50,000.00</b>	<b>3,498.61</b>	
						<b>(36.87)</b>		<b>(1,973.00)</b>					

**City of Menlo Park**  
**Securities Sold and Matured**  
**March 1, 2012 - March 31, 2012**

V = variable rate, current rate shown, average rate for Cash & Equivalents

E = Corp Sec FDIC Guaranteed

**City of Menlo Park  
Transaction Report  
for the period March 1, 2012 - March 31, 2012**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
03/05/2012		Sold	CE	LAIF - City 98-19-22		950,000.00	950,000.00	0.00	950,000.00	950,000.00
03/05/2012	3136FT3C1	Bought	INS	FNMA	12/05/2016	2,000,000.00	1,996,500.00	0.00	(1,996,500.00)	(1,046,500.00)
03/08/2012	31398A3G5	Interest	INS	FNMA	09/08/2014	1,500,000.00	0.00	11,250.00	11,250.00	(1,035,250.00)
03/09/2012	3133XJUT3	Maturity	INS	FHLB	03/09/2012	1,000,000.00	1,000,000.00	0.00	1,000,000.00	(35,250.00)
03/09/2012	3133XJUT3	Interest	INS	FHLB	03/09/2012	1,000,000.00	0.00	25,000.00	25,000.00	(10,250.00)
03/12/2012	3135G0CZ4	Interest	INS	FNMA	09/12/2014	1,000,000.00	0.00	4,250.00	4,250.00	(6,000.00)
03/12/2012	3135G0CZ4	Call	INS	FNMA	09/12/2014	1,000,000.00	999,833.21	0.00	1,000,000.00	994,000.00
03/13/2012	3134G2B92	Interest	INS	FHLMC	03/13/2013	1,000,000.00	0.00	2,500.00	2,500.00	996,500.00
03/13/2012	3134G2B92	Call	INS	FHLMC	03/13/2013	1,000,000.00	1,000,000.00	0.00	1,000,000.00	1,996,500.00
03/14/2012		Bought	CE	LAIF - City 98-19-22		975,000.00	975,000.00	0.00	(975,000.00)	1,021,500.00
03/15/2012	38146FAK7	Maturity	AGY	Goldman Sachs	03/15/2012	1,000,000.00	1,000,000.00	0.00	1,000,000.00	2,021,500.00
03/15/2012	38146FAK7	Interest	AGY	Goldman Sachs	03/15/2012	1,000,000.00	0.00	10,750.00	10,750.00	2,032,250.00
03/19/2012		Bought	CE	LAIF - City 98-19-22		990,000.00	990,000.00	0.00	(990,000.00)	1,042,250.00
03/20/2012		Sold	CE	LAIF - City 98-19-22		600,000.00	600,000.00	0.00	600,000.00	1,642,250.00
03/20/2012	3133XW7L7	Bought	INS	FHLB	01/16/2013	2,000,000.00	2,020,860.00	5,333.33	(2,026,193.33)	(383,943.33)
03/21/2012		Sold	CE	LAIF - City 98-19-22		2,100,000.00	2,100,000.00	0.00	2,100,000.00	1,716,056.67
03/21/2012	85324TME3	Bought	CP	STANDARD	12/14/2012	2,000,000.00	1,989,280.00	0.00	(1,989,280.00)	(273,223.33)
03/25/2012	594918AG9	Interest	COR	MICROSOFT CORP	09/25/2015	1,000,000.00	0.00	8,125.00	8,125.00	(265,098.33)
03/27/2012		Sold	CE	LAIF - City 98-19-22		1,200,000.00	1,200,000.00	0.00	1,200,000.00	934,901.67
03/28/2012	3135G0BF9	Interest	INS	FNMA	03/28/2014	1,000,000.00	0.00	7,500.00	7,500.00	942,401.67
03/28/2012	3135G0BF9	Call	INS	FNMA	03/28/2014	1,000,000.00	998,379.28	0.00	1,000,000.00	1,942,401.67
03/30/2012	74977KJS9	Bought	CP	Rabobank USA	09/26/2012	1,000,000.00	997,500.00	0.00	(997,500.00)	944,901.67
03/31/2012		Bought	CE	Int Receivable	04/01/2012	3,750.00	3,750.00	0.00	(3,750.00)	941,151.67
03/31/2012	912828QL7	Interest	TSY	T-Note	03/31/2013	1,000,000.00	0.00	3,750.00	3,750.00	944,901.67
<b>Portfolio Activity Total</b>									<b>944,901.67</b>	

<b>Net Contributions:</b>	<b>0.00</b>
<b>Net Withdrawals:</b>	<b>941,681.31</b>

<b>Fees Charged:</b>	<b>3,220.36</b>
<b>Fees Paid:</b>	<b>3,220.36</b>

**City of Menlo Park  
Securities Bid and Offer  
for the period 3/1/2012 - 3/31/2012**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	03/05/2012	FNMA 1 12/05/2016	03/05/14	JEF	2,000,000		99.825	1.04/1.09	UBS-FNMA CALL 1 12/16-03/12@1.02YTM CIT-FNMA 4.75 12/16/16@ 0.87YTM
BUY	03/20/2012	FHLB 1.5 01/16/2013		MOR	2,000,000		101.043	0.23	WUND - FHLB 1.5% 1/16/13 @ YTM 0.20 CIT - FHLB 1.5% 1/16/13 @ YTM 0.22
BUY	03/21/2012	SCHART 0 12/14/2012		CIT	2,000,000	0.720	99.464	0.72	C - FHLB DISC. NOTE 12/14/12 @ YTM 0.17 JPM - FHLB DISC. NOTE 12/13/12 @ YTM 0.14
BUY	03/30/2012	RABUSA 0 09/26/2012		CIT	1,000,000	0.500	99.750	0.50	BAML - RABOBANK CP 09/07/12 @ YTM 0.40 WUND - FHLMC 2.125% 09/21/12 @ YTM 0.11

**City of Menlo Park  
Upcoming Cash Activity  
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
04/10/2012	Interest	87244EAC6	TIAA Global Markets	5.125	10/10/2012		950,000.00	0.00	24,343.75	24,343.75
04/15/2012	Interest	931142DA8	Wal-Mart	1.625	04/15/2014		1,000,000.00	0.00	8,125.00	8,125.00
04/16/2012	Interest	64952WAJ2	New York Life Global	5.250	10/16/2012		1,000,000.00	0.00	26,250.00	26,250.00
04/19/2012	Interest	36962G3K8	GE Capital	5.250	10/19/2012		1,000,000.00	0.00	26,250.00	26,250.00
05/07/2012	Interest	3135G0EQ2	FNMA	1.000	11/07/2014	11/07/2012	3,000,000.00	0.00	15,000.00	15,000.00
05/10/2012	Maturity	48802WKN7	KELLS FUNDING LLC	0.590	05/10/2012		2,500,000.00	2,500,000.00	0.00	2,500,000.00
05/11/2012	Maturity	90262CEB9	UBS Finance	0.470	05/11/2012		2,500,000.00	2,500,000.00	0.00	2,500,000.00
05/15/2012	Interest	478160AX2	Johnson & Johnson	1.200	05/15/2014		1,000,000.00	0.00	6,000.00	6,000.00

# End Of Reports



**New York Office**  
113 King Street  
Armonk, NY 10504  
**Tel: 866 766 3030**  
Fax: 914 765 3030

**Colorado Office**  
1900 Sixteenth Street, Suite 200  
Denver, CO 80202  
**Tel: 303 860 1100**  
Fax: 303 860 0016

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For any questions concerning this report please contact accounting either by phone or email to [camreports@cutwater.com](mailto:camreports@cutwater.com).



# ADMINISTRATIVE SERVICES

Council Meeting Date: May 8, 2012

Staff Report #: 12-069

Agenda Item #: I-3

**INFORMATION ITEM: Quarterly Update on Council Goals and Deliverables**

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## BACKGROUND

Council has previously set goals in order to better align staff work plans, Commission work plans, Council priorities and, ultimately, the City budget. In 2009, Council developed a set of three long-term goals with supporting one-year deliverables in a daylong goal setting process that also resulted in a set of high level Council values allowing the organization to better balance both the quality and quantity of work Council desired. In 2010, Council approved a continuation of the three long term goals for two years while the deliverables have continued to be updated annually to provide organizational and budgetary focus.

On January 31, 2012 Council met for a two hour goal setting session which resulted in a 2012 update to the ongoing goal and deliverable worksheet (Attachment A) to include one additional goal and updated deliverables. Subsequently, at the February 28, 2012 Council meeting, Council approved these goals and deliverables and staff proposed a quarterly review of progress.

This report includes progress on the deliverables through April 30, 2012.

## ANALYSIS

Menlo Park is in a unique situation, concurrently managing a number of significant development and zoning projects. Attachment A provides a new mechanism to report to Council on deliverables that are relevant to the four overarching goals. The progress demonstrated by this report is exciting, as is the opportunity to advise the Council and the community on progress, to date, on specific tasks.

In preparing this first report it was noted that as issues emerge we lack a Council process for vetting new goals that might surface during the year. Since the goal setting session in January, several individual Council members have requested staff support for additional projects. These projects also need to be incorporated into an overall assessment by the Council to determine priority use of staff time not previously committed to a specific purpose or project. These process questions and priorities will be worked out over time.



Staff will provide the next quarterly updates at the July 31, and November 13, 2012 Council meetings.

## **IMPACT ON CITY RESOURCES**

The approval of Council goals and deliverables essentially allocates the resources of the organization toward achievement of those specific outcomes to the extent that resources are available. It assumes that resources may not be available for other work that may be identified by individual Council members during the rest of the year and, should other priorities emerge, Council consensus would be required before that work could be undertaken.

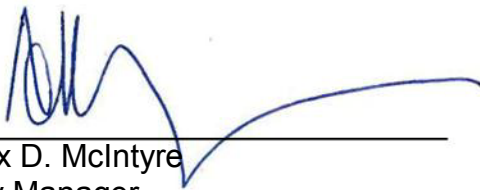
In reviewing these Council priorities, given current resource constraints, staff researched policy prioritization best practices across the Country and identified a tool to help facilitate goal achievement used by communities around the world as well as the International City Management Association (ICMA). This tool, based on the Policy Governance Model and approved by Council at their February 28 meeting, is included as Attachment B.

## **POLICY ISSUES**

Tracking progress on Council deliverables is consistent with previous Council direction.

## **ENVIRONMENTAL REVIEW**

Environmental Review is not required.



Alex D. McIntyre  
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. 2012 Council Goals and Deliverables Worksheet 4.12 Update

## Council Goal Deliverables 2012 Update

Ongoing Goal	Proposed 2012 Deliverables (due on or before 1.13)	Progress Report – May 8, 2012
<p><b>1. Vibrant and resilient economy supporting a sustainable budget.</b></p> <p>Promote a desirable level of economic growth to maintain an economically vibrant and sustainable community with a sustainable budget through implementing a comprehensive community supported business development plan for attraction and retention and through finalization of development projects currently in process.</p>	<ul style="list-style-type: none"> <li>• Conduct study session with Council (March 6) to review business development plan and confirm priorities               <ul style="list-style-type: none"> <li>○ Other deliverables to be developed following this meeting</li> </ul> </li> <li>• Continue BD subcommittee meetings               <ul style="list-style-type: none"> <li>○ Evaluate idea for tech start up incubator w/ VC support</li> <li>○ Track progress on state level tool to replace RDAs</li> <li>○ Continue focus on major property and business owners to ensure business retention (AMB, Tyco, Willow Business Park, Gateway, Downtown)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Study session conducted, priorities confirmed. New deliverables and staffing model are being developed for Council consideration</li> <li>• BD subcommittee will continue to meet with local companies</li> </ul>
	<ul style="list-style-type: none"> <li>• Complete Facebook Development Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Council approved Term Sheet April 17; May 29 meeting includes PH on land use entitlements, DA and Final EIR</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop sustainable options for 2012-13 budget               <ul style="list-style-type: none"> <li>○ Resolution to place TOT increase on Nov. '12 ballot</li> <li>○ Assessment of budget sustainability to Council with 2012-13 budget</li> <li>○ Complete sale of Terminal Ave property to Beechwood School</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• TOT info item presented 4.17. First reading of ordinance scheduled for 6.12.</li> <li>• Terminal sale public hearing 4.17; Due diligence period underway through July 17. Closing estimated September.</li> </ul>
	<ul style="list-style-type: none"> <li>• Specific Plan adopted</li> </ul>	<ul style="list-style-type: none"> <li>• Plan and final EIR recommended for approval by Planning Commission 4.30; scheduled for PH June 5</li> </ul>
	<ul style="list-style-type: none"> <li>• WBA Phase 1.2 completed</li> </ul>	<ul style="list-style-type: none"> <li>• To be completed @ conclusion of Specific Plan and Facebook processes</li> </ul>
Ongoing Goal	Proposed 2012 Deliverables (due on or before 1.13)	Progress Report – May 8, 2012
<p><b>2. Future focused planning and visioning supporting a high quality of life</b></p> <p>Proactively plan for the future direction for the City's growth, development, &amp; public investments by continuing the public outreach process to define values, goals, and policies addressing the community's future vision and updating appropriate planning documents</p>	<ul style="list-style-type: none"> <li>• Prepare a Housing Element, including associated amendments to other elements of the General Plan, and accompanying required zoning changes</li> </ul>	<ul style="list-style-type: none"> <li>• Study session scheduled 5.8 w work program to be presented 5.22</li> </ul>
	<ul style="list-style-type: none"> <li>• Maintain CIP projects on time and within budget               <ul style="list-style-type: none"> <li>○ CIP review by Commissions in February</li> <li>○ Draft final CIP to Council in March</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• CIP approved April 24.</li> <li>• See bi-annual update for progress on individual projects</li> </ul>
	<ul style="list-style-type: none"> <li>• Enhance environmental programs</li> <li>• Present to Council draft ordinances for:               <ul style="list-style-type: none"> <li>○ elimination of plastic bags and polystyrene foodware</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Study session on polystyrene and plastic bag held on March 13; Council agreed to move forward with County-wide efforts</li> </ul>

Ongoing Goal	Proposed 2012 Deliverables (due on or before 1.13)	Progress Report – May 8, 2012
<p><b>3. Regional focus creating synergy of efforts on issues of mutual interest</b></p> <p>Provide technical expertise and staff support to Council as they leverage regional partnerships with all levels of government</p>	Support to Council in focusing attention on issues related to BAWSCA	<ul style="list-style-type: none"> <li>Regular attendance at BAWSCA continues</li> </ul>
	Support to Council in focusing attention on issues related to Caltrain	<ul style="list-style-type: none"> <li>Recent Council presentations re Caltrain MOU with HSR</li> </ul>
	Support Council in focusing attention on issues related to SBWMA	<ul style="list-style-type: none"> <li>Regular attendance at SBWMA continues</li> </ul>
	Support Council in focusing attention on issues related to Fire District <ul style="list-style-type: none"> <li>Ensure Emergency Operations Plan remains NIMS compliant</li> <li>Participate in ongoing emergency exercises</li> <li>Take initial steps to develop a Community Disaster Committee</li> </ul>	<ul style="list-style-type: none"> <li>Emergency preparedness study session this summer will include updates on these items</li> <li>Planning for County-wide exercise May 24</li> </ul>
	Support Council in focusing attention on issues related to School Districts <ul style="list-style-type: none"> <li>Council approval of Joint Field Use Agreement with MPCSD</li> <li>Resolve issues related to scheduling the PAC</li> </ul>	<ul style="list-style-type: none"> <li>Agreement with MPSCD approved</li> <li>City staff participating in MA High School process to hire new theater manager</li> </ul>
	Support Council in focusing attention on issues related to San Francisquito Creek JPA	<ul style="list-style-type: none"> <li>Recent presentation by Creek JPA staff. Meeting attendance continuing</li> </ul>
	Support Council in focusing attention on issues related to HSR <ul style="list-style-type: none"> <li>Participate in regular PCC meetings</li> <li>Monitor HSR activities and progress on Program &amp; Project EIRs</li> </ul>	<ul style="list-style-type: none"> <li>Participation in PCC Meetings continuing</li> <li>Recent letters and continuing participation in Atherton lawsuits</li> </ul>
	Participate in the Grand Blvd Initiative	<ul style="list-style-type: none"> <li>Regular attendance at meetings</li> </ul>
	Support Council in focusing on regional issues considered by CCAG to have an impact on Menlo Park	<ul style="list-style-type: none"> <li>Participate in the CCAG TAC and Board meetings by staff and Council</li> </ul>
Participate in development of the Sustainable Cities Strategy	<ul style="list-style-type: none"> <li>Staff participating in regular meetings</li> </ul>	
Ongoing Goal	Proposed 2012 Deliverables (due on or before 1.13)	Progress Report – May 8, 2012
<p><b>4. City services reflect an appropriate alignment of resources to services</b></p>	<ul style="list-style-type: none"> <li>Decisions are made on potential new service including Police / City Services Center and Flood Park</li> <li>Confirm that existing services are staffed appropriately (ie NET, Library, new recreation facilities, etc) Consider volunteers</li> <li>Determine efficient ways to increase transparency and communication (ie on-line records and social media)</li> </ul>	<ul style="list-style-type: none"> <li>County continues to express desire to retain Flood Park</li> <li>City attorney resolving contract issues for Police Services Center for presentation to Successor Agency Oversight Board</li> <li>Web site enhanced for easy access to existing social media, adding Open City Hall</li> <li>Pilot for paperless agendas starts July 1</li> <li>Study session on community engagement model held on April 24</li> <li>Implementing Summer Intern program</li> </ul>