



CITY COUNCIL SPECIAL AND REGULAR MEETING AGENDA

Tuesday, August 27, 2013

5:30 P.M.

701 Laurel Street, Menlo Park, CA 94025

City Council Chambers

5:30 P.M. CLOSED SESSION (1st floor Council Conference Room, Administration Building)

Public Comment on these items will be taken prior to adjourning to Closed Session

CL1. Closed Session pursuant to Government Code section 54957.6 to conference with labor negotiators regarding labor negotiations with the Police Sergeants Association (PSA), Police Officers Association (POA), American Federation of State, County and Municipal Employees (AFSCME), and Service Employees International Union (SEIU)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director

7:00 P.M. REGULAR SESSION

ROLL CALL – Carlton, Cline, Keith, Ohtaki, Mueller

PLEDGE OF ALLEGIANCE

REPORT FROM CLOSED SESSION

ANNOUNCEMENTS

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation: Sister City Friendship Agreement with Galway, Ireland (*Attachment*)

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Transportation Commission quarterly report on the status of their two-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. Adopt a resolution authorizing the installation of on-street parking restrictions on Hamilton Avenue, adjacent to the new Menlo Park Neighborhood Services Center
(*Staff report #13-130*) **Continued from the August 20, 2013 Council meeting.**

- D2. Approve the response to the San Mateo Grand Jury Report "South Bay Waste Management Authority Board: Elected Officials or Senior Management Level Staff" **(Staff report #13-148)**
- D3. Approve the re-installation of shared lane markings within the center area of the travel lane on Menlo Avenue between El Camino Real and University Drive and on University Drive between Santa Cruz Avenue and Oak Lane and authorize staff to seek approval from the California Traffic Control Devices Committee for the installation of green backed shared lane markings **(Staff Report #13-149)**
- D4. Adopt a resolution of the City of Menlo Park supporting the Ravenswood Avenue Grade Separation Analysis Project and submitting an application for Measure A Grade Separation Program Funding **(Staff Report #13-151)**
- D5. Approve a resolution authorizing the annual destruction of records **(Staff Report #13-147)**
- D6. Accept minutes for the Council meeting of August 19, 2013 **(Attachment)**
- E. **PUBLIC HEARINGS – None**
- F. **REGULAR BUSINESS**
- F1. Authorize the City Manager to execute a 5-year agreement not-to-exceed \$335,000 annually with Redflex Traffic Systems, Inc. for a photo red light enforcement program, authorize an additional red light camera at Bayfront Expressway and Chilco Street, and increase the red light camera facilitator position from 0.75 FTE to 1.0 FTE **(Staff report #13-140) Continued from the August 20, 2013 Council meeting.**
- F2. Consider approval of the terms of an agreement between the City of Menlo Park and the Menlo Park Police Sergeants' Association **(Staff report #13-137) Continued from the August 20, 2013 Council meeting.**
- F3. Select a voting delegate and alternate to the League of California Cities Annual Conference and provide direction to the voting delegate related to the resolutions to be voted on at the League of California Cities Annual Conference **(Staff report #13-139) Continued from the August 20, 2013 Council meeting.**
- F4. Accept the 500 ECR Subcommittee Final Report **(Staff report #13-152)**
- F5. Approve the Scopes of Work and authorize the City Manager to enter into agreements with W-Trans for two separate agreements: (1) Plan Review and Traffic Engineering Analysis, and (2) Neighborhood Cut-Through Analysis for the Stanford 500 El Camino Real Project **(Staff report #13-153)**
- F6. Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item: **None**
- G. **CITY MANAGER'S REPORT – None**
- H. **WRITTEN COMMUNICATION – None**

I. INFORMATIONAL ITEMS

11. Quarterly Financial Review of General Fund Operations as June 30, 2013
(Staff report #13-143) Continued from the August 20, 2013 Council meeting.
12. Review of the City's Investment Portfolio as of June 30, 2013 **(Staff report #13-142) Continued from the August 20, 2013 Council meeting.**
13. Office of Economic Development Quarterly Update **(Staff report #13-144) Continued from the August 20, 2013 Council meeting.**
14. Update on City Council goals **(Staff report #13-145) Continued from the August 20, 2013 Council meeting.**
15. Initiation of the General Plan Update **(Staff report #13-150)**
16. Update on the draft public outreach and Development Agreement negotiation process for the SRI International Campus Modernization Project **(Staff report #13-146)**

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: 08/22/2013)

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. These communications are public records and can be viewed by any one by clicking on the following link: <http://ccin.menlopark.org>.

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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.

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Proclamation

SISTER CITIES FRIENDSHIP AGREEMENT

Whereas, the cities of Menlo Park, California and Galway, Ireland share similar goals of international cooperation, mutual prosperity and world peace; and

Whereas, they believe it to be in their collective interest to broaden and strengthen ties between the two cities; and

Whereas, they place similar values on cultural understanding, training, youth leadership, exchanges to educate citizens and environmental stewardship, and

Whereas, they will identify activities, common to all, that can generate new initiatives to further nurture economic, social and cultural relationship; and

Whereas, the purpose of this relationship is to increase economic development, cultural exchanges, educational opportunities, technical exchanges, etc., and to increase awareness of both cities as being centers for technology, education, and a variety of industry; and

Whereas, both cities are committed to mutual support for organizing and developing the experiences, common activities, and future programs of the Sister City relationships on the basis of previous agreements of mutual cooperation and directions set forth by this declaration.

Now, Therefore, Be It Resolved, that we, the Mayors of the City of Menlo Park, California and the City of Galway, Ireland, do believe that this agreement will further contribute to the cause of world peace and to the development of friendly relations between the peoples of Ireland and the United States and our two cities; and

Further, we affix our signatures and our city seals on this declaration to establish our relationship as Sister Cities.

Menlo Park, CA - City Council

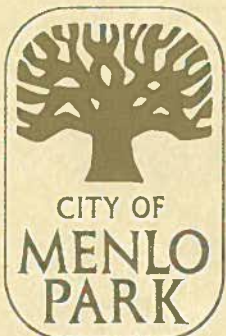
Galway, Ireland - City Council

Peter Ohtaki, Mayor

Padraig Conneely, Mayor

Date

Date



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To: City Council

From: Transportation Commission

Subject: Work Plan Update

Date: August 27, 2013

The Transportation Commission has a Mission Statement that was approved by City Council in November 2011. Specifically, the second point of the Mission Statement tasks the Transportation Commission with “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.” The Commission, while fully aware of limited staff resources, remains focused on fulfilling its Mission Statement, and so will be meeting with staff from the Planning and Transportation Departments in order to determine when and how the Commission can most effectively provide input in the planning process on major development projects.

In addition, Menlo Park is engaging in a major effort to update the General Plan for the first time since 1994. Over the last two decades, there has been substantial evolution in transportation policy, particularly with regard to multimodal transportation. The Transportation Commission is interested in studying evolving areas in transportation policy, in order to provide helpful advice and recommendations to City Council regarding transportation issues in the General Plan. Potential topics may include; transportation planning to incorporate multimodal transit options, investments for CEQA mitigations, integrating the City’s transportation goals for reductions in greenhouse gas emissions, transportation demand management policy enhancements, and review of the City’s roadway classification systems, among others.

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 27, 2013
Continued from the August 20th Council meeting

Staff Report #: 13-130

Agenda Item #: D-1

CONSENT CALENDAR: **Adopt a Resolution Authorizing the Installation of On-Street Parking Restrictions on Hamilton Avenue, Adjacent to the New Menlo Park Neighborhood Services Center**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) authorizing the installation of on-street parking restrictions, adjacent to the new Menlo Park Neighborhood Services Center in accordance with Attachment B.

BACKGROUND

The City currently operates a police sub-station at a leased site on the corner of Newbridge Street and Willow Road. Over the years, the Police Department has used the sub-station for various law enforcement purposes.

This year, through the City Council goal setting process, the proposed relocation of the existing Police Sub-Station was prioritized. Various locations were targeted with the most viable being 871 A and 871 B Hamilton Avenue (at Willow Road). Planning Division staff has indicated that use as a proposed police community facility is consistent with the zoning and land use approvals for the property.

On June 4, 2013, City Council approved the lease agreement for new Neighborhood Services Center at Hamilton Avenue.

ANALYSIS

There is currently limited on-site parking for the existing businesses sharing the 871 Hamilton Avenue site and overflow parking has been observed on both sides of Hamilton Avenue between Willow Road and Carlton Avenue. With the additional emergency vehicles added to the site, the Police Department has expressed concerns with this limited on-site parking. Consequently, Transportation Division staff investigated providing on-street parking to meet the parking needs of the Police Department for these additional emergency vehicles. As a result of this investigation, Transportation

staff is proposing the restriction of approximately 60 feet or three on-street parking spaces on the east side of Hamilton Avenue, in accordance with Attachment B. Restricting these parking spaces to emergency vehicles only on Hamilton Avenue could potentially move some of the overflow parking on Hamilton Avenue to the existing public parking lot inside the Chevron Gas Station or further down Hamilton Avenue.

On July 10, 2013, the Transportation Commission was presented with the consideration of the above mentioned on-street parking restrictions on Hamilton Avenue as shown in Attachment B. The Transportation Commission unanimously approved the staff recommendation to install the on-street parking restrictions to Council, along with the following conditions: 1) That the Commission be able to revisit this on-street parking restriction for any unintended consequences that need to be mitigated; and, 2) that the impacted businesses be notified of these proposed on-street parking restrictions.

Regarding the Commission's first condition, It is the Department of Public Works practice to always monitor new and existing on-street parking restrictions, address any issues and ultimately bring the parking changes to the Commission and City Council for consideration and approval if any issues arise.

In response to the Commission's second condition, Staff has sent out meeting notifications to residents and businesses within the 500-foot radius from the location of the proposed on-street parking restrictions, including the impacted businesses, for the Transportation Commission meeting of July 10, 2013 and for this City Council meeting. To date, staff has not received any concerns or comments from the impacted residents and/or businesses regarding the proposed on-street parking restrictions on Hamilton Avenue.

IMPACT ON CITY RESOURCES

Sufficient funds are available in the operating budget designated for the City's signing and striping program for the installation of two "No Parking Except Authorized Emergency Vehicles" signs, posts and 60 feet of red curb in accordance with Attachment B.

POLICY ISSUES

The proposed installation of the "No Parking Except Authorized Emergency Vehicles" signs, posts and 60 feet of red curb is consistent with several policies in the 1994 City General Plan Circulation and Transportation Element, which seek 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.

ENVIRONMENTAL REVIEW

The proposed installation of the "No Parking Except Authorized Emergency Vehicles" signs, posts and 60 feet of red curb is categorically exempt under Class 1 of the current

California Environmental Quality Act Guidelines. Class 1 allows for minor alterations of existing facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian access, and similar facilities as long as there is negligible or no expansion of use.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution
- B. Layout of Hamilton Avenue Showing Proposed On-Street Parking Restrictions

Report prepared by:
Rene Baile
Transportation Engineer

Jesse Quirion
Transportation Manager

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RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZING THE INSTALLATION OF ON-STREET PARKING RESTRICTIONS ON HAMILTON AVENUE, ADJACENT TO THE NEW MENLO PARK NEIGHBORHOOD SERVICES CENTER

WHEREAS, on June 4, 2013, the City Council of the City of Menlo Park approved the new Neighborhood Services Center at Hamilton Avenue unanimously;

WHEREAS, with the additional emergency vehicles added to the site, the Police Department of the City of Menlo Park has expressed concerns with this limited on-site parking; and,

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

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby authorize the installation of on-street parking restrictions, adjacent to the new Menlo Park Neighborhood Services Center at 871 A and 871 B Hamilton Avenue. The on-street parking restriction will be: "No Parking Except Authorized Emergency Vehicles."

I, Pamela Aguilar, Acting City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twentieth day of August, 2013, by the following votes:

AYES:

NOES:

ABSENT:

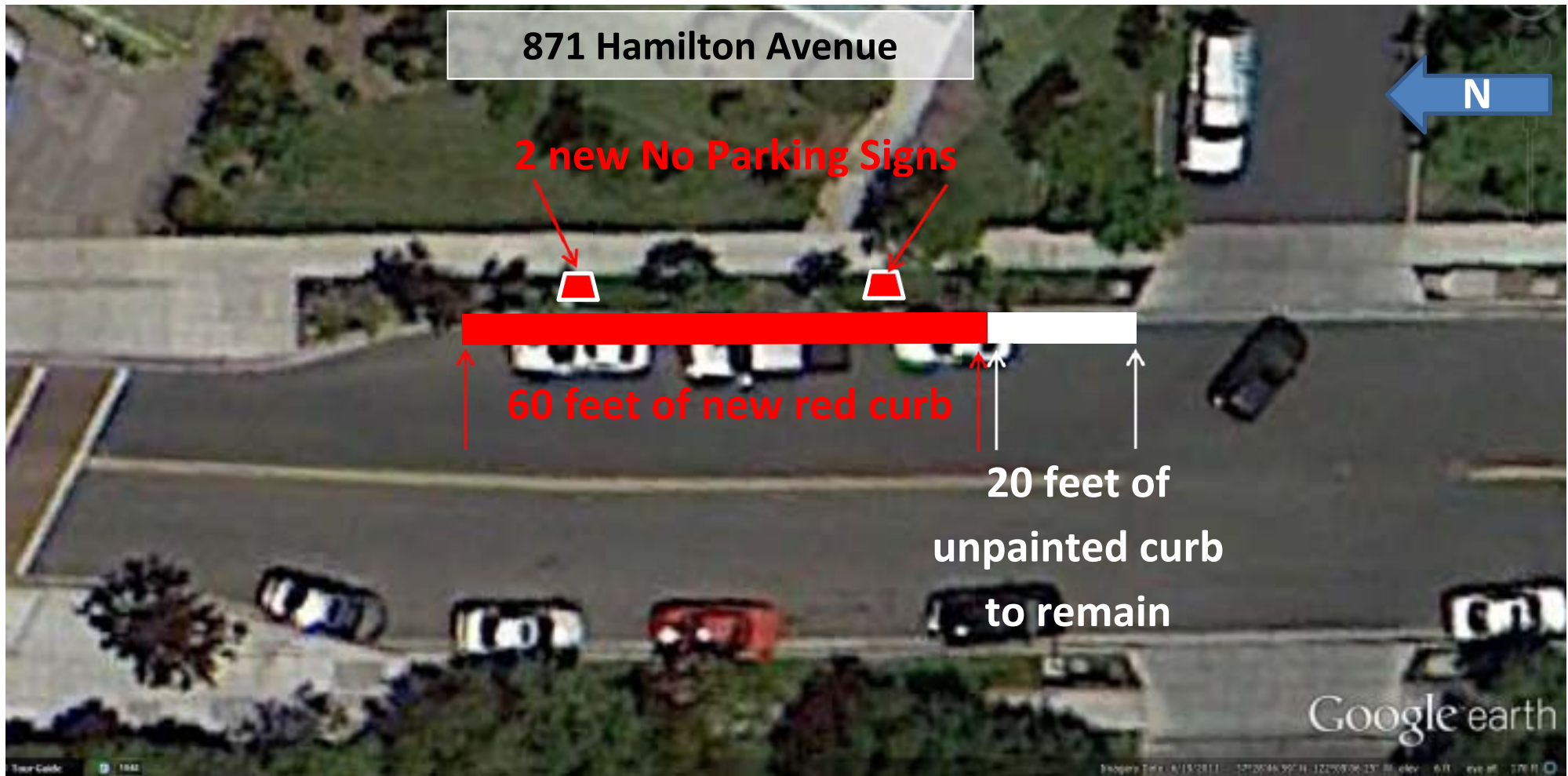
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-seventh day of August, 2013.

Pamela Aguilar
Acting City Clerk

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LAYOUT OF PROPOSED ON-STREET PARKING RESTRICTIONS ON HAMILTON AVENUE



Example of No Parking signage to be installed as noted above.

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-148

Agenda Item #: D-2

CONSENT CALENDAR: **Approve the Response to the San Mateo Grand Jury Report "South Bay Waste Management Authority Board: Elected Officials or Senior Management Level Staff"**

RECOMMENDATION

Staff recommends that the City Council review and authorize the Mayor to sign the attached response to the San Mateo County Grand Jury report "South Bay Waste Management Authority (SBWMA) Board: Elected Officials or Senior Management Staff."

BACKGROUND

In light of public concern over rate and service changes, the San Mateo County Grand Jury conducted an investigation into the governance structure of the SBWMA and on June 17, 2013, released a report titled "SBWMA Board: Elected Officials or Senior Management Staff" (Attachment B). In the report the Grand Jury discusses the formation of the SBWMA, the recent Task Force formed by Redwood City to discuss SBWMA Governance, the Shoreway Center in San Carlos, and Solid Waste Rates and Billing Information.

The Grand Jury report also contains findings and recommendations in which each of the twelve member agencies are asked to provide a response. Comments on the content of the report are required to be submitted to the Honorable Judge Richard C. Livermore no later than September 16, 2013. The City's response must be approved by the City Council at a public meeting.

ANALYSIS

The City of Menlo Park is required to determine for all findings, if:

1. The City agrees with the finding.
2. The City disagrees wholly or partially with the finding, in which case the City shall specify the portion of the finding that is disputed and shall explain the reasons for the dispute.

In addition, the City is required to report one of the following actions for each of the Grand Jury recommendations:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. The time frame shall not exceed six months from the date of publication of the Grand Jury report.
4. The recommendation will not be implemented because it is not warranted or reasonable, with an explanation therefore.

In its response to the Grand Jury, the City states its general agreement with the report's findings on the difficulty of explaining the complexities of the SBWMA and the rate-setting process to the general public, and its recommendation that more information be disseminated for greater transparency and understanding of the SBWMA programs and costs. However, Council has already stated its preference for an amendment of the JPA agreement that would provide for elected officials (rather than senior management staff) to serve on the board. This is contrary to the Grand Jury's finding that there is not demonstrable advantage to changing the Board composition in this manner.

IMPACT ON CITY RESOURCES

Approving and submitting a response to the Grand Jury report has no direct impact on City resources. However, the creation of a new composition of elected officials to serve on the board would require additional staff resources.

POLICY ISSUES

There are no policy implications as a result of the City sending a response to the Grand Jury.

ENVIRONMENTAL REVIEW

No environmental assessment is required.

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. City of Menlo Park Response Letter
- B. Grand Jury Report

Report prepared by:
Vanessa Marcadejas
Environmental Programs Specialist

Charles Taylor
Public Works Director

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City Council

August 28, 2013

The Honorable Richard Livermore
Judge of the Superior Court
Hall of Justice
400 County Center, 2nd Floor
Redwood City, CA 94063-1655

Re: Grand Jury Report – “SBWMA Board: Elected Officials or Senior Management Staff?”

Dear Judge Livermore:

The Menlo Park City Council received the above referenced San Mateo County Civil Grand Jury Report in June 2013. The report identifies certain findings and recommendations, and requests that the City Council respond in writing to those findings and recommendations no later than September 16, 2013.

The City of Menlo Park responds to the San Mateo County Civil Grand Jury’s findings as follows:

F1. One reason behind wanting to change the composition of the Board appears to stem from the public’s concern over rate increases and service changes.

City Response: The City of Menlo Park agrees with this finding.

F2. The organizational structure of the SBWMA is a complex issue that the public does not well understand.

City Response: The City of Menlo Park agrees with this finding.

F3. The rates and the process of setting them are difficult to understand because so many variables, such as added city fees, come into play.

City Response: The City of Menlo Park partially agrees with this finding. Although the City can explain in understandable terms the additional costs that are included in the rate setting process, the difficulty lies in explaining the variation in rates across jurisdictions, which may be attributed to other agencies incurring different sets of costs and providing for a different mix of services.

F4. Customers would benefit from receiving itemized billing statements that show charges imposed by Recology and additional fees imposed by the relevant Member Agency.

City Response: *The City of Menlo Park partially agrees with this finding. Each member agency establishes its rates based on what is required to meet the cost of Recology's services for their individual jurisdiction as a whole, making the amounts imposed by Recology's services alone, subject to estimation. Also, since rates are established by service level (based on container size and quantity) to each customer, these rates would need to be distributed between the various services that are included in that rate. However, it may be beneficial to disclose to the customer the various services and providers that are included in the amount shown on their billing statement (i.e. disposal and processing fees collected to help operate the Shoreway Environmental Center, City staff costs to administer Solid Waste programs, the "At Your Door" household hazardous waste collection service provided by the County, etc).*

F5. Elected officials already have sufficient influence in the decision-making process because the governing body of each Member Agency must approve major decisions such as contracts and rate increases.

City Response: *The City of Menlo Park agrees with this finding.*

F6. There is no demonstrable advantage to changing the Board composition from only senior management staff to only elected officials.

City Response: *The City of Menlo Park disagrees with this finding. On July 16, 2013, the Menlo Park City Council adopted a resolution in support of amending the composition of the SBWMA Board of directors, and appointed Council member Catherine Carlton to represent the City of Menlo Park on the new board with Mayor Pro Tem Ray Mueller to serve as the alternate. Although senior management staff are able to provide the institutional knowledge and professional expertise (i.e. developing budgets, contracts, and long-term beneficial planning), having elected officials on the Board may give the public a sense of security that there is more direct control over waste management services.*

F7. A technical advisory committee would be useful to a Board composed solely of elected officials if the Restated Agreement is amended to change SBWMA's governance structure in this manner.

City Response: *The City of Menlo Park agrees with this finding.*

Additionally, the City of Menlo Park's responses to the Civil Grand Jury recommendations are as follows:

R1. Disseminate more information to the public about SBWMA's operations, the role of its franchises, and the rate setting process.

City Response: *Currently the City shares information about the SBWMA through its Environmental Programs Recycling and Solid Waste webpage, Facebook and Twitter pages, and issues press releases promoting SBWMA programs and events. Matters related to SBWMA are also discussed as needed at City Council meetings that are open to the public. However, the City will consider additional ways of providing information about SBWMA and its role in the delivery of solid waste operations and programs.*

R2. Request that Recology prepare a detailed billing statement for its customers that shows all charges imposed by Recology and itemizes all fees charged by the Member Agency.

City Response: This recommendation has not been implemented in the past because (1) Recology does not establish the rates for each Member Agency; (2) The rates established by each member agency are not built through the addition of the cost of each service to each customer. Rather, the rates are established to provide, for each jurisdiction as a whole, the amount sufficient to pay for waste reduction, recycling, and other solid waste programs delivered to all of its customer by all of the service providers utilized by the jurisdiction, and then allocated based on each customers level of service.

R3. Continue to appoint only senior management staff to the SBWMA Board as stipulated in the 2005 JPA Amendments.

City Response: The City of Menlo Park has already approved an amendment to the SBWMA for elected officials to serve on the SBWMA Board, and appointed a Council member to serve as its representatives to the SBWMA Board.

R4. If the Restated Agreement is amended to provide for a Board comprised solely of elected officials, then put in place a Technical Advisory Committee consisting of staff with technical expertise in waste management.

City Response: The City agrees that any change in governance at the SBWMA Board should be accompanied by a Technical Advisory Committee (TAC). The TAC would be comprised of member agency staff and provide support to the Board in deliberations and decisions.

Sincerely,

Peter Ohtaki
Mayor
City of Menlo Park

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SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD – ELECTED OFFICIALS OR SENIOR MANAGEMENT STAFF?

[Summary](#) | [Background](#) | [Methodology](#) | [Discussion](#) | [Findings](#) | [Recommendations](#) | [Responses](#) | [Attachments](#)

SUMMARY

The South Bayside Waste Management Authority (SBWMA), also known as Rethink Waste, is a 12-member joint powers authority formed in 1982. Its membership is composed of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, San Mateo County (County), and the West Bay Sanitary District (collectively, Member Agencies). It is governed by a First Amended and Restated Joint Exercise of Powers Agreement (Restated Agreement) executed in 2005.

The mission of SBWMA is to provide cost-effective waste reduction, recycling, and solid waste programs to its Member Agencies and to oversee the Shoreway Environmental Center recycling facility (Shoreway) in San Carlos. It was formed so its Member Agencies could collectively negotiate more favorable rates for waste collection and disposal. SBWMA negotiates with and regulates the waste hauling provider and the operator of Shoreway.

SBWMA's Board of Directors (Board) is composed of one senior management staff member appointed by each Member Agency.

Shoreway was built, at significant cost (approximately \$17 million) in order to comply with state mandated waste stream diversion goals. It receives and processes recyclables, organics and garbage, and houses a new education center. The changes in waste disposal and recycling requirements have been followed by significant cost increases to customers.

In 2011, after Recology replaced Allied Waste as SBWMA's waste hauler and South Bay Recycling (SBR) became the operator of the new Shoreway recycling center, the public expressed concerns about service changes and waste hauling rate increases. An example of a service change is a change in the frequency of recycling pick-up from every other week to once weekly. In addition, there was confusion about the selection process used in selecting a new waste hauler. Much of the public does not fully understand the role of SBWMA in the waste hauler selection process.

Questions have been raised by some Member Agencies as to whether only senior Member Agency management staff should continue to comprise the Board or whether it should be composed of only elected officials from the Member Agencies' governing bodies, e.g. City Council members. As a result, a Blue Ribbon Task Force (Task Force) composed of Member Agencies began meeting in February 2013 to review the SBWMA governance structure. The approval of eight of the twelve Member Agencies is required to make changes to the SBWMA governance structure.

The 2012-2013 San Mateo County Civil Grand Jury (Grand Jury) finds public concern over rate and service changes has prompted a review of SBWMA's governance structure and that SBWMA's organizational structure is a complex issue not well understood by the public. The

Grand Jury further finds that Member Agencies set their own rates that may include a variety of fees and that only customers in the City of San Mateo receive bills that itemize charges. Finally, the Grand Jury finds that elected officials already have sufficient influence in SBWMA's decision making process and there is no demonstrable advantage to changing the Board composition from only senior management staff to only elected officials.

The Grand Jury recommends that the Member Agencies and SBWMA disseminate comprehensive information about SBWMA operations, its franchisees, and rate setting processes to its customers. In addition, it recommends that each Member Agency request that Recology provide detailed billing statements to the customers in the Member Agency's jurisdiction that disclose all fees, including those imposed by the Member Agency. The Grand Jury further recommends that Member Agencies continue the current practice of appointing only senior management staff to the Board in accordance with the Restated Agreement. Finally, the Grand Jury recommends that if the Restated Agreement is amended to change the Board membership to elected officials, then a technical advisory committee consisting of staff with technical experience in waste management be put in place.

BACKGROUND

SBWMA was formed in 1982 so that its Member Agencies could negotiate more favorable rates for waste collection, transfer, hauling, and disposal.

From 1982 until January 1, 2011, Browning-Ferris Industries (BFI) was the franchise waste hauler for SBWMA. Several years ago, Allied Waste acquired BFI and changed the name. On January 1, 2011, Recology became SBWMA's new franchise waste hauler. Since Recology took over, there have been service changes and rate increases, leading to public concern and the call by some for a change in the composition of the Board from only Member Agencies' senior management staff to only elected officials.

With some Member Agencies questioning who should represent them on the Board, the Grand Jury decided an investigation into SBWMA, its governance, and operations was warranted.

METHODOLOGY

Documents

- Report from the City Manager of Redwood City to the City Council of Redwood City dated December 3, 2012
- A letter of invitation from the Redwood City Mayor to Mayors/Directors of the Member Agencies dated December 7, 2012
- SBWMA budget information
- Franchise agreements/contracts (www.rethinkwaste.org)
- San Mateo Daily Journal, Thursday, May 9, 2013
- April 2, 2013, Task Force meeting agenda
- Minutes of Task Force meetings

Site Tours

- The Grand Jury was given a guided tour of the educational facility at Shoreway

Interviews

- The Grand Jury conducted interviews with SBWMA staff and Board members, representatives of Recology, South Bay Recycling, a Redwood City Council member representing that city's Utility Committee, and a member of the Task Force.

DISCUSSION

SBWMA

SBWMA was formed in 1982 and is now governed by the Restated Agreement. It was established so that Member Agencies collectively could negotiate favorable rates for waste collection, transfer, hauling, and disposal at a disposal site. One of its principal goals is to provide cost effective waste reduction, recycling, and solid waste programs to Member Agencies through franchised services and other recyclers. The goal is being achieved.¹

Another principal goal is to sustain the minimum 50% diversion of waste from landfills as mandated by California State Law, AB 939.² The required diversion percentage will increase to 75% by 2017, which will necessitate additional programs and education for residents and businesses.

According to information provided to the Grand Jury, SBWMA's administrative operations were initially performed by San Carlos staff until the Board hired a day-to-day operations manager in 2006.

BFI built a transfer station in San Carlos in 1984. It collected the waste from its residential and business customers, transferred it into larger trucks at the transfer station, and transported it to the Ox Mountain disposal site in Half Moon Bay. Use of a transfer station was an important change because previously, trucks traveled to Ox Mountain on Highway 92, a narrow and busy roadway. The new transfer station put fewer trucks on the road and resulted in a more efficient operation. BFI/Allied Waste was the contractor for SBWMA since it was established in 1982 until 2011. BFI/Allied Waste was also and still is the owner and operator of the Ox Mountain disposal site.

The Member Agencies of SBWMA issued revenue bonds in 2000 to purchase the transfer station from Allied Waste. At the same time, SBWMA also purchased a recycling facility located adjacent to the transfer station.

The Restated Agreement, adopted in 2005, clarified that Board membership is limited to senior management staff, i.e., the following County, district, city, or town positions or their equivalent:

¹ The 2008-2009 Grand Jury report "TRASHTALK: Rethinking the Waste Management RFP Process by the South Bayside Waste Management Authority" states that Rethink Waste provides the lowest rates in the Bay Area.

² SBWMA website, <http://www.rethinkwaste.org/> (April 14, 2012).

- Manger or assistant manager
- Finance director or assistant finance director
- Public works director or assistant public works director
- Environmental director or assistant environmental director³

After hiring SBWMA's manager, the Board developed a model for more efficient waste operations to comply with state law beginning in 2011 and issued requests for proposals (RFPs) from waste haulers and operators of the new recycling facility.

Through the RFP process, waste haulers and recycling facility operators competed for the multi-year contracts and presented their proposals to each of the governing bodies of the Member Agencies. The elected officials of each Member Agency told its Board representative which companies the Board should select. Recology was selected as the waste hauler as a result of this process. SBR was selected to operate the recycling center. Both contracts were for 10 years commencing January 1, 2011

Shoreway

Shoreway serves as a regional solid waste and recycling plant for the receipt, handling, and transfer of solid waste and recyclables collected from the SBWMA service area, (southern and central San Mateo County as shown on Appendix A). SBWMA owns and manages Shoreway and, as part of the master facility plan, built a state-of-the-art environmental education center in the recycling facility adjacent to the transfer station.

Residential and commercial solid waste and recyclable and organic materials collected by the franchise hauler, Recology, are taken to Shoreway for processing, staging and shipment. In addition, the public can bring material to Shoreway to be recycled or taken to the disposal site. Construction material can also be dropped off for recycling.

Elected officials of the Member Agencies approved construction of a new recycling facility at the transfer facility site in San Carlos so that state-of-the-art equipment could process recyclables as required by law. On January 1, 2011, SBR began operating the Shoreway recycling plant under a 10-year contract with SBWMA. SBWMA adopted the trade name "Rethink Waste." As Rethink Waste, SBWMA has been favorably recognized for its innovative waste reduction, recycling programs, and facility infrastructure.

Some interviewees questioned the need for an education center which was built to educate the public about waste diversion. Schools are given guided tours through the Shoreway facility. Guided tours are also available to other groups and the general public.

Most of the individuals interviewed by the Grand Jury, admittedly involved in the process, thought the education center to be a valuable resource. SBWMA management estimates it costs \$150,000 annually to operate the education center. With 93,000 residential and 10,000 commercial SBWMA customers, the cost of the education center is less than \$1.50 per customer per year.

³ Restated Agreement Section 8.1.

Revenue Sources

SBWMA receives revenue from several sources: Tipping fees from Recology (a charge for the tonnage brought to Shoreway); proceeds from the sale of recycled material; and fees charged for materials brought to Shoreway by the public.

Collection Rates for Customers

Collection rate increases have been controversial and confusing because most Recology customers do not realize that each Member Agency sets collection rates within its jurisdiction. Rates are different for each Member Agency. For example: a 20-gallon cart in Foster City costs \$11.82 per month but in Hillsborough the same cart costs \$42.40.

There are many reasons for differences in rates among Member Agencies. For example:

- Each Member Agency negotiates its own contract with Recology for the services desired by it within its jurisdiction.
- Member Agencies may select different services. For example, one Member Agency opted to have recyclables picked up weekly rather than bi-weekly.
- Geographic differences in Member Agencies' jurisdictions can affect cost. Some locations are flat (less expensive to service) while some have narrow streets or hills (more expensive to service).
- Member Agencies may add additional fees such as franchise fees, street sweeping fees, vehicle impact fees, and rate stabilization fees.
- As explained below, amounts owing to Allied Waste at the end of its contract varied among Member Agencies.

In 2011, when the contracts with SBR and Recology began and the contract with Allied Waste ended, there was a balance of about \$11 million dollars owed to Allied Waste by the Member Agencies. Allied Waste had a cost plus contract with SBMWA, which meant it calculated costs and added a percentage for profit. Each year as costs continued to rise, Member Agencies owed more to Allied Waste. Some Member Agencies rolled over the balance due to the next year instead of raising rates. When the Allied Waste contract ended, however, these Member Agencies had to pay the remaining balance. Some paid the remaining balance from their own funds, while others raised customer rates. There were different amounts owed by Member Agencies, which also contributed to different rates among Member Agencies.

Another cause for increasing rates is that the Ox Mountain dumping facility increased its rates because less waste was being delivered to it as a result of increases in recycling.⁴

Yet another factor contributing to rate increases after Recology became the waste hauler was the labor contracts negotiated by Allied Waste before its contract ended but which remained binding on Recology. These contracts increased labor costs.

Rate and Billing Information

⁴ Ox Mountain has fixed operating costs that must be covered irrespective of the amount of waste disposed there. Thus, lower usage can result in a higher per unit cost.

Recology bills the residents and commercial businesses it serves and then pays the Member Agencies their fees. In all Member Agencies except for the City of San Mateo, Recology's billing statement to the customer contains only one charge and does not itemize other city charges. City of San Mateo customers receive an itemized statement showing the following additional city charges: waste, street sweeping, and landfill closure fee. Recology states it does this for the City of San Mateo because the City requested it. Recology can do this for other Member Agencies upon request. Waste collection rates are very complex. Itemizing the bill would remove some of the confusion and mystery from rate charges. During its investigation, the Grand Jury found that most Member Agencies' websites did not give detailed information on collection rates.

Governance of SBWMA

Since SBWMA was established, there has been discussion by some local lawmakers regarding whether elected officials or Member Agency senior management staff should be on the Board. Currently, only senior management staff serves on the Board.

Section 8.1 of the Restated Agreement states:

The SBWMA shall be governed and administered by a Board composed of one Director from each member. The Board shall exercise all powers and authority on behalf of the SBWMA. Each member must select its Director or the Director's designee alternate from the following positions:

- County, District, City or Town Manager, or the equivalent position
- County, District, City or Town Assistant Manager, or the equivalent position
- Finance Director or Assistant Finance Director, or the equivalent position
- Public Works Director or Assistant Public Works Director, or Environmental Programs Manager, or equivalent position⁵

Since adoption of the Restated Agreement, only senior management staff has served on the Board. The Grand Jury found through its interviews that there might be two reasons for this type of governance:

1. Member Agencies wanted to create a "buffer" between elected officials and waste contractors.
2. Most city councils showed little interest in having their members serve on the Board because waste disposal was not a "hot issue." In 1982, the waste industry was less complex than today - there was one contractor, BFI, which collected the waste and transported it to the disposal site that it operated.

Through its investigation, the Grand Jury discerned two principal questions pertaining to SBWMA governance:

⁵ 2008 San Mateo County Civil Grand Jury report on SBWMA, http://www.sanmateocourt.org/documents/grand_jury/2008/trashtalk.pdf

1. ***Is there a need to change the governance structure to have only elected officials or a combination of elected officials and senior management staff on the SBWMA Board?***

This question implies that elected officials might be able to provide better oversight and direction than the current Board composed of only senior management staff from a variety of departments. The answer to the question is determined by the level of operational expertise each Member Agency desires its Board representative to possess. If a higher level of expertise is desired, then the Board should be composed of senior management staff; if not, elected officials should be seated on the Board.

2. ***Were elected officials involved in the process that selected Recology as the new franchise waste hauler?***

This question implies that elected officials were not sufficiently involved in the selection of Recology. According to the following abbreviated timeline, however, elected officials were significantly involved with the decision to contract with Recology:

- September 2007 - Member Agencies approved release of the RFP for a waste hauler
- October 2008-February 2009 - Member Agencies approved the SBWMA's recommendation to select Recology
- May-June 2009 - SBWMA staff briefed the governing bodies of Member Agencies on the implications of key contract decision points (e.g., default cart-sizes, optional programs, performance bond)
- June 2009 – The governing bodies of Member Agencies confirmed key contract decisions
- June-July 2009 - Member Agencies commenced review of draft franchise agreements
- August 2009-February 2010 - Member Agencies executed franchise agreements as approved by their governing bodies

In 2005, the Restated Agreement, including the following amendments, was submitted to the Member Agencies for approval:

1. Establishing criteria to insure that only senior management Member Agency staff serves on the Board in lieu of the prior practice that allowed any agency staff appointed by each agency's City Manager, County Manager, or General Manager to serve.
2. Requiring that key Board actions (acquisition of real property, disposal of real property, entering into or amending franchise agreements for operation of facilities, and issuing or refinancing bonds) be authorized by a 2/3 vote of the governing bodies of the Member Agencies in lieu of action solely by the Board.

Legal counsel for SBWMA noted that the transfer of power from the Board to the governing body of the Member Agencies leaves to the elected officials of each Member Agency the most important decisions with the greatest structural and/or financial implications.⁶

At the time the Restated Agreement was under consideration, Belmont suggested that elected officials serve on the Board. In addition, a member of the Board of Supervisors and a member of the state legislature have called for elected officials to comprise the Board. A 2008-2009 Grand Jury report on SBWMA recommended that elected officials comprise the Board. Most recently,

⁶ San Carlos City manager's report to the city council, dated January 28, 2013

Redwood City organized the Task Force to study the feasibility of a structure change for the Board.

There are many models for waste collection boards around the state. Some are composed of elected officials only, some of staff members only, and some are a combination. Most individuals interviewed by the Grand Jury thought the Board should be composed of all elected officials or all senior management staff. They thought a mixed Board would not work as well.

Advantages and Disadvantages of Elected Officials Serving on the Board

The Grand Jury learned during its interviews that elected officials believe their perspective on issues such as collection rates would be more like that of a citizen than the perspective of a professional administrator. Having elected officials on the Board may give the public a sense that there is more direct control over the waste management service. Elected officials may be more proactive regarding informing the public and, given that they may be more sensitive to public scrutiny, they may be more likely to make decisions of which constituents approve.

Elected officials often have other careers and are generally very busy. Their time available to devote to waste management matters could thus be more limited, a disadvantage. Elected officials also have limited and variable terms of office thereby disrupting the continuity of the Board. Interviewees stated that there is a steep learning curve for new Board members. Several interviewees stated that elected officials might have outside pressure or influence from various groups in making their decisions. There also may be a need for more staff at SBWMA to assist elected official Board members, which might increase cost.

Advantages and Disadvantages of Staff Serving on the Board

Senior management staff provides professional management with experience in developing budgets, contracts, and long term planning. They generally have more time to devote to the duties of the Board because service on the Board is part of their “job description” and the time is anticipated and allocated. Many senior management staff members have served on the Board for several years and are very knowledgeable about SBWMA. Senior management staff has less pressure on it from outside influences. Senior management staff is more likely to make a sound business decision rather than a political one. Staff generally looks at the most efficient way to operate SBWMA

A possible disadvantage of senior management staff serving on the Board is inadequate communication between such staff and their governing councils. Interviews suggested that elected officials do not always have the information from the Board they feel they need. This is especially true in connection with setting collection rates.

Task Force Recommendation

The Daily Journal reported on May 2, 2013, that the Task Force had voted to recommend to the governing boards of the Member Agencies that the Restated Agreement be amended to change

the composition of the Board from senior management staff to an elected official from each governing body.⁷ The Task Force also recommended establishment of a technical advisory committee similar to that in place for the County Library joint powers authority.⁸ Each of these governing bodies will discuss and vote on the recommendations. The approval of eight of the twelve Member Agencies is required to amend the Restated Agreement.

One member of the Task Force advised the Grand Jury that the reason for the recommended change was that elected officials are required to vote on rate increases predicated on a budget approved by the Board, not the governing boards of the Member Agencies. This Task Force member also stated that the Task Force was of the view that elected officials are more sensitive to “fees” than senior management staff. This Task Force member was, however, unaware that many Member Agencies were including undisclosed fees and charges in waste service bills.

While this argument has some merit, the Grand Jury believes better communication between the Board member and his/her Member Agency can address the concern that the Member Agency does not have sufficient oversight of the SBWMA budget. Further, this concern is outweighed by the enhanced expertise and reduced exposure to outside influences provided by a Board composed of senior management staff. Therefore, after considering the evidence, the Grand Jury finds no compelling reason to change the current SWBMA governance structure from only senior management staff to only elected officials.

FINDINGS

- F1. One reason behind wanting to change the composition of the Board appears to stem from the public’s concern over rate increases and service changes.
- F2. The organizational structure of SBWMA is a complex issue that the public does not well understand.
- F3. The rates and the process of setting them are difficult to understand because so many variables, such as added city fees, come into play.
- F4. Customers would benefit from receiving itemized billing statements that show charges imposed by Recology and additional fees imposed by the relevant Member Agency.
- F5. Elected officials already have sufficient influence in the decision-making process because the governing body of each Member Agency must approve major decisions such as contracts and rate increases.
- F6. There is no demonstrable advantage to changing the Board composition from only senior management staff to only elected officials.
- F7. A technical advisory committee would be useful to a Board composed solely of elected officials if the Restated Agreement is amended to change SBWMA’s governance structure in this manner.

⁷ http://archives.smdailyjournal.com/article_preview.php?id=1770056 (May 13, 2013).

⁸ Interview with Task Force member.

RECOMMENDATIONS

The 2012-2013 San Mateo County Civil Grand Jury recommends that, each *Member Agency of SBWMA* do the following:

- R1. Disseminate more information to the public about SBWMA's operations, the role of its franchisees, and the rate setting process.
- R2. Request that Recology prepare a detailed billing statement for its customers that shows all charges imposed by Recology and itemizes all fees charged by the Member Agency.
- R3. Continue to appoint only senior management staff to the Board as stipulated in the 2005 Agreement.
- R4. If the Restated Agreement is amended to provide for a Board composed solely of elected officials, then put in place a technical advisory committee consisting of staff with technical experience in waste management.

The Grand Jury recommends that the *SBWMA Board* do the following:

- R5. Disseminate more information to the public about SBWMA's operations, the role of its franchisees, and the rate setting process through a variety of media.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests the following to respond to the foregoing Findings and Recommendations referring in each instance to the number thereof:

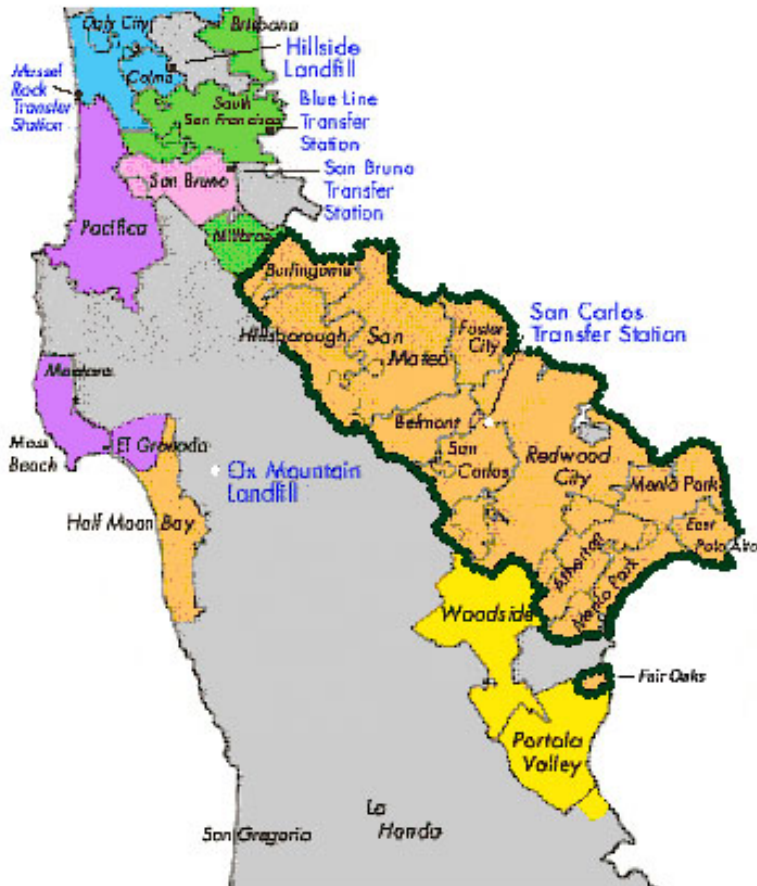
- SBWMA Member Agencies (Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, City of San Mateo, San Mateo County, and West Bay Sanitary District)
- South Bayside Waste Management Authority Board of Directors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.

APPENDIX A

SBWMA Service Area



Issued: June 17, 2013

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-149

Agenda Item #: D-3

CONSENT CALENDAR:

Approve the Re-Installation of Shared Lane Markings Within the Center Area of the Travel Lane on Menlo Avenue Between El Camino Real and University Drive and on University Drive Between Santa Cruz Avenue and Oak Lane and Authorize Staff to Seek Approval from the California Traffic Control Devices Committee for the Installation of Green Backed Shared Lane Markings

RECOMMENDATION

Staff recommends that the City Council approve the re-installation of shared lane markings, also known as sharrows, within the center area of the travel lane on Menlo Avenue between El Camino Real and University Drive and on University Drive between Santa Cruz Avenue and Oak Lane and authorize staff to seek approval from the California Traffic Control Devices Committee (CTCDC) for the installation of green backed shared lane markings.

BACKGROUND

In 2009, Shared Lane Markings were introduced in the California Manual of Uniform Traffic Control Devices (CAMUTCD).

The 2012 CAMUTCD is used as a State standard for the implementation of traffic control devices. Section 9c.07 states that Shared Lane Markings may be used to:

- A. Assist bicyclists with lateral positioning in a shared lane with on-street parallel parking in order to reduce the chance of a bicyclist's impacting the open door of a parked vehicle.
- B. Assist bicyclists with lateral positioning in lanes that are too narrow for a motor vehicle and a bicycle to travel side by side within the same traffic lane.
- C. Alert road users of the lateral location bicyclists are likely to occupy within the traveled way.

- D. Encourage safe passing of bicyclists by motorists.
- E. Reduce the incidence of wrong-way bicycling.

On July 31, 2012, the Council approved the design and installation of shared lane markings on Menlo Avenue between El Camino Real and University Drive and on University Drive between Santa Cruz Avenue and Middle Avenue as part of a pilot project. Subsequently, by the end of September, 2012, the City's striping contractor installed shared pavement markings at approximately 14 locations on Menlo Avenue and 16 on University Drive; please see Exhibit A1 in Attachment A.

On July 16, 2013, the Council approved a construction contract for the 2013-14 Slurry Seal Project to VSS International, Inc. The roadway segments of Menlo Avenue between El Camino Real and University Drive and University Drive between Santa Cruz Avenue and Oak Lane are part of the scope of work for the 2013-14 Slurry Seal Project.

ANALYSIS

For the pilot project, the shared lane markings were installed 12 feet from the face of curb, where on-street parallel parking is allowed. The current and the proposed spacing's are in compliance with the CAMUTCD that also states that "If used in a shared lane with on-street parallel parking, shared lane markings should be placed so that the centers of the markings are at least 11 feet from the face of the curb, or from the edge of the pavement where there is no curb".

Since this project is a pilot and the field of shared lane markings is evolving, staff monitored and observed how bicyclists were riding through the shared lane markings on these pilot roadways. Based on these observations, staff determined that to make it more effective for bicyclists, the placement of the shared lane markings should be modified from its current 12 feet from the face of curb to the center of the travel lane. The center area of the lane would be generally the better position for bicyclists to ride for the following reasons:

- This position would encourage cyclists to ride far enough away from parked vehicles to avoid being struck by suddenly opened car doors.
- The shared lane markings guiding bicyclists toward the center of the travel lane would discourage unsafe passing within the same lane by motor vehicles.
- The shared lane markings in the center area of the travel lane would alert motorists that bicyclists might be using the full travel lane. To pass a bicyclist who is using a full lane or a travel lane with shared lane markings, a motorist would wait for a safe opportunity to move entirely into an adjacent lane.

In conjunction with this pilot project, staff also considered green backed shared lane markings, which were recently installed in the Palo Alto and San Jose. Green backed shared lane markings are shared lane markings with a green background, either in slurry seal or thermoplastic paint, to make them more visible to motorists and bicyclists. However, green backed shared markings are not approved by Caltrans and would require approval from CTCDC in order to be installed as an experimentation; please see Exhibit A2 in Attachment A.

Staff recommended the above modifications to the Bicycle and Transportation Commissions at their August, 2013 meetings. Both commissions unanimously passed motions to recommend approval to Council of the installation of shared lane markings in the center area of the travel lane and for staff to seek approval of the installation of green backed shared lane markings from the CTCDC and subsequently, bring this item back to them for consideration.

IMPACT ON CITY RESOURCES

The shared lane markings re-installation is part of the scope of work for the 2013-14 Slurry Seal Project and therefore, there is no additional funding necessary for this re-installation.

POLICY ISSUES

This shared lane markings re-installation is consistent with several policies in the 1994 General Plan Circulation, Transportation Element and the El Camino Real and Downtown Specific Plan. These policies seek to enhance the safety of Bicyclists.

ENVIRONMENTAL REVIEW

The re-installation of shared lane markings is not a project under the current California Environmental Quality Act Guidelines.

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. Examples of Shared Lane Markings

Report prepared by:
Rene Baile
Transportation Engineer

Jesse T. Quirion
Transportation Manager

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Exhibit "A1" – Example of shared lane markings, consistent with existing markings.



Exhibit "A2" – Example of green backed shared lane markings.



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PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-151

Agenda Item #: D-4

CONSENT CALENDAR: **Adopt a Resolution of the City of Menlo Park Supporting the Ravenswood Avenue Grade Separation Analysis Project and Submitting an Application for Measure A Grade Separation Program Funding**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) in support of the Ravenswood Avenue Grade Separation Analysis Project (Project), and authorize staff to submit a grant application for Measure A Grade Separation Program funding for the Project's planning phase.

BACKGROUND

On June 7, 1988, the voters of San Mateo County approved a ballot measure (Original Measure A) to allow the collection and distribution by the San Mateo County Transportation Authority (TA) of half-cent transactions and use tax in San Mateo County for 25 years, with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters.

On November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA of the half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009 (New Measure A). The measure includes some funding for rail grade separation projects.

On November 13, 2012, the City Council authorized staff to submit a letter of interest to the TA for the Measure A eligible grade separation project in Menlo Park for a planning phase for the Ravenswood Avenue rail crossing. On August 5, 2013, the TA announced solicitations for candidate projects from the Measure A Grade Separation Program. The staff report and letter of interest are included as Attachment B and C.

ANALYSIS

The grant application for the Ravenswood Avenue Grade Separation Analysis Project is being prepared in accordance with the goals and objectives established by Council for this Project. The grant application is required to be submitted by September 13, 2013,

along with an approved resolution of support by the Council. Staff is still finalizing the grant application and will be seeking \$500,000 to \$750,000 to complete the planning phase for the Project.

The Ravenswood Avenue grade crossing is one of the most critical rail crossings in the Menlo Park corridor. Ravenswood Avenue has an average daily traffic (ADT) volume of 24,100 vehicles per day (vpd). It is classified as an arterial roadway and is a vital link east and west through Menlo Park. The intersection of Alma Avenue is immediately adjacent to the rail crossing and has a high pedestrian volume, especially for pedestrians walking to and from the rail station on the northwest corner of the intersection.

The goal for this Project is to provide Menlo Park the opportunity to evaluate alternatives for grade separation of the rail crossing of Ravenswood. Some of the issues that would be included in the analysis 1) cost difference between grade separation alternatives; 2) better understanding of traffic, pedestrian, and bicycle patterns for the various alternatives; 3) potential impacts associated with the various alternatives such as noise, aesthetics, and station configuration; and 4) evaluation of alternatives not included in the prior studies –a fully depressed train (trench); and selection of a project alternative to complete the planning phase for the Project and ultimately for inclusion in the preliminary engineering and environmental phase of the Project. The Project would have a full community engagement phase to provide an opportunity for the public to provide input at various stages of the analysis.

Based on the requirements of the grant, at least one alternative analyzed in the study will need to be consistent with the blended system for High Speed Rail. The blended system has not been fully determined at this time. However, Menlo Park's current position only supports a two-track blended system in Menlo Park, at or below grade.

IMPACT ON CITY RESOURCES

Staff resources are required to support this project. If funding is approved, staff will return to Council requesting to include project into the Capital Improvement Program. Adding this project will likely impact the timely completion of previously funded projects.

POLICY ISSUES

A review of potential grade separations is consistent with the City's current General Plan. Policy II-A-18 states that, "the City shall conduct a thorough feasibility study of grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings

specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

ENVIRONMENTAL REVIEW

This Council action is not subject to the current California Environmental Quality Act Guidelines. Any approved project will comply with all required environmental review documents to construct a project.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution
- B. November 13, 2012 Staff Report
- C. November 21, 2012 Grade Separation Letter of Interest

Report prepared by:
Fernando G. Bravo
Engineering Services Manager

Report prepared by:
Jesse Quirion
Transportation Manager

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RESOLUTION NO. _____**A RESOLUTION OF THE CITY OF MENLO PARK SUPPORTING THE RAVENSWOOD AVENUE GRADE SEPARATION ANALYSIS PROJECT AND SUBMITTING AN APPLICATION FOR MEASURE A GRADE SEPARATION PROGRAM FUNDING**

WHEREAS, the City of Menlo Park (City) is seeking funding to complete the Planning Phase for a cost range of approximately \$500,000 to \$750,000 in Measure A Grade Separation Program funds to complete the planning phase for the Ravenswood Avenue Grade Separation Project (Project); and

WHEREAS, The Ravenswood Avenue grade crossing is one of the most critical rail crossings in the Menlo Park corridor. Ravenswood Avenue has an average daily traffic (ADT) volume of 24,100 vehicles per day (vpd). It is classified as an arterial roadway and is a vital link east and west through Menlo Park. The intersection of Alma Avenue is immediately adjacent to the rail crossing and has a high pedestrian volume, especially for pedestrians walking to and from the rail station on the northwest corner of the intersection, and

WHEREAS, the additional study would provide Menlo Park the opportunity to evaluate alternatives for grade separation of this rail crossing. Some of the following issues would be included in the analysis 1) cost difference between grade separation alternatives; 2) better understanding of traffic, pedestrian, and bicycle patterns for the various alternatives; 3) potential impacts associated with the various alternatives such as noise, aesthetics, and station configuration; 4) evaluation of alternatives not included in the prior studies –a fully depressed train (trench); and 5) complete the planning phase for the Project selected alternative; and

WHEREAS, the City wishes to sponsor the implementation of the environmental phase for the Project, and

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure to allow the collection and distribution by the San Mateo County Transportation Authority (TA) of a half-cent transactions and use tax in San Mateo County for 25 years, with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters (Original Measure A); and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the TA the half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009 (New Measure A); and

WHEREAS, on November 13, 2012, the City Council authorized staff to submit a letter of interest to the San Mateo County Transportation Authority for the Measure A eligible grade separation project in Menlo Park; and

WHEREAS, TA issued a Solicitation for Projects for the Measure A Grade Separation Program on August 5, 2013; and

WHEREAS, TA requires a governing board resolution from the City committing the City to the completion of the Ravenswood Avenue Grade Separation Project planning phase for the Project and the City's application for \$500,000 to \$750,000 in San Mateo County Measure A Grade

Separation Program funds for completing the planning phase for the Ravenswood Avenue Grade Separation Project; and

NOW THEREFORE, BE IT RESOLVED AND IS HEREBY FOUND, DETERMINED, AND ORDERED AS FOLLOWS:

1. Directs staff to submit an application for San Mateo County Measure A Grade Separation Program funds for an amount ranging from \$500,000 to \$750,000 for the planning phase for the Ravenswood Avenue Grade Separation Project.
2. Authorizes the City Manager to execute all funding agreements with the San Mateo County Transportation Authority to encumber any Measure A Grade Separation Program funds awarded for this phase of the project.
3. Let it be known the City of Menlo Park commits to the completion of the Ravenswood Avenue Grade Separation Analysis Project if awarded the requested San Mateo County Measure A Grade Separation Program funds

I, Pam Aguilar, Acting City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty seventh day of August, 2013, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty seventh day of August, 2013.

Pamela Aguilar
Acting City Clerk



ATTACHMENT B PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 13, 2012
Staff Report #:12-174
Agenda Item #: F-2

REGULAR BUSINESS: Consider Submitting a Letter of Interest to the San Mateo County Transportation Authority for Measure A Eligible Grade Separation Projects in Menlo Park

RECOMMENDATION

Staff recommends City Council submit a letter of interest to the San Mateo County Transportation Authority for Measure A eligible grade separation projects in Menlo Park.

BACKGROUND

On September 28, 2012, the SMCTA issued a letter to all eligible grade separation project sponsors in cities within San Mateo County, the County of San Mateo, the Peninsula Corridor Joint Powers Board and SamTrans to submit letters of interests for potential projects to be considered. The letter is appended as Attachment A. There are 40 crossings along the Caltrain corridor that will need to be studied to prioritize for grade separation. SMCTA is in the process of establishing the criteria to prioritize fund allocations for preliminary design and initial environmental work under the New Measure A Grade Separation Program. The goal in submitting the letter(s) of interest for the projects are to assist SMCTA in evaluating the priorities of each community to establish the scope of projects in the Caltrain corridor and Dumbarton Rail corridor for the upcoming call for projects. Measure A will have approximately \$225 million for grade separation projects over the 25-year life of the measure, which would likely fund four to five projects.

The SMCTA approved the New Measure A Program on the December 3, 2009 Implementation Plan, but deferred decision on how to implement programming of the funds in the Grade Separation Program. This was done to coordinate the Grade Separation Program with the High Speed Rail Project.

A background summary of previous Council sessions for the Menlo Park potential Caltrain grade separation projects is appended in Attachment B of this staff report.

ANALYSIS

Currently, two tracks pass through Menlo Park and Council recently approved a current position statement that indicated support for two tracks at-grade for the future Caltrain blended system with the High Speed Rail Project. Currently, Caltrain is analyzing a blended system with 4-track passing sections in some areas, but not in Menlo Park. However, a 3-track passing section that includes Menlo Park is being studied. The

second consideration is the station platform configuration. Either outboard or center-boarding platforms must be assumed in order to establish an accurate layout of the station area.

An outboard station consists of platforms on both sides of the tracks, requiring trains to use a specific track when entering the station. This is the current configuration of the Menlo Park station. In a four-track configuration, passengers could only board from the two outside tracks. The inside tracks would only be used to allow express trains to pass local trains.

The center-boarding platform consists of a center platform with tracks on either side, allowing trains to use the tracks on either side of the platform to pick up passengers. In a four-track configuration two center-boarding platforms would be utilized, one serving northbound trains and one serving southbound. The center-boarding platform allows greater flexibility for use of the rail lines, but would require a larger area for the station. In the previous BKF study, the configuration of the platform was assumed to be outboard. A change from an outboard to a center-boarding platform could reduce the amount of the previous study that can be utilized and/or refined.

The 2003/04 Menlo Park Grade Separation Study has not been updated and Council has never finalized a preferred grade separation alternative. The City's 2003/04 preliminary study evaluated four basic alternatives each assuming 4-tracks at-grade for adjacent jurisdictions:

1. A "Trench" Alternative – keeps the roads at present grade and depressing the railroad track approximately 30-feet in the ground. This alternative is shown in "Figure 1 –Underground Track Alternative," page 5 of the June 2003 BKF Report. This option creates a trench through the City with high fences, depressed station platforms 30 – feet in the ground. In addition to the visual impacts, this option was considered not feasible at the time because of the San Francisquito Creek crossing at El Camino and the 1% grade limitation to get under Ravenswood and Atherton, gravity utility crossings conflicts, drainage and flooding, and high cost.
2. An "Overpass" Alternative – keeping the tracks at their present grade and reconstructing the roadways on 30-foot high structures. This alternative is shown in "Figure 2 – Millbrae Avenue Grade Separation in Millbrae," page 5 of the June 2003 BKF Report. Visually this option would resemble a freeway interchange, and the street connections parallel to the tracks would be extremely difficult. Finally, this option was also not recommended, because of the large foot print for grade transitions and impacts to Ravenswood and El Camino.
3. An "Underpass" Alternative – Keeping the tracks at-grade and depressing the roadway 20-feet below the grade of the tracks (This alternative is also referred to as the Depressed Street & Elevated Tracks Alternative.). This alternative was evaluated in both the June 2003 BKF report as shown in "Figure 3 – Jefferson Underpass in Redwood City," page 5; and the September 2004 Supplemental Study further described in Appendix B of the report, Alternative 1. This project requires retaining walls up to 20 –feet high, it would limit access to adjacent

properties, and there would be no track changes between crossings. A more detailed study is needed to determine which parallel side streets should connect and how this affects the traffic circulation and adjacent properties.

4. A “Split” Alternative – partially lowering the road crossings and partially raising the tracks to create a 20 – feet differential between the track elevation and the roadways. This alternative was evaluated in both the June 2003 BKF report as shown in “Figure 4 – Split Alternative, Holly Grade Separation in San Carlos,” page 6; and the September 2004 Supplemental Study further described in Appendix B of the report, Alternative 2. This option would require construction along the entire corridor (long embankments), train noise may travel further with the raised tracks, but it would provide a better opportunity to connect side streets and reduce the impacts to adjacent properties. This option was considered feasible, but would also require a more detail analysis to determine which parallel side streets should connect and how this affects traffic circulation and adjacent properties.

The previous study focused on 4-tracks alternatives, but a 2-track system currently supported by the City Council would reduce impacts. Construction methods could also help to reduce impacts. Caltrain and HSR also conducted a conceptual analysis of the track grade through the peninsula. They provided an aerial structure, trench, and tunnel alternative. They did not come to any conclusion with their study as the project turned its focus to the blended system currently under review by Caltrain. This study allowed more flexibility in that the alternatives could extend between jurisdictions.

SMCTA Measure A Letter of Interest

Letters of interest regarding the City’s priorities for grade separation projects need to be submitted to SMCTA to better frame the competitive process in preparing for the call for projects request in the future. Menlo Park is in a unique position, because our community has grade separation projects for the Caltrain corridor, and the Dumbarton Rail corridor. SMTCA has not determined if the call for projects will include projects in the Caltrain or Dumbarton Rail corridor. The letter of interest does not commit the City to a specific future project. If the City chooses to proceed forward with a grade separation project, a new study of the alternatives for grade separations would need to be conducted in order for the City to select a preferred alternative.

SMCTA is requesting that Menlo Park rank the grade separation projects in order of priority, giving Menlo Park the flexibility to include projects from both corridors. The following projects are candidates for grade separation by corridor; in priority order based on traffic volumes:

Caltrain Corridor:

1. Ravenswood Avenue (ADT 24,100 vehicles per day (vpd))
2. Oak Grove Avenue (ADT 9,700 vpd)
3. Glenwood Avenue (ADT 5,900 vpd)

4. Encinal Avenue (ADT 5,300 vpd)

Dumbarton Rail Corridor:

5. Willow Road SR 84 (ADT 37,500 vpd)

6. Marsh Road (ADT 27,000 vpd)

7. Chilco Street (ADT 6,900 vpd)

SMCTA is asking eligible sponsors to provide the following information for the nominated projects by order of priority in a letter of interest:

1. A prioritized list of at-grade railroad crossings within your jurisdiction that would be a candidate for elimination, if there is more than one such crossing;
2. A proposed time frame for completion of the project(s), and the specific rationale for such time frame;
3. Discussion of safety and local traffic congestion concerns in the proposed project area;
4. Discussion of how the project(s) could support economic development and transit-oriented development in the proposed project area;
5. Discussion of other funding sources that can be secured to leverage Measure A funds for the project;
6. Demonstration of support from the city council and the community through a deliberative planning process.

Based on Council direction, staff will complete the requested information the projects selected to be included in the letter of interest to the SMCTA. Letters are due November 21, 2012, so there is a very short turnaround time. When the call for projects is realized, staff will bring the specific intersection(s) grade separation project candidate(s) for Council approval prior to submittal.

IMPACT ON CITY RESOURCES

Staffs resources are required to support this project during the CEQA analysis and preliminary design phase to assure Menlo Park's best interests are represented. If funding is approved, staff will return to Council with a CIP Project, and it will likely impact the timely completion of previously funded projects.

POLICY ISSUES

A review of potential grade separations is consistent with the City's current General Plan. Policy II-A-18 states that, "the City shall conduct a thorough feasibility study of

grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

ENVIRONMENTAL REVIEW

This Council action is not subject to the current California Environmental Quality Act Guidelines. Any approved project will comply with all required environmental review documents to construct a project.

Signature on file
Fernando Bravo
Engineering Services Manager

Signature on file
Chip Taylor
Director of Public Works

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. Transportation Authority Call for Projects Letter September 28, 2012
- B. Background Summary of Previous Council Sessions on Grade Separation
- C. Staff Report #03-101 June 10, 2003
- D. Staff Report #04-207 October 19, 2004
- E. Staff Report #07-200 November 27, 2007
- F. Staff Report #08-014 January 29, 2008

Links: [BKF Grade Separation & New Station Feasibility Study 2003](#)
[BKF Grade Separation Feasibility Study Supplement 2004](#)

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September 28, 2012

City/County Manager
City/County Public Works Directors

The San Mateo County Transportation Authority (TA) is soliciting Letters of Interest from eligible grade separation project sponsors for potential project candidates under the New Measure A *Grade Separation* program.

The Letters of Interest would assist the TA in preparing a Call for Projects (CFP) that would be used to prioritize projects for fund allocations for preliminary design and initial environmental work. But before doing so, we would like to solicit information from eligible sponsors to better frame the competitive process since the amount of funding is limited.

Eligible sponsors include the cities within San Mateo County, the County of San Mateo, the Peninsula Corridor Joint Powers Board and SamTrans.

In 2004, the voters of San Mateo County reauthorized the Measure A program and approved the half-cent sales tax for another 25 years (2009 – 2033). A provision of the Expenditure Plan provides that 15 percent of the sales tax revenues be allocated to eliminate at-grade rail crossings through the Grade Separation program. It is estimated that the sales tax will generate \$225 million (in 2004\$) over the 25-year life of the measure.

A description of the *Grade Separation* program from the 2004 Expenditure Plan is enclosed as Exhibit "A".

At its December 3, 2009 meeting, the TA Board had approved the New Measure A Program Implementation Plan but deferred decision on how to implement programming of funds in the *Grade Separation* program. This was done to better coordinate grade separation needs with the California High Speed Rail project. The State recently appropriated funding for the Caltrain Early Investment Program to implement the Caltrain Advanced Signal System (CBOSS/PTC) project and improvements that allow the operation of electrified Caltrain service. The Caltrain Early Investment Program projects would prepare the corridor for a future blended system that supports Caltrain and high-speed rail service.

In light of this latest development, the TA considers it prudent to begin some planning and environmental work on possible grade separation projects in the Caltrain corridor to further support the future blended system.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
1250 San Carlos Ave. – P.O. Box 3006
San Carlos, CA 94070-1306 (650)508-6219

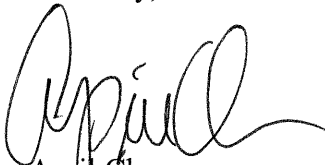
We are asking eligible sponsors to provide the following information by November 21, 2012 in a Letter of Interest:

1. A prioritized list of at-grade railroad crossings within your jurisdiction that would be a candidate for elimination, if there is more than one such crossing;
2. A proposed time frame for completion of the project(s), and the specific rationale for such time frame;
3. Discussion of safety and local traffic congestion concerns in the proposed project area;
4. Discussion of how the project(s) could support economic development and transit-oriented development in the proposed project area;
5. Discussion of other funding sources that can be secured to leverage Measure A funds for the project;
6. Demonstration of support from the city council and the community through a deliberative planning process

Please email the letter to chungc@samtrans.com. Information collected from these letters would better assist the TA in structuring the project selection process.

If you have any questions regarding this request, please feel free to call me at 650-508-6228 or Celia Chung, Interim Manager, Programming & Monitoring, at 650-508-6466.

Sincerely,



April Chan
Executive Officer, Planning & Development



SAN MATEO COUNTY
**Transportation
Authority**

2004 Transportation Expenditure Plan

- Developed with extensive public input
- Approved by the San Mateo County Transportation Authority, San Mateo County Board of Supervisors, each of the 20 cities within San Mateo County and the Metropolitan Transportation Commission

Estimated annual distribution percentage (based on 2004) and dollars to each City and the County are shown below:

	<u>Allocation Percentage</u>	<u>Estimated Funding</u>
Atherton	1.886	\$ 6,365,250
Belmont	3.543	\$ 11,957,625
Brisbane	0.818	\$ 2,760,750
Burlingame	4.206	\$ 14,195,250
Colma	0.299	\$ 1,009,125
Daly City	10.413	\$ 35,143,875
East Palo Alto	3.215	\$ 10,850,625
Foster City	3.364	\$ 11,353,500
Half Moon Bay	1.596	\$ 5,386,500
Hillsborough	3.000	\$ 10,125,000
Menlo Park	4.851	\$ 16,372,125
Millbrae	2.917	\$ 9,844,875
Pacifica	5.174	\$ 17,462,250
Portola Valley	1.488	\$ 5,022,000
Redwood City	9.612	\$ 32,440,500
San Bruno	5.034	\$ 16,989,750
San Carlos	4.271	\$ 14,414,625
San Mateo	11.797	\$ 39,814,875
South San Francisco	7.649	\$ 25,815,375
Woodside	1.683	\$ 5,680,125
County of San Mateo	13.184	\$ 44,496,000
County Total	100.000	\$337,500,000

D. Grade Separations

Project: *1. Rail Grade Separations*

Cost: \$350 million. Sales tax contribution estimated at \$225 million, State \$125 million.

Sponsors: SamTrans, San Mateo County, Cities and Peninsula Corridor Joint Powers Board

Description: This project provides funding for the construction or upgrade of overpasses and underpasses (grade separations) along the Caltrain and Dumbarton rail lines. The Candidate Projects are listed below. Funds will not be adequate to construct or upgrade all Candidate Projects. The TA will determine Candidate Project selection and prioritization in conjunction with the project sponsors, based upon the California Public Utilities Commission formula and the desire of the City involved.

CANDIDATE GRADE SEPARATION PROJECTS

City	Street	City	Street
South San Francisco	Linden Avenue	San Mateo	25 th Avenue
San Bruno	Scott Street	Redwood City	Whipple Avenue
San Bruno	San Bruno Avenue	Redwood City	Brewster Avenue
San Bruno	San Mateo Avenue	Redwood City	Broadway
San Bruno	Angus Avenue	Redwood City	Maple Street
Millbrae	Center Street	Redwood City	Main Street
Burlingame	Broadway	Redwood City	Chestnut Street
Burlingame	Oak Grove Avenue	Redwood City	Middlefield Road
Burlingame	North Lane	Redwood City	2 nd Avenue
Burlingame	South Lane	Redwood City	5 th Avenue
Burlingame	Howard Avenue	Atherton	Fair Oaks Lane
Burlingame	Bayswater Avenue	Atherton	Watkins Avenue
Burlingame	Peninsula Avenue	Menlo Park	Encinal Avenue
San Mateo	Villa Terrace	Menlo Park	Glenwood Avenue
San Mateo	Bellevue Avenue	Menlo Park	Oak Grove Avenue
San Mateo	1 st Avenue	Menlo Park	Ravenswood
San Mateo	2 nd Avenue	Menlo Park	Marsh Road
San Mateo	3 rd Avenue	Menlo Park	Chilco Street
San Mateo	4 th Avenue	Menlo Park	Willow Road SR 84
San Mateo	5 th Avenue	East Palo Alto	University Avenue
San Mateo	9 th Avenue		

CANDIDATE UPGRADE OF EXISTING GRADE SEPARATION PROJECTS

San Mateo	Poplar Avenue	San Mateo	Mt. Diablo Ave.
San Mateo	Santa Inez Avenue	San Mateo	Tilton Avenue
		Menlo Park	Highway 101

E. Pedestrian and Bicycle

- Project:** *1. Pedestrian and Bicycle Facilities*
- Cost:** \$70 million. Sales tax contribution estimated at \$45 million. State \$25 million.
- Sponsors:** Cities and County of San Mateo

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Background Summary of Previous Council Sessions

Menlo Park Potential Caltrain Grade Separation

On June 2003, BKF Engineers, Planners and Surveyors (BKF) completed a preliminary grade separation study for the Caltrain railroad tracks and roadways in Menlo Park, appended in a link to this staff report. The study areas included grade separation at Ravenswood Avenue, Oak Grove, Glenwood, and Encinal Avenues. The preliminary study included the assumption of 4-tracks within Menlo Park and the tracks would be at-grade at both the north and south City limits. This preliminary study also included four alternatives consisting of road overpass, road underpass, trench, and split (rail over road) for the grade crossings in Menlo Park. The study included preliminary information regarding the impact of the alternatives within Menlo Park. The four alternatives were to be further evaluated and refined in future studies, and other potential alternatives were to be developed to the same level as the previous four.

The Council directed that the grade separations be nominated in a list of possible future projects to be considered for inclusion for funding under the proposed reauthorization of the San Mateo County Measure A sales tax for transportation improvements. At the time, Council supported the split grade separation, and directed staff to further evaluate the deep underpass, potential to close Encinal and Glenwood, evaluate aesthetic considerations, and continue public outreach. The staff report for this 2003 BKF study session is attached as Attachment C, Staff Report #03-101.

On October 19, 2004, Council received a supplemental grade separation feasibility study report, appended in link to this staff report, evaluating Council's concerns stated above. The supplemental study established that the deep underpass would have greater impacts and be more costly, and the closure of Encinal and Glenwood would not be practical. The prior studies resulted in furthering the City's knowledge of grade separations but due to funding limitations, not all aspects of the grade separations could be studied. Council did not make any recommendations at that point, and the motion included meeting with other cities and possibly state representatives. Several meetings were held with elected officials of Atherton, Palo Alto, Mountain View and Redwood City. At those meetings, it was clear that each city had different issues and concerns with grade separations. The staff report for this 2004 BKF Supplemental study session is attached as Attachment D, Staff Report #04-207.

On November 27, 2007, staff provided a comprehensive update to Council on the Caltrain Grade Separation Footprint Study, including the 2003 and 2004 Menlo Park grade separation studies. At that meeting, staff indicated additional studies were needed, since all previous studies ultimately did not result in the City selecting a preferred alternative, and the City has not taken a formal position on whether or not should pursue grade separations. In order for Menlo Park to be prepared for the next steps in evaluating the various alternatives, an additional study would be needed to address some of the different aspects the previous studies did not evaluate. More particularly, the additional study would provide Menlo Park the opportunity to evaluate some of the following issues not addressed previously include: 1) cost difference between grade separation alternatives; 2) better understanding of traffic patterns for the

various alternatives; 3) potential impacts associated with the various alternatives such as noise, aesthetics, and station configuration; and 4) evaluation of alternatives not included in the prior studies –a fully depressed train (trench) and a fully elevated train. These issues were also discussed at a Menlo Park and Town of Atherton City Council joint study session on January 29, 2008. The staff reports for these study sessions are attached as Attachment E – Staff Report #07-200, and Attachment F - Staff Report #08-014.

Since 2003, Caltrain has signed a Memorandum of Understanding (MOU) with the California High Speed Rail Authority for funding Early Investment Projects, such as the electrification of the Caltrain corridor along the Peninsula as well as Positive Train Control. Caltrain is also currently performing a service plan/operation study as well as traffic analysis of the at-grade intersections with the addition of high speed rail trains during the peak hour with shared tracks. Grade separations in Menlo Park may be a consideration for the at-grade crossings, depending on the impacts and results of the two studies. Caltrain is currently reviewing passing tracks with 4-tracks in some areas or potentially 3-tracks over a larger area, which may affect Menlo Park directly.

Recently, the State appropriated funding for the Caltrain Early Investment Program to implement the Caltrain Advanced Signal System Project to allow the operation of electrified Caltrain service. This project is intended to enhance the Caltrain system and would also be compatible with a future blended system that supports Caltrain and high-speed rail service.

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TRANSPORTATION DIVISION

Council Meeting Date: June 10, 2003

Staff Report# 03-101

Study Session Agenda Item # 1

STUDY SESSION: Review Findings and Recommendations of Grade Separation Study Report

The purpose of this study session is to review the findings and recommendations of the engineering feasibility study of alternatives for grade separating the City of Menlo Park's four public street grade crossings of the Caltrain rail line.

BACKGROUND

On July 10, 2001, the Menlo Park City Council authorized staff to obtain funding from the San Mateo County Transportation Authority (SMCTA) to fund a study of grade separating the City's street crossings of the Caltrain rail line. Funds for this purpose were subsequently granted by the SMCTA and on July 16, 2002 the City Council authorized the feasibility study. The purpose of the grade separation feasibility study is to determine if there are more desirable ways of grade separating the streets from the tracks than were evident in 1990 when the City last performed a grade separation feasibility study.

The feasibility study was led by BKF Engineers/Surveyors/Planners. The engineering analysis is now completed. This study session is an opportunity for the Council to consider the technical work and findings in depth. At the Council's discretion, it can make decisions regarding any further actions with regard to grade separations at a future Council meeting with this matter agendaized as a "regular business" item. The Council may wish to consider supporting grade separations as a regional project for the 2004 ballot to reauthorize Measure A. Approval of a Measure A reauthorization project list is agendaized under regular business later this evening.

ANALYSIS

The Engineers Report on the project accompanies this staff report. Key findings and implications of the engineers analysis are summarized below.

The Peninsula Corridor Joint Powers Board (JPB)'s long range plan would operate the Caltrain service in a manner that will require a 4-track grade-separated system between San Jose and San Francisco. Even if the JPB's interest was solely expansion to a 4-track system, California Public Utilities Commission (PUC) regulations require that crossings involving four tracks be grade separated.

The above circumstances hold two important implications for Menlo Park. One is that grade separations are eventually likely to be built in Menlo Park without any requirement of substantial City funding toward their construction and without City government taking the lead to initiate the project development. The second is that the City has the choice of proactively planning the form of the future rail system through the center of the City, or

attempting to influence the design at such time as the Menlo Park segment becomes a priority for the JPB. The City also has the choice of opposing development of grade separations and/or any additional rail tracks through Menlo Park.

Theoretically, there are six ways to grade separate the roadway crossings of the tracks:

- 1) Leave the roads at grade and depress the tracks below the roadways;
- 2) Leave the tracks at grade and elevate the roadways over the tracks;
- 3) Leave the tracks at grade and depress the roadways beneath the tracks;
- 4) Partially elevate the tracks and partially depress the roadways;
- 5) Partially depress the tracks and partially elevate the roadways;
- 6) Leave the roadways at grade and elevate the tracks above the roadways.

Of these, option "4" of partially elevating the tracks and partially depressing the roadways appears the most feasible from considerations of community benefits and impacts, constructability, right-of-way requirements and costs. A brief evaluation of the other options is below.

Evaluation of Other Options

A key consideration is that vertical clearance requirements are different, depending on whether the rails pass above the roadways or the roadways pass above the rails. When the roadways pass beneath, the vertical separation necessary between the running surface of the road and the top of the rails is 20 feet. Where the rails pass beneath the roadways, the necessary vertical separation between the surface of the road and the top of rails is about 30 feet. This differential makes it much more difficult to maintain linkages to nearby roadways and driveways and to avoid acquisition of private property due to severance of access or in order to maintain access to other affected properties.

Depressing the rails completely below grade (Option 1) is not feasible because of constraints at the San Francisquito Creek crossing (and potentially at the Atherton limit also). Option 5, a variant of Option 1 involving a partially depressed railway, would be far more costly than other alternatives because of the extent of excavated material, the extent of construction of retaining walls, the need to provide extensive drainage systems and the more extensive need to relocate utilities. Furthermore, it would not achieve the appealing results commonly expected because the walls of the trench structures would project above ground and be topped by high fences, creating a continuous (except at the street crossings) physical and visual barrier across the community.

Option 2, roadway overpasses with the road left at grade, is not feasible because the extreme height (and consequent length) of the structures necessary would create extensive severance of access to roads as well as public and private property, resulting in the need for extensive acquisition of private property. All four of the long, high structures would be visually intrusive – as high as a 3-story commercial building – and would have forms difficult to soften with landscape. In addition, the overcrossing at Ravenswood would not reach grade until west of El Camino Real, necessitating undesirable retaining walls between the street and the sidewalks on the El Camino and Menlo Avenue frontages near their intersection with Ravenswood.

Option 3, leaving the rails at grade and depressing the roadways beneath them, is essentially a refinement of the rejected 1990 plans and exhibits the same fundamental

difficulty. Because of the necessary depth of the undercrossing and consequent length of the approach slopes to it, there would be extensive severance of access to roads and public and private facilities. This would necessitate extensive acquisition of property to compensate for loss of access or to restore access for other properties and facilities.

Option 6, leaving the roads at grade and fully elevating the rails, is significantly more costly than Option 4 and exaggerates the least desirable features of that plan. Its greater height and mass would be a greater visual obstruction and a form more difficult to soften with architectural treatments and with landscape. Its greater height would also increase the sense of invasion of privacy and concern for broadcast of undesirable train noise. Its construction would also involve transport of considerably more materials than Option 4.

Implementation of Preferred Plan

As previously noted, the preferred alternative is Option 4, which would partially elevate the tracks and partially depress the roadways. This option, or any concept that involves changing the grade of the rails, would involve construction of all four grade separations as a single project. A construction period of about two years would be required.

Construction sequence for the preferred alternative would be as follows:

- 1) Temporary tracks to maintain rail operations during the construction period would be built at grade, west of the existing rail line.
- 2) Temporary road crossings would be constructed alongside the existing crossings.
- 3) New structures would be constructed on the existing road alignments and the rail gradient would be altered along the existing main line (while rail operations continue on the temporary tracks).
- 4) When the new structures and the alterations to the mainline rail grade are complete, traffic will be shifted to the new structures on the original roadway alignments (with impaired vertical clearance), the gaps in the mainline that provided the temporary roadway crossings will be filled in, rail operations will be shifted back to the now grade-separated mainline, and the temporary construction tracks will be removed.
- 5) One at a time, the grade separation structures will be finished out to full vertical clearance.

The grade separation project would involve acquisition of private property for right-of-way in two relatively inconsequential strips. One would be an approximately 10 foot wide strip within the City's Plan Lines for the extension of Garwood Way through to Dairy Lane, which is an essentially undevelopable area of land. The other is an approximately 10 foot strip paralleling the tracks along the current east fence line of the Menlo Station complex, essentially the strip between the parking area and the fence line. The need for these right-of-way acquisitions is to provide land to achieve the JPB's objective of a four-track mainline; it is not a consequence of which grade separation project option is chosen.

Developing the four track mainline and the temporary tracks to maintain rail operations during its construction will necessitate some temporary, minor construction easements on private property. However, construction needs pose a significant issue within the train

station area. The former depot and rail freight buildings (now occupied by the Chamber of Commerce and the model railroaders respectively) are historic structures. If the structures can be relocated and preserved within the station complex, consequences of right-of-way needs in the station area would be minimized. However, if the buildings must be maintained in their exact locations, there would be significant consequences in the construction period and thereafter. In that case, the temporary tracks to maintain rail operations during construction would have to be in Merrill Street in the block between Santa Cruz and Oak Grove Avenues. This block would have to be closed to motor vehicle traffic for most of the construction period, with obvious impacts on local circulation and for businesses that depend on Merrill Street for access. Also, because the mainline tracks would need to be offset to the east to leave the depot building undisturbed on its present location, Alma Street would be significantly narrowed permanently in the block between Ravenswood and Oak Grove, and would be only wide enough to sustain one-way traffic in that block. This is an issue in the case of all grade separation alternatives that would change the elevation of the tracks, not just the preferred Option 4.

Construction of the widened rail line and the temporary surface trackage would potentially involve significant loss of mature trees in the corridor. Modern technology makes it possible to transplant or to uproot, store and replant large trees with a high rate of survival. This technology could allow some existing trees to be preserved and thereby, to develop a project landscaped with a mature tree canopy immediately upon completion.

Grade separations would eliminate the principal source of disturbing rail-related noise concerns in this area; the sounding of train horns and crossing warning bells. Raising the grade of the rails (as in the preferred alternative) would change (broaden) the area over which the sounds of engine noises and of the passage of steel wheels on steel rails projects. However, acoustic studies indicate the changes would not be at levels that would be disturbing or even noticeable to the normal person. Ultimately, electrification may eliminate engine noise. Including noise mitigation in the project (such as extending retaining walls above the train undercarriage level) could potentially limit the propagation of wheel-on-track sounds.

Elevating the grade of the rails poses issues of privacy intrusion and view interruptions for persons living close to the tracks. The poses a trade-off since those most directly impacted by the privacy/view issue are the same people who benefit most through the elimination of train horn and crossing warning bell noise.

Preliminary findings of the work were presented to the public at a public meeting on December 10, 2002. In advance of that session, which had an attendance estimated in excess of 150 individuals, all households and non-residential addresses in Menlo Park were mailed invitations to the meeting. On April 10, 2003 a special joint session of the Planning and Transportation Commissions was held to review the study findings.

Next steps

The study has, at this point, fully carried out the Council's charge of providing engineering feasibility information as to how grade separation of the City street crossings of the tracks could be carried out and what the consequences might be. If the Council wishes to take further action, it could agendize this matter at a subsequent meeting and consider the following steps, many of which are not mutually exclusive:

- Direct staff to continue with a public outreach process in order to disseminate information about the potential project and to gauge public opinion in a manner responsive to Policy II-A-18 of the General Plan (see Policy Issues below).
- Direct the Planning and Transportation Commissions to: consider the study findings in the update of the General Plan; incorporate the study recommendations in the General Plan update or initiate an amendment to the current General Plan to incorporate the study recommendations, in advance of the General Plan update process.
- Direct staff to seek funding for further engineering, planning and urban design of the project from the JPB and SMCTA and, upon obtaining funds, to proceed with such studies.
- Request that the JPB prepare a “Project Report” (more detailed railroad design engineering) in coordination with the planning/urban design studies that the City might lead.
- Request that SMCTA include (or not include) funding for the Menlo Park grade separations as a “Caltrain project” in the Measure A reauthorization. (This particular action could be taken at the “regular business” item on Measure A Extension that is included on tonight’s agenda.)
- Take no further action at this time.

IMPACT ON CITY RESOURCES

Since the JPB’s plans now envision a four-track system on the entire route from San Jose to San Francisco and since PUC regulations require that crossings involving four tracks be grade separated, the grade separation project has essentially become a Caltrain improvement issue. The City’s reasonable expectation in the matter is that the cost to implement grade separation of the Caltrain line through Menlo Park, and to plan and design it, would be fully funded through reauthorization of the San Mateo County Measure A sales tax plus state and possibly federal funds, without significant contribution by the City. If the City desires to undertake further engineering and urban design studies of the concepts, these could likely be funded (including City staff time to coordinate the project) through current or future Measure A regional monies specially allocated to the City for this purpose (as distinct from Measure A monies allocated to the City for its discretionary use).

The dedication of staff time to the grade separation matter will impact the availability of staff to address other community transportation issues.

POLICY ISSUES

General Plan policy 11-A-18 states that the City shall conduct a thorough feasibility study of the grade separation projects included in the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail

service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.

Given that it is the JPB's intent to develop a four-track operation and that PUC code requires grade separation of crossings involving four tracks, the City may wish to revisit this policy and determine if the demonstration of need has been fulfilled.

Other General Plan policies relating to bicyclist and pedestrian access, public transit, roadway circulation, public safety and emergency services do not directly address the subject of grade separations but can be interpreted in a manner supportive of the grade separation concept.

ENVIRONMENTAL REVIEW

Grade separation of existing grade crossings and expansion of trackage on commuter rail operations are both activities that are statutorily exempt from the California Environmental Quality Act. No action currently contemplated by the City in relation to the recommended project would require environmental review. Ultimately, if the JPB and the City were to adopt plans that specifically committed to relocating the historic structures that are in the station complex in order to preserve them, specific documentation related to historic preservation would be required. At the present stage of project development, issues regarding the manner of preservation of the historic buildings are merely being identified and no decisions are being made as to whether the structures will be preserved in place or preserved by being relocated within the station complex.

Dan Smith Jr.
Transportation Consultant

Jamal Rahimi
Transportation 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.



PUBLIC WORKS DEPARTMENT

Council Meeting Date: October 19, 2004
Staff Report #: F-1
Agenda #: 04-207

REGULAR BUSINESS: Review of Grade Separation Feasibility Study Findings and Recommendations and Consideration of Further Potential Actions on the Matter

RECOMMENDATION

Staff recommends that the Council consider the findings of the Grade Separation Feasibility Study and take the following actions:

1. Affirm that the "Split" and "Underpass" alternatives are the preferred alternatives for grade separations to be considered for further study work.
2. Request that the Peninsula Corridor Joint Powers Board (JPB) prepare a "project study report" for all four Menlo Park crossings (a more detailed railroad engineering study) in coordination with the City's planning/urban design studies.
3. Consider and give staff direction on the Transportation Commission recommendation to include the City of Palo Alto and Town of Atherton in the next level of project development.

BACKGROUND

Over the past decade, rail traffic on the Caltrain system has increased by roughly one-third. Over the next decade, rail traffic is planned to increase by another ten to twenty percent over current levels. The growth in rail traffic has increased the disruption to east-west travel, raised emergency response concerns and heightened complaints about train horn noise. These considerations made a reexamination of grade separation possibilities timely and appropriate.

In 1990, the City conducted a preliminary feasibility study of constructing grade separations between the Caltrain rail alignment and Ravenswood, Oak Grove, Glenwood and Encinal Avenues. In some cases, the 1990 designs have been rendered obsolete by subsequent development. In other cases, the 1990 designs involved awkward treatments for bicyclist and pedestrian movements and awkward connections to surrounding streets and property accesses.

Given the above considerations, it seemed appropriate for the City to pursue an updated design feasibility study for grade separations. Doing the feasibility study does not commit the City to actually constructing any grade separations; it simply provides Menlo Park with an up-to-date understanding of what feasible alternative design configurations would entail.

On July 1, 2001, the City Council authorized staff to apply to the San Mateo County Transportation Authority for funds to conduct a feasibility study of grade separations at Ravenswood, Oak Grove, Glenwood and Encinal Avenues from the Caltrain rail line and, upon receipt of the Transportation Authority funding commitment, to develop a work scope and solicit consultant proposals for conducting the feasibility study. In October 2001, the Transportation Authority authorized an allocation of \$188,000 to Menlo Park for the purpose of funding such a study.

On July 16, 2002, the City Council authorized the City Manager to enter into an agreement in the amount of \$195,000 with BKF Engineers, Surveyors and Planners to conduct a feasibility study of grade separations at Ravenswood, Oak Grove, Glenwood and Encinal Avenues from the Caltrain rail line.

On June 10, 2003, the City Council held a study session to review the findings and recommendations of the engineering feasibility study of alternatives for grade separating the City of Menlo Park's four public street crossings of Caltrain. The options included in this study were:

- A "Trench" Alternative, which would lower the tracks and keep the roadway at existing grade;
- An "Overpass" Alternative, which would raise the roadway and keep the tracks at existing grade;
- An "Underpass" Alternative, which would lower the roadway and keep the tracks at existing grade; and
- A "Split" Alternative, which would partially lower the roadway and partially raise the tracks.

Following the June 10 study session, acting in regular session on the same date, the Council directed that the grade separations be nominated in a list of possible future projects to be considered for inclusion for funding under the proposed reauthorization of the San Mateo County Measure A sales tax for transportation improvements. Under the current Measure A reauthorization expenditure plan, \$225,000,000 has been programmed for grade separation projects throughout San Mateo County. The crossings within the City of Menlo Park are eligible for this funding along with all other at grade railroad crossings on the Caltrain system. Including funding for Menlo Park's grade crossings in Measure A keeps the City's options open if it chooses to pursue grade separations in the future. The reauthorization of Measure A goes to the voters of San Mateo County in November 2004 for approval.

On September 9, 2003, the City Council reviewed and considered the findings of the study in which staff recommended as the preferred design the Split Alternative, which involves partially elevating the grade of the rails and partially depressing the grade of the streets. Upon conclusion of its deliberations, the Council directed staff to do the following:

1. Continue to consider the Underpass Alternative as well as the Split Alternative.
2. Consider the practicality of closing Encinal Avenue and Glenwood Avenue at the railroad tracks to possibly reduce the scale of the project.
3. Evaluate aesthetic considerations to make the project visually unobtrusive.

4. Conduct further public outreach.
5. Prepare more tangible examples and graphic materials for presentation to the public.

ANALYSIS

The purpose of the current agenda item is to provide Council with the opportunity to provide formal direction as to what further actions should be taken with regard to the grade separation matter. If and when high speed rail is implemented, grade separations would likely be required in Menlo Park. The City of Menlo Park's efforts to date in exploring design options and gathering public input would be helpful in influencing the future course of action regarding the grade separation project.

Monies to fund grade separations in Menlo Park are not likely to be available in the near term future unless the reauthorization of Measure A and/or the Statewide High Speed Rail bond issue are approved by the voters. The reauthorization of Measure A will be brought before the voters in November 2004. The State legislature and the High Speed Rail Authority intend to place on the ballot in November 2006 a statewide measure to authorize bonds to fund the project through design and first stages of construction. The earliest that actual construction funding could be available would be 2007 or 2008.

Split vs. Underpass Alternatives

The work to refine the Split Alternative focused on minimizing the extent to which the rails are elevated. Based on this additional work, it appears that it would be practical to limit the raising of the track to about seven feet as compared to the ten-foot rise indicated in the initial reports.

Staff has completed a refined assessment of the Underpass Alternative in which the tracks remain at their present grade and the roads are depressed deep enough to pass beneath the tracks. In so doing, staff has identified several issues associated with this design. Because the underpasses go 20 feet below grade, they involve long sloping approaches and long, high retaining walls, which could be considered to be unappealing in appearance. This is illustrated in Appendix B of the consultant report (Attachment A). The long, deep approaches and retaining walls necessitate either severing the connections to some cross streets and private property accesses or extensive regrading of the cross streets and extensive reconfigurations of private property accesses. In addition, solutions to maintain cross street and private property connections compound problematic pedestrian linkages inherent in the deep underpass alternative.

The analysis contained in Appendix A of the consultant report describes the impacts of Underpass and Split design alternatives on the roadway system and the adjacent properties (Attachment A). Based on the results of this study, it appears that the impact on properties around the existing at grade crossings will be greater with the Underpass Alternative than with the Split Alternative. Some of the negative impacts associated with the Split Alternative are the visual impacts of the elevated tracks and removal of trees because of the embankments required to raise the tracks.

Staff recommends that both the Split and Underpass alternatives be studied further. Various options for street connections are available under each alternative. For example, streets parallel to the tracks such as Alma and Merrill could pass over, connect to, or become dead ends at their connections to Ravenswood Avenue and Oak Grove Avenue. Numerous possibilities exist that will significantly affect street circulation and land uses in the area. A more thorough analysis could better identify the advantages and disadvantages of various street connection options under both the Split and Underpass alternatives.

Closing Encinal and Glenwood Crossings

If the Encinal and Glenwood crossings were closed to limit the scale of the grade separation project, it is estimated that approximately 11,000 vehicle trips per day would be shifted to the crossings at Oak Grove Avenue and Watkins Avenue in Atherton. This would introduce significant additional traffic impacts on the adjoining residential areas. Reducing the number of rail crossings could have adverse consequences for both emergency services and ordinary circulation when a collision, breakdown, major incident or ordinary maintenance event obstructs one of the remaining crossings. Bicyclists and pedestrians who now rely on the Glenwood and Encinal crossings may be forced to make out-of-direction travel to use the remaining crossings or may resort to illegal and unsafe trespass crossings at or near the former street crossings. Based on the above considerations staff recommends that all four crossings be studied for grade separation.

Public Outreach

Staff has conducted focused public outreach regarding the impacts of the project on the residential and commercial properties along Oak Grove Avenue, Glenwood Avenue and Encinal Avenue. Business and commercial centers along the railway were invited to a meeting sponsored by the Menlo Park Chamber of Commerce on August 5, 2004 to discuss the conceptual design plans and graphic materials. All the property owners and tenants of the properties along this corridor, along with other interested parties, were also invited to attend a Transportation Commission meeting held on September 8, 2004. At this meeting, a detailed analysis of the Split and Underpass alternatives was presented. The station layout for both alternatives was also presented.

The issues and concerns raised by the members of the community regarding Caltrain grade separation are summarized below. Many residents believe that with elevated tracks their quality of life and property values will be negatively impacted. They attribute the negative impacts to the visual intrusion of the raised tracks into the neighborhoods and added noise due to higher elevation of the tracks. Residents are concerned about the loss of heritage trees along the railroad right-of-way. They are also concerned about the loss of privacy due to raised tracks and exposure of their homes and back yards to the commuters. Some residents are concerned about impact on access to their properties or total loss of their properties. Affected business and property owners are concerned about the impacts to their business and loss of income during construction. They are also concerned about the permanent impacts of the project on their property due to limited or severed access.

Additional Graphic Materials

In response to the Council's request for additional graphics to illustrate the different options, the City retained Callander Associates. The firm developed a layout for the Menlo Park Caltrain Station under both alternative design concepts. The results of this work are presented in Appendix B of the consultant report (Attachment A). In both instances, the plans call for the relocation of the three existing buildings on the Caltrain Station site because of the need to widen passenger platforms. The main depot building would be moved closer to Santa Cruz Avenue to establish a focal point for the station that could be seen from the Downtown area. The model railroad building would be moved to the north next to Oak Grove Avenue, away from the more heavily traveled areas, while the bike shelter would be moved slightly south.

Possible Next Steps

The Transportation Commission recommended the formation of a subcommittee comprised of Transportation Commissioners, Planning Commissioners and City Council Members to open a dialogue with the Town of Atherton and City of Palo Alto. With the Council's approval, staff would approach senior staff of the neighboring jurisdictions to explore their interests and concerns regarding this issue. If there is an interest in neighboring jurisdictions, staff would define a more specific process where information could be shared and common interests could be explored further. Staff would then return to the Council with the results of this effort in order to seek direction from the Council regarding a further course of action in addressing the Transportation Commission's recommendation.

Summary of Questions for Council Discussion

The issues before the Council for its review and consideration are as follows:

- Should the City receive the grade separation report and take no further action at this time?
- Should the City select the Split and Underpass alternatives as the preferred alternatives for grade separation for further study?
- Should the City request the JPB to prepare a "project study report" for all four crossings in Menlo Park?
- Should the City apply for new grant funding to further analyze the impacts of grade separations in Menlo Park and prepare urban design concepts for the Caltrain Station area?
- Should the City involve the City of Palo Alto and Town of Atherton in the next level of project development?

IMPACT ON CITY RESOURCES

The study grant is now fully expended. The City's expectation is that the cost to implement grade separation of the Caltrain line through Menlo Park, including planning and design, would be fully funded by Caltrain. Likely funding sources include the reauthorization of the San Mateo County Measure A sales tax, State and/or Federal funds, and, potentially, statewide high speed rail funds. If the City desires to undertake

further engineering and urban design studies of the concepts, JPB/SMCTA staff informally indicate that they would consider funding additional studies (including City staff time to coordinate the project) through current or future Measure A regional monies.

The dedication of staff time to the grade separation matter will impact the availability of staff to address other community transportation issues.

POLICY ISSUES

The current Menlo Park General Plan acknowledges the possibility of grade separation of the rail crossings, but takes a non-committal stance toward them. Policy II-A-18 states that, "the City shall conduct a thorough feasibility study of the grade separation projects included in the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project."

The current study addresses many of the items raised in Policy II-18-A. Staff feels that additional studies would be consistent with the direction provided by the General Plan.

ENVIRONMENTAL REVIEW

This project consists of a feasibility study. No action currently contemplated by the City in relation to this study would require environmental review.

Jamal Rahimi
Transportation Manager

Kent Steffens
Director of Public Works

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

ATTACHMENT: **Consultant Report**



PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 27, 2007

Staff Report #: 07-200

Agenda Item #: Study Session

STUDY SESSION: Review of the Caltrain Grade Separation Footprint Study and Prior City Studies of Possible Grade Separations with Caltrain Tracks and the Roadways of Ravenswood Avenue, Oak Grove Avenue, Glenwood Avenue, and Encinal Avenue

The purpose of the study session is to provide information to City Council on the Grade Separation Footprint Study performed by Caltrain, and the previous grade separation study performed by the City in 2003-04. No council action is required.

BACKGROUND

At the request of Council Members Boyle and Robinson, the scope of a potential study session on Caltrain grade separations was placed on the Council's October 16, 2007 meeting agenda for discussion. Council directed staff to conduct a study session to educate Council Members on prior studies conducted by Menlo Park and to invite representatives from Caltrain to present information on its more recent Grade Separation Footprint Study. Council specifically indicated that the study session should be educational and it would not be taking a position on grade separations as part of the study session. It further directed staff to coordinate with the Town of Atherton to schedule a joint session on grade separations in January and to let Atherton know when the Menlo Park study session was scheduled so its council members and staff could attend if interested. Atherton has been informed of the November 27 grade separation study session.

The City obtained funding for a grade separation study from the San Mateo County Transportation Authority in July of 2002. The City retained BKF Engineers of Redwood City to conduct the study and worked with Caltrain staff throughout the process. The City's study evaluated four basic alternatives:

- A "Trench" Alternative, which would lower the tracks and raise the roadways
- An "Overpass" Alternative, which would raise the roadway and keep the tracks at existing grade
- An "Underpass" Alternative, which would lower the roadway and keep the tracks at existing grade
- A "Split" Alternative, which would partially lower the roadway and partially raise the tracks

The Council first considered the findings of the Grade Separation Study at a study session on June 10, 2003 (Staff Report 03-101, Attachment A).

The Grade Separation Study was brought back for Council discussion and action on September 9, 2003 (Staff Report 03-142, Attachment B). At that meeting Council directed staff to continue further studies of the "Split" Alternative and "Underpass" Alternative and to develop graphics that were more easily understood by the public. It also gave direction to consider the practicality of closing Encinal Avenue and Glenwood Avenue at the railroad tracks rather than pursuing grade separations.

Supplemental information on the Grade Separation Study was presented to Council on October 19, 2004 (Staff Report 04-207, Attachment C). At that meeting Council gave direction to convene meetings of neighboring cities to determine if there were common interests among the neighboring jurisdictions of Atherton, Palo Alto, Mountain View, and Redwood City. Several meetings were held with elected officials of these neighboring jurisdictions. Each city had different issues with grade separations depending on the configuration of roadways and existing parcels around potential grade separation locations. No formal recommendations or actions were taken as a result of these group meetings.

ANALYSIS

The purpose of this study session is to educate Council Members and the public about potential options for grade separations in Menlo Park. City staff will present information from prior studies on grade separation alternatives completed in 2004. Representatives from Caltrain will present information from a more recent study that evaluated grade separations throughout San Mateo County.

The original goal of the City's grade separation study was to evaluate various alternatives and for City Council to adopt a preferred method for grade separations in Menlo Park. With this information the City could have actively pursued funding for grade separation design and construction. Another potential reason to establish a preferred alternative was to attempt to influence the State if the California High Speed Rail Project is approved by voters and grade separations are required in Menlo Park. Alternatively, the City Council could have determined from the study document that the impacts with certain alternatives were too severe and therefore the City should take a position to prevent grade separations from being constructed in Menlo Park.

The prior grade separation study ultimately did not result in the City selecting a preferred alternative and the City has not taken a formal position on whether or not it should actively pursue grade separations. The prior study resulted in furthering the City's knowledge of grade separations but due to funding limitations, not all aspects of grade separations could be studied. Most notably, some of the information that was not included in prior studies but may be useful includes:

- A study of the noise impacts of the various alternatives
- Cost estimates for the various alternatives
- A study of the traffic impacts resulting from changes in how roadways are reconfigured as a result of grade separations and whether changes in roadway configuration (other than as shown in the study materials prepared to date) could reduce the impacts

Next steps would be to conduct a joint City Council meeting regarding grade separations with the Town of Atherton as directed by Council. Additional funding for further studies in Menlo Park may be available from the San Mateo County Transportation Authority (SMCTA). These sources would be reviewed if further studies are pursued following the joint meeting with Atherton.

In accordance with discussion by Council Members when the scope of this study session was being developed, staff will briefly discuss peripheral topics that were not covered by the earlier grade separation report. These include:

- Potential impacts of grade separation to a future bike/pedestrian tunnel alignment between Ravenswood Avenue and the San Francisquito Creek
- “Top Down” construction methods as a way to potentially reduce construction impacts of an underpass alternative
- Quiet Zones – opportunities and challenges
- A tunneling option – information from the California High Speed Rail Environmental Impact Report

IMPACT ON CITY RESOURCES

The City’s Fiscal Year 2007-08 adopted budget does not include funding for further studies of grade separations in Menlo Park. If the Council chooses to continue evaluating grade separation alternatives or develop new policies around grade separations in 2007-08, staff resources would need to be shifted from other approved transportation division projects. Additional work on grade separations could be considered for Fiscal Year 2008-09 through the annual project priority process.

POLICY ISSUES

A review of potential grade separations is consistent with the City’s current General Plan. Policy II-A-18 states that, “the City shall conduct a thorough feasibility study of grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

ENVIRONMENTAL REVIEW

As a feasibility study, review under the California Environmental Quality Act is not required at this time.

Kent Steffens
Director of Public Works

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

ATTACHMENT:

- A. [Staff report 03-101 dated June 10, 2003 with Grade Separation Study Report](#)
- B. [Staff report 03-142 dated September 9, 2003](#)
- C. [Staff report 04-207 dated October 19, 2004 with Grade Separation Feasibility Study Supplement](#)



PUBLIC WORKS DEPARTMENT

Council Meeting Date: January 29, 2008
Staff Report #: 08-014

Agenda Item #: C1

STUDY SESSION: Discussion of Potential Caltrain Grade Separation Alternatives with the Town of Atherton

The purpose of the study session is discuss potential Caltrain grade separation alternatives with members of the Atherton City Council so that issues of common interest can be explored. No City Council action is required.

BACKGROUND

At the request of Council Members John Boyle and Heyward Robinson, the scope of a possible study session on Caltrain grade separations was placed on the City Council's October 16, 2007 meeting agenda for discussion. At that meeting, Council directed staff to conduct a study session to educate Council Members on prior studies conducted by Menlo Park and to invite representatives from Caltrain to present information on its more recent Grade Separation Footprint Study. The Council further directed staff to let Atherton know when the Menlo Park study session was scheduled so its council members and staff could attend if interested and to coordinate with the Town of Atherton to schedule a joint session on grade separations in January.

The Menlo Park study session on Caltrain grade separations was held on November 27, 2007. Staff Report 07-200 from that meeting is included as Attachment A (without the report attachments). It provides additional background on the prior grade separation study conducted by the City of Menlo Park and the alternatives that were considered.

ANALYSIS

The original goal of the City's grade-separation study was to evaluate alternatives and for the City Council to select a preferred method for grade separations in Menlo Park. With this information, the City could have actively pursued funding for grade-separation design and construction. Alternatively, the City Council could have determined from the study that the impacts of certain alternatives were too severe and therefore the City should take a position to oppose grade separations being constructed in Menlo Park. Another reason to choose a preferred alternative would have been to attempt to influence the State if the California High Speed Rail Project is approved by voters and grade separations are required in Menlo Park. The prior grade-separation study ultimately did not, however, result in the City selecting a preferred alternative, and the City has not taken a formal position on whether it should actively pursue grade separations.

Because of the close proximity of existing at-grade crossings in Menlo Park and the Town of Atherton, grade-separation alternatives that involve either raising or lowering the elevation of the railroad tracks will affect the elevation of the tracks in the adjacent jurisdiction as well. For example, if Menlo Park preferred raising the tracks to accomplish grade separations, the tracks would also have to be elevated through much of Atherton. This does not, however, appear to be the case in the jurisdictions north of Atherton and south of Menlo Park. Menlo Park could either raise or lower the tracks at Ravenswood Avenue and still meet the existing grade of the San Francisquito Creek rail crossing and, therefore, not affect Palo Alto. Atherton could either raise or lower the elevation at its Fair Oaks Lane crossing and still meet the elevation at the next crossing to the north — Fifth Avenue in unincorporated San Mateo County (which is already grade-separated). For alternatives that leave the railroad tracks at their current elevation, each crossing can be treated independently and even constructed at different times.

The purpose of this joint study session is to explore common interests between Menlo Park and the Town of Atherton as each jurisdiction evaluates the alternatives for railroad grade separations. Staff will present background on prior grade-separation studies and provide additional information on the following topics:

- railroad track elevations for a fully lowered-train alternative.
- cost considerations resulting from the impacts to adjacent properties.
- relationship of the California High Speed Train to local grade separations.
- currently planned Caltrain safety improvements.
- need for further grade-separation studies.

IMPACT ON CITY RESOURCES

The City's Fiscal Year 2007-08 adopted budget does not include funding for further studies of grade separations in Menlo Park. If the Council chooses to continue evaluating grade-separation alternatives or develop new policies around grade separations in 2007-08, staff resources would need to be shifted from other approved transportation division projects. Council could instead choose to consider additional work on grade separations in Fiscal Year 2008-09 as part of the annual project priority-setting process now getting underway.

Additional funding for further studies in Menlo Park may be available from the San Mateo County Transportation Authority. These sources would be reviewed if further studies are pursued following the joint meeting with Atherton.

POLICY ISSUES

A review of potential grade separations is consistent with the City's current General Plan. Policy II-A-18 states that, "the City shall conduct a thorough feasibility study of grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed

projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

ENVIRONMENTAL REVIEW

A review under the California Environmental Quality Act is not required at this time.

Kent Steffens
Director of Public Works

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ATTACHMENT: A. [Staff Report 07-200, dated November 27, 2007, without attachments. \(All attachments are available on the City website.\)](#)

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KIRSTEN KEITH
MAYOR

PETER OHTAKI
MAYOR PRO TEM

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COUNCIL MEMBER

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November 21, 2012

San Mateo County Transportation Authority

Att: Celia Chung

1250 San Carlos Avenue

P.O. Box 3006

San Carlos, CA 94070

Subject: San Mateo County Transportation Authority Grade Separation Letter of Interest

Dear Ms. Chung:

The City of Menlo Park is respectfully submitting this letter of interest for "Grade Separation," Project(s) to be considered in the SMCTA funding allocation for alternatives analysis, preliminary design and initial environmental analysis for the "New Measure A," Grade Separation Program call for projects.

Menlo Park is in a unique position, because our community has grade separation projects for the Caltrain corridor, and the Dumbarton Rail corridor, resulting in eight potential grade separation projects overall. Menlo Park is prioritizing the Caltrain corridor, since the Dumbarton line will not be fully active for a number of years. We appreciate a future discussion of the Dumbarton rail crossings and potential grade separation alternatives would be appropriate when the project has a clearer picture of its scope and timing.

Currently, two tracks pass through Menlo Park on the Caltrain mainline. The City Council supports two tracks at or below grade for the future Caltrain blended system with High Speed Rail. The City has previously completed grade separation studies, which assumed a four-track system, which limited options for grade separation. Given what we now know about the enormous impact of a four-track system, the Council only supports options, which provide for a two-track system. A two-track system:

- Fits well with the blended approach that Caltrain and High Speed Rail have committed to;
- Provides more grade separation options;
- Reduces the infrastructure impact on our community.

Menlo Park has approved a “Statement of Principles” regarding rail within the City and is included Attachment A to this letter. The Statement set out an intent to “protect and enhance the character of Menlo Park and maximize the local benefits and the long-term potential of rail.” Council has also clarified its position in a “Council Position Summary” statement opposing any elevated tracks within Menlo Park and only supports an at or below grade option for rail with two tracks. These approved documents clearly state the desire of Menlo Park for any grade separation project. The “Council Position Summary Statement” is included at Attachment B.

The City Council approved sending a letter of interest to SMCTA prioritizing the intersection of Ravenswood Avenue. This intersection is close to El Camino Real, which is a Priority Development Area, and has high traffic volumes. In order to develop the best alternative for Ravenswood, an alternatives analysis that includes all the crossings in Menlo Park needs to be completed. The alternatives analysis would be the first step in the environmental process to develop the preferred alternative. Ravenswood should be placed as a top priority for inclusion in the “New Measure A Grade Separation Funding Program” due to the high traffic volumes, closely spaced intersections, and heavy interaction of various modes of travel.

The following information answers the specific questions requested to be included in the letter of interest:

1. *A prioritized list of at-grade railroad crossings within your jurisdiction that would be a candidate for elimination, if there is more than one such crossing;*

As stated earlier in the letter, Menlo Park is only requesting consideration for Ravenswood Avenue at this time. A full alternatives analysis focusing on at or below grade options for the Caltrain corridor including an alternatives analysis of the other crossings in Menlo Park needs to be part of the environmental process in order to evaluate the preferred alternative for Ravenswood Avenue.

2. *A proposed time frame for completion of the project(s), and the specific rationale for such time frame;*

There is not enough information to propose a time frame for completion of a grade separation project at this time. Should funding become available in the “New Measure A Grade Separation Funding Program,” for the Ravenswood Avenue grade separation, the project could begin construction within the next 4-7 years.

3. *Discussion of safety and local traffic congestion concerns in the proposed project area;*

This project is within the Menlo Park El Camino Real/Downtown Specific Plan. The Menlo Park El Camino Real/Downtown Specific Plan accommodates all travel modes, with an emphasis on pedestrians, bicyclists and transit users. Focusing new

development in an area well served by transit and with a mix of uses in close proximity reduces the reliance on private motor vehicles, helping to minimize traffic congestion and greenhouse gas emissions.

The Ravenswood Avenue grade crossing is one of the most critical rail crossings in the Menlo Park corridor. Ravenswood has an average daily traffic (ADT) volume of 24,100 vehicles per day (vpd). It is classified as an arterial roadway and is a vital link east and west through Menlo Park. The intersection of Alma is immediately adjacent to the rail crossing and has a high pedestrian volume, especially for pedestrians walking to and from the rail station on the northwest corner of the intersection.

The Specific Plan proposes safety enhancements at the intersection of Ravenswood Avenue and Alma Street, which is immediately adjacent to the rail crossing on Ravenswood. In particular, the Alma Street Civic Walk and Ravenswood Gateway are proposed to be connected by a safe and upgraded pedestrian crossing. Improvements to this intersection could include: enhanced pavement markings, additional warning lights, new or extended turn limitations, and “quad gates” at the Caltrain tracks. A grade separation would still necessitate improvements to the intersection, but would eliminate the rail crossing component, which currently adds some confusion and distraction for drivers at the intersection.

El Camino Real is in very close proximity to the rail crossing as well. The queue of traffic on Ravenswood waiting for the traffic signal at El Camino Real can at times back up passed the railroad tracks. This situation creates a concern related to safety and a grade separation of this crossing would improve the area with a safer connection area.

The following figures are attached describing traffic vehicle circulation, pedestrian, circulation, and bicycle circulation from the ECR/Downtown Specific Plan:

- Figure 8 shows the classification of roadways in the Specific Plan area and surroundings. The vehicular circulation system is consistent with the City’s General Plan.
- Figure 9 illustrates proposed pedestrian improvements in the plan area.
- Figure 10 depicts the location for existing and recommended bicycle facilities. The recommended facilities include those planned in the City’s *Bicycle Development Plan*.
- Figure 11 illustrates the enhanced network of pedestrian and bicycle-friendly linkages between downtown, the station area, the Civic Center, and along and across El Camino Real.

4. *Discussion of how the project(s) could support economic development and transit-oriented development in the proposed project area;*

As indicated earlier, the Ravenswood Avenue grade separation project is located within the Menlo Park El Camino Real/Downtown Specific Plan, approved by the City Council in June 2012.

The El Camino Real/Downtown Specific Plan establishes a framework for private and public improvements on El Camino Real, in the Caltrain station area and in downtown Menlo Park for the next several decades. The plan's focus is on the character and extent of enhanced public spaces, the character and intensity of private infill development and circulation and connectivity improvements. It includes a strategy for implementation of public space improvements, such as wider sidewalks and plazas, and other infrastructure improvements. The overall intent of the El Camino Real/Downtown Specific Plan is to preserve and enhance community life, character and vitality through public space improvements, mixed use infill projects sensitive to the small-town character of Menlo Park and improved connectivity. The Specific Plan reflects the outcome of an extensive community outreach and engagement process. The project area is illustrated in Figure 11 showing proposed land uses, public plazas/open space, parks, and development opportunities.

The illustrative plan, as shown in Figure 12, depicts how the plan area could potentially build out over the next several decades in conformance with the overall planning principles and within the land use and development regulations and design guidelines contained in subsequent chapters. It is important to emphasize that the illustrative plan indicates only one potential development concept and that the actual build-out will likely vary from the initial projection. As envisioned, the full build-out of the plan area could result in up to approximately 330,000 square feet of additional retail and commercial development, 680 new residential units and 380 new hotel rooms, resulting in 1,357 new jobs and 1,537 additional residents.

A grade separation at Ravenswood Avenue fits very well with the Specific Plan. The grade separation would allow for better circulation of vehicles, bicycles, pedestrians and transit. Better circulation and the enhanced connectivity to the train station will help promote the mixed use development contemplated in the Specific Plan. The mix of uses including residential promote the vision of the Specific Plan with vitality and sense of community. The mix of uses also will allow for better walkability in the area and the adjacency of the train station further reduces the reliance on automobiles. A grade separation of Ravenswood would provide a safer connection and improved circulation, which could be a catalyst for infill development as contemplated in the Specific Plan.

5. *Discussion of other funding sources that can be secured to leverage Measure A funds for the project;*

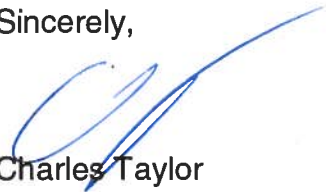
The Ravenswood Avenue Grade separation project could leverage funding from the "New Measure A Grade Separation Funding Program," as local match to other sources of funding from State Public Utilities Commission – California State Aid for Railroads Grade Separations, Traffic Congestion Relief Program, State Transportation Improvement Program, and Federal Funding. Menlo Park would also want to partner with SMCTA to secure other sources of funding.

6. *Demonstration of support from the City Council and the community through a deliberative planning process.*

Menlo Park has held several study sessions and has also held a joint community engagement study session with the Town of Atherton. The City has also reached out to other local agencies in common interests for grade separation projects to better coordinate regional efforts. As indicated earlier in the letter the City Council approved the submittal of a letter of interest to SMCTA regarding the available grade separation funding. The Ravenswood Avenue grade separation has been an area of interest for the community for a number of years. The City Council is committed to analyzing the at and below grade alternatives to find a grade separation that reduces impacts on the community. It is important to reiterate that the City Council is only supportive of a two-track system within Menlo Park as it further reduces any impacts on the community. While there is more work to be done on this subject in the community, the City is confident that a two-track at or below grade rail system could fit well with the community, the recently approved Specific Plan, while improving safety and increasing circulation.

The City of Menlo Park would like to thank you for the opportunity to respond to the SMCTA letter dated September 28, 2012. We look forward to the opportunity to continue to partner in a solution to address the City of Menlo Park's interests in grade separation alternatives. Please contact Fernando Bravo at 650-330-6742 if you have any questions.

Sincerely,



Charles Taylor
Director of Public Works

Attachment A: Menlo Park Rail Statement of Principles
Attachment B: Menlo Park City Council Position Summary Statement
Attachment C: List of Figures 7 through Figure 12 from El Camino/Downtown Specific Plan

Cc: Mayor Kirsten Keith, and City Council
Alex D. McIntyre, City Manager

City of Menlo Park Statement of Principles for Rail

The City of Menlo Park Rail Council Subcommittee works to protect and enhance the character of Menlo Park and the community's economic vitality while supporting the conditions needed to maximize the local benefits and the long-term potential of rail.

- The character of Menlo Park includes:
 - Our connected, walkable, bikeable, safe and accessible neighborhoods, parks, commercial areas and civic center
 - Our vision and specific plan for the downtown and El Camino Real including improved east-west mobility for all modes of travel

- The community's economic vitality includes:
 - The continued success of our small and large businesses
 - The maintenance of our property values
 - Rail agencies responsibly mitigating impacts of rail, including but not limited to, HSR, Caltrain, and freight

- The conditions needed to maximize the long-term potential of the City's rail corridor include:
 - Improvements to east / west connectivity; rail unifies rather than divides
 - Improvements to local transit
 - The negative physical and social impacts of rail are minimized and the positive impacts are enhanced by using context sensitive design solutions
 - Consider all reasonable alternatives including those discussed previously by Menlo Park

Implied "decision criteria" from these principles might include:

- Does the alternative protect or enhance connectivity to additional modes of travel/ accessibility to city locations?
- Does the alternative protect or enhance walk-ability?
- Does the alternative protect or enhance bike-ability?
- Does the alternative protect or enhance the economic vitality of businesses?
- Does the alternative protect or enhance property values?
- Does the alternative align with / support the El Camino Real / Downtown Specific Plan?
- Does the alternative protect or enhance local transit opportunities?
- Does the alternative enhance the level of transit service?

City of Menlo Park Council Position Summary

The following bullet points clarify the Council's position on high speed rail on the Caltrain corridor through Menlo Park.

- The City opposes any elimination of any part of CEQA for the High Speed Rail Project environmental process.
- No aerial or elevated structures will be utilized on the Caltrain alignment between San Jose and San Francisco unless such an elevated structure is specifically requested by a local agency, for an area within their jurisdiction
- The high speed rail within Menlo Park should be either in a two-track envelope "at-grade" system, or in an open or closed trench or tunnel, and stay within the existing Caltrain right-of-way (with very minor exceptions, and in very limited locations)
- No Environmental Impact Report should go forward which increases it beyond two tracks in Menlo Park, unless underground in a closed trench or tunnel
- City is interested in positive train control and alternative propulsion systems as an early investment project to increase regional mobility and local train service. We are in favor of positive train control and electrification, provided they increase train service at or beyond 2005 levels at the Menlo Park Caltrain Station.
- The City approves of a blended system but opposes passing tracks located in Menlo Park
- The City is interested in quiet zones for the rail corridor in Menlo Park
- Our strategy is to work cooperatively with the blended system planning efforts while preventing an at-grade or elevated 4 track system through Menlo Park.

Figure 7: ECR/Downtown Specific Plan Vehicular Circulation

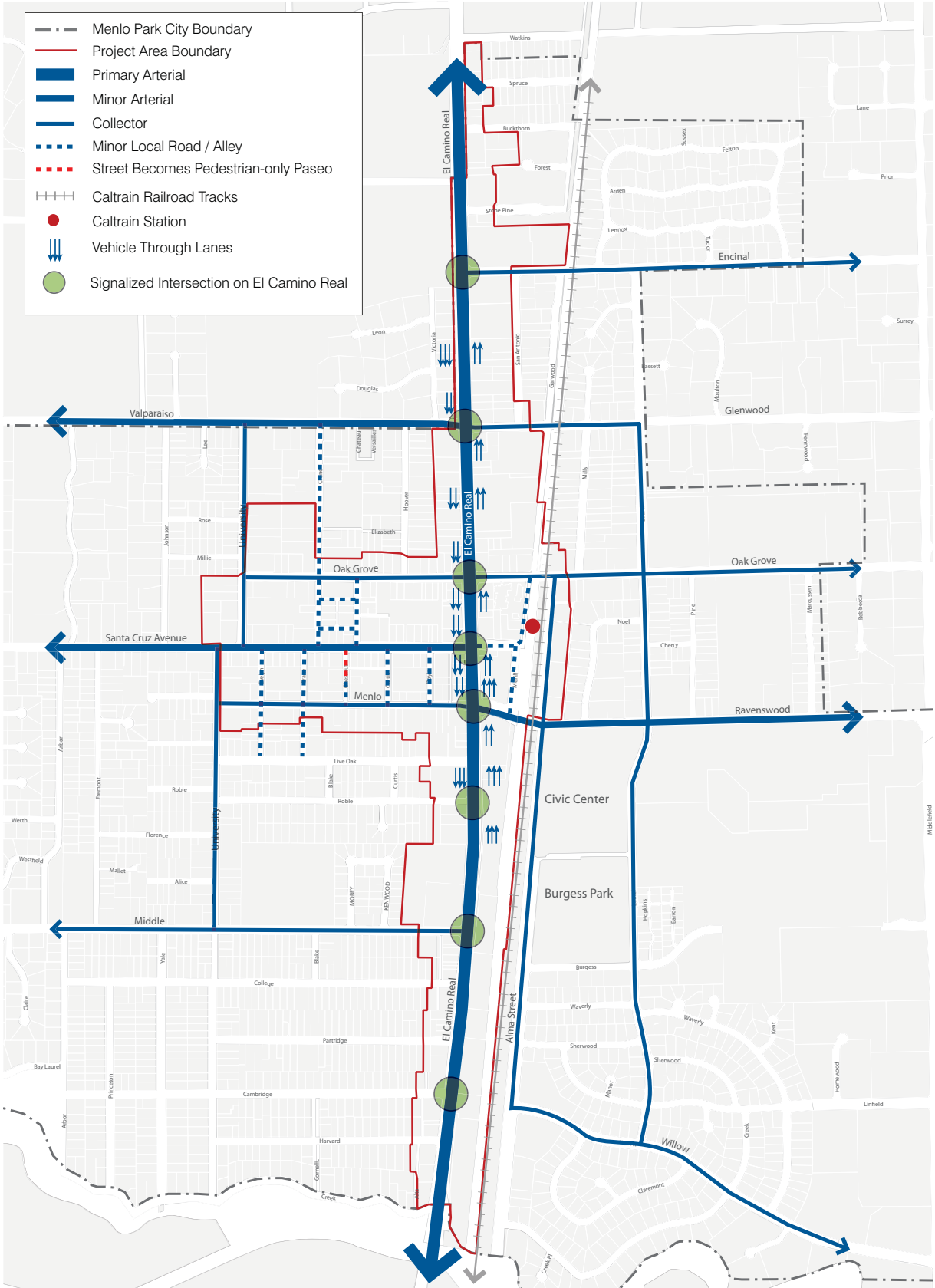


Figure F1. Vehicular Circulation

Figure 8: ECR/Downtown Specific Plan Pedestrian Circulation

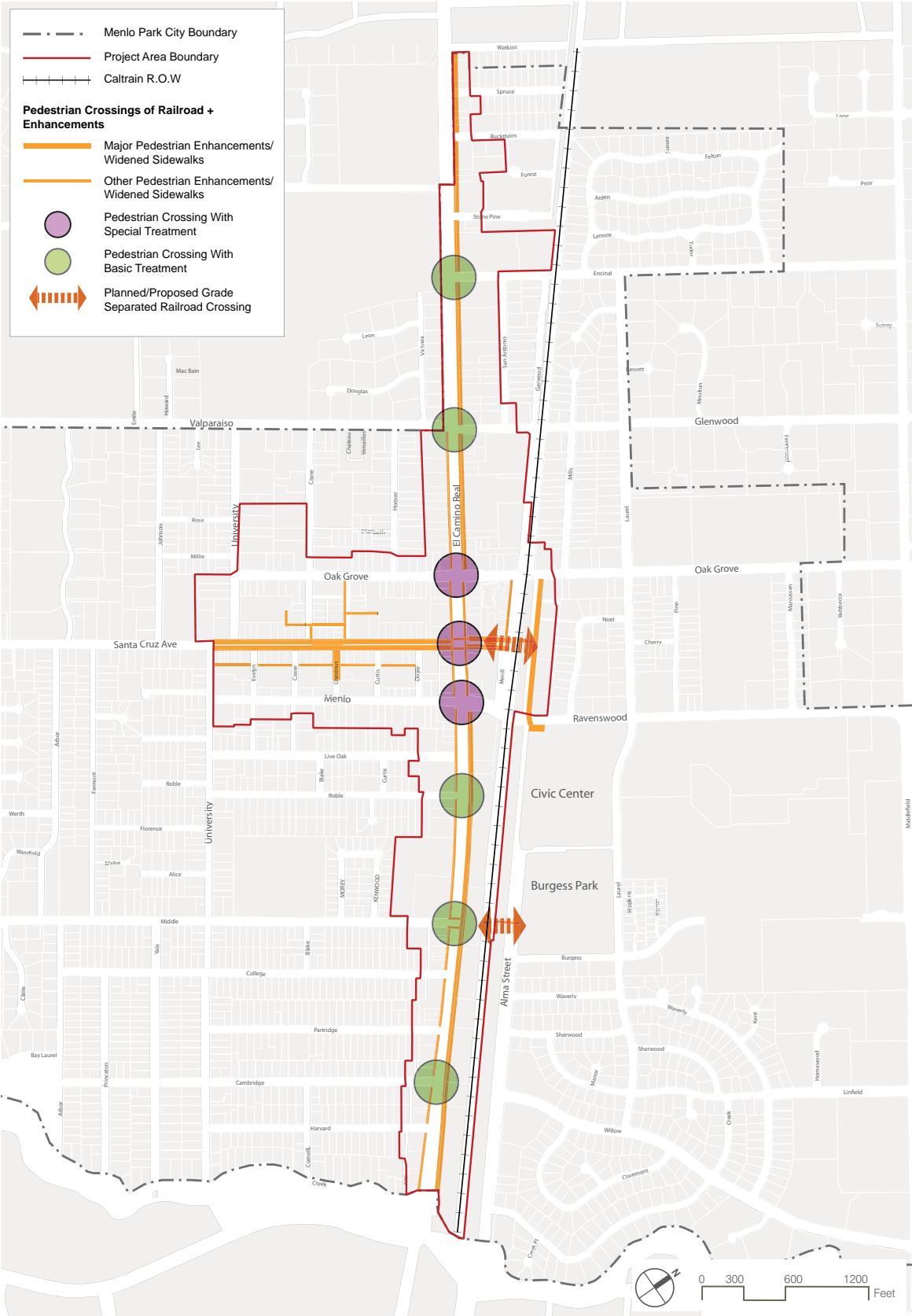


Figure F2. Pedestrian Improvements

Figure 9: ECR/Downtown Specific Plan Bicycle Circulation

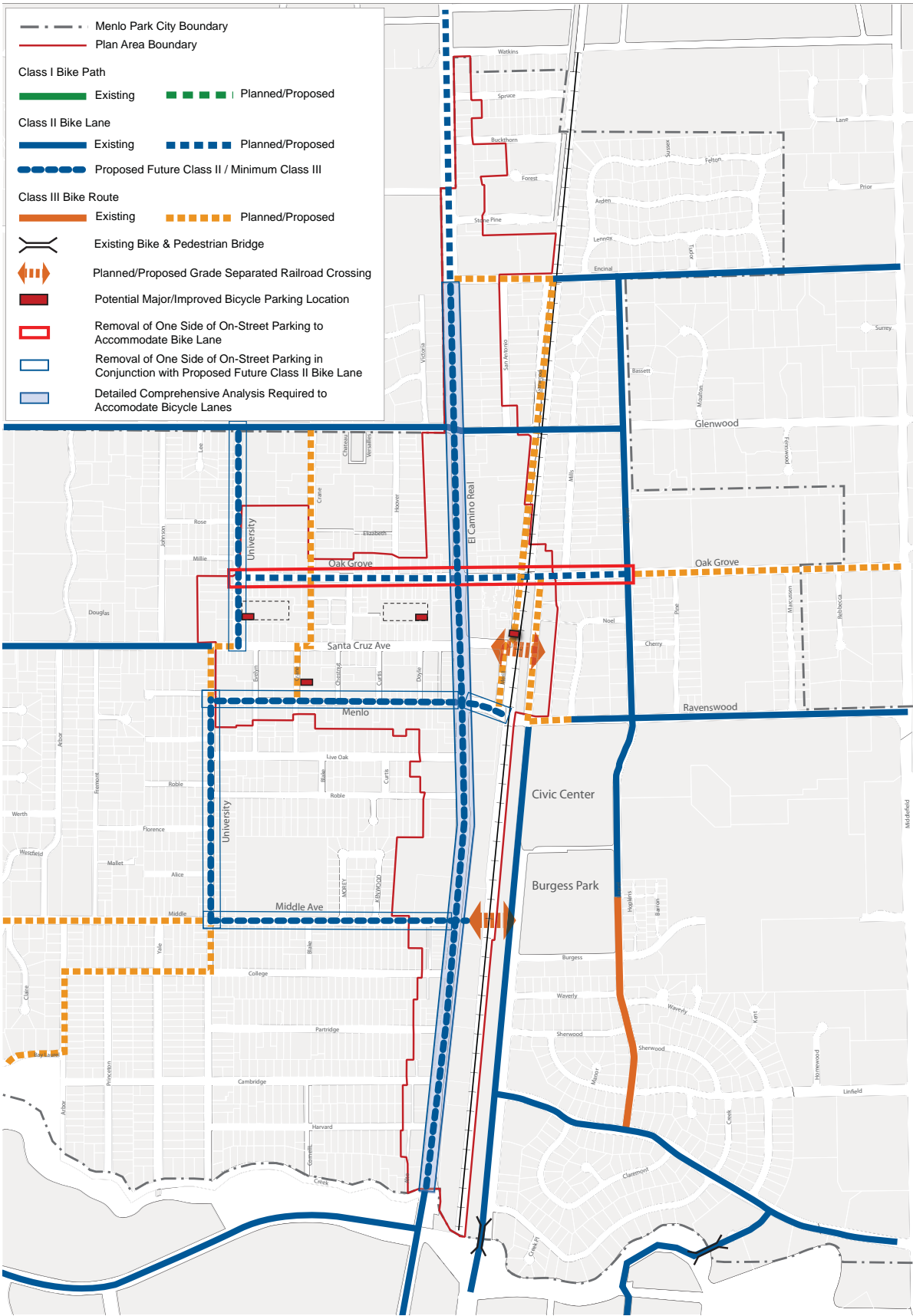


Figure F3. Bicycle Facilities

Figure 10: ECR/Downtown Specific Plan Transit Services

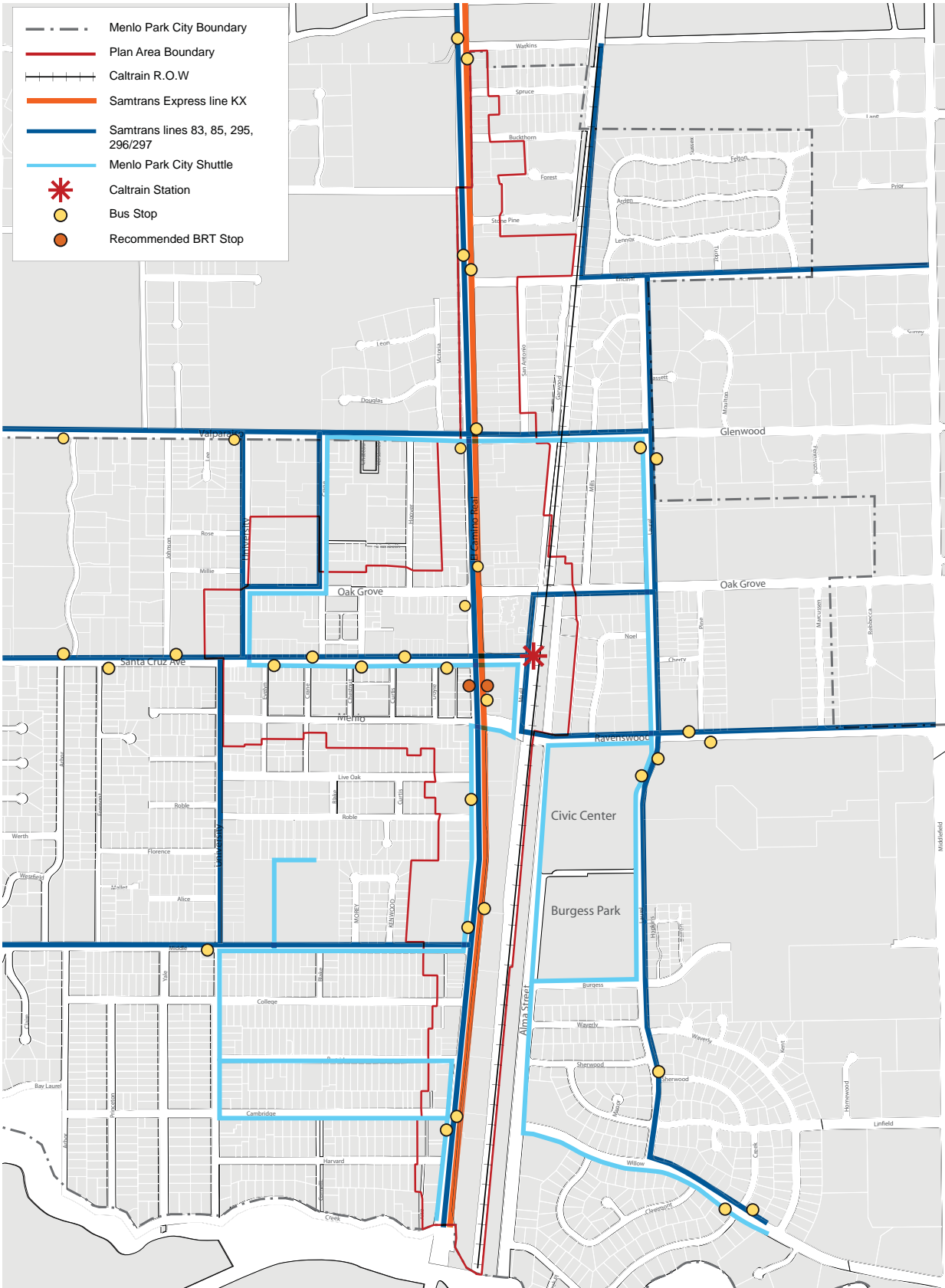


Figure F4. Transit Service

Figure 11: ECR/Downtown Public Space Framework Connectivity

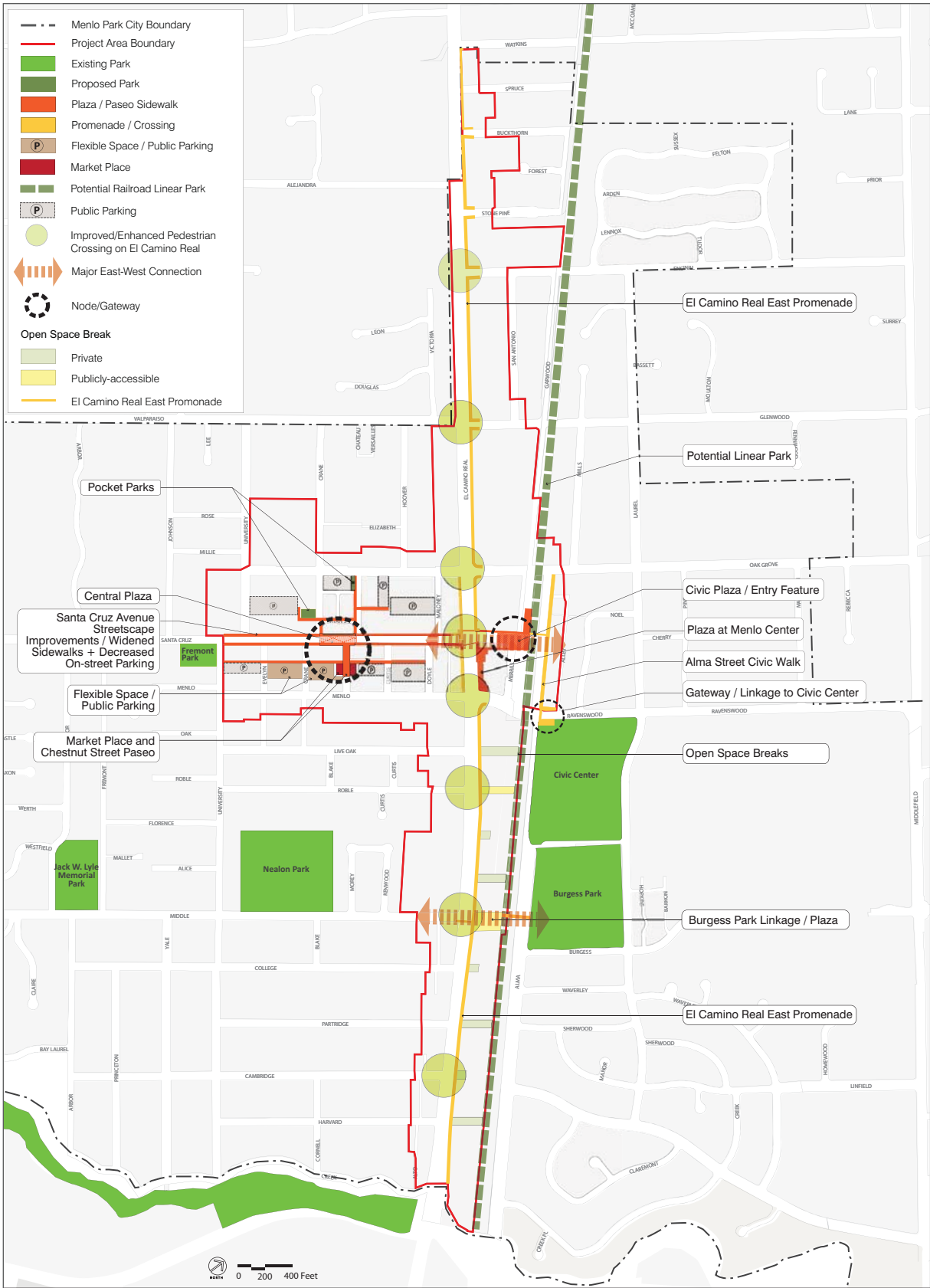


Figure D1. Public Space Framework

Figure 12: ECR/Downtown Specific Plan

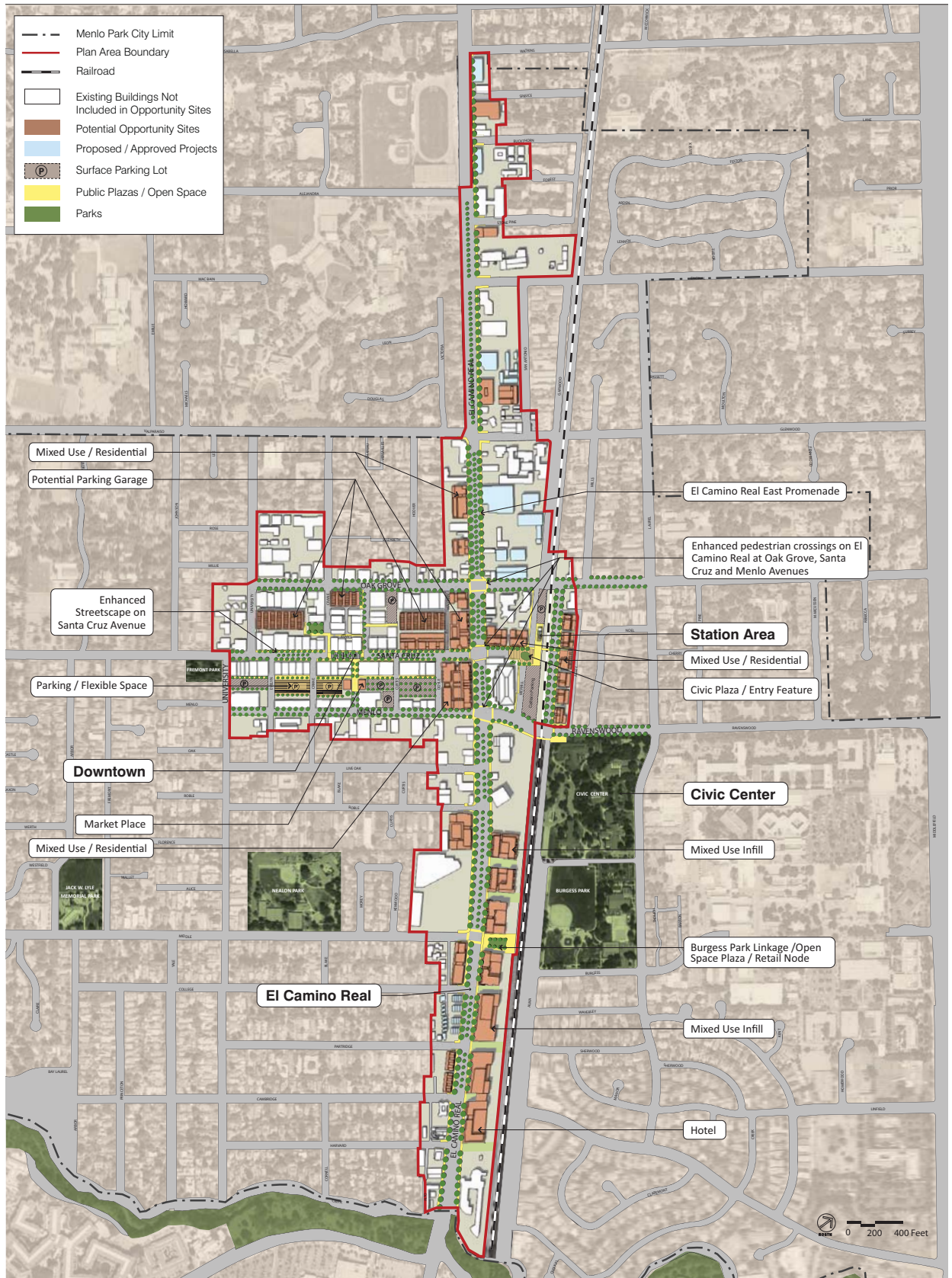


Figure A1. Illustrative Site Plan

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-147

Agenda Item #: D-5

CONSENT CALENDAR: **Approve a resolution authorizing the annual destruction of records**

RECOMMENDATION

Staff recommends approval of a resolution authorizing the destruction of obsolete City records for the Administrative Services, Community Services and Police Departments, as specified in Exhibits A, B and C to the proposed Resolution (Attachment A) and in accordance with Government Code sections 34090 and 34090.6 and Menlo Park Municipal Code section 2.54.

BACKGROUND

The proposed resolution complies with the City's Records Retention Schedule adopted by the City Council on November 27, 2001 by Resolution 5351, amended on September 27, 2005 by Resolution 5625 and amended on November 15, 2011 by Resolution 6031.

The program provides for the efficient and proper management and protection of the City's records. The program also allows for the destruction of records deemed obsolete according to the City's adopted Records Retention Schedule.

ANALYSIS

In 1999, the California legislature added Section 12236 to the Government Code, which states in Section 12236(a) "The Secretary of State shall establish the Local Government Records Program to be administered by the State Archives to establish guidelines for local government retention and to provide archival support to local agencies in this state." State Archives is a division of the Secretary of State's Office that collects, catalogs, preserves and provides access to the historic records of the state government and some local governments.

One of the resources referred to by State Archives is the California City Clerks Association's 1998 list of common local government records and recommended retention periods. The State Archives prepared its own version in 2002. Menlo Park's Records Retention Schedule is largely based on these documents.

A properly completed Records Retention Schedule provides an agency with the legal authority to dispose of records entrusted in its care. It certifies the life, care and disposition of all agency records. Disposition may include sending appropriate records to an off-site storage facility, recycling unneeded records, and/or destroying unneeded records. Once records have fulfilled their administrative, fiscal or legal function, they should be disposed of as soon as possible in accordance with the established retention schedule. Keeping records beyond the retention period causes a burden on staff with more documents to manage, slows down response time to public records requests and extends the agency's legal liability. Compliance with the Records Retention Schedule is highly recommended as it improves staff efficiency and customer service when the status of information is up to date and available when needed. It also limits the agency's legal liability as a court of law cannot demand an agency produce documents that have been disposed of in accordance with an adopted Records Retention Schedule and with accepted industry practices.

IMPACT ON CITY RESOURCES

There would be a positive impact on office organization and staff efficiency.

POLICY ISSUES

The proposed action is consistent with the City's current policy and adopted Records Retention Schedule.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution with Exhibits A, B and C

Report prepared by:
Pamela Aguilar
Acting City Clerk

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
AUTHORIZING THE DESTRUCTION OF OBSOLETE CITY RECORDS**

WHEREAS, the City of Menlo Park has an adopted Records Retention Schedule adopted on November 27, 2001, by City Council Resolution Number 5351 and amended on November 15, 2011, by City Council Resolution Number 6031; and

WHEREAS, Section 2.54.110 of the Menlo Park Municipal governs the destruction of public records; and

WHEREAS, the City's Records Management Program provides for the efficient and proper management and protection of the City's records and allows for the destruction of records deemed obsolete according the City's adopted Records Retention Schedule.

NOW, THEREFORE BE IT RESOLVED, that the City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore do hereby authorizes the destruction of the obsolete records described in Exhibits A, B and C, Requests for Destruction of Obsolete Records, attached hereto and incorporated herein by this reference.

BE IT FURTHER RESOLVED, that once the records are destroyed, the City Clerk will maintain all original Certificates of Destruction.

I, Pamela Aguilar, Acting City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-seventh day of August, 2013, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-seventh day of August, 2013.

Pamela Aguilar
Acting City Clerk

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ADMINISTRATIVE SERVICES

- **City Clerk's Office**
- **Finance Division**

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: August 2, 2013

Page: 1 of 2

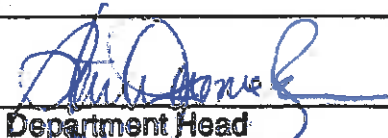
Department: Administrative Services / City Clerk Division

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule established by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Citizen Correspondence to City Council (copies of CCIN, letters addressed to Council)	File Room: Box 'Clerk Destruction Aug 2013 Box #1'	April 2009 – December 2009	2 years
Citizen Correspondence to City Council (copies of CCIN, letters addressed to Council)	Same	July 2010 – December 2010	2 years
Citizen Correspondence to City Council (copies of CCIN, letters addressed to Council)	Same	January 2011 – May 2011	2 years
Citizen Correspondence to City Council (copies of CCIN, letters addressed to Council)	File Room: Box – 'Clerk Destruction Aug 2013 Box #2'	June 2011- July 2011	2 years
Copies of Alcohol Beverage License application	Same	2010	When no longer needed
Appeals to Council <ul style="list-style-type: none"> - 240 University Drive (EQC/Heritage Tree) - 580 Cotton Street (EQC/Heritage Tree) - 700 El Camino Real (PC/Use Permit) - 615 Laurel Avenue (EQC/Heritage Tree) - 900 Cambridge Avenue (PC/Use Permit) - 227-A Willow Road (PC/Use Permit) 	Same	2010	2 years
Department copies of Cal Card Invoices	Same	2010	When no longer needed (min 1 year)
Department copies of check requisitions	Same	2010 & 2011	When no longer needed (min 1 year)
Department copies of receipts	Same	2011	When no longer needed (min 1 year)
Department copies of invoices	Same	2007-2008	When no longer needed (min 1 year)

Department: Administrative Services / City Clerk Division

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Copies of Tentative Calendar	Same	2010	2 years
City Clerk Correspondence	Same	2010	2 years
City Council Correspondence	Same	2010	2 years
Citizen Correspondence	Same	2010	2 years
Proclamation Requests	Same	2010	2 years
Requests for Public Records	Same	2008	2 years
Requests for Public Records	Same	2008	2 years
Requests for Public Records	Same	2009	2 years
Requests for Public Records	Same	2010	2 years
FPPC 700 Series Forms (Statement of Economic Interests): DESIGNATED EMPLOYEES	Same	2004	7 years
FPPC 700 Series Forms (Statement of Economic Interests): DESIGNATED EMPLOYEES	Same	2005	7 years
FPPC 700 Series Forms (Statement of Economic Interests): PUBLIC OFFICIALS	Same	2007	4 years
FPPC 700 Series Forms (Statement of Economic Interests): PUBLIC OFFICIALS	Same	2008	4 years


 Department Head


8.22.13
 Date


 City Manager

8/22/13
 Date


 City Attorney

8/22/13
 Date

Acting 
 City Clerk for Council

8.22.13
 Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: 8/13/13

Page: 1 of 1

Department: FINANCE

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule establish by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

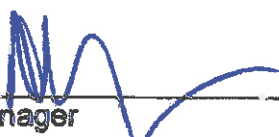
RECORD TITLE	CONTAINER	YEAR	RETENTION PERIOD
ADP payroll reports	1 box (# 201-09-524)	2005-2006	7
ADP quarterly reports & positive paycheck transmission	1 box (# 201-05-369)	2002-2005	7
Account Payable	16 boxes (# 201-10-535 to 201-10-550)	2007-2008	5
Account payable pre-check writing reports	1 box (# 201-09-502)	2007-2008	5
Business license	3 boxes (# 201-09-505, 201-11-563, 201-11-564)	2008	5
CA Water reconciliation reports	1 box (# 201-12-608)	2007-2008	5
Cash vouchers	2 boxes (# 201-10-551, 201-10-554)	2008	5
Garbage service, paid invoices	1 box (# 201-09-501)	2007-2008	5
Housing payments & Bank returned checks/NSF	1 box (# 201-12-612)	1999-2004	5
Journal vouchers	1 box (# 201-10-557)	2007-2008	5
Time cards	4 boxes (# 201-09-534, 201-11-570 to 201-11-572)	2007-2008	5



 Department Head

8/13/2013

 Date



 City Manager

8/22/13

 Date



 City Attorney

8/22/13

 Date



 Acting City Clerk for Council

8.22.13

 Date

COMMUNITY SERVICES

- **Recreation Center**
- **Gymnastics Center**
- **Menlo Children's Center**
- **Belle Haven Child Development Center**
- **Belle Haven After School Program**

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

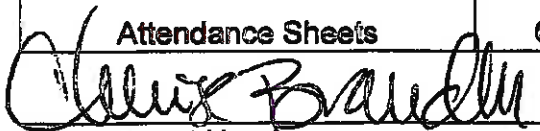
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Page: 1

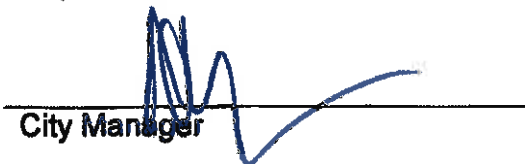
Department: CSD / BHCDC

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule established by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Children's Files	CSD / BHCDC - Box 1	FY:1998	5 years
Children's Files	CSD / BHCDC - Box 2	FY:1995-1996	5 years
Snack Count/ Food Menu/ Food Receipts/ Children's Files	CSD / BHCDC - Box 3	FY:1996	5 years
Children's Assessments/ Attendance Report/ Classroom Supply Receipts/ Children's Files	CSD / BHCDC - Box 4	FY:1995-2000	5 years
Attendance Sheets/ Fieldtrip/ Old employee Files/ Parent's Survey/ Check Request/ Food Program Reimbursements/ Fax Memorandums/ Parent Educations/ Meal Count	CSD / BHCDC - Box 5	FY: 1997- 2001	5 years
Mary Dupen	CSD / BHCDC - Box 6	FY: 1996	5 years
Children's Files	CSD / BHCDC - Box 7	FY:2008	5 years
Children's Files	CSD / BHCDC - Box 8	FY: 2007- 2008	5 years
Children's Files/ DRDP/ Permission Slips/ Wait List Binder of Applications	CSD / BHCDC - Box 9	FY: 2006- 2008	5 years
PAC Info/ Survey/ EPAK/ Reports/ Old Staff's Files	CSD / BHCDC - Box 10	FY: 1999- 2004	5 years
Food Count/ Parent's Fee/ old Staff's Files	CSD / BHCDC - Box 11	FY: 2000- 2008	5 years
Attendance Sheets	CSD/ BHCDC - Box 12	FY: 2007- 2008	5 years


 Department Head

7/30/13
 Date


 City Manager

8/22/13
 Date

W. H. L. H.
City Attorney

8/22/13
Date

Acting *Pamela Guster*
City Clerk for Council

8.22.13
Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: June 10, 2013

Pages: 1 to 3

Department: CSD - Gymnastics

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule establish by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

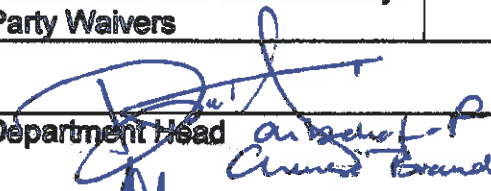
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Registration Forms	#1	1991 - 1995	5 years
Registration Forms & Birthday Party Waivers	#2	1990;1992 & 2007	5 years
Registration Forms & Birthday Party Waivers	#3	2000 & 2002	5 years
Registration Forms & Birthday Party Waivers	#4	2006 & 2007	5 years
Registration Forms & Birthday Party Waivers	#5	2006	5 years
Registration Forms; Birthday Party Waivers & Attendance Sheets	#6	1996	5 years
Registration Forms & Refund Forms	#7	2007	5 years
Registration Forms & Birthday Party Waivers	#8	1999	5 years
Registration Forms & Birthday Party Waivers	#9	2001	5 years
Registration Forms & Birthday Party Waivers	#10	2005	5 years
Attendance Sheets & Birthday Party Waivers	#11	1999 & 2001 - 2004	5 years
Registration Forms	#12	1990 - 1992	5 years
Registration Forms, Attendance Sheets, Incident reports & Birthday Party Waivers	#13	1997	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#14	1997	5 years
Registration Forms & Birthday Party Waivers	#15	2000	5 years
Registration Forms & Birthday Party Waivers	#16	1997 & 1998	5 years

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Registration Forms & Birthday Party Waivers	#17	2004	5 years
Registration Forms, Attendance Sheets & Birthday Waivers	#18	2003	5 years
Registration Forms & Birthday Party Waivers	#19	1994, 1995, & 1996	5 years
Registration Forms & Birthday Party Waivers	#20	1992 to 1995	5 years
Registration Forms & Birthday Party Waivers	#21	1991 & 1995	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#22	2002	5 years
Registration Forms & Birthday Party Waivers	#23	1990, 1991, 1996, & 1998	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#24	1996	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#25	1998	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#26	1999	5 years
Registration Forms, Attendance Sheets, Incident Reports & Birthday Party Waivers	#27	1990 to 1994, 1998 to 2001	5 years
Registration Forms	#28	2006	5 years
Registration Forms & Birthday Party Waivers	#29	2001	5 years
Registration Forms & Birthday Party Waivers	#30	2003	5 years
Registration Forms & Birthday Party Waivers	#31	1995 & 1996	5 years
Registration Forms	#32	1995	5 years
Registration Forms	#33	1997	5 years
Registration Forms & Birthday Party Waivers	#34	2003	5 years
Registration Forms & Attendance Sheets	#35	2004 to 2005	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#36	2002	5 years
Registration Forms	#37	2004	5 years
Registration Forms & Birthday	#38	2005	5 years

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Party Waivers			
Registration Forms & Birthday Party Waivers	#39	1998 & 1999	5 years
Registration Forms & Birthday Party Waivers	#40	1997	5 years
Registration Forms & Birthday Party Waivers	#41	1995	5 years
Registration Forms & Birthday Party Waivers	#42	1999	5 years
Registration Forms	#43	2002	5 years
Registration Forms, Attendance Sheets, & Birthday Party Waivers Incident Reports (2000- 2007)	#44	1998 & 2000 to 2007	5 years
Registration Forms, Attendance Sheets & Birthday Party Waivers	#45	1999 to 2002 & 2007	5 years.


 Department Head

Date 7/3/13


 City Manager

Date 8/22/13


 City Attorney

Date 8/22/13


 Acting City Clerk for Council

Date 8.22.13

Registration Forms & Birthday Party Waivers	#39	1998 & 1999	
Registration Forms & Birthday Party Waivers	#40	1997	
Registration Forms & Birthday Party Waivers	#41	1995	
Registration Forms & Birthday Party Waivers	#42	1999	
Registration Forms	#43	2002	
Registration Forms, Attendance Sheets, & Birthday Party Waivers Incident Reports (2000- 2007)	#44	1998 & 2000 to 2007	
Registration Forms, Attendance Sheets & Birthday Party Waivers	#45	1999 to 2002 & 2007	

Cecilia Brandell

Department Head

7/30/13
Date

[Signature]

City Manager

8/22/13
Date

[Signature]

City Attorney

8/22/13
Date

[Signature]
acting City Clerk for Council

8.22.13
Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: 7/29/13

Page: 1

Department: CSD-Recreation (ARC)

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule established by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.


RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Registration forms	CSD/REC - 2013-1	2002	5 yrs.
Registration forms	CSD/REC - 2013-2	2001	5 yrs.
Registration forms	CSD/REC - 2013-3	2003	5 yrs.
Registration forms	CSD/REC - 2013-4	2005	5 yrs.
Registration forms	CSD/REC - 2013-5	2004	5 yrs.
Registration forms	CSD/REC - 2013-6	2003/2004	5 yrs.
Registration forms	CSD/REC - 2013-7	2006	5 yrs.
Registration forms	CSD/REC - 2013-8	2005	5 yrs.



 Department Head

7/29/13

 Date



 City Manager

8/23/13

 Date



 City Attorney

8/22/13

 Date



 Acting City Clerk for Council

8.22.13

 Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: 8/9/13

Page: 1

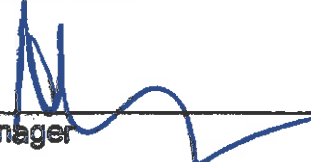
Department: CSD/MCC

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule establish by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Attendance/ Sign In Sheets	MCC-1	January-December 2010 January 2008 April 2008 August-October 2009 May 2000	2 years
Children's Files	MCC-2	June, 2004 2002-2003 2000-2001 1999 1999 1999	5 years
Children's Files	MCC-3	2005-2006 April, 2002 2003-2004 2005	5 years
Attendance/Sign In Sheets	MCC-3	1997-1998 January-June 2011	2 years


 Department Head

8/12/13
 Date


 City Manager

8/22/13
 Date

W. L. M.

City Attorney

8/22/13

Date

acting *Parvula Rouston*

City Clerk for Council

8.22.13

Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: 8/9/12

Page: 1

Department: CSD/MCC

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule establish by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Family Files	Container 1-MCC	2003-2004	5 years
Family Files	Container 2-MCC	1998-2002	5 years
Employee Files	Container 3-MCC	1990-2001	10 years
Family Files	Container 3-MCC	2005	5 years
Sign In/Out Sheets	Container 4-MCC	Jan 1998, 1999,2005, 2006, 2008, 2010	2 years
		Feb 1999, 2000, 2004, 2006, 2006, 2008, 2009, 2010	2 years
		March 1998, 2000, 2001, 2004, 2005, 2006, 2008, 2010	2 years
		April 1998, 1999, 2001, 1003, 2006, 2008	2 years
		May 1999, 2000, 2001, 2003, 2005, 2006, 2008	2 years
		June 2001,2002,2004,2005	2 years
		July 2004,2005	2 years
		August 1999,2000,2001,2004,2005	2 years
		Sept 1999, 2000, 2004, 2005	2 years
		October 1999,2000,2001,2004,2005	2 years
		November 2000,2004,2005	2 years
		December 2000,2004,2005	2 years
Sign In/Out Sheets	Container 4-MCC		

Chris Bunker
Department Head

8/22/13
Date

[Signature]
City Manager

8/22/13
Date

Will L...
City Attorney

8/22/13
Date

acting *Danah Gurta*
City Clerk for Council

8.22.13
Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS


Date: 8/12/13

Page: 1


Department: CSD/BHASP

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule establish by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Children's Files	BHASP-1	2004-2005	5 years
Children's Files	BHASP-2	2005-2006	5 years
Children's Files	BHASP-3	2006-2008	5 years
Sign In Sheets	BHASP-2	2005-2006	2 years


 Department Head

8/13/13
 Date


 City Manager

8/22/13
 Date


 City Attorney

8/22/13
 Date


 Acting City Clerk for Council

8.22.13
 Date

POLICE DEPARTMENT

- **Administration**
- **Records Division**

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

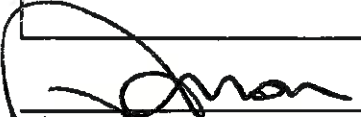
Date: July 1, 2013

Page: 1

Department: Police - Administration

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule established by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.

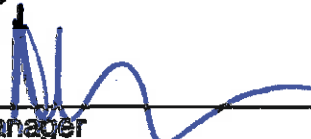
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Informal Inquiry Reports	Admin Filing Cabinet	Dispo'd prior to July 1, 2012	1 Year
Internal Affairs investigations	Admin Filing Cabinet	Dispo'd prior to July 1, 2012	6 Years
Internal Supervisor's Reports	Admin Filing Cabinet	Dispo'd prior to July 1, 2011	2 Years



 Department Head

7/10/13


 Date



 City Manager

8/22/13

 Date



 City Attorney

8/22/13

 Date



 Acting City Clerk for Council

8.22.13

 Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS


Date: August 1, 2013

Page: 1

Department: Police - Records

Current retention schedules show that the records listed below are now ready for destruction. Authorization by the parties listed below provides written consent to destroy these obsolete records in accordance with the retention schedule establish by Council Resolution and in accordance with Government Code Section 34090 and 34090.6.


RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
2003 Police Reports – all except those otherwise specifically mentioned in City retention schedule	File shelf in Records	01/01/2003 thru 12/31/2003	7 years
2004 Police Reports – all except those otherwise specifically mentioned in City retention schedule	File shelf in Records	01/01/2004 thru 12/31/2004	7 years
2005 Police Reports – all except those otherwise specifically mentioned in City retention schedule	File shelf in Records	01/01/2005 thru 12/31/2005	7 years



 Department Head

8/04/13


 Date



 City Manager

8/22/13

 Date



 City Attorney

8/22/13

 Date

Acting 

 City Clerk for Council

8.22.13

 Date



**CITY COUNCIL
SPECIAL MEETING DRAFT MINUTES**

Monday, August 19, 2013

6:00 p.m.

701 Laurel Street, Menlo Park, CA 94025

City Council Conference Room, 1st floor Administration Building

ROLL CALL – Mayor Ohtaki called the closed session to order at 6:10 p.m. with all members present.

6:00 P.M. CLOSED SESSION

No members of the public appeared to give public comment.

CL1. Closed Session pursuant to Government Code Section §54957:
Public Employee Performance Evaluation - City Manager
Attendees: City Manager Alex McIntyre, Jan Perkins, Management Partners

There are no reportable actions from this closed session.

ADJOURNMENT at 8:25 p.m.

Pamela Aguliar
Acting City Clerk

These minutes were accepted at the Council meeting of August 27, 2013

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POLICE DEPARTMENT

Council Meeting Date: August 27, 2013
Continued from the August 20th Council Meeting

Staff Report #: 13-140

Agenda Item #: F-1

REGULAR BUSINESS:

Authorize the City Manager to Execute a 5-Year Agreement Not-to-Exceed \$335,000 annually with Redflex Traffic Systems, Inc. for a Photo Red Light Enforcement Program, Authorize an Additional Red Light Camera at Bayfront Expressway and Chilco Street, and Increase the Red Light Camera Facilitator position from 0.75 FTE to 1.0 FTE

RECOMMENDATION

Staff recommends that the City Council:

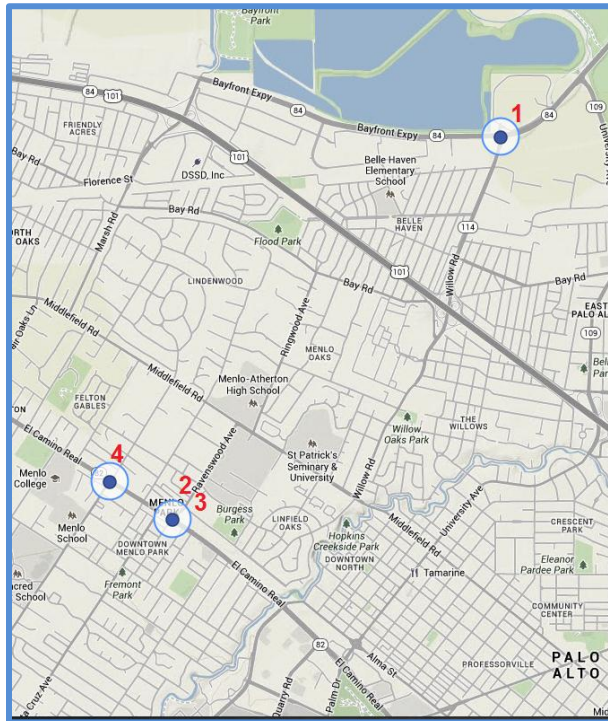
1. Authorize the City Manager to execute a five (5) year agreement not to exceed \$335,000 annually between the City of Menlo Park and Redflex Traffic Systems, Inc. for a photo red light enforcement program.
2. Authorize an additional red light camera at Bayfront Expressway and Chilco Street.
3. Authorize the City Manager to increase the Red Light Enforcement Facilitator position from three-quarter time (0.75 FTE) to full-time (1.0 FTE) to provide for the increased workload of the additional location and anticipated increase in court appearance frequency.

BACKGROUND

On December 6, 2006, the City Council approved an agreement with Redflex Traffic Systems, Inc., for a photo red light enforcement program to be administered at four (4) different approaches throughout the City. The five (5) year agreement began in 2008 upon implementation of the cameras and was set to expire on May 3, 2013. Since May 2013, the program has been operating under two (2) separate short-term extensions. The current extension will expire on September 2, 2013.

The purpose of the red light enforcement cameras (RLCs) is to increase traffic safety by reducing the number and severity of traffic collisions and to increase driver awareness of the hazards associated with unsafe driving in and around signal controlled intersections.

These locations were selected based on a variety of concerns including, but not limited to, collision data, complaints from the public and the ability of officers to safely conduct enforcement activities.



City of Menlo Park Red Light Camera Locations

1. Northbound Bayfront Expressway and Willow Rd., (left turn)
2. Northbound El Camino Real and Ravenswood Ave., (through lanes & left turn)
3. Southbound El Camino Real and Menlo Ave., (through lanes, right & left turns)
4. Northbound El Camino Real and Glenwood Ave., (through lanes, right & left turns)

Red Light Camera Violation Process

A potential red light camera violation incident is triggered when a camera at an enforced approach detects a possible red light violation. The camera captures 3-4 images. These images include a picture of the driver and pictures of the suspect vehicle. A twelve (12) second video is included in each incident packet as well. The video captures the vehicle six (6) seconds before the incident and six (6) seconds following the incident. The incident packet (pictures and video) are sent electronically to the red light camera processing center.

The vendor examines the incident in a three (3) stage process. During the first stage, the vendor determines if the incident is indeed a red light violation. If the incident is determined to be a violation, the vendor matches the vehicle and driver to California Department of Motor Vehicle records during the second stage of screening. During the third stage a different employee reviews and confirms that a red light violation was captured and that the DMV information is accurate and matched correctly. The violation

is then forwarded to the Menlo Park Police Department for internal review and independent verification. A Police Department staff member reviews the incident and determines the validity of the citation.

When the Police Department employee authorizes a violation, the vendor mails a notice of violation to the driver. The violator can either pay the fine or contest the citation via a written declaration or a court hearing. Only an estimated 2% of violators contest their citations. The violator also has the option to identify another individual as the driver at the time of the violation. In this case, and only upon match confirmation, a citation is issued to the identified driver.

The red light camera program includes numerous duties. These include reviewing violations, preparing documentation for court, court appearances, answering written and telephone questions, violation nominations, requests for appointments to view violation videos, and follow up to letters of inquiry and correspondence from the court. Staff also responds to requests for informal discoveries from attorneys or violators. Compiling evidentiary packets for "Trials by Written Declaration" requires significant staff time. The red light program includes a budgeted three quarter time civilian position (0.75 FTE) who reports to the Traffic Sergeant. The position is currently vacant and the Traffic Sergeant is performing the duties of this position with the assistance of temporary staff. Court appearances typically require eight (8) hours of staff time each week.

Recent Legislation Affecting Red Light Camera Enforcement

The governor signed SB 1303 into law in 2012 requiring notification signage within 200 feet of each red light camera enforced intersection by January 1, 2014. The legislation also clarifies the legitimacy of red light camera generated evidence in court proceedings. The City of Menlo Park is already in compliance with this legislation.

Two California Assembly bills have been introduced during the current legislative session.

One piece of legislation would require the addition of one (1) second to the amber time period at red light camera enforced intersections. The City of Menlo Park Transportation Division and the California League of Cities do not support this legislation. Current amber light intervals are based on considerable research and actual practice, and reflect the conditions of the particular intersection. Additionally, according to City Transportation Division staff, adding one second to amber lights at red light camera intersections could disrupt synchronized corridors and may encourage drivers to enter intersections further into the amber phase creating safety concerns at non-red light camera controlled intersections.

The second bill currently proposed in the California Assembly would change red light camera violations from a criminal infraction to an administrative action and move adjudication out of superior courts to an administrative process similar to that of code enforcement violations.

History of Traffic Enforcement Unit in Menlo Park

Budget reductions in June 2003 reduced the Menlo Park Police Department (MPPD) traffic unit from four (4) officers to one (1) officer. The remaining officer was transferred to the patrol unit later in 2003. MPPD did not deploy traffic officers again until August 2008. The FY2008-09 budget included funding for two (2) traffic officers. One (1) traffic officer transferred to patrol in January 2009. In 2010, existing personnel were reassigned to staff the Narcotics Enforcement Team (NET) to address rising drug, gang, and gun violence in the city at that time.

Personnel have not been reassigned to traffic enforcement duties on a full-time basis. Instead, patrol personnel conduct traffic enforcement when possible and as part of their ongoing patrol efforts. A majority of enforcement efforts involve observed violations (stop signs, traffic signals or speed violations) or are in response to resident complaints.

The red light camera program exists to supplement traffic enforcement and enhance public safety in Menlo Park.

ANALYSIS

Proposed Amended and Restated Agreement

The City and Redflex Traffic Systems, Inc. have negotiated terms as part of a new contract to continue the photo red light enforcement program. The term of the proposed agreement is for five (5) years with the option of two 1-year extensions. The City has also negotiated a shorter termination clause (30 days upon a vote of 4/5 of the Council) and the right to terminate the agreement immediately upon certain changes in California law or in response to court decisions affecting the effectiveness of enforcing or prosecuting violations. The price for existing locations would be reduced by 15% to \$5397.50 per approach per month with the option to add new locations at a cost of \$6,200 per approach per month.

Traffic Accident Statistics

Traffic collisions pre-camera at red light camera enforced intersections totaled 141 from 2003 to mid-year 2008 when the first camera went live. Collisions decreased post red light camera implementation totaling 103 from mid-year 2008 to June 30, 2013. The greatest decrease in total number of collisions along the El Camino Real corridor in Menlo Park occurred when the City utilized both traffic officers and red light camera enforcement (Attachment A).

Reduction in Accident Severity

According to the National Highway Traffic Safety Commission, more than 900 people a year die and nearly 2,000 are injured as a result of vehicles running red lights. About half of those deaths are pedestrians and occupants of other vehicles who are hit by red light runners. Side-impact or T-bone accidents represent 28.9% of all U.S. auto accidents and 20.9% of auto accident fatalities nationwide, with vehicle occupants on the side of the car that absorbs the impact being more likely to receive severe injuries

than they would in a front- or rear-side auto accident. Rear-end accidents account for 25% of police-reported U.S. auto accidents and 5% of nationwide auto accident fatalities. On average, injury costs for side-impact accidents are 159% greater than rear-side accidents.

Consistent with Federal Highway Administration findings, the number of rear-end collisions occurring in Menlo Park’s RLC enforced intersections has increased and the number of side-impact (T-bone) collisions has decreased (Attachment B). Studies find the coupling of these trends results in an overall net reduction in accident severity, including fewer serious injuries.

Issued Citations and Violator Characteristics

Red light violations peaked in 2009 with the first complete year of RLC enforcement. The decrease in citations since 2009 (Attachment C) would indicate that driver awareness and adherence to the red light enforcement is effective. In addition, ninety-seven percent (97%) of violators cited for RLC violations in Menlo Park are one-time offenders. Only three percent (3%) of violators were cited two (2) or more times indicating that driver education is also occurring.

<i>Citations Received</i>	<i>Number of Violators</i>	<i>Percentage of Violators</i>
6+	1	0.00%
5	3	0.01%
4	13	0.05%
3	66	0.25%
2	795	3.02%
	<hr/>	
	878	3.34%

On average, ten percent (10%) of vehicles cited by red light cameras at City enforced intersections are issued to vehicles registered to an address with a 94025 or 94026 zip code. Ninety percent (90%) are from vehicles outside of Menlo Park.

<i>Year</i>	<i>Total Citations</i>	<i>Percentage who are Menlo Park Residents</i>
2008	3,764	9%
2009	6,381	10%
2010	4,738	10%
2011	4,350	11%
2012	3,898	11%
2013	2,057	10%

Support for Chilco Camera

In 2012-2013, various sites were evaluated as possible locations for placement of additional red light cameras. One location was Bayfront Expressway at Chilco Street. On August 24, 2011, a bicyclist was struck and killed in the crosswalk while attempting to cross eastbound over the Expressway. It was clear that either the bicyclist or the

motorist ran a red light. Since 2008, there have been 20 collisions in the intersection resulting in 11 injury collisions. There were 13 minor injuries, 1 major injury and the fatal injury as mentioned above. A “test hang” was conducted to determine if red light violations were a significant problem at this location and results confirmed this as the case.

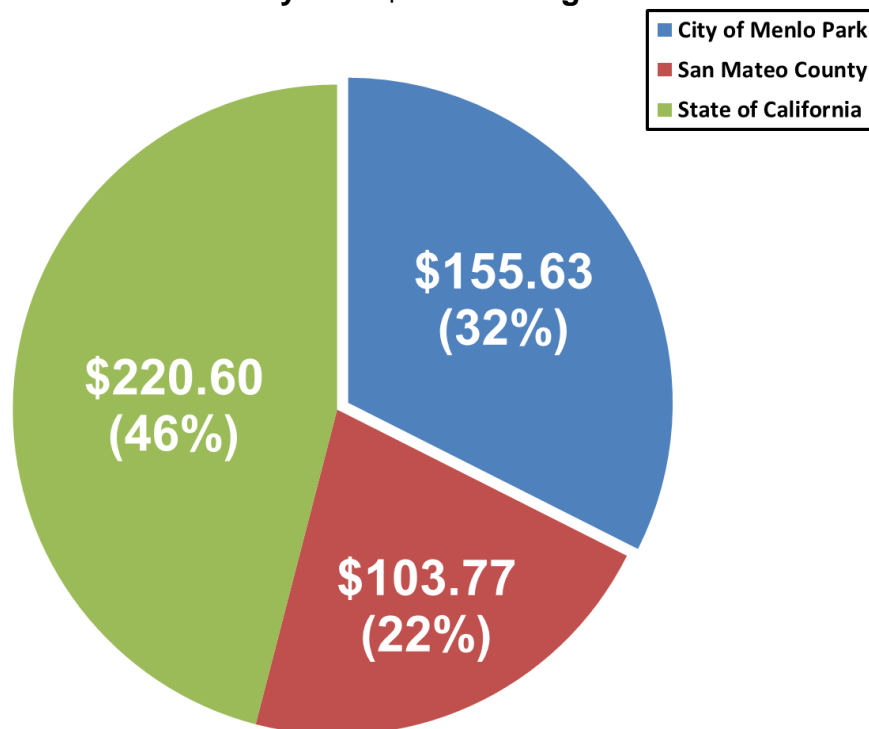
Program Work Load and Request to Increase 0.75 FTE to 1.0 FTE

The Red Light Camera Technician monitors a “hotline” for public requests. These calls can incorporate questions, identification of violators (drivers), or requests for appointments to view video footage of a violation. Some of these calls require follow-up inquiries or letters of correspondence to the court. The Police Department receives requests for informal discoveries, either from attorneys or violators. These are time sensitive and must be answered in a timely manner. The review of the violation “queue” is only one aspect of the position. The Technician is responsible for testifying in court on the cases that are heard in front of a commissioner. They need to assemble evidentiary packets for those cases that are disputed by “Trials by Written Declaration. The workload associated with the position supports a 40-hour a week employee.

IMPACT ON CITY RESOURCES

A fully paid citation equals \$480.00 and this fine is set by the State of California. The City of Menlo Park receives only \$155.63 from each fully paid citation and an equal percentage (32.4%) for fines adjusted by the courts. For example, an adjusted citation commonly means a reduced fine or even a conversion to community service.

Distribution of Fully Paid \$480 Red Light Violation Citation



Since the red light cameras became operational, revenue generated from the red light camera program has exceeded expenditures in each year of operation. The City has not subsidized the program.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Revenue	\$487,774	\$551,190	\$463,619	\$529,732	\$361,879
Expenditures	\$347,482	\$449,284	\$462,776	\$419,504	\$295,002
Net Revenue	\$140,262	\$101,907	\$843	\$110,228	\$66,877

Equipment service and maintenance along with Police Department staffing make up the bulk of program expenditures. The five-year average General Fund Contribution of \$84,023 can be considered to partially offset the average \$180,000 fully-burdened cost of one traffic unit officer. The red light camera program supplements and enhances public safety efforts by providing twenty-four (24) hour red light enforcement at monitored approaches.

Increasing the Red Light Enforcement Facilitator from three-quarter time (0.75 FTE) to full-time (1.0 FTE) increases expenditures by approximately \$16,300.

POLICY ISSUES

The proposed action is consistent with City’s focus on public safety.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

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

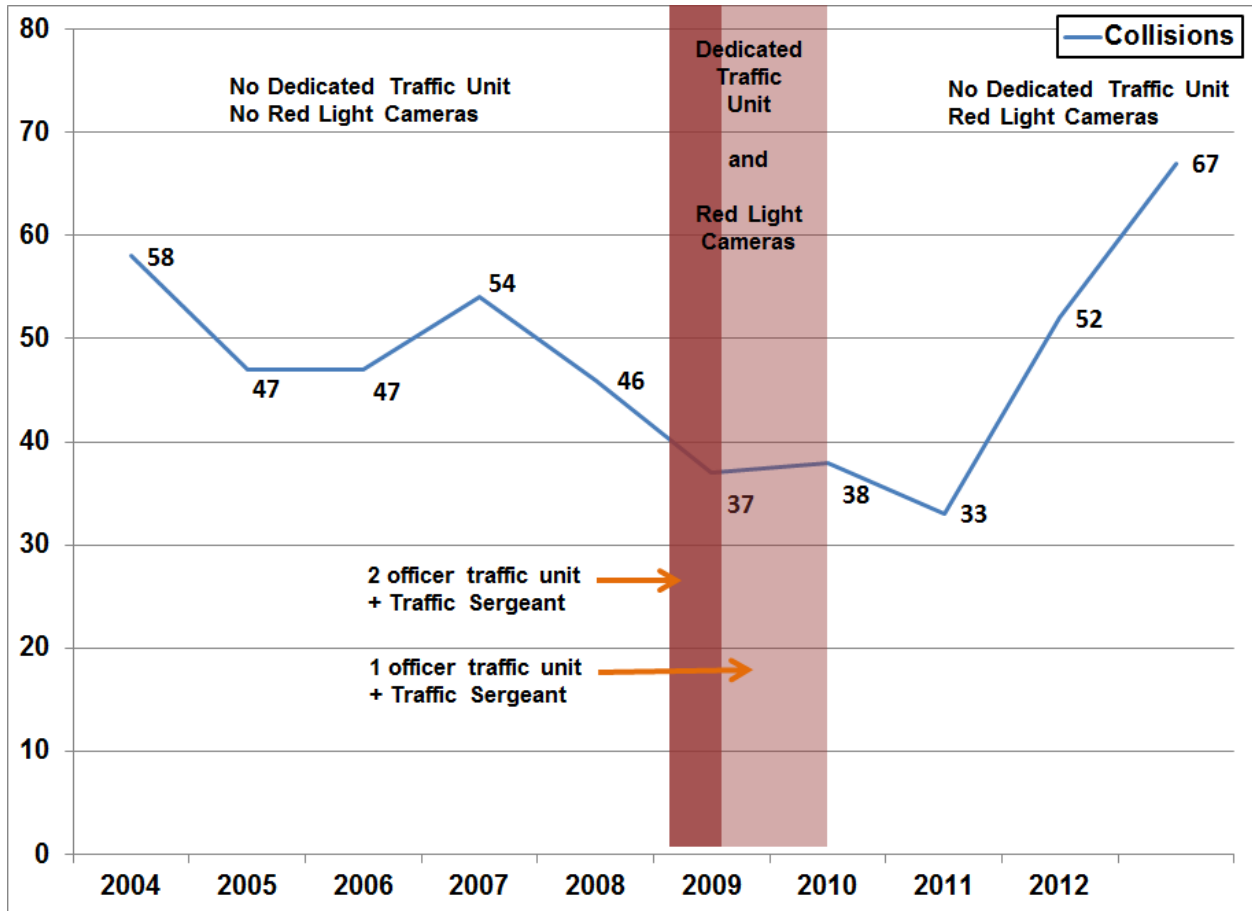
- A. Border to Border Traffic Collision Counts on El Camino Real (Atherton to Palo Alto) 2004-2012
- B. El Camino Real Rear End and Side-impact (T-Bone) Collisions 2008-2012
- C. Citations Issued by Approach 2008-2012
- D. Proposed Agreement with Redflex Traffic Systems, Inc.

Report prepared by:
 David Carnahan
 City Manager’s Intern

Sharon Kaufman
 Traffic Sergeant

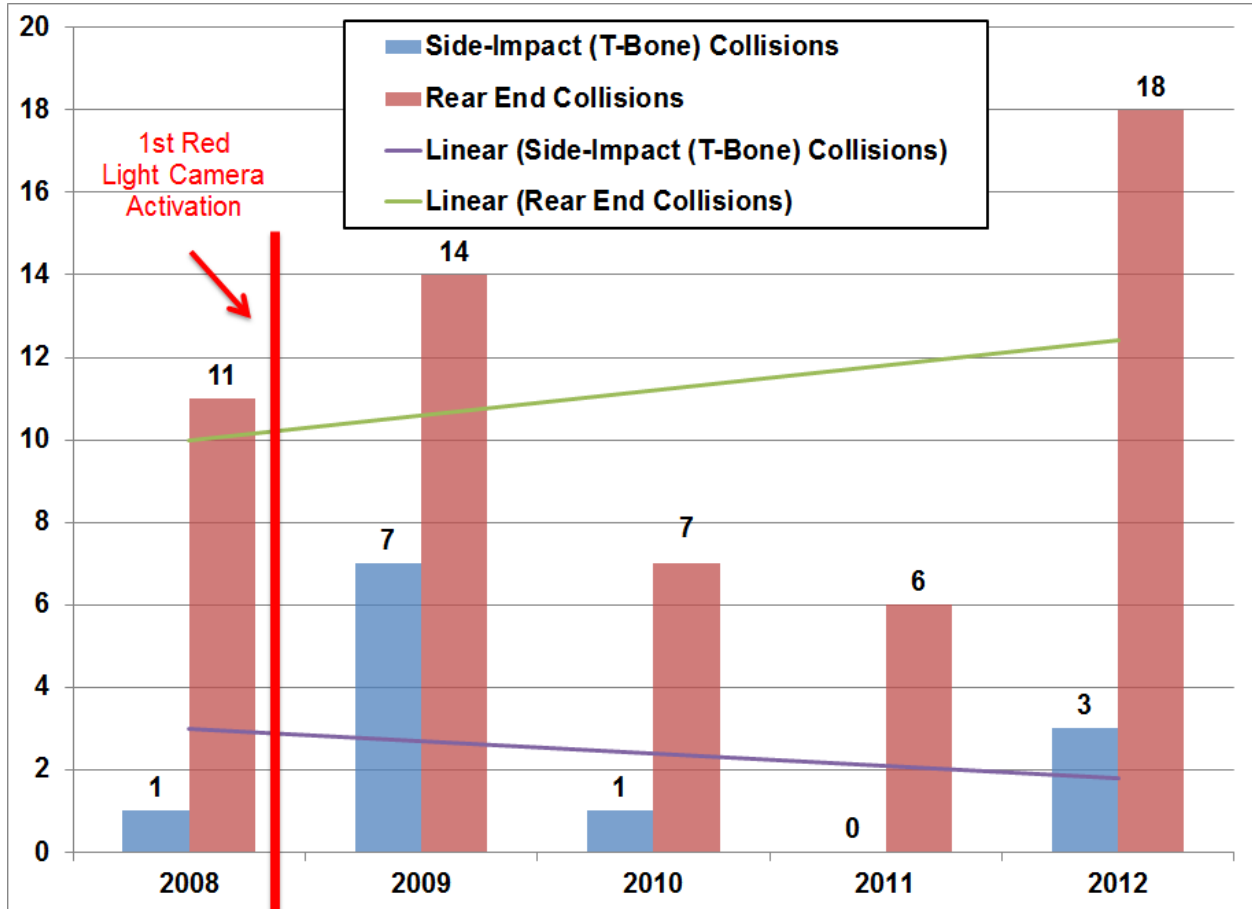
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Border to Border Traffic Collision Counts on El Camino Real (Atherton to Palo Alto) 2004-2012



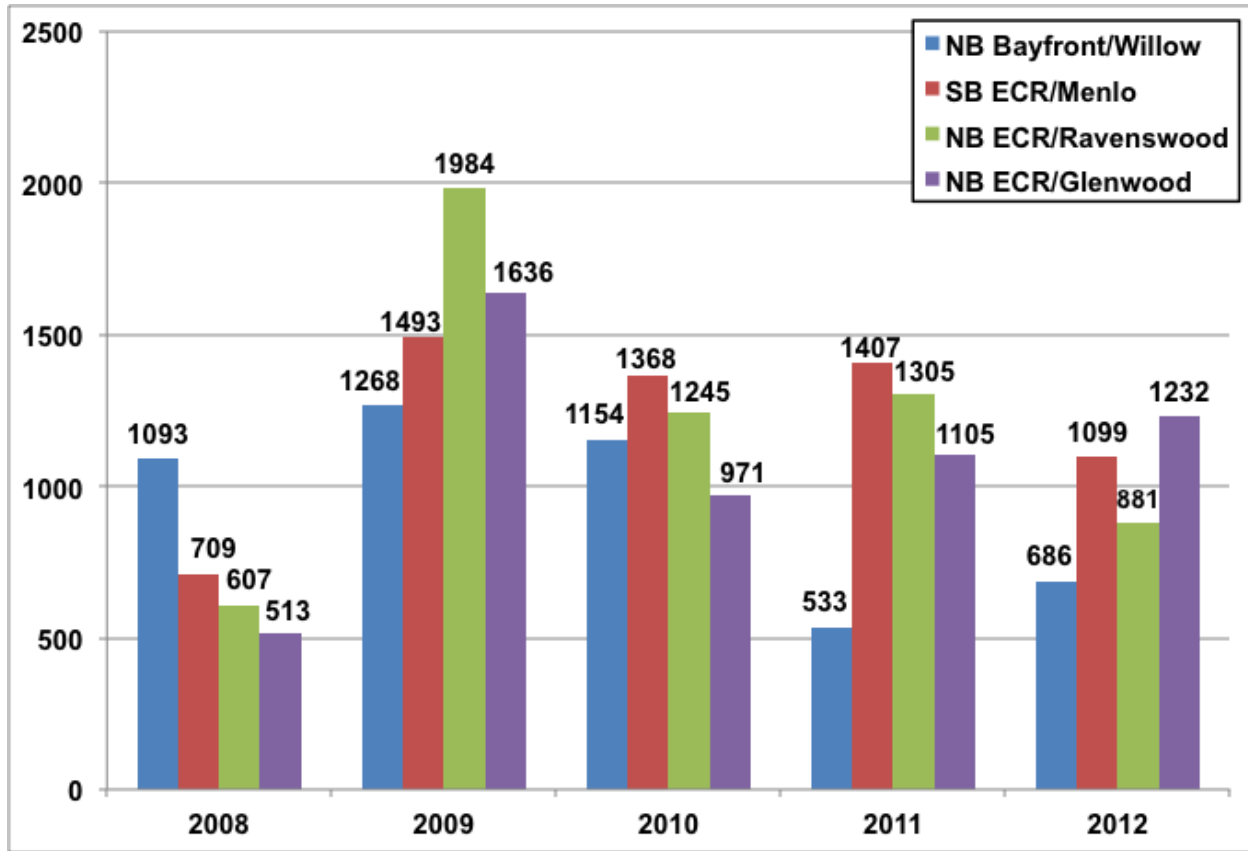
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El Camino Real Rear End and Side-impact (T-Bone) Collisions 2008-2012



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Citations Issued by Location 2008-2012



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AMENDMENT TO AND RESTATEMENT OF THE EXCLUSIVE AGREEMENT
BETWEEN THE CITY OF MENLO PARK AND REDFLEX TRAFFIC SYSTEMS,
INC. FOR A PHOTO RED LIGHT ENFORCEMENT PROGRAM

This Agreement and Restatement (“Agreement”) is made this day of August ___ 2013, by and between Redflex Traffic Systems, Inc. with offices at 5835 Uplander Way, Culver City, California 90230 (“Redflex”), and The City of Menlo Park a municipal corporation, with offices at 701 Laurel Street, Menlo Park, California 94025 (the “City”), collectively referred to as the “Parties.”

RECITALS:

WHEREAS, Redflex and City entered into an agreement for services dated December 5, 2006, entitled Exclusive Agreement Between the City of Menlo Park and Redflex Traffic Systems, Inc. For Photo Red Light Enforcement Program (“2006 Agreement”).

WHEREAS, Redflex has exclusive knowledge, possession and ownership of certain equipment, licenses, applications, and citation processes related to digital photo red light enforcement systems; and

WHEREAS, City desires to continue to engage the services of Redflex to provide certain equipment, processes and back office services so that sworn peace officers of the City are able to monitor, identify and enforce red light running violations.

WHEREAS, the Parties wish to enter into this Agreement, which is intended to fully and completely supersede the 2006 Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **DEFINITIONS.** In this Agreement, the words and phrases below shall have the following meanings:
 - 1.1. “Authorized Officer” means the Police Project Manager or such other individual(s) as the City shall designate to review Potential Violations and to authorize the Issuance of Citations in respect thereto, and in any event, a sworn peace officer or a qualified employee of the Police Department.
 - 1.2. “Authorized Violation” means each Potential Violation in the Violation Data for which authorization to issue a citation in the form of an Electronic Signature is given by the Authorized Officer by using the Redflex System.
 - 1.3. “Citation” means the notice of a Violation, which is mailed or otherwise delivered by Redflex to the violator on the appropriate Enforcement Documentation in respect of each Authorized Violation.
 - 1.4. “Confidential or Private Information” means, with respect to any Person, any information, matter or thing of a secret, confidential or private nature, whether or

not so labeled, which is connected with such Person's business or methods of operation or concerning any of such Person's suppliers, licensors, licensees, Citys or others with whom such Person has a business relationship, and which has current or potential value to such Person or the unauthorized disclosure of which could be detrimental to such Person, including but not limited to:

- 1.4.1. Matters of a business nature, including but not limited to information relating to development plans, costs, finances, marketing plans, data, procedures, business opportunities, marketing methods, plans and strategies, the costs of construction, installation, materials or components, the prices such Person obtains or has obtained from its clients or Citys, or at which such Person sells or has sold its services; and
- 1.4.2. Matters of a technical nature, including but not limited to product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development projects. For purposes of this Agreement, the term "trade secrets" shall mean the broadest and most inclusive interpretation of trade secrets.
- 1.4.3. Notwithstanding the foregoing, Confidential Information will not include information that: (i) was generally available to the public or otherwise part of the public domain at the time of its disclosure, (ii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any party hereto in breach of this Agreement, (iii) was subsequently lawfully disclosed to the disclosing party by a person other than a party hereto, (iv) was required by a court of competent jurisdiction to be described, or (v) was required by applicable state law to be described.
- 1.5. "Designated Intersection Approaches" means the Intersection Approaches set forth on Exhibit A attached hereto, and such additional Intersection Approaches as Redflex and the City shall mutually agree from time to time.
- 1.6. "Electronic Signature" means the method through which the Authorized Officer indicates his or her approval of the issuance of a Citation in respect of a Potential Violation using the Redflex System.
- 1.7. "Enforcement Documentation" means the necessary and appropriate documentation related to the Photo Red Light Enforcement Program, including but not limited to warning letters, citation notices (using the specifications of the Judicial Council and the City, a numbering sequence for use on all citation notices (in accordance with applicable court rules), instructions to accompany each issued Citation (including in such instructions a description of basic court procedures, payment options and information regarding the viewing of images and data collected by the Redflex System), chain of custody records, criteria regarding operational policies for processing Citations (including with respect to coordinating with the Department of Motor Vehicles), and technical support documentation for applicable court and judicial officers .
- 1.8. "Equipment" means any and all cameras, sensors, equipment, components, products, software and other tangible and intangible property relating to the

Redflex Photo Red Light System(s), including but not limited to all camera systems, housings, radar units, servers and poles.

- 1.9. “Fine” means a monetary sum assessed for Citation, including but not limited to bail forfeitures, but excluding suspended fines.
- 1.10. “Governmental Authority” means any domestic or foreign government, governmental authority, court, tribunal, agency or other regulatory, administrative or judicial agency, commission or organization, and any subdivision, branch or department of any of the foregoing.
- 1.11. “Installation Date of the Photo Red Light Program” means the date on which Redflex completes the construction and installation of at least one (1) Intersection Approach in accordance with the terms of this Agreement so that such Intersection Approach is operational for the purposes of functioning with the Redlight Photo Enforcement Program.
- 1.12. “Intellectual Property” means, with respect to any Person, any and all now known or hereafter known tangible and intangible (a) rights associated with works of authorship throughout the world, including but not limited to copyrights, moral rights and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms and other industrial property rights, (e) all other intellectual and industrial property rights (of every kind and nature throughout the universe and however designated), whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions or reissues hereof now or hereafter in force (including any rights in any of the foregoing), of such Person.
- 1.13. “Intersection Approach” means a conduit of travel with up to four (4) contiguous lanes from the curb (e.g., northbound, southbound, eastbound or westbound) on which at least one (1) system has been installed by Redflex for the purposes of facilitating Redlight Photo Enforcement by the City.
- 1.14. “Operational Period” means the period of time during the Term, commencing on the Installation Date, during which the Photo Red Light Enforcement Program is functional in order to permit the identification and prosecution of Violations at the Designated Intersection Approaches by a sworn peace officer of the City and the issuance of Citations for such approved Violations using the Redflex System.
- 1.15. “Person” means a natural individual, company, Governmental Authority, partnership, firm, corporation, legal entity or other business association.
- 1.16. “Police Project Manager” means the project manager appointed by the City in accordance with this Agreement, which shall be a sworn peace officer or a qualified employee of the Police Department and shall be responsible for overseeing the installation of the Intersection Approaches and the implementation of the Redlight Photo Enforcement Program, and which manager shall have the power and authority to make management decisions relating to the City’s obligations pursuant to this Agreement, including but not limited to change order authorizations, subject to any limitations set forth in the City’s charter or other organizational documents of the City or by the city counsel or other governing body of the City.

- 1.17. “Potential Violation” means, with respect to any motor vehicle passing through a Designated Intersection Approach, the data collected by the Redflex System with respect to such motor vehicle, which data shall be processed by the Redflex System for the purposes of allowing the Authorized Officer to review such data and determine whether a Red Light Violation has occurred.
- 1.18. “Proprietary Property” means, with respect to any Person, any written or tangible property owned or used by such Person in connection with such Person’s business, whether or not such property is copyrightable or also qualifies as Confidential Information, including without limitation products, samples, equipment, files, lists, books, notebooks, records, documents, memoranda, reports, patterns, schematics, compilations, designs, drawings, data, test results, contracts, agreements, literature, correspondence, spread sheets, computer programs and software, computer print outs, other written and graphic records and the like, whether originals, copies, duplicates or summaries thereof, affecting or relating to the business of such Person, financial statements, budgets, projections and invoices.
- 1.19. “Redflex Marks” means all trademarks registered in the name of Redflex or any of its affiliates, such other trademarks as are used by Redflex or any of its affiliates on or in relation to Photo Red Light Enforcement at any time during the Term this Agreement, service marks, trade names, logos, brands and other marks owned by Redflex, and all modifications or adaptations of any of the foregoing.
- 1.20. “Redflex Project Manager” means the project manager appointed by Redflex in accordance with this Agreement, which project manager shall initially be Ray Torrez or such person as Redflex shall designate by providing written notice thereof to the City from time to time, who shall be responsible for overseeing the construction and installation of the Designated Intersection Approaches and the implementation the Photo Red Light Enforcement Program, and who shall have the power and authority to make management decisions relating to Redflex’s obligations pursuant to this Agreement, including but not limited to change-order authorizations.
- 1.21. “Redflex Photo Red Light System” means, collectively, the SmartCam™ System, the SmartOps™ System, the Redlight Photo Enforcement Program, and all of the other equipment, applications, back office processes and digital red light traffic enforcement cameras, sensors, components, products, software and other tangible and intangible property relating thereto.
- 1.22. “Photo Red Light Enforcement Program” means the process by which the monitoring, identification and enforcement of Violations is facilitated by the use of certain equipment, applications and back office processes of Redflex, including but not limited to cameras, flashes, central processing units, signal controller interfaces and detectors (whether loop, radar or video loop) which, collectively, are capable of measuring Violations and recording such Violation data in the form of photographic images of motor vehicles.
- 1.23. “Photo Redlight Violation Criteria” means the standards and criteria by which Potential Violations will be evaluated by sworn peace officers of the City, which standards and criteria shall include, but are not limited to, the duration of time that a traffic light must remain red prior to a Violation being deemed to have

occurred, and the location(s) in an intersection which a motor vehicle must pass during a red light signal prior to being deemed to have committed a Violation, all of which shall be in compliance with all applicable laws, rules and regulations of Governmental Authorities.

- 1.24. “SmartCam™ System” means the proprietary digital redlight photo enforcement system of Redflex relating to the Photo Red Light Enforcement Program.
- 1.25. “SmartOps™ System” means the proprietary back-office processes of Redflex relating to the Photo Red Light Enforcement Program.
- 1.26. “SmartScene™ System” means the proprietary digital video camera unit, hardware and software required for providing supplemental violation data.
- 1.27. “Traffic Signal Controller Boxes” means the signal controller interface and detector, including but not limited to the radar or video loop, as the case may be.
- 1.28. “Violation” means any traffic violation contrary to the terms of the Vehicle Code or any applicable rule, regulation or law of any other Governmental Authority, including but not limited to operating a motor vehicle contrary to traffic signals, and operating a motor vehicle without displaying a valid license plate or registration.
- 1.29. “Violations Data” means the images and other Violations data gathered by the Redflex System at the Designated Intersection Approaches.
- 1.30. “Warning Period” means the period of thirty (30) days after the Installation Date of the first intersection approach.

2. **TERM.** “The Term of this Agreement shall continue for a period of five (5) years from the date of this Agreement. City shall have two (2) additional optional extensions, each consisting of one (1) year periods following the expiration of the initial five (5) year term, which shall be termed the “Renewal Term(s)”. The City may exercise the right to extend the term of this Agreement for each Renewal Term by providing written notice to Redflex not less than thirty (30) days prior to the last day of the initial five (5) year term or the conclusion of the first Renewal Term.”
3. **SERVICES.** Redflex shall provide the Photo Red Light Enforcement Program to the City, in each case in accordance with the terms and provisions set forth in this Agreement.
 - 3.1. **INSTALLATION.** With respect to the construction and installation of (1) the Designated Intersection Approaches and the installation of the Redflex System at such Designated Intersection Approaches, the City and Redflex shall have the respective rights and obligations set forth on Exhibit B attached hereto.
 - 3.2. **MAINTENANCE.** With respect to the maintenance of the Redflex System at the Designated Intersection Approaches the City and Redflex shall have the respective rights and obligations set forth on Exhibit C attached hereto.
 - 3.3. **VIOLATION PROCESSING.** During the Operational Period, Violations shall be processed as follows:

- 3.3.1. All Violations Data shall be stored on the Redflex System;
- 3.3.2. The Redflex System shall process Violations Data gathered from the Designated Intersection Approaches into a format capable of review by the Authorized Officer via the Redflex System;
- 3.3.3. The Redflex System shall be accessible by the Authorized Officer through a virtual private network in encrypted format by use of a confidential password on any computer equipped with a high-speed internet connection and a web browser;
- 3.3.4. Redflex shall provide the Authorized Officer with access to the Redflex System for the purposes of reviewing the pre-processed Violations Data within seven (7) days of the gathering of the Violation Data from the applicable Designated Intersection Approaches
- 3.3.5. The City shall cause the Authorized Officer to review the Violations Data and to determine whether a citation shall be issued with respect to each Potential Violation captured within such Violation Data, and transmit each such determination in the form of an Electronic Signature to Redflex using the software or other applications or procedures provided by Redflex on the Redflex System for such purpose, and REDFLEX HEREBY ACKNOWLEDGES AND AGREES THAT THE DECISION TO ISSUE A CITATION SHALL BE THE SOLE, UNILATERAL AND EXCLUSIVE DECISION OF THE AUTHORIZED OFFICER AND SHALL BE MADE IN SUCH AUTHORIZED OFFICER'S SOLE DISCRETION (A "CITATION DECISION"), AND IN NO EVENT SHALL REDFLEX HAVE THE ABILITY OR AUTHORIZATION TO MAKE A CITATION DECISION;
- 3.3.6. With respect to each Authorized Violation, Redflex shall print and mail a Citation within six (6) days after Redflex's receipt of such authorization; provided, however, during the Warning Period, warning violation notices shall be issued in respect of all Authorized Violations;
- 3.3.7. Redflex shall provide a toll-free telephone number for the purposes of answering citizen inquiries
- 3.3.8. Redflex shall permit the Authorized Officer to generate monthly reports using the Redflex Standard Report System.
- 3.3.9. Upon Redflex's receipt of a written request from the City and in addition to the Standard Reports, Redflex shall provide, without cost to the City, reports regarding the processing and issuance of Citations, the maintenance and downtime records of the Designated Intersection Approaches and the functionality of the Redflex System with respect thereto to the City in such format and for such periods as the City may reasonably request; provided, however, Redflex shall not be obligated to provide in excess of six (6) such reports in any given twelve (12) month period without cost to the City;
- 3.3.10. Upon the City's receipt of a written request from Redflex, the City shall provide, without cost to Redflex, reports regarding the prosecution of Citations and the collection of fines, fees and other monies in respect thereof in such format and for such periods as Redflex may reasonably request; provided, however, the City shall not be obligated to provide in excess of six

- (6) such reports in any given twelve (12) month period without cost to Redflex and subject to availability of such reports and/or information from the San Mateo County court system;
- 3.3.11. During the six (6) month period following the Installation Date and/or upon Redflex's receipt of a written request from the City at least fourteen (14) calendar days in advance of court proceeding, Redflex shall provide expert witnesses for use by the City in prosecuting Violations; provided, however, the City shall use reasonable best efforts to seek judicial notice in lieu of requiring Redflex to provide such expert witnesses; and
- 3.3.12. During the three (3) month period following the Installation Date, Redflex shall provide such training to law enforcement personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of the City with respect to the Redlight Enforcement Program.
- 3.4. PROSECUTION AND COLLECTION; COMPENSATION. The City shall diligently prosecute Citations and the collection of all Fines in respect thereof, and Redflex shall have the right to receive, and the City shall be obligated to pay, the compensation set forth on Exhibit D attached hereto.
- 3.5. OTHER RIGHTS AND OBLIGATIONS. During the Term, in addition to all of the other rights and obligations set forth in this Agreement, Redflex and the City shall have the respective rights and obligations set forth on Exhibit E attached hereto.
- 3.6. UPGRADES TO SYSTEM. Commencing 24 months after the Installation Date Redflex shall provide City the option, at no cost to City, to upgrade the system to the latest available technology being offered by Redflex to other cities, including upgrades to hardware, software, camera system, violation detection systems, etc. Such offer shall be made in writing. City shall at any time thereafter have the right to direct Redflex to implement any or all such upgrades at its sole option. Upon receipt of City's election, Redflex shall diligently proceed to implement and/or install the selected upgrades at its sole cost and shall provide City with any necessary training to operate the upgraded system at no cost to City. This section is subject to Paragraph 1.20 of Exhibit B.
- 3.7. CHANGE ORDERS. The City may from time to time request changes to the work required to be performed or the addition of products or services to those required pursuant to the terms of this Agreement by providing written notice thereof to Redflex, setting forth in reasonable detail the proposed changes (a "Change Order Notice"). Upon Redflex's receipt of a Change Order Notice, Redflex shall deliver a written statement describing the effect, if any, the proposed changes would have on the pricing terms set forth in Exhibit D (the "Change Order Proposal"), which Change Order Proposal shall include (i) a detailed breakdown of the charge and schedule effects, (ii) a description of any resulting changes to the specifications and obligations of the parties, (iii) a schedule for the delivery and other performance obligations, and (iv) any other information relating to the proposed changes reasonably requested by the City. Following the City's receipt of the Change Order Proposal, the parties shall negotiate in good faith and agree to a plan and schedule for implementation of

the proposed changes, the time, manner and amount of payment or price increases or decreases, as the case may be, and any other matters relating to the proposed changes; provided, however, in the event that any proposed change involves only the addition of equipment or services to the existing Designated Intersection Approaches, or the addition of Intersection Approaches to be covered by the terms of this Agreement, to the maximum extent applicable, the pricing terms set forth in Exhibit D shall govern. Any failure of the parties to reach agreement with respect to any of the foregoing as a result of any proposed changes shall not be deemed to be a breach of this Agreement, and any disagreement shall be resolved in accordance with Section 10.

4. License; Reservation of Rights.

- 4.1. License. Subject to the terms and conditions of this Agreement, Redflex hereby grants the City, and the City hereby accepts from Redflex upon the terms and conditions herein specified, a non-exclusive, non-transferable license during the Term of this Agreement to: (a) solely within the City of (insert name), access and use the Redflex System for the sole purpose of reviewing Potential Violations and authorizing the issuance of Citations pursuant to the terms of this Agreement, and to print copies of any content posted on the Redflex System in connection therewith, (b) disclose to the public (including outside of the City of (insert name)) that Redflex is providing services to the City in connection with Photo Red Light Enforcement Program pursuant to the terms of this Agreement, and (c) use and display the Redflex Marks on or in marketing, public awareness or education, or other publications or materials relating to the Photo Red Light Enforcement Program, so long as any and all such publications or materials are approved in advance by Redflex.
- 4.2. RESERVATION OF RIGHTS. The City hereby acknowledges and agrees that: (a) Redflex is the sole and exclusive owner of the Redflex System, the Redflex Marks, all Intellectual Property arising from or relating to the Redflex System, and any and all related Equipment, (b) the City neither has nor makes any claim to any right, title or interest in any of the foregoing, except as specifically granted or authorized under this Agreement, and (c) by reason of the exercise of any such rights or interests of City pursuant to this Agreement, the City shall gain no additional right, title or interest therein.
- 4.3. RESTRICTED USE. The City hereby covenants and agrees that it shall not (a) make any modifications to the Redflex System, including but not limited to any Equipment, (b) alter, remove or tamper with any Redflex Marks, (c) use any of the Redflex Marks in any way which might prejudice their distinctiveness, validity or the goodwill of Redflex therein, (d) use any trademarks or other marks other than the Redflex Marks in connection with the City's use of the Redflex System pursuant to the terms of this Agreement without first obtaining the prior consent of Redflex, or (e) disassemble, de-compile or otherwise perform any type of reverse engineering to the Redflex System, the Redflex System, including but not limited to any Equipment, or to any, Intellectual Property or Proprietary Property of Redflex, or cause any other Person to do any of the foregoing.
- 4.4. PROTECTION OF RIGHTS. Redflex shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of

any Intellectual Property of Redflex, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the Redflex Marks, the filing of patent application for any of the Intellectual Property of Redflex, and making any other applications or filings with appropriate Governmental Authorities. The City shall not take any action to remedy or prevent such infringing activities, and shall not in its own name make any registrations or filings with respect to any of the Redflex Marks or the Intellectual Property of Redflex without the prior written consent of Redflex.

4.5. INFRINGEMENT. The City shall use its reasonable best efforts to give Redflex prompt notice of any activities or threatened activities of any Person of which it becomes aware that infringes or violates the Redflex Marks or any of Redflex's Intellectual Property or that constitute a misappropriation of trade secrets or act of unfair competition that might dilute, damage or destroy any of the Redflex Marks or any other Intellectual Property of Redflex. Redflex shall have the exclusive right, but not the obligation, to take action to enforce such rights and to make settlements with respect thereto. In the event that Redflex commences any enforcement action under this Section 4.5, then the City shall render to Redflex such reasonable cooperation and assistance as is reasonably requested by Redflex, and Redflex shall be entitled to any damages or other monetary amount that might be awarded after deduction of actual costs; provided, that Redflex shall reimburse the City for any reasonable costs incurred in providing such cooperation and assistance.

4.6. INFRINGING USE. The City shall give Redflex prompt written notice of any action or claim action or claim, whether threatened or pending, against the City alleging that the Redflex Marks, or any other Intellectual Property of Redflex, infringes or violates any patent, trademark, copyright, trade secret or other Intellectual Property of any other Person, and the City shall render to Redflex such reasonable cooperation and assistance as is reasonably requested by Redflex in the defense thereof; provided, that Redflex shall reimburse the City for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and Redflex determines, in the exercise of its sole discretion, that an infringement may exist, Redflex shall have the right, but not the obligation, to procure for the City the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

5. Representations and Warranties.

5.1. Redflex Representations and Warranties.

5.1.1. Authority. Redflex hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.

5.1.2. Professional Services. Redflex hereby warrants and represents that any and all services provided by Redflex pursuant to this Agreement shall be performed in a professional and workmanlike manner and, with respect to the installation of the Redflex System, subject to applicable law, in compliance with all specifications provided to Redflex by the City.

5.2. City Representations and Warranties.

- 5.2.1. Authority. The City hereby warrants and represents that it has all right, power and authority to execute and deliver this Agreement and perform its obligations hereunder.
- 5.2.2. Professional Services. The City hereby warrants and represents that any and all services provided by the City pursuant to this Agreement shall be performed in a professional and workmanlike manner.
- 5.3. LIMITED WARRANTIES. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, REDFLEX MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE REDFLEX SYSTEM OR ANY RELATED EQUIPMENT OR WITH RESPECT TO THE RESULTS OF THE CITY'S USE OF ANY OF THE FOREGOING. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, REDFLEX DOES NOT WARRANT THAT ANY OF THE DESIGNATED INTERSECTION APPROACHES OR THE REDFLEX SYSTEM WILL OPERATE IN THE WAY THE CITY SELECTS FOR USE, OR THAT THE OPERATION OR USE THEREOF WILL BE UNINTERRUPTED. THE CITY HEREBY ACKNOWLEDGES THAT THE REDFLEX SYSTEM MAY MALFUNCTION FROM TIME TO TIME, AND SUBJECT TO THE TERMS OF THIS AGREEMENT, REDFLEX SHALL DILIGENTLY ENDEAVOR TO CORRECT ANY SUCH MALFUNCTION IN A TIMELY MANNER.

6. Termination.

- 6.1. TERMINATION FOR CAUSE:** City shall have the right to terminate this Agreement immediately by written notice to Redflex if (i) the California Legislature adopts or enacts any law that prohibits or otherwise impacts or limits the continued operation of photo red light enforcement systems in the State of California; (ii) any California Court having jurisdiction over the operation of red light enforcement systems, or state or federal statute declares, that results from the Redflex System of photo red light enforcement are inadmissible in evidence, illegal, or found to be improper for the purposes of prosecution of any violation; (iii) any Legislative or Court decision limiting the ability of the City to enforce red light citations and to prosecute red light citations in the San Mateo County Superior Court or otherwise effect the ability of the City to collect fines for red light citations; (iv) the other party commits any material breach of any of the provisions of this Agreement; or (v) the Menlo Park City Council, upon a vote of 4/5th of the members, votes to terminate the Agreement upon thirty (30) days' notice to Redflex. Either Party shall have the right to terminate this Agreement immediately upon the material breach by either party of any provision of this Agreement. In the event of a termination due to Section 6.1(i), 6.1(ii), or 6.1(iii) above, City shall be relieved of any further obligations for payment to Redflex other than as specified in Exhibit D. In the event of termination due to Section 6.1(iv), either party shall have the right to remedy the cause for termination within forty-five (45) calendar days after written notice from the non-causing party setting forth in reasonable detail the events of the cause for termination.

- 6.2. PROCEDURES UPON TERMINATION. The termination of this Agreement shall not relieve either party of any liability that accrued prior to such termination. Except as set forth in Section 6.3, upon the termination of this Agreement, all of the provisions of this Agreement shall terminate and:
- 6.2.1. Redflex shall (i) immediately cease to provide services, including but not limited to work in connection with the construction or installation activities and services in connection with the Photo Red Light Enforcement Program, (ii) promptly deliver to the City any and all Proprietary Property of the City provided to Redflex pursuant to this Agreement, (iii) promptly deliver to the City a final report to the City regarding the collection of data and the issuance of Citations in such format and for such periods as the City may reasonably request, and which final report Redflex shall update or supplement from time to time when and if additional data or information becomes available, (iv) promptly deliver to City a final invoice stating all fees and charges properly owed by City to Redflex for work performed and Citations issued by Redflex prior to the termination, and (v) provide such assistance as the City may reasonably request from time to time in connection with prosecuting and enforcing Citations issued prior to the termination of this Agreement.
- 6.2.2. The City shall (i) immediately cease using the Photo Red Light Enforcement Program, accessing the Redflex System and using any other Intellectual Property of Redflex, (ii) promptly deliver to Redflex any and all Proprietary Property of Redflex provided to the City pursuant to this Agreement, and (iii) promptly pay any and all fees, charges and amounts properly owed by City to Redflex for work performed and Citations issued by Redflex prior to the termination.
- 6.2.3. Unless the City and Redflex have agreed to enter into a new agreement relating to the Photo Red Light Enforcement Program or have agreed to extend the Term of this Agreement, Redflex shall remove any and all Equipment or other materials of Redflex installed in connection with Redflex's performance of its obligations under this Agreement, including but not limited to housings, poles and camera systems, and Redflex shall restore the Designated Intersection Approaches to substantially the same condition such Designated Intersection Approaches were in immediately prior to this Agreement.
- 6.3. SURVIVAL. Notwithstanding the foregoing, the definitions and each of the following shall survive the termination of this Agreement: (x) Sections 4.2 (Reservation of Rights), 5.1 (Redflex Representations and Warranties), 5.2 (City Representations and Warranties), 5.3 (Limited Warranty), 7 (Confidentiality), 8 (Indemnification and Liability), 9 (Notices), 10 (Dispute Resolution), 11.1 (Assignment), 11.17 (Applicable Law), 11.16 (Injunctive Relief; Specific Performance) and 11.18 (Jurisdiction and Venue), and (y) those provisions, and the rights and obligations therein, set forth in this Agreement which either by their terms state, or evidence the intent of the parties, that the provisions survive

the expiration or termination of the Agreement, or must survive to give effect to the provisions of this Agreement.

7. **CONFIDENTIALITY.** During the term of this Agreement and for a period of three (3) years thereafter, neither party shall disclose to any third person, or use for itself in any way for pecuniary gain, any Confidential Information learned from the other party during the course of the negotiations for this Agreement or during the Term of this Agreement. Upon termination of this Agreement, each party shall return to the other all tangible Confidential Information of such party. Each party shall retain in confidence and not disclose to any third party any Confidential Information without the other party's express written consent, except (a) to its employees who are reasonably required to have the Confidential Information, (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, and (c) pursuant to, and to the extent of, a request or order by any Governmental Authority, including laws relating to public records.

8. **Indemnification and Liability.**

8.1. **Indemnification by Redflex.** Subject to Section 8.3, Redflex hereby agrees to defend and indemnify the City and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and each of their affiliates, and all persons acting by, through, under or in concert with them, or any of them (individually a "City Party" and collectively, the "City Parties") against, and to protect, save and keep harmless the City Parties from, and to pay on behalf of or reimburse the City Parties as and when incurred for, any and all liabilities, obligations, losses, damages, penalties, demands, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (including reasonable attorneys', accountants' and expert witnesses' fees) of whatever kind and nature (collectively, "Losses"), which may be imposed on or incurred by any City Party arising out of or related to (a) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of Redflex contained in this Agreement, (b) the negligence or willful misconduct of Redflex, its employees or agents which result in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the negligence or willful misconduct of any City Party, or (c) any claim, liability or damage to persons or property arising out of, relating to, or caused by, the use or operation of the Redflex System, including but not limited to any claim, action or demand (other than citation enforcement) arising out of, relating to, or alleging a malfunction of the Redflex System, except to the extent caused by the negligence or willful misconduct of any City Party.

8.2. **Indemnification by City.** Subject to Section 8.3, the City hereby agrees to defend and indemnify Redflex and its affiliates, shareholders or other interest holders, managers, officers, directors, employees, agents, representatives and successors, permitted assignees and all persons acting by, through, under or in concert with them, or any of them (individually a "Redflex Party" and collectively, the

“Redflex Parties”) against, and to protect, save and keep harmless the Redflex Parties from, and to pay on behalf of or reimburse the Redflex Parties as and when incurred for, any and all Losses which may be imposed on or incurred by any Redflex Party arising out of or in any way related to (a) any material misrepresentation, inaccuracy or breach of any covenant, warranty or representation of the City contained in this Agreement, (b) the negligence or willful misconduct of the City, its employees, contractors or agents which result in death or bodily injury to any natural person (including third parties) or any damage to any real or tangible personal property (including the personal property of third parties), except to the extent caused by the negligence or willful misconduct of any Redflex Party, or (c) any claim, action or demand challenging the City’s use of the Redflex System or any portion thereof, the validity of the results of the City’s use of the Redflex System or any portion thereof, or the validity of the Citations issued, prosecuted and collected as a result of the City’s use of the Redflex System or any portion thereof, except any claim, action or demand (other than citation enforcement) arising out of, relating to, or alleging a malfunction of the Redflex System, and further excepting any claim, action or demand for which City has immunity under State or Federal law.

8.3. Indemnification Procedures. In the event any claim, action or demand (a “Claim”) in respect of which any party hereto seeks indemnification from the other, the party seeking indemnification (the “Indemnified Party”) shall give the party from whom indemnification is sought (the “Indemnifying Party”) written notice of such Claim promptly after the Indemnified Party first becomes aware thereof; provided, however, that failure so to give such notice shall not preclude indemnification with respect to such Claim except to the extent of any additional or increased Losses or other actual prejudice directly caused by such failure. The Indemnifying Party shall have the right to choose counsel to defend such Claim (subject to the approval of such counsel by the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed), and to control, compromise and settle such Claim, and the Indemnified Party shall have the right to participate in the defense at its sole expense; provided, however, the Indemnified Party shall have the right to take over the control of the defense or settlement of such Claim at any time if the Indemnified Party irrevocably waives all rights to indemnification from and by the Indemnifying Party. The Indemnifying Party and the Indemnified Party shall cooperate in the defense or settlement of any Claim, and no party shall have the right enter into any settlement agreement that materially affects the other party’s material rights or material interests without such party’s prior written consent, which consent will not be unreasonably withheld or delayed.

8.4. LIMITED LIABILITY. Notwithstanding anything to the contrary in this Agreement, neither party shall be liable to the other, by reason of any representation or express or implied warranty, condition or other term or any duty at common or civil law, for any indirect, incidental, special, lost profits or consequential damages, however caused and on any theory of liability arising out of or relating to this Agreement.

9. **NOTICES.** Any notices to be given hereunder shall be in writing, and shall be deemed to have been given (a) upon delivery, if delivered by hand, (b) upon the date of receipt or refusal after being mailed first class, certified mail, return receipt requested, postage and registry fees prepaid, or (c) upon receipt after being delivered to a reputable overnight courier service, excluding the U.S. Postal Service, prepaid, marked for next day delivery, if the courier service obtains a signature acknowledging receipt, in each case addressed or sent to such party as follows:

9.1. Notices to Redflex:

Redflex Traffic Systems, Inc.
23751 N. 23rd Ave
Phoenix, Arizona 85085
Attention: Mr. James Saunders
Facsimile: (623) 207-2905

9.2. Notices to the City:

City of Menlo Park
Civic Center
701 Laurel Street
Menlo Park, CA 94025
Attention: Chief of Police
Facsimile: (650) 327-0170

With a copy to:

Jorgenson, Siegel, McClure & Flegel, LLP
1100 Alma Street, Suite 210
Menlo Park, CA 94025
Attention: William L. McClure
Facsimile: (650) 324-0227

10. **DISPUTE RESOLUTION.** Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (the “Dispute”), the parties shall engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it shall be to meet for the purpose of attempting to resolve such Dispute. The designated officers shall meet as often as the parties shall deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this Section 10, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to binding or nonbinding arbitration or mediation.

11. Miscellaneous.

11.1. **Assignment.** Neither party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed; provided, however, the City hereby acknowledges and agrees that the execution (as outlined in Exhibit F), delivery and performance of Redflex’s rights pursuant to this Agreement shall require a significant investment by Redflex, and that in order to finance such investment, Redflex may be required to enter into certain agreements or arrangements (“Financing Transactions”) with equipment lessor’s, banks, financial institutions or other similar persons or entities (each, a “Financial Institution” and collectively, “Financial Institutions”). The City hereby agrees that Redflex shall have the right to assign, pledge, hypothecate or otherwise transfer (“Transfer”) its rights, or any of them, under this Agreement to any Financial Institution in connection with any Financing Transaction between Redflex and any such Financial Institution, subject to the City’s prior written approval, which approval shall not be unreasonably withheld or delayed. The City further acknowledges and agrees that in the event that Redflex provides written notice to the City that it intends to Transfer all or any of Redflex’s rights pursuant to this Agreement, and in the event that the City fails to provide such approval or fails to object to such Transfer within forty-five (45) business days after its receipt of such notice from Redflex, for the purposes of this Agreement, the City shall be deemed to have consented to and approved such Transfer by Redflex. Notwithstanding the above, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto, and their respective successors or assigns. Notwithstanding any permitted assignment or transfer, nothing herein shall relieve Redflex of its obligations set forth in this Agreement, nor modify any of the terms and conditions of this Agreement without the express written approval of City.

11.2. **RELATIONSHIP BETWEEN REDFLEX AND THE CITY.** Nothing in this Agreement shall create, or be deemed to create, a partnership, joint venture or the relationship of principal and agent or employer and employee between the parties. The relationship between the parties shall be that of independent contractors, and nothing contained in this Agreement shall create the relationship of

principal and agent or otherwise permit either party to incur any debts or liabilities or obligations on behalf of the other party (except as specifically provided herein).

- 11.3. AUDIT RIGHTS. Each of parties hereto shall have the right to audit to audit the books and records of the other party hereto (the "Audited Party") solely for the purpose of verifying the payments, if any, payable pursuant to this Agreement. Any such audit shall be conducted upon not less than forty-eight (48) hours' prior notice to the Audited Party, at mutually convenient times and during the Audited Party's normal business hours. Except as otherwise provided in this Agreement, the cost of any such audit shall be borne by the non-Audited Party. In the event any such audit establishes any underpayment of any payment payable by the Audited Party to the non-Audited Party pursuant to this Agreement, the Audited Party shall promptly pay the amount of the shortfall, and in the event that any such audit establishes that the Audited Party has underpaid any payment by more than twenty five percent (25%) of the amount of actually owing, the cost of such audit shall be borne by the Audited Party. In the event any such audit establishes any overpayment by the Audited Party of any payment made pursuant to this Agreement, non-Audited Party shall promptly refund to the Audited Party the amount of the excess.
- 11.4. FORCE MAJEURE. Neither party will be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, or Governmental Authorities approval delays which are not caused by any act or omission by Redflex, and unusually severe weather. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.
- 11.5. ENTIRE AGREEMENT. This Agreement represents the entire Agreement between the parties, and there are no other agreements (other than invoices and purchase orders), whether written or oral, which affect its terms. This Agreement may be amended only by a subsequent written agreement signed by both parties.
- 11.6. SEVERABILITY. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.
- 11.7. WAIVER. Any waiver by either party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.
- 11.8. CONSTRUCTION Except as expressly otherwise provided in this Agreement, this Agreement shall be construed as having been fully and completely negotiated and neither the Agreement nor any provision thereof shall be construed more strictly against either party.
- 11.9. HEADINGS. The headings of the sections contained in this Agreement are included herein for reference purposes only, solely for the convenience of the parties hereto, and shall not in any way be deemed to affect the meaning,

interpretation or applicability of this Agreement or any term, condition or provision hereof.

- 11.10. EXECUTION AND COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one instrument. Any one of such counterparts shall be sufficient for the purpose of proving the existence and terms of this Agreement, and no party shall be required to produce an original or all of such counterparts in making such proof.
- 11.11. COVENANT OF FURTHER ASSURANCES. All parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions hereof or to carry out the intent of this Agreement.
- 11.12. REMEDIES CUMULATIVE. Each and all of the several rights and remedies provided for in this Agreement shall be construed as being cumulative and no one of them shall be deemed to be exclusive of the others or of any right or remedy allowed by law or equity, and pursuit of any one remedy shall not be deemed to be an election of such remedy, or a waiver of any other remedy.
- 11.13. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon all of the parties hereto and their respective executors, administrators, successors and permitted assigns.
- 11.14. COMPLIANCE WITH LAWS. Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any term, condition or provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the term, condition or provision of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law, provided that such construction is consistent with the intent of the Parties as expressed in this Agreement.
- 11.15. NO THIRD PARTY BENEFIT. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any Person who is not a party to this Agreement.
- 11.16. INJUNCTIVE RELIEF; SPECIFIC PERFORMANCE. The parties hereby agree and acknowledge that a breach of Sections 4.1 (License), 4.3 (Restricted Use) or 7 (Confidentiality) of this Agreement would result in severe and irreparable injury to the other party, which injury could not be adequately compensated by an award of money damages, and the parties therefore agree and acknowledge that they shall be entitled to injunctive relief in the event of any breach of any material term, condition or provision of this Agreement, or to enjoin or prevent such a breach, including without limitation an action for specific performance hereof.
- 11.17. APPLICABLE LAW. This Agreement shall be governed by and construed in all respects solely in accordance with the laws of the State of California, United States.

11.18. JURISDICTION AND VENUE. Any dispute arising out of or in connection with this Agreement shall be submitted to the exclusive jurisdiction and venue of the courts located in the County of San Mateo and both parties specifically agree to be bound by the jurisdiction and venue thereof.

(The remainder of this page is left intentionally blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

“City”

“Redflex”

CITY OF MENLO PARK

REDFLEX TRAFFIC SYSTEMS, INC.,

By: _____

By: _____

Name:

Name:

Title:

Title:

EXHIBIT "A"
Designated Intersection Approaches

The contract is for the implementation of up to twenty (20) intersections. Identification of enforced intersection will be based on mutual agreement between Redflex and the City as warranted by community safety and traffic needs.

EXHIBIT “B”
Construction and Installation Obligations

Timeframe for Installation: Fixed Photo Red Light System

Redflex will have each specified intersection installed and activated in phases in accordance with an implementation plan to be mutually agreed to by Redflex Traffic Systems and the Municipality.

Redflex will use reasonable commercial efforts to install the system in accordance with the schedule set forth in the implementation plan that will be formalized upon project commencement.

Redflex will use reasonable commercial efforts to install and activate the first specified intersection within forty-five (45) to sixty (60) days subsequent to formal project kick-off. The Municipality agrees that the estimated timeframe for installation and activation are subject to conditions beyond the control of Redflex and are not guaranteed.

In order to provide the client with timely completion of the photo enforcement project Redflex Traffic Systems requires that the City assist with providing timely approval of City permit requests. The City acknowledges the importance of the safety program and undertakes that in order to keep the project on schedule the City is to provide city engineers review of Redflex permit requests and all documentation in a timely manner.

1. Redflex Obligations. Redflex shall do or cause to be done each of the following (in each case, unless otherwise stated below, at Redflex’s sole expense):
 - 1.1. Appoint the Redflex Project Manager and a project implementation team consisting of between one (1) and four (4) people to assist the Redflex Project Manager;
 - 1.2. Request current “as-built” electronic engineering drawings for the Designated Intersection Approaches (the “Drawings”) from the city traffic engineer;
 - 1.3. Develop and submit to the City for approval construction and installation specifications in reasonable detail for the Designated Intersection Approaches, including but not limited to specifications for all radar sensors, pavement loops, electrical connections and traffic controller connections, as required; and
 - 1.4. Seek approval from the relevant Governmental Authorities having authority or jurisdiction over the construction and installation specifications for the Designated Intersection Approaches (collectively, the “Approvals”), which will include compliance with City permit applications.
 - 1.5. Finalize the acquisition of the Approvals;
 - 1.6. Submit to the City a public awareness strategy for the City’s consideration and approval, which strategy shall include media and educational materials for the City’s approval or amendment (the “Awareness Strategy”);
 - 1.7. Develop the Redlight Violation Criteria in consultation with the City;
 - 1.8. Develop the Enforcement Documentation for approval by the City, which approval shall not be unreasonably withheld;

- 1.9. Complete the installation and testing of all necessary Equipment, including hardware and software, at the Designated Intersection Approaches (under the supervision of the City);
 - 1.10. Cause an electrical sub-contractor to complete all reasonably necessary electrical work at the Designated Intersection Approaches, including but not limited to the installation of all related Equipment and other detection sensors, poles, cabling, telecommunications equipment and wiring, which work shall be performed in compliance with all applicable local, state and federal laws and regulations;
 - 1.11. Install and test the functionality of the Designated Intersection Approaches with the Redflex System and establish fully operational Violation processing capability with the Redflex System;
 - 1.12. Implement the use of the Redflex System at each of the Designated Intersection Approaches;
 - 1.13. Deliver the Materials to the City; and
 - 1.14. Issue citation notices for Authorized Violations;
 - 1.15. Redflex shall provide training (i) for up to fifteen (15) personnel of the City, including but not limited to the persons who City shall appoint as Authorized Officers and other persons involved in the administration of the Redlight Photo Enforcement Program, (ii) for at least sixteen (16) hours in the aggregate, (iii) regarding the operation of the Redflex System and the Redlight Photo Enforcement Program, which training shall include training with respect to the Redflex System and its operations, strategies for presenting Violations Data in court and judicial proceedings and a review of the Enforcement Documentation;
 - 1.16. Interact with court and judicial personnel to address issues regarding the implementation of the Redflex System, the development of a subpoena processing timeline that will permit the offering of Violations Data in court and judicial proceedings, and coordination between Redflex, the City and juvenile court personnel; and
 - 1.17. Provide reasonable public relations resources and media materials to the City in the event that the City elects to conduct a public launch of the Redlight Photo Enforcement Program.
 - 1.18. Citation processing and citation re-issuance.
 - 1.19. Assist City in compliance with all State, Federal, and Local legislation and court decision directives, including, but not limited to, implementation of the requirements of Senate Bill 1303, enacted September 28, 2012.
 - 1.20. Redflex agrees to upgrade the City's existing Red Light Camera installations to the latest digital technology, at no cost to the City, when mutually agreed the issuance rate would significantly increase due to the upgrade in technology."
2. **CITY OBLIGATIONS.** The City shall do or cause to be done each of the following (in each case, unless otherwise stated below, at City's sole expense):
- 2.1.1. Appoint the Project Manager;
 - 2.1.2. Assist Redflex in obtaining the Drawings from the relevant Governmental Authorities;

- 2.1.3. Notify Redflex of any specific requirements relating to the construction and installation of any Intersection Approaches or the implementation of the Redlight Photo Enforcement Program;
- 2.1.4. Provide assistance to Redflex in obtaining access to the records data of the Department of Motor Vehicles in Redflex's capacity as an independent contractor to the City; and
- 2.1.5. Assist Redflex in seeking the Approvals
- 2.1.6. Provide reasonable access to the City's properties and facilities in order to permit Redflex to install and test the functionality of the Designated Intersection Approaches and the Redlight Photo Enforcement Program;
- 2.1.7. Provide reasonable access to the personnel of the City and reasonable information about the specific operational requirements of such personnel for the purposes of performing training;
- 2.1.8. Seek approval or amendment of Awareness Strategy and provide written notice to Redflex with respect to the quantity of media and program materials (the "Materials") that the City will require in order to implement the Awareness Strategy during the period commencing on the date on which Redflex begins the installation of any of the Designated Intersection Approaches and ending one (1) month after the Installation Date;
- 2.1.9. Assist Redflex in developing the Redlight Violation Criteria; and
- 2.1.10. Seek approval of the Enforcement Documentation.

EXHIBIT "C"

Maintenance

1. All repair and maintenance of Photo Red Light Enforcement systems and related equipment will be the sole responsibility of Redflex, including but not limited to maintaining the casings of the cameras included in the Redflex System and all other Equipment in reasonably clean and graffiti-free condition.
2. Redflex shall not open the Traffic Signal Controller Boxes without a representative of city Traffic Engineering present.
3. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of the Redflex
4. The provision of all necessary electrical services to the Designated Intersection Approaches will be the sole responsibility of the City
5. In the event that images of a quality suitable for the Authorized Officer to identify Violations cannot be reasonably obtained without the use of flash units, Redflex shall provide and install such flash units.
6. The Redflex Project Manager (or a reasonable alternate) shall be available to the Police Project Manager each day, on a reasonable best efforts basis.
7. Redflex will inspect the Equipment and the functionality of the Redflex System at each Designated Intersection Approach at least monthly, conduct remote inspection of the System at least weekly, and make automated camera checks each business day. Redflex shall respond to any material malfunction of any Redflex System within twenty-four (24) hours of its receipt of a notice of malfunction from the City or its own discovery of such malfunction. In the event of any Redflex System malfunction at a Designated Intersection Approach, Redflex shall use its best efforts to cause the malfunction to be repaired within forty eight (48) hours of its receipt of a malfunction notice from the City or discovery of the malfunction itself. If the malfunction has not been satisfactorily repaired so that functionality has been restored within such forty eight (48) hour period, Redflex shall notify the City's Project Manager and Redflex's compensation shall be reduced according to Exhibit "D."

EXHIBIT "D"
COMPENSATION & PRICING

1. **PAYMENT:** City shall pay a fixed fee of \$5,397.50, per month for each of the four (4) Designated Intersection Approaches located at Bayfront Expressway at Willow (BAWI-01); El Camino Real at Ravenswood (ECRA-01); El Camino Real at Ravenswood (ECRA-03); and El Camino Real at Glenwood/Valparaiso (ECVA-01) (together, \$21,590.00, for all four intersections). City shall pay a fixed fee of \$6,200.00, per month for the Designated Intersection Approach at Bayfront Express at Chilco (BACH-01), if the Parties agree to install this new approach and for any other new approach which may be constructed. Together, these payments shall be full remuneration for performing all of the services contemplated in this Amendment.
2. **CREDIT FOR MALFUNCTIONS:** The Customer shall not be obligated to pay, and will not be invoiced, for each calendar day that the Redflex System at a particular Designated Intersection Approach is not functioning for a period of more than two consecutive days in any thirty day period due to Equipment related malfunction. The invoice for the relevant period will show a credit of 1/30th of the Fixed Fee for each day that the Redflex System was not functioning in that month. In any calendar month where the Redflex System is not functioning for fourteen (14) or more days at a particular Designated Intersection Approach, the Customer shall not be obligated to pay and will not be invoiced for the Fixed Fee for that Designated Intersection Approach.
3. **DISABLED APPROACHES:** Redflex and City recognize that due to construction or maintenance by City, the State or State Agency or Redflex, or by actions taken by third parties outside the control of either Redflex or City, occasionally approaches may be temporarily disabled. For approaches disabled for a period of seven (7) consecutive days or more, the City shall only be invoiced and will only be obligated to pay, an amount equal to fifty percent (50%) of the Fixed Fee for that specific approach.
4. **PAYMENT:** City agrees to pay Redflex within thirty (30) days after the invoice is received.
5. **RELOCATION OF APPROACHES:** Intersection approaches can be relocated to a new site at the City's request and expense.

6. **EQUITABLE COST RECOVERY BY REDFLEX UPON EARLY TERMINATION OF THE CONTRACT BY A 4/5TH VOTE OF THE CITY COUNCIL:** In the event the City exercises its right to terminate this Agreement under Section 6.1, Redflex shall be entitled to a cancellation fee for each installed approach which reflects reimbursement of the direct labor costs and direct material costs (not including Equipment costs and salvageable material costs) solely associated with the installation of the Redflex Photo Red Light System at all Intersection Approaches where such system(s) have been installed prior to the effective date of Termination (the “Reimbursable Costs”). For new installations, Reflex shall provide an itemization of the Reimbursable Costs, with supporting invoices and labor expense documentation, to the City within thirty (30) days of the completion of installation of the Redflex Photo Red Light System at each designated Intersection Approach. Said Reimbursable Costs are currently estimated to equal approximately \$25,000 per Intersection Approach but, in no event, shall said amount exceed \$50,000 per Intersection Approach. For the purpose of this section, the cancellation fee shall be derived in accordance with the following formula:

The cancellation fee shall be derived in accordance with the following formula:

x the number of months remaining in the Agreement

Y = the number of months of the Agreement

X1Y = the percentage of remaining Agreement

Z = the Reimbursable Costs per Installed Approach (not to exceed \$50,000)

(X1Y)Z amount to be paid as cancellation fee

For example, if the Agreement ends on the last day of the 24th month and the

Installed Approach was installed in month 12, the cancellation fee would be:

x = 36 (60 months - 24 months transpired under the Agreement).

Y = 60 (number of months of the Agreement).

$Z = \$60,000$ (value of reimbursable costs)

$7Y * Z = (36/60 *$

$\$60,000)$

Calculation of Fee = $\$36,000$

Exhibit "E"

Additional Rights and Obligations

Redflex and the City shall respectively have the additional rights and obligations set forth below:

1. Redflex shall assist the City in public information and education efforts, including but not limited to the development of artwork for utility bill inserts, press releases and schedules for any public launch of the Redlight Photo Enforcement Program (actual print and production costs are the sole responsibility of the City).
2. As part of the standard reports, Redflex will provide a report that monitors violation counts at each enforced intersection; which will demonstrate the impact of Redflex system.
3. Redflex shall be solely responsible for installing and maintaining such Signage. The Redflex shall be solely responsible for the fabrication of any signage, notices or other postings required pursuant to any law, rule or regulation of any Governmental Authority ("Signage"), including but not limited to the Vehicle Code, and shall assist in determining the placement of such Signage.
4. The Redflex Project Manager and the Police Project Manager shall meet on a weekly basis during the period commencing as of the date of execution hereof and ending on the Installation Date, and on a monthly basis for the remainder of the Term, at such times and places as the Redflex Manager and the City Manager shall mutually agree.
5. The City shall not access the Redflex System or use the Redlight Photo Enforcement Program in any manner other than prescribed by law and which restricts or inhibits any other Person from using the Redflex System or the Redflex Photo Enforcement Program with respect to any Intersection Approaches constructed or maintained by Redflex for such Person, or which could damage, disable, impair or overburden the Redflex System or the Redflex Photo Enforcement Program, and the City shall not attempt to gain unauthorized access to (i) any account of any other Person, (ii) any computer systems or networks connected to the Redflex System, or (iii) any materials or information not intentionally made available by Redflex to the City by means of hacking, password mining or any other method whatsoever, nor shall the City cause any other Person to do any of the foregoing.
6. The City shall maintain the confidentiality of any username, password or other process or device for accessing the Redflex System or using the Redlight Photo Enforcement Program.
7. Each of Redflex and the City shall advise each other in writing with respect to any applicable rules or regulations governing the conduct of the other on or with respect to the property of such other party, including but not limited to rules and regulations relating to the safeguarding of confidential or proprietary information, and when so advised, each of Redflex and the City shall obey any and all such rules and regulations.
8. The City shall promptly reimburse Redflex for the cost of repairing or replacing any portion of the Redflex System, or any property or equipment related thereto, damaged directly or indirectly by the City, or any of its employees, contractors or agents.

9. Redflex shall promptly repair or reimburse City for the cost of repairing or replacing any traffic signal equipment, pavement, or other property of City, damaged directly or indirectly by Redflex, or any of its employees, contractors or agents.

Insurance

1. During the Term, Redflex shall procure and maintain at Redflex's sole cost and expense the following insurance coverage with respect to claims for injuries to persons or damages to property which may arise from or in connection with the performance of work or services pursuant to this Agreement by Redflex, and each of Redflex's subcontractors, agents, representatives and employees:
2. Commercial General Liability Insurance. Commercial General Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage;
3. Commercial Automobile Liability Insurance. Commercial Automobile Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury or property damage, including but not limited to coverage for all automobiles owned by Redflex, hired by Redflex, and owned by third parties;
4. Professional Liability (Errors and Omissions) Insurance. Redflex will use its commercial best efforts to procure and maintain Professional Liability (Errors and Omissions) Insurance with coverage of not less than One Million Dollars (\$1,000,000) per occurrence and in the aggregate.
5. Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance with coverage of not less than the limits required by the Labor Code of the State of (insert name), Employer's Liability Insurance with coverage of not less than One Million Dollars (\$1,000,000) per occurrence.
6. With respect to the insurance described in the foregoing Section of this Exhibit E, any deductibles or self-insured retentions must be declared to and approved by the City, and any changes to such deductibles or self-insured retentions during the Term must be approved in advance in writing by the City. Redflex shall be responsible for paying all deductibles or self insured retentions in connection with any insured loss covered by Redflex's insurance.
7. With respect to the Commercial General Liability Insurance the following additional provisions shall apply:
8. The City Parties shall be covered as additional insureds with respect to any liability arising from any act or omission of any Redflex Parties on the premises upon which any such Redflex Parties may perform services pursuant to this Agreement, and such coverage shall contain no special limitations on the scope of protection afforded to such additional insureds.
9. The insurance coverage procured by Redflex and described above shall be the primary insurance with respect to the City Parties in connection with this Agreement, and any insurance or self-insurance maintained by any of the City Parties shall be in excess, and not in contribution to, such insurance.
10. Any failure to comply with the reporting provisions of the various insurance policies described above shall not affect the coverage provided to the City Parties, and such insurance policies shall state the such insurance coverage shall apply separately with respect to each additional insured against whom any claim is made or suit is brought, except with respect to the limits set forth in such insurance policies.

11. With respect to the insurance described in the foregoing Section of this Exhibit E, each such insurance policy shall be endorsed to state that the coverage provided thereby shall not be cancelled except after thirty (30) calendar days' prior written notice to the City. If any of the Redflex Parties are notified by any insurer that any insurance coverage will be cancelled, Redflex shall immediately provide written notice thereof to the City and shall take all necessary actions to correct such cancellation in coverage limits, and shall provide written notice to the City of the date and nature of such correction. If Redflex, for any reason, fails to maintain the insurance coverage required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement, and the City shall have the right, but not the obligation and exercisable in its sole discretion, to either (i) terminate this Agreement and seek damages from Redflex for such breach, or (ii) purchase such required insurance, and without further notice to Redflex, deduct from any amounts due to Redflex pursuant to this Agreement, any premium costs advanced by the City for such insurance. If the premium costs advanced by the City for such insurance exceed any amounts due to Redflex pursuant to this Agreement, Redflex shall promptly remit such excess amount to the City upon receipt of written notice thereof.
12. Redflex shall provide certificates of insurance evidencing the insurance required pursuant to the terms of this Agreement, which certificates shall be executed by an authorized representative of the applicable insurer, and which certificates shall be delivered to the City prior to Redflex commencing any work pursuant to the terms of this Agreement.

Exhibit F

FORM OF ACKNOWLEDGMENT AND CONSENT

This Acknowledgement and Consent, dated as of _____, 2013, is entered into by and between the City of Menlo Park (the "City") and Redflex Traffic Systems, Inc., ("Redflex"), with reference to the Agreement between the City of Menlo Park and Redflex Traffic Systems, inc. for Photo red light enforcement program, dated as of _____, by and between the City and Redflex (the "Agreement").

1. Redflex has entered into a Credit Agreement, dated as of August 3, 2003 (the "Harris-Redflex Credit Agreement"), with Harris Trust and Savings Bank (the "Bank"), pursuant to which the Bank has provided certain working capital credit facilities to Redflex. Such credit facilities will provide Redflex the working capital that it needs to perform its obligations to the City under the Agreement.

2. Pursuant to the Harris-Redflex Credit Agreement, Redflex has granted Harris a security interest in all of Redflex's personal property as collateral for the payment and performance of Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement. Such security interest applies to and covers all of Redflex's contract rights, including, without limitation, all of Redflex's rights and interests under the Agreement.

3. Redflex will not, by virtue of the Harris-Redflex Credit Agreement, be relieved of any liability or obligation under the Agreement, and the Bank has not assumed any liability or obligation of Redflex under the Agreement.

4. The City hereby acknowledges notice of, and consents to, Redflex's grant of such security interest in favor of the Bank in all of Redflex's rights and interests under the Agreement pursuant to the Harris-Redflex Credit Agreement.

5. The City further acknowledges and agrees that this Acknowledgement and Consent shall be binding upon the City and shall inure to the benefit of the successors and assigns of the Bank and to any replacement lender which refinances Redflex's obligations to the Bank under the Harris-Redflex Credit Agreement.

IN WITNESS WHEREOF, the City and Redflex have caused this Acknowledgement and Consent to be executed by their respective duly authorized and elected officers as of the date first above written.

The City:	Redflex:
CITY OF MENLO PARK, California	REDFLEX TRAFFIC SYSTEMS, INC., a Delaware Corporation
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-137A

Agenda Item #: F-2

REGULAR BUSINESS: Consider Approval of the Terms of an Agreement between the City of Menlo Park and the Menlo Park Police Sergeants' Association

RECOMMENDATION

None

BACKGROUND

The purpose of this addendum to Staff report 13-137, is to provide Appendix A, which was inadvertently omitted from the original staff report. As previously stated, there are no changes to the Salary Schedule for the Police Sergeants during the term of this agreement.

ANALYSIS

None

IMPACT ON CITY RESOURCES

None

POLICY ISSUES

None

ENVIRONMENTAL REVIEW

None

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. Appendix A, Salary Schedule for Classified Police Sergeants

Report prepared by:
Gina Donnelly
Human Resources Director

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Appendix A

Salary Schedule for Classified Police Sergeants
July 1, 2013 through June 30, 2014

Step	Annual	Monthly	Bi-Weekly	Hourly
A	\$108,146.50	\$9,012.21	\$4,159.48	\$51.9935
B	\$113,553.82	\$9,462.82	\$4,367.45	\$54.5932
C	\$119,231.51	\$9,935.96	\$4,585.83	\$57.3228
D	\$125,193.09	\$10,432.76	\$4,815.12	\$60.1890
E	\$131,452.74	\$10,954.40	\$5,055.87	\$63.1984

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 27, 2013
Continued from the August 20th Council Meeting

Staff Report #: 13-137

Agenda Item #: F-2

REGULAR BUSINESS: **Consider Approval of the Terms of an Agreement between the City of Menlo Park and the Menlo Park Police Sergeants' Association**

RECOMMENDATION

Adopt a resolution to approve the terms of a collective bargaining agreement between the City of Menlo Park and the Menlo Park Police Sergeants' Association (PSA), and authorizing the City Manager to execute a Memorandum of Understanding (MOU) with a term of July 1, 2013 through June 30, 2014.

BACKGROUND

On April 2, 2013, in accordance with Council's Public Input and Outreach Regarding Labor Negotiations policy, a staff report was placed on the Council agenda providing an opportunity for public comment prior to the commencement of labor negotiations. The staff report provided a summary of background information related to labor negotiations, a summary of bargaining unit information, personnel cost information, and the methodology used to determine a competitive and appropriate compensation package.

At the request of City Council, a special meeting was held to provide a second opportunity for public input and comment on April 23, 2013.

The Menlo Park Police Department staff includes eight supervising sergeants represented by the Police Sergeants' Association (PSA). The City's and the PSA's negotiation teams commenced negotiations on April 25, 2013. The parties met approximately eight times and reached a Tentative Agreement (TA) on July 23, 2013. The PSA notified the City that the TA was ratified by the membership on July 29, 2013.

ANALYSIS

A complete copy of the Tentative Agreement is attached. The Tentative Agreement is on a full MOU, between the City and PSA. The following is a summary of key provisions and/or changes from the previous MOU.

Term	One year, July 1, 2013- June 30, 2014
General Leave Cashout	Incorporation into the MOU of a previously agreed upon side letter regarding changes to the General Leave Cashout program.
Dental Insurance	Clarification of existing language regarding the reimbursement of dental expenditures in accordance with the City's self-insured dental plan.
Retirement	<p>Incorporation of State mandated pension reforms under the Public Employees' Pension Reform Act (PEPRA).</p> <p>Effective as soon as practicable and after July 1, 2013, the employee three percent (3.00%) contribution toward the employer's contribution to the Public Employees' Retirement System (PERS) shall be taken as a pre-tax deduction from the employees' paycheck each payroll period. The City and PSA agree that the three percent (3%) will continue past the expiration of the MOU. If for any reason the City is precluded from making the three percent (3%) deduction or the deduction cannot be made on a pre-tax basis, the parties agree to meet and confer regarding ways to cure the defect.</p>
Labor Management Committee	Effective for the term of this agreement, the City and PSA agree to the establishment of a Labor Management Committee (LMC) to serve as an advisory committee and to facilitate employee education and involvement in issues regarding CalPERS retirement benefits, including but not limited to, potential future cost increases and the impacts of said cost increases to the financial stability of the City. The LMC shall meet regularly and not less than once per quarter.
Grievance Procedure	Revisions to clarify and streamline the existing grievance procedures utilized to resolve disputes over alleged violations, misinterpretations or misapplications of the MOU or policy/procedure manuals affecting the working conditions of Sergeants.
Discipline Appeals	New section bifurcating the existing discipline appeal process from the grievance procedure and amending the process by which an arbitrator is selected to include the option that either party may request the Superior Court of the County of San Mateo to appoint an arbitrator who shall be a retired judge of the Superior Court to serve as the arbitrator.
Agreement	This Memorandum of Understanding sets forth a full and entire

Conditions	understanding of the parties regarding the matters set forth herein, and any and all prior or existing Memoranda of Understanding, understandings and agreements regarding the matters set forth herein, whether formal or informal, are hereby superseded and terminated in their entirety. No practice or benefit provided by this Memorandum of Understanding shall be modified without the mutual agreement of the City and PSA.
Employee Recognition Program	Establishment of a new Employee Recognition Program which utilizes an employee driven process to recognize and reward exemplary employee performance.

IMPACT ON CITY RESOURCES

This Tentative Agreement does not result in any direct financial impact to the City in the 2013-2014 fiscal year.

POLICY ISSUES

This recommendation aligns with the City's goals to continue fiscal prudence and strategic planning for potential increased costs for employee retirement benefits.

ENVIRONMENTAL REVIEW

No environmental review is required.

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. Tentative Agreement 2013-2014 City/PSA Successor Memorandum of Understanding

Report prepared by:
Gina Donnelly
Human Resources Director

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CITY OF MENLO PARK
AND
MENLO PARK POLICE SERGEANTS' ASSOCIATION
TENTATIVE AGREEMENT

This Agreement is on an overall settlement on the terms of a successor Memorandum of Understanding between the City of Menlo Park ("City") and Menlo Park Police Sergeants' Association ("PSA").

This Agreement is considered tentative and shall not be considered final or binding until ratified by the PSA Membership and approved by City Council.

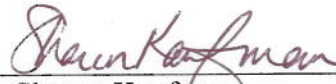
This document sets forth the full agreements of the parties reached during these negotiations. Anything that is not included in this Agreement is not part of the Tentative Agreement.


The parties understand that in the event either party rejects this Agreement, each party reserves the right to modify, amend and/or add proposals.


FOR THE CITY:

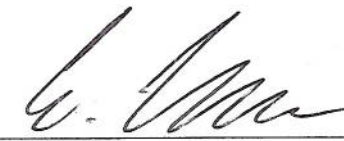
FOR THE PSA:


Gina Donnelly
Human Resources Director
Date 7/25/13


Sharon Kaufman
PSA President
Date 7-23-13


Charles Sakai
Labor Consultant
Date 7/23/13


William Dixon
PSA Team Member
Date JULY 23, 2013


Eric Cowans
PSA Team Member
Date 7-23-13


Matthew Bacon
PSA Negotiator
Date 7-23-13

**CITY OF MENLO PARK
AND
MENLO PARK POLICE SERGEANTS' ASSOCIATION
TENTATIVE AGREEMENT**

Term

- Please see attached.

General Leave Cashout

- Please see attached.

Leave Provisions

- Please see attached.

Article 5

- Please see attached.

Dental Insurance

- Please see attached.

Retirement Programs

- Please see attached.

Discipline Appeals

- Please see attached.

Labor Management Committee

- Please see attached.

Full Understanding, Modification and Waiver

- Please see attached.

Various language clean-up/corrections

- Please see attached.

Employee Recognition Program

- Please see attached.

PREAMBLE

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MENLO PARK POLICE SERGEANTS
ASSOCIATION
AND
THE CITY OF MENLO PARK

ARTICLE I: TERM
The term of this Memorandum shall be July 1, 2011-2013 to June 30, 2013-2014.

ARTICLE 2: PAY RATES AND PRACTICES

2.1 Salary Schedule

2.2 POST Incentive

2.3 Overtime

2.4 Call Back Pay



July 1, 2011-2013 to June 30, 2013-2014

PREAMBLE

This Memorandum of Understanding is reached between the City of Menlo Park ("City") and the Menlo Park Police Sergeants' Association ("PSA"), representing the classification of Sergeant within the City's Police Department. The parties have reached this Memorandum of Understanding following meeting and conferring in good faith as required under Government Code Sections, 3500, et seq. Existing practices and/or benefits which are not referenced in this Memorandum and which are subject to the meet and confer process shall continue without change unless modified subject to the meet and confer process.

The parties agree as follows:

ARTICLE 1: TERM

The term of this Memorandum shall be July 1, ~~2011~~2013 to June 30, ~~2013~~2014.

ARTICLE 2: PAY RATES AND PRACTICES

2.1 Salary Schedule

The salary schedule for ~~officers~~employees in the representation unit shall be as set forth in Appendix "A" to this Agreement.

There shall be no adjustment to the salary schedule during the term of this Agreement.

2.2 POST Incentive

Unit members who possess a Peace Officer Standards and Training (POST) intermediate certificate shall receive a five percent premium in accordance with the current practice.

Unit members who possess a Peace Officer Standards and Training (POST) advanced certificate shall receive a ten percent (10%) premium in accordance with the current practice.

2.3 Overtime

Overtime will be applied in accordance with the Fair Labor Standards Act.

2.4 Call Back Pay

~~Officers~~Employees who are called back after leaving work at the end of a normal shift shall be entitled to a minimum of four (4) hours pay at the rate of time and one-half (1-1/2); exception: court pay is three (3) hours minimum.

2.5 Management Benefit Package

Each represented member will be reimbursed up to Two Thousand Dollars (\$2,000.00) per fiscal year for the following:

- (a) Civic and professional association memberships and their related programs
- (b) Conference participation and travel expense
- (c) Professional subscriptions
- (d) Physical fitness programs as directed by a physician
- (e) Tuition reimbursement:

To qualify for educational reimbursement, the education must maintain or improve the employee's skills in performing his or her job, or be necessary to meet the express requirements of the City or the requirements of applicable law. The education to which reimbursement relates must not be part of a program qualifying employees for another trade or businesses; or be necessary to meet the minimum educational requirements for employment. Permissible educational expenses are refresher courses, courses dealing with current developments, academic or vocational courses as well as the travel expenses allocated with the course. To qualify for tuition reimbursement, coursework must be approved by the Chief of Police or his or her designee prior to the first day of class. Said approval shall be based only on the criteria in this paragraph. Course work intended to meet the entry level requirements for any positions in the City is not reimbursable. Graduate course work in the pursuit of related graduate professional programs and which enhance the skills of the employee are reimbursable as defined under the Internal Revenue Code.

- (f) Optical expenses not reimbursed by any other source
- (g) Child Care expenses:

The annual amount submitted for reimbursement cannot exceed the income of the lower paid spouse. The reimbursement request must be for employment-related expenses for the care of one or more dependents who are under age 13 and entitled to a ~~dependent~~ deduction under Internal Revenue Code Section 151 (e) or a dependent who is physically or mentally incapable of caring for himself or herself.

- (h) Employee and dependent excess coverage for medical, dental, optical and orthodontia

(i) City Recreation Programs:

The City will reimburse the unit members for fees paid for unit members and/or their dependents to participate in the City's Recreation Department programs.

Reimbursements for participation may be made if the reimbursements qualify as "no additional cost" services under Section 132 (b) of the Internal Revenue Code and that to qualify as "no additional cost" services the reimbursements must be only for classes in which the employees participate on a space available basis. Under Section 132 (f) (2) of the Code, spouses and dependent children may also participate in City-sponsored recreation programs and activities on a space available basis.

Expenditures under (a), (b), (c), and (e) above must be job related and approved by the City.

Monies not spent while this document is in force may be rolled over into the following term for a period not to exceed twelve months or applied to one of the City sponsored deferred compensation plans, at the employee's option. Excess funds may not be received in cash.

The City reserves the right to freely administer this Section and may disallow future claims that do not strictly conform to these sections, e.g., cellular phones or phone bills.

2.6 Uniform Allowance

All unit members shall receive the sum of One Thousand Forty Dollars (\$1,040.00) per year to be used for the purchase and maintenance of uniforms. Said amounts shall be paid on the twenty-fifth pay period. The City will pay the initial cost of a class A uniform for all unit members.

2.7 General Leave Cashout

~~An unit member/employee may once each fiscal year cash in up to one hundred and twenty (120) hours per year provided a minimum balance of one hundred (100) hours of general leave is maintained cash out General Leave in accordance with the General Leave Cashout Policy.~~

~~Cash out is contingent upon the unit member having taken forty (40) consecutive hours off during the past twenty-six (26) pay periods.~~

~~A member may cash out up to one hundred and twenty (120) hours if a planned use of forty (40) consecutive hours is scheduled within forty-five days of the requested cash out. Should the forty (40) hours not be taken as scheduled for any reason, the cashed-out funds will be refunded to the City within 15 calendar days.~~

~~Cashout shall be calculated on the base hourly rate for the employee multiplied by the number of cashout hours designated. No premium pay, POST incentive, overtime or any other pay shall be included.~~

~~The check shall be made available one week after written request is received by the Personnel Division. No more than four (4) requests may be made during any twelve (12) month period.~~

2.8 Compensatory Time

~~An unit memberemployee may accumulate a maximum of three hundred (300) hours of compensatory time. Once an unit memberemployee has reached the limits of compensatory time in this section he/she shall receive cash at the overtime rate for all overtime worked.~~

~~Any unit memberemployee who has an excess of three hundred (300) hours of compensatory time on the books will not be allowed to accrue further compensatory time until the balance falls below the three hundred (300) hours maximum.~~

~~Upon request, unit members who have eCompensatory time in excess of the maximum allowed in the Memorandum of Understanding may shall be cashed out any amount over the limit specified for compensatory time accrual in the MOU. Cashout shall be calculated in the manner specified in section 2.7.~~

~~Upon termination, all unused compensatory time shall be paid off at the final rate of pay received by the officeremployee.~~

2.9 Continuing Benefits

The City will pay the increased cost of existing benefits, except as specifically provided herein.

2.10 Bilingual Differential

2.10.1 Any position assigned to job duties requiring bilingual skills are eligible to receive Seventy-Five (\$75.00) each pay period for the use of bilingual skills in job duties arising during the normal course of work.

2.10.2 The ~~Personnel Officer~~Human Resources Department, on the basis of a proficiency test developed and administered by the City, shall determine eligibility for the bilingual pay differential.

2.10.3 Bilingual skills shall not be a condition of employment except for ~~officers-~~employees who are hired specifically with that requirement. If an ~~officer-~~

employee is hired under this provision, that requirement shall be included in the initial employment letter.

2.10.4 The City retains the right to discontinue the bilingual differential, provided the City gives the exclusive representative ten (10) days written notice prior to such revocation, in order to allow the opportunity for the parties to meet and confer.

2.10.5 No employee shall be required to use bilingual skills that is not compensated under this section.

Any ~~officer~~ employee who is reassigned to another position within this bargaining unit, and was receiving the bilingual differential at the time of appointment, shall have their need for bilingual skills reviewed by the Chief of Police. If the Chief of Police determines that bilingual skills in the position are required, the differential shall continue, otherwise, the bilingual differential will be ~~differential~~ discontinued.

2.11 On-Call Pay

Sergeants assigned to the detective unit who are placed in an on-call status shall be compensated for each day or portion thereof on normal days off that she/he is on-call at the rate of fifty dollars (\$50.00) per twenty-four (24) hour period. Sergeants assigned to the detective unit who are on-call and fail to respond when called may be subject to disciplinary action.

2.12 Vehicle Allowance

Sergeants assigned to the detective unit, who are assigned to use their personally owned vehicle for City use, shall receive a monthly automobile allowance of five hundred dollars (\$500.00). The automobile allowance shall cover all costs of operating the vehicle for City use, including but not limited to, maintenance, insurance and fuel.

2.13 Night Shift Differential

For ~~unit member~~ employees assigned to patrol, the City shall pay a shift differential of two percent (2.00%) for regular assignment to night shift. The shift differential shall not be paid on any regularly assigned schedule worked which includes day or swing shift.

Shift differential shall only be paid to ~~officers~~ employees assigned to a night shift, and shall not apply to ~~officers~~ employees filling open shifts or otherwise assigned to nights on a temporary basis.

2.14 Longevity Pay

~~Unit members~~ Employees who have achieved levels of continuous service as in a full time sworn police ~~officer~~ position with the City of Menlo Park, and who have received annual

performance reviews with overall ratings of “meets standards” or above shall be eligible to receive the following:

- 2.12.2 The first pay period after completing eleven (11) years of service: four percent (4.00%) calculated upon base pay.
 - 2.12.3 The first pay period after completing fifteen (15) years of service: six percent (6.00%) calculated upon base pay.
 - 2.12.4 The first pay period after completing twenty (20) years of service: eight percent (8.00%) calculated upon base pay.
- The maximum longevity pay that may be received by an officer/employee is eight percent (8.00%).

ARTICLE 3 - LEAVE PROVISIONS

3.1 Leave of Absence Without Pay

- 3.1.1 Leaves of absence without pay may be granted in cases of personal emergency or when such absence would not be contrary to the best interests of the City. Leaves denied in the best interests of the City shall be taken as soon as possible after the interests of the City are met. The member shall be notified of the effective date of the rescheduled leave.
- 3.1.2 Requests for leave of absence without pay must be submitted in written form to the Police Chief. The Chief may grant a unit member a leave of absence without pay for a period not less than four weeks nor more than one (1) year, during which time no benefits and no seniority will accrue. Approval shall be in writing and a copy filed with the Personnel Development/Training Department.
- 3.1.3 Upon expiration of a regularly approved leave, or within five (5) working days after notice to return to duty, the unit member/employee shall be reinstated in the same or an equivalent position to that held at the time the leave was granted. Failure on the part of an unit member/employee to report promptly at the expiration of the leave, or within five (5) working days after notice to report for duty shall be treated as an automatic resignation from City service unless the Chief determines that extenuating circumstances exist to excuse that absence. However, any unapproved absence may be cause for disciplinary action.
- 3.1.4 During paid leaves of absence the unit member may elect to use accrued vacation time.

- 2.15.1 The first pay period after completing seven (7) years of service: two percent (2.00%) calculated upon base pay.
- 2.15.2 The first pay period after completing eleven (11) years of service: four percent (4.00%) calculated upon base pay.
- 2.15.3 The first pay period after completing fifteen (15) years of service: six percent (6.00%) calculated upon base pay.
- 2.15.4 The first pay period after completing twenty (20) years of service: eight percent (8.00%) calculated upon base pay.

The maximum longevity pay that may be received by an ~~officer~~employee is eight percent (8.00%).

ARTICLE 3: LEAVE PROVISIONS

3.1 Leave of Absence Without Pay

- 3.1.1 Leaves of absence without pay may be granted in cases of personal emergency or when such absences would not be contrary to the best interests of the City. Leaves denied in the best interests of the City shall be taken as soon as possible after the interests of the City are met. The member shall be notified of the effective date of the rescheduled leave.
- 3.1.2 Requests for leave of absence without pay must be submitted in written form to the Police Chief. The Chief may grant a unit member a leave of absence without pay for a period not less than four weeks nor more than one (1) year, during which time no benefits and no seniority will accrue. Approval shall be in writing and a copy filed with the ~~Personnel Division~~Human Resources Department.
- 3.1.3 Upon expiration of a regularly approved leave, or within five (5) working days after notice to return to duty, the ~~unit member~~employee shall be reinstated in the same or an equivalent position to that held at the time the leave was granted. Failure on the part of an ~~unit member~~employee to report promptly at the expiration of the leave, or within five (5) working days after notice to report for duty shall be treated as an automatic resignation from City service unless the Chief determines that extenuating circumstances exist to excuse that absence. However, any unapproved absence may be cause for disciplinary action.
- 3.1.4 ~~During paid leaves of absence the unit member may elect to use accrued vacation time.~~

3.1.5 Merit pay raises and performance review dates shall be extended by the amount of the leave without pay taken.

3.2 Long Term Disability

3.2.1 Should any non-work related illness or injury extend beyond thirty (30) working days, the City will insure continued payment to the worker at 66.67 percent of salary, up to a maximum as provided in the long term disability policy. The amounts paid shall be less any payments received from either workers' compensation or retirement. During the first year of disability and so long as no retirement determination has been made by the City, the worker will be entitled to continued City paid health insurance, AD&D, and dental and life insurance benefits. At the end of 365 calendar days from the date of illness or injury or unless previously retired, should the worker not be able to return to work, the worker will be permitted to continue to participate in City paid health insurance, AD&D, and dental and life insurance benefits. However, the employee will be required to pay 100% of any premium.

3.3 Jury Duty and Subpoenas - Not Related to Official Duties

3.3.1 An employee required to report for jury duty or to answer a subpoena as a witness, provided the witness has no financial interest in the outcome of the case, shall be granted leave with pay from his/her assigned duties until released by the court, provided the employee remits to the City all fees received from such duties other than mileage or subsistence allowances within thirty (30) days from the termination of jury service.

3.3.2 When an employee returns to complete a regular shift following time served on jury duty or as a witness, such time falling within work shift shall be considered as time worked for purposes of shift completion and overtime computation. In determining whether or not an employee shall return to his/her regular shift following performance of the duties above, reasonable consideration shall be given to such factors as travel time and a period of rest.

3.3 Military Leave

3.3.1 Military leave of absence shall be granted and compensated in accordance with Military and Veterans Code Sections 389 and 395 et seq. Employees entitled to military leave shall give the appointing power an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

3.4 Bereavement Leave

3.4.1 An employee shall be allowed leave with pay for not more than three (3) working days when absent because a death has occurred in the immediate family. For purpose of bereavement leave, members of the immediate family shall be limited to mother, father, child, sibling, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandchild,

grandmother, grandfather, spouse, domestic partner, or dependent of the employee.
Employees may use General Leave for bereavement purposes for relations not included above provided such leave is approved in advance by the Chief of Police.

3.5 Workers' Compensation

3.5.1 Sworn personnel shall be granted leave with pay for a disability caused by illness or injury arising out of and in the course of his/her employment, in accordance with Section 4850 of the Labor Code of the State of California.

3.6 During paid leaves of absence an employee may elect to use accrued General Leave, subject to supervisory approval.

ARTICLE 4: GENERAL LEAVE PROGRAM

4.1 General Leave Program

Accrual of General Leave is as follows:

1 - 5 years	216 hours
6 - 10 years	230 hours
11 - 15 years	256 hours
16 - 20 years	280 hours
20 + years	296 hours

Actual accrual is biweekly prorated from the above table. The maximum number of hours which may be accrued is One Thousand Four Hundred (1,400) hours of general leave.

4.21.1 Upon separation from City service accrued general leave up to the maximum may be converted to cash. The amount shall be calculated on the base hourly rate of the employee multiplied by the number of hours converted. Upon retirement from City employment an employee hired on or before June 30, 2004 may convert any accrued general leave not converted to cash to retirement health insurance credits at the rate of one (1) unit for every eight (8) hours of accumulated general leave with any remainder being rounded to the next higher credit.

Qualified employees hired on or before June 30, 2004 who have at least twenty (20) years of service with the City may elect to have their accrued general leave balance converted to retirement health credits at the rate of one (1) unit for every six (6) hours of accumulated sick leave with any remainder being rounded to the next higher credit. If this election is made, the retirement health credit calculated shall not exceed the highest HMO health plan premium as may be in effect at such time such credit is applied. Election shall be made at the time of retirement. There is no change in the current policy of retirement

health insurance credits and “frozen sick leave”.

Reimbursement of premiums to retirees shall be in the same manner as currently done since 1990. The method of reimbursement is detailed in Appendix C.

4.1.2 Double Coverage. Workers who qualify for the retirement health credit conversion may elect double coverage at the rate of two (2) units for every month of paid health insurance.

4.1.3 Family Coverage. Workers who qualify for the retirement health credit conversion may elect family coverage at the rate of three (3) units for every month of paid health insurance.

~~4.3 The City shall provide disability leave after the 30th consecutive working day of an illness or disability until the Long Term Disability plan takes effect.~~

~~4.4 Sworn personnel shall be granted leave with pay for a disability caused by illness or injury arising out of and in the course of his/her employment, in accordance with Section 4850 of the Labor Code of the State of California.~~

~~4.5 Double Coverage. Workers who qualify for the retirement health credit conversion may elect double coverage at the rate of two (2) units for every month of paid health insurance.~~

~~4.6 Family Coverage. Workers who qualify for the retirement health credit conversion may elect family coverage at the rate of three (3) units for every month of paid health insurance.~~

4.72 ~~Transfer of Sick Leave for Catastrophic Illness.~~ Transfer of sick leave for catastrophic illness is designed to assist ~~officers-employees~~ who have exhausted sick leave due to a catastrophic illness, injury or condition of the worker. This policy allows other workers to make voluntary grants of time to that worker so that he/she can remain in a paid status for a longer period of time, thus partially ameliorating the financial impact of the illness, injury or condition.

A catastrophic illness is defined as an illness which has been diagnosed by a competent physician, requiring an extended period of treatment or recuperation, and which has a significant risk to life or life expectancy. Confirmation of the condition and prognosis by a health care provider chosen by the City may be required.

The ~~Personnel Division~~ Human Resources Department will discuss with the PSA or their designated representative an appropriate method of soliciting contributions from coworkers. The contributions shall be submitted to the Human Resources Department~~Personnel Division~~ and Human the Resources Department ~~Personnel~~ will process the contribution list in the order established. Any officer shall be allowed to

contribute a maximum of eighty (80) hours of sick-leave from their accrued sick-management leave balance to another full-time or permanent part-time worker in the City who is suffering from a catastrophic illness and has exhausted his or her own sick leave, provided, however, they have maintained a positive sick-management leave balance of forty (40) hours or more following the donation. Once the contribution is made it cannot be rescinded.

Upon return to work, an officer-employee may bank any remaining hours that have been contributed up to a maximum of forty (40) hours. If the contribution list has not been exhausted, the contributing workers will be notified that their contribution was not required and the balance restored.

ARTICLE 5: PHYSICAL FITNESS NO SMOKING AREAS

No Smoking Areas

City owned vehicles used by unit members shall be considered offices and designated as no smoking areas.

ARTICLE 6: BENEFIT PROGRAMS

6.1 Cafeteria Plan

6.1.1 Each ~~active and retired employee and retiree~~ shall receive a City contribution equal to the minimum employer contribution for agencies participating in the Public Employees Medical and Hospital Care Act (PEMHCA).

6.1.2 Each active employee shall be allocated an amount, inclusive of the City contribution specified in Section 6.1.1, to be used to purchase qualified benefits as described in this Section. The amount shall be allocated to each ~~worker~~active employee according to the health benefits selected, as follows:

\$1,681.50 per month	-	family coverage
\$1,296.55 per month	-	two person coverage
\$648.26 per month	-	single person coverage
\$154.68 per month	-	no coverage

The active employee will be responsible for any remaining premium in excess of the allocated amount.

6.1.3 Each ~~officer~~active employee may use his/her allocated amount for:

- a. PEMHCA health insurance coverage;
- b. any personal medical, dental and vision care expenses not covered by the City's plans, including but not limited to deductibles, copayments, medication and medical equipment;
- c. supplemental life insurance through the City's supplemental life carrier up to the maximum amount allowed by the carrier;
- d. child care expenses not otherwise reimbursed by the City; and
- e. contributions to a City offered deferred compensation plan.

6.1.4 If any ~~worker~~active employee spends less than the total of his/her allocated amount above the minimum employer contribution in 6.1.1, then the ~~worker~~active employee will be entitled to the unused amount in cash as taxable income, subject to appropriate tax withholding.

6.1.5 Each employee must enroll in an available PEMHCA health insurance plan or demonstrate that he/she has health insurance coverage equivalent to the PEMHCA plan in order to receive cash back under Section 6.1.54.

6.1.6 Surplus funds remaining at the end of the year will revert to the City's General Fund.

6.1.7 ~~Unit members~~Employees who wish to have domestic partners covered under the cafeteria plan may do so after filing the "Declaration of Domestic Partnership" form with the California Secretary of State and complying with any other requirements necessary to qualify for domestic partner health benefits under PEMHCA. It is understood that the premiums and benefits provided as a result of covering domestic partners may be taxable, and that the City will administer the program in accordance with State and Federal Tax regulations.

6.1.8 The parties share an interest in addressing the increase in the cost of PEMHCA benefits. To that end, the parties agree that the City may contract with different health benefit providers, consortia, or groups to provide health coverage that is equivalent to that provided under PEMHCA.

If either the benefits provided or the rate structure in place between active employees and ~~retired employees~~retirees is not equivalent to that provided under PEMHCA, then the City shall meet and confer with the Union prior to contracting with the alternate provider, consortia or group. ~~However, PSA shall have the option to remain in the PEMHCA program.~~

~~6.1.9 During the term of this Agreement, upon request by the Union, the parties agree to meet and discuss the current status of Health Savings Accounts (HSA). The discussions are intended to be informational and exploratory, and such participation does not bind the City to additional expenditures or the Union to voluntary deductions.~~

6.2 Dental Insurance

6.2.1 The City shall contribute One Hundred Thirty-Five Dollars (\$135.00) per unit member per month for the dental and vision program into the City's dental and vision fund for the PSA bargaining unit.

6.2.2 For purposes of dental and vision reimbursement, claims periods shall run from January 1 to June 30 and from July 1 to December 31. Employees shall be reimbursed for up to a maximum of eight hundred ten dollars (\$810) per claim period for employee and all dependents. ~~The maximum reimbursement for a claim period shall not exceed One Thousand Five Hundred Dollars (\$1,500.00) for a unit member and Nine Hundred Dollars (\$900.00) for a unit member's dependents or domestic partner.~~

Any ~~unit member~~employee and/or their dependents or qualified domestic partners may utilize the dental fund for dental, orthodontia or vision care expenses.

6.2.3 On presentation of the City's Dental appropriate City Reimbursement Form accompanied by appropriate receipts, ~~unit member~~employees will be reimbursed for dental, orthodontia or vision care expenses not covered by other insurance

plans or other reimbursement plans. Such reimbursement requests shall be processed ~~once~~ at least every two (2) months.

Reimbursement requests, or portions thereof, that exceed the ~~minimum-maximum~~ entitlement listed in Section 6.2.2 for the claim period shall be accepted and held until the end of the claim period and paid in accordance with the provisions of Section 6.2.4.

6.2.4 Reimbursement requests exceeding the ~~minimum-maximum~~ entitlement listed in section 6.2.2 shall be paid with any funds remaining in the plan, in the following order:

- (a) ~~unit member~~employee claims paid on a pro rata basis up to the ~~maximum-~~ specified in Section 6.2.2 above ~~one thousand five hundred dollars (\$1,500);~~
- (b) dependent or domestic partner claims paid on a pro rata basis up to the ~~maximum specified in Section 6.2.2 above~~ nine hundred dollars (\$900).

Any excess remaining in the fund after payment of claims shall be rolled over to the following claims period.

6.2.5 The final filing date for dental claims shall be ten (10) days after the end of the claims filing period during which the dental expenses were incurred.

6.2.6 The plan description shall be as set forth in Appendix B.

~~6.2.7 The City shall provide PSA with a financial report detailing account activity each claims period.~~

6.2.8 The City and PSA agrees to discuss substitute alternatives to the City operated dental program with an alternative dental plan at that result in no increased cost to the City. The implementation of such alternative dental plan shall be accomplished through the meet and confer process. However, no changes to the current City operated dental program shall occur prior to the expiration of this agreement unless by mutual agreement.

6.2.9 Domestic partner benefits may be taxable to the employee, and the benefit will be administered in accordance with State and Federal Tax regulations.

ARTICLE 7: HOLIDAYS

7.1 Except as otherwise provided, ~~unit member~~employees within the representation unit shall have the following fixed holidays with pay:

New Year's Day January 1
Martin Luther King Day Third Monday in January
Lincoln's Birthday February 12
Washington's Birthday Third Monday in February
Memorial Day Last Monday in May
Independence Day July 4
Labor Day First Monday in September
Admission Day September 9
Veterans Day November 11
Thanksgiving Day Fourth Thursday in November
Day after Thanksgiving Fourth Friday in November
Christmas Day December 25

One full day either December 24 or December 31

7.1.1 Designation of which one full day on either December 24 or December 31 is taken off shall be made by the Police Chief, considering the needs of the service and the officer's desires.

7.1.2 In the event that any of the aforementioned days, except December 24 or 31, falls on a Sunday, the following Monday shall be considered a holiday. In the event that any of the aforementioned days falls on a Saturday, the preceding Friday shall be considered a holiday. In the event that December 24 and 31 fall on a Sunday, then the preceding Friday will be designated for purposes of the full holiday.

7.1.3 Work on a Fixed Holiday. Any employee required to work on a fixed holiday and in addition to regular hours shall be paid time and one-half for such work in addition to his or her holiday pay. Work on a fixed holiday beyond the number of hours in a regular shift shall be compensated at double time. Holiday pay shall be reported in accordance with PERS requirements.

ARTICLE 8: RETIREMENT PROGRAMS

8.1 Retirement Plan

Retirement benefits for employees hired prior to ~~July-November~~ November 20, 2011 shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 3% at age 50 Formula, highest single year.

~~Effective as soon as practicable~~ For employees hired on or after November 20, 2011, who are not new members as defined by PERS, retirement benefits for new employees hired by the City shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 3% at age 55 formula, highest three years.

For new employees, as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 2.7% at age 57 formula, highest three years.

8.2 Optional Provisions

8.2.1 1959 Survivor Allowance as set forth in Section 6 of Chapter 9 of the Public Employees' Retirement Law, commencing with Section ~~21380-21570~~ of the Government Code, shall be provided.

8.2.2 Third Level of 1959 Survivor Benefits, as provided under Government Code Sections ~~21380-21387~~21573, shall be included.

8.3 City's Contribution to Retirement

8.3.1 The City shall pay the rate prescribed by the Public Employees' Retirement System for employer contributions to the Public Employees' Retirement System in accordance with the rules and regulations governing such employer contributions.

8.3.2 Effective with the pay period beginning July 3, 2011, employees shall contribute three percent (3.00%) toward the employer's contribution to the Public Employees' Retirement System. The amount shall be taken as an after tax deduction from the employee's paycheck each payroll period.

8.3.3 Effective as soon as practicable and after July 1, 2013, the employee three percent (3.00%) contribution toward the employer's contribution to the Public Employees' Retirement System (PERS) shall be taken as a pre-tax deduction from the employees' paycheck each payroll period. The City and PSA agree that the three percent (3%) will continue past the expiration of the MOU. If for any reason the City is precluded from making the three percent (3%) deduction or the deduction cannot be made on a pre-tax basis, the parties agree to meet and confer regarding ways to cure the defect.

8.4 Unit MemberEmployee's Contribution to Retirement System

8.4.1 The full ~~unit member~~employees's contribution shall be deducted from the unit member's pay by the City and forwarded to the Public Employees' Retirement System in accordance with the rules and regulations governing such contributions.

8.4.2 New employees, as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, shall make a member contribution of 50% of the Normal Cost of the benefit as a pre-tax deduction from the employees' paycheck each payroll period.

The City ~~will~~ has implemented Employer Pick-up, Internal Revenue Code 414 (h) (2) on the employee's contribution to the Public Employees' Retirement System.

8.5 Honorary Retirement

8.5.1 Upon separation, an ~~unit member~~ employee who leaves the service of the Menlo Park Police Department shall be considered retired provided the unit member has fifteen (15) years of service with the department and is in good standing at the time of departure.

8.5.2 An ~~unit member~~ employee shall be given a retirement badge and identification card.

8.5.3 The same requirements for a concealed weapons permit shall apply as for any other applicant. A concealed weapons permit shall not be automatically approved.

8.5.4 Retirement under this section shall be honorary and shall not involve any payment or benefit to the unit member or liability on the part of the City.

ARTICLE 9: WORKING CONDITIONS

9.1 Alternative Work Schedules

The Chief of Police shall determine the appropriate regular or alternative work schedules of the Department and the various divisions, sections and details based upon the feasibility or operational needs. The Chief of Police may modify schedules to drop an alternative work schedule and revert to a regular eight (8) hour schedule except that any resulting schedule different from a five (5) days on, two (2) days off will be subject to the meet and confer process.

Alternative work schedules may be administered under the 7(k) work period provisions of the Fair Labor Standards Act.

9.1.1 4/10 Work Schedule

A 4/10 work schedule is defined as ten (10) hours per day worked, four (4) days per calendar week.

9.2 Adjustment to Schedule

Unit members regularly assigned to midnight shift may request an adjustment to their schedule provided the ~~unit member~~ employee is required to conduct authorized department business following the ~~unit member~~ employee's shift; there is no cost to the City; and permission is obtained in advance from the ~~unit member~~ employee's supervisor.

9.3 Layoffs

Layoffs shall be made in reverse order of seniority. The employee with the least length of service shall be laid off first. For purposes of this Section, length of service shall include all time served in the Sergeant classification or any other classification equivalent to or higher than the rank of Sergeant.

9.4 Training

Officers who are normally assigned to an alternative work schedule shall revert to a five day, eight hour shift for any training that requires attendance at class for a consecutive five day period.

9.5 Donning and Doffing of Uniforms

It is acknowledged and understood by the City and the PSA that the donning and doffing of uniforms and related safety equipment may be performed at home or other locations outside of the Police Department.

ARTICLE 10: GRIEVANCE PROCEDURE

10.1 Definitions

10.1.1 A "grievance" is defined as:

10.1.1.1 ~~—An alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding, Personnel Rules, or other City ordinances, resolutions, or policy and/or procedure manuals affecting the working conditions of the unit members covered by this Agreement; or~~

10.1.1.2 ~~A "Disciplinary appeal" is An appeal from a disciplinary action of any kind a Letter of Reprimand or higher, against a unit member covered by this Memorandum of Understanding.~~

10.1.2 ~~A "disciplinary grievance" is a formal written objection or challenge to any punitive disciplinary action including dismissal, demotion, suspension, reduction in salary, written reprimand, or transfer for purposes of punishment. Any reduction in pay for change in assignment which occurs in the course of regular rotation and is not punitive shall not be subject to this grievance procedure.~~

10.1.3 A "grievant" is any unit member adversely affected by an alleged violation of the specific provision of this Memorandum, or the Union.

10.1.4 A "day" is any day in which the administrative offices of the City of Menlo Park are open for regularly scheduled business.

10.2 General Provisions

10.2.1 Until final disposition of a grievance, the grievant shall comply with the directions of the grievant's immediate supervisor.

10.2.2 All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants.

~~10.2.3 Any disciplinary grievances arising out of an incident in which the maximum corrective action imposed is a letter of reprimand or suspension of three (3) days or less shall not be appealed beyond Level III of this Article 10, Grievance Procedure.~~

10.2.4 Time limits for appeal provided at any level of this procedure shall begin the first day following receipt of the written decision by the grievant and/or the PSA.

Failure of the grievant to adhere to the time deadlines shall mean that the grievant is satisfied with the previous decision and waives the right to further appeal. The grievant and the City may extend any time deadline by mutual agreement.

10.2.5 Every effort will be made to schedule meetings for the processing of grievances at time which will not interfere with the regular work schedule of the participants. If any grievance meeting or hearing must be scheduled during duty hours, any employee required by either party to participate as a witness or grievant in such meeting or hearing shall be released from regular duties without loss of pay for a reasonable amount of time.

10.2.6 Any ~~unit member~~ employee may at any time present grievances to the City and have such grievances adjusted without the intervention of PSA, as long as the adjustment is reached prior to arbitration and the adjustment is not inconsistent with the terms of the Memorandum: provided that the City shall not agree to the resolution of the grievance until the Association has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response. Upon request of the grievance, the grievant may be represented at any stage of the grievance procedure by a representative of PSA.

10.2.7 As an alternative to the formal grievance procedure, the City and the PSA may mutually agree to meet and attempt to informally resolve issues involving contract interpretations and other matters affecting the relationship between the City and the PSA. A grievance must be presented within the timelines set forth in Article 10.3. However, once the parties mutually agree to informally resolve problems, the formal grievance timelines are tolled pending the informal resolution process.

If, in an attempt to informally resolve issues, the parties discuss matters that are not otherwise subject to the grievance procedure, such matters shall not be eligible to be grieved under the grievance provisions of this MOU. Either party may terminate the informal process at any time and the parties will revert to the formal grievance procedure.

~~10.2.7 This grievance procedure shall be the sole and exclusive procedure for processing objections or challenges to punitive disciplinary actions and shall satisfy all administrative appeal rights and protections afforded by the Public Safety Officers Procedural Bill of Rights Act, Government Code Sections 3300, et seq.~~

10.3 Grievance Procedure (for grievances as defined in 10.1.1)

10.3.1 Level I - Informal Resolution Immediate Supervisor

10.3.1.1 Any unit member employee

who believes he/she has a grievance which is an alleged violation of the specific provisions of this Memorandum of Understanding shall present the grievance orally to the immediate supervisor within ten (10) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The immediate supervisor shall hold discussions and attempt to resolve the matter within ten (10) days after the presentation of the grievance. It is the intent of this informal meeting that at least one personal conference be held between the aggrieved unit member and the immediate supervisor.

~~10.3.1.2 Any unit member who believes he/she has a grievance which is an objection or challenge to any punitive disciplinary action shall present the grievance orally to the Chief of Police within ten (10) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The Chief of Police shall hold discussions and attempt to resolve the matter within ten (10) days after the presentation of the grievance. It is the intent of this informal meeting that at least one personal conference be held between the aggrieved unit member and the Chief of Police.~~

10.3.2 Level II - Formal Written Grievance Chief of Police

10.3.2.1 If the grievance is not settled during the informal conference resolved at Level I and the grievant wishes to press the matter, the grievant shall present the grievance in writing on the appropriate form to the Chief of Police within ten (10) days after the oral decision of the immediate supervisor. The written information shall include: (a) A description of

the specific grounds of the grievance, including names, dates, and places necessary for a complete understanding of the grievance; (b) A listing of the provisions of this agreement which are alleged to have been violated; (c) A listing of the reasons why the immediate supervisor's proposed resolution of the problem is unacceptable; and (d) A listing of specific actions requested of the City which will remedy the grievance.

10.3.2.2 The Chief of Police or designee shall communicate the decision to the grievant in writing within ten (10) days after receiving the grievance. If the Chief of Police or designee does not respond within the time limits, the grievant may appeal to the next level.

10.3.2.3 Within the above time limits either party may request a personal conference.

10.3.3 Level III - Appeal to ~~Personnel Officer~~ City Manager

10.3.3.1 If the grievant is not satisfied with the decision at Level II, the grievant may within ten (10) days of the receipt of the decision at Level II appeal the decision on the appropriate form to the ~~Personnel Officer~~ City Manager. This statement shall include a clear, concise statement of the reasons for the appeal. Evidence offered in support of a disciplinary grievance filed pursuant to Article 10.2.3 of this Agreement shall be submitted in the form of written declarations executed under penalty of perjury.

10.3.3.2 The ~~Personnel Officer~~ City Manager or designee shall communicate the decision in writing to the grievant within ten (10) days. If the ~~Personnel Officer~~ City Manager or designee does not respond within the time limits provided, the grievant may appeal to the next level.

10.3.4 Level IV - Binding Arbitration

10.3.4.1 If the grievant is not satisfied with the decision at Level III, the grievant may within ten (10) days of the receipt of the decision submit a request in writing to the PSA for arbitration of the dispute. Within twenty (20) days of the grievant's receipt of the decision at Level III, the PSA shall inform the City of its intent as to whether or not the grievance will be arbitrated. The PSA and the City shall attempt to agree upon an arbitrator. If no agreement can be reached, they shall request that the State Mediation and Conciliation Service supply a panel of five names of persons experienced in hearing grievances in cities and who are members of the National Academy of Arbitrators (NAA). Each party shall alternately strike a name until only one remains. The remaining

panel member shall be the arbitrator. The order of the striking shall be determined by lot.

10.3.4.2 If either the City or the PSA so requests, a separate arbitrator shall be selected to hear the merits of any issues raised regarding the arbitrability of a grievance. No hearing on the merits of the grievance will be conducted until the issue of arbitrability has been decided. The process to be used in selecting an arbitrator shall be as set forth in 10.3.4.1.

10.3.4.3 The arbitrator shall conduct and complete the hearing on the grievance, within sixty (60) days of the date of PSA's request for arbitration. The parties may mutually agree to extend that timeline. The parties shall file their post-hearing briefs within thirty (30) days of the close of the hearing and the arbitrator shall render a decision on the issue or issues submitted within thirty (30) days of the submission of the briefs. If the parties cannot agree upon a submission agreement, the arbitrator shall determine the issues by referring to the written grievance and the answers thereto at each step.

10.3.4.4 The City and PSA agree that the jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of this Agreement at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of this Agreement or the written ordinances, resolutions, rules, regulations and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this Agreement. The Arbitrator shall be without power of authority to make any decision that requires the City or management to do an act prohibited by law.

~~10.3.4.5 In the event that this grievance procedure is used to challenge punitive disciplinary actions as provided in Article 10.2.7 above, the City and PSA agree that the arbitrator shall prepare a written decision containing findings of fact, determinations, of issues and a disposition either affirming, modifying or overruling the punitive disciplinary action being appealed. The parties expressly agree that the arbitrator may only order as remedies those personnel actions which the City may lawfully impose.~~

10.3.4.6 The award of the arbitrator shall be final and binding.

10.3.4.7 The fees and expenses of the arbitrator (including the cost of any list of arbitrators requested pursuant to Section 10.3.4.1) shall be shared equally by the City and PSA.

All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. By mutual agreement, the cost of the services of such court reporter shall be shared equally by the parties. However, each party shall be responsible for the cost of transcripts that they order.

10.3.4.8 By filing a grievance and processing it beyond Level III, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this grievance/arbitration procedure. The processing of a grievance beyond Level III shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

10.4 Disciplinary Appeals

10.4.1 This procedure shall be the sole and exclusive procedure for processing appeals to disciplinary actions and shall satisfy all administrative appeal rights afforded by the Public Safety Officers Procedural Bill of Rights Act, Government Code Sections 3300, et seq.

10.4.2 A "disciplinary appeal" is a formal written appeal of a Notice of Disciplinary Action (post-Skelly) of any punitive disciplinary action including dismissal, demotion, suspension, reduction in salary, letters of reprimand, or transfer for purposes of punishment. However, letters of reprimand are not subject to the arbitration provisions of this procedure. This procedure also shall not apply to the rejection or termination of at will employees, including those in probationary status. Any reduction in pay for change in assignment which occurs in the course of regular rotation and is not punitive shall not be subject to this procedure.

10.4.3 Persons on probationary status (entry-level or promotional) may not appeal under this agreement rejection on probation.

10.4.4 Letters of Reprimand may be appealed under this section only to the City Manager level (Section 10.4.6.)

10.4.5 Any appeal to any punitive disciplinary action (as defined in Section 10.1.2) shall be presented in writing to the City Manager within ten (10) days after receipt of the Notice of Disciplinary Action. Failure to do so will be

deemed a waiver of any appeal. The City Manager or designee shall hold a meeting to hear the appeal within ten (10) days after the presentation of the appeal and shall issue a decision on the appeal within ten (10) days after the presentation of the appeal. For letters of reprimand, the City Manager's decision shall be final. However the employee may write a response and have that response included in his or her personnel file.

10.4.6 For appeals from dismissal, demotion, suspension, reduction in salary, or transfers for purposes of punishment, if the employee is not satisfied with the decision of the City Manager, the employee may, within ten (10) days of the receipt of the decision, submit a request in writing to the PSA for arbitration of the dispute. Within twenty (20) days of the City Manager's decision, the PSA shall inform the City of its intent as to whether or not the disciplinary matter will be arbitrated. The PSA must be the party taking the matter to arbitration.

10.4.7 The parties shall attempt to agree to the selection of an arbitrator and may agree to strike names from a list provided by an outside agency such as the State Mediation and Conciliation Service or JAMS. However, in the event that the City and the PSA cannot agree upon the selection of an arbitrator within twenty one (21) days from the date that the PSA has notified the City of its intent to proceed to Arbitration, either party may request the Superior Court of the County of San Mateo to appoint an arbitrator who shall be a retired judge of the Superior Court.

10.4.8 The City and PSA agree that the arbitrator shall prepare a written decision containing findings of fact, determinations of issues and a disposition either affirming, modifying or overruling the disciplinary action being appealed. The parties expressly agree that the arbitrator may only order as remedies those personnel actions which the City may lawfully impose.

10.4.9 The fees and expenses of the arbitrator (including the cost of any list of arbitrators) shall be shared equally by the City and PSA. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. By mutual agreement, the cost of the services of such court reporter shall be shared equally by the parties. However, each party shall be responsible for the cost of transcripts that they order.

10.4.10 Nothing herein constitutes a waiver of City or employee rights otherwise granted by law.

ARTICLE 11: RECOGNITION

The Menlo Park Police Sergeant's Association (PSA) is the exclusive recognized organization representing employees in the classification of Police Sergeant in their employer-employee relations with the City of Menlo Park, and PSA has been certified by the City of Menlo Park as the duly recognized employee organization of said employees. PSA requires proper and advance notification on all matters that fall into the meet and confer process.

ARTICLE 12: FULL UNDERSTANDING MODIFICATION AND WAIVER

12.1 This Memorandum of Understanding sets forth a full and entire understanding of the parties regarding the matters set forth herein, and any and all prior or existing Memoranda of Understanding, understandings and agreements regarding the matters set forth herein, whether formal or informal, are hereby superseded and terminated in their entirety.

12.2 No practice or benefit provided by this Memorandum of Understanding shall be modified without the mutual agreement of the City and PSA.

ARTICLE 12~~3~~: SEPARABILITY

~~12~~13.1 If a court of competent jurisdiction finally determines that any provisions of this Memorandum is invalid and unenforceable, such provisions shall be separable, and the remaining provisions of the Memorandum shall remain in full force and effect.

~~12~~13.2 If any provisions of this Memorandum of Understanding are found invalid by a court of competent jurisdiction as a result of Proposition 61, known as the "California Fair Pay Amendment" (1986) or any other initiative which would restrict compensation of benefits under this Agreement, the City and PSA will meet and confer regarding substitute benefits for those lost due to such ruling.

ARTICLE 14: LABOR MANAGEMENT COMMITTEE

Effective for the term of this agreement, The City and PSA agree to the establishment of a Labor Management Committee (LMC) to serve as an advisory committee and to facilitate employee education and involvement in issues regarding CalPERS retirement benefits, including but not limited to, potential future costs increases and the impacts of said cost increases to the financial stability of the City.

The City and the PSA shall each select their own representatives and in equal number, with no more than three (3) on each side. Each side is encouraged to propose issues for discussion, and the committee will jointly set priorities. Decision making within this

forum will be by consensus. The LMC will set up regular meetings to occur not less than once per quarter and a means for calling additional meetings to handle issues on an ad hoc basis.

The LMC is not authorized to meet and confer or create contractual obligations nor are they to change the MOU to authorize any practice in conflict with existing contracts or rules.

ARTICLE 14: EFFECT OF AGREEMENT

This Memorandum of Understanding sets forth the full and complete understanding between the parties hereto with respect to all subject matters addressed herein.

Dated _____

City of Menlo Park

Menlo Park Police Sergeant's Association

DENTAL PLAN

ELIGIBLE UNIT MEMBERS

Newly hired unit members are eligible to participate in the plan following six months of continuous employment.

DEPENDENTS

Dependents will be covered according to Section 6.2.

Dependents shall be defined under this program as the unit member's spouse and his/her children up to the age to 26 provided they are more than 50% dependent upon the unit member for support.

MAXIMUM COVERAGE

For each six-month period reimbursements shall be limited to the maximum coverage as stated in Section 6.2. Payments on claims will be based upon standard fees as determined by the dental committee.

REQUEST FOR REIMBURSEMENT

A City of Menlo Park Dental Reimbursement Form must be completed by the unit member's dentist indicating the type of service before the claim will be approved for reimbursement by the City. These forms are available through the Personnel Division. The forms should be returned to Personnel at the completion of treatment. An accepted and properly completed request for reimbursement form will be eligible for prorated reimbursement within the six-month period in which the work was performed. The six-month periods run from January 1 through June 30 and July 1 through December 31.

TERMINATION OF INSURANCE

When the unit member terminates with the City, his/her dental insurance ceases. Any outstanding claims up to the date of termination will be considered for payment as long as the unit member has worked three of the six months in the reimbursement period.

COVERAGE

- Routine office visits and oral examinations, but not including more than one such examination of the same Covered Person in any six-month period.
- Fluoride or other prophylaxis treatments

- Dental X-Rays
- Extraction
- Teeth cleaning
- Oral surgery, including excision of impacted teeth
- Crown, bridges, except as specified under “exclusions and limitations”
- Anesthetics administered in connection with oral surgery or other covered dental services
- Fillings
- Treatment of periodontal and other diseases of the gums and tissues of the mouth
- Endodontic treatment, including root canal therapy
- Initial installation of full or partial dentures or fixed bridgework to replace one or more natural teeth extracted while insured
- Orthodontic care, treatment, services and supplies
- Replacement of an existing partial or full removable denture or fixed bridgework to replace extracted natural teeth; but only if evidence satisfactory to the City is presented that:
 - a) The replacement or addition of teeth is required to replace one or more additional natural teeth extracted while insured under the plan; or
 - b) The existing denture or bridgework was installed at least 5 years prior to its replacement and that the existing denture or bridgework cannot be made serviceable; or
 - c) The existing denture is an immediate temporary denture and replacement by a permanent denture is required, and takes place within 12 months from the date of installation of the temporary denture
- Repair or recementing of crowns, inlays and fixed bridgework
- Repair or relining of dentures
- Other covered charges as determined by the Dental Committee

EXCLUSIONS AND LIMITATIONS

Covered dental expenses will not include charges:

- For any dental work covered under a Major Medical Expense Plan
- Incurred because of an accidental bodily injury which arises out of or in the course of employment, or a sickness entitling to the insured to benefits under the Workman's Compensation Act or similar legislation
- Incurred in a Veteran's Hospital by the hospital or by a dentist employed by the hospital
- Which are primarily for cosmetic purposes
- Incurred for the replacement of a lost or stolen prosthetic device or bridgework
- Incurred as a result or act of war, declared or undeclared
- Incurred for the initial installation of dentures and bridgework when such charges are incurred for replacement of congenitally missing teeth, or for replacement of natural teeth all of which were lost when the unit member was not insured under the plan
- For space maintainers
- Incurred as a result of a need for prosthetic devices including bridges and crowns and the fitting thereof which were ordered while the unit member was not insured under the plan, or which were delivered after termination of insurance
- Not found to be valid upon verification with the dentist rendering the service

FORMS PROCEDURE

1. Obtain dental forms from the Personnel Division.
2. Submit the form to your dentist for his completion.
3. At the completion of your dental work or near the end of the reimbursement period, sign the form for that work which has been completed. Your dentist will also need to sign the form. Please return the form to the Personnel Division.

Appendix C

Administration of Retirement Health Credits for Retirees

Nothing herein shall be deemed a change to the current practice of reimbursing retirees for retiree health premiums. This Appendix is intended to detail the existing practice.

The intent of the retiree health insurance credit program is to reimburse employees for the cost of retiree health premiums up to the amount to which they are entitled. It is not to provide an additional cash benefit to retirees over and above the cost of the premium. Should the current procedures that are administered through PEMHCA health and the Public Employees' Retirement System change, the intent shall remain as stated above.

Current Practice

Upon retirement, eligible employees may choose to convert all or any portion of their general leave balance up to the maximum to retirement health insurance credits at the rate they are eligible to receive as specified in Section 4.2. Retirees may elect single coverage, double coverage or family coverage in accordance with Sections 4.5 and 4.6.

PERS will deduct the premium for the health insurance plan selected by the retiree through PEMHCA health from their monthly pension warrant, less the minimum employer contribution, which is billed separately to the City.

The City will reimburse the retiree for the amount they are eligible to receive. The amount they are eligible to receive does not include the minimum employer contribution because it is not deducted from the retiree's pension warrant. In no event will the amount reimbursed exceed the cost of the premium to the retiree less the minimum employer contribution.

All reimbursements made to the retiree are subject to Federal and State taxes and shall be reported as income as required by law.

City of Menlo Park Employee Recognition Program Employee Excellence Awards

Program Purpose

The Employee Excellence Awards program is a citywide program that recognizes superior performance by employees, particularly in ways that help the organization achieve its goals.

Eligibility

All employees are eligible for the award – full-time, part-time, temporary and seasonal employees. Nominations for the award can come from any employee; however, an employee cannot nominate himself/herself. Employees may receive multiple nominations but cannot receive more than one award per year and an employee may not receive an award for more than two consecutive years. Teams of employees are eligible to receive awards.

Employees who receive an award from separate departmental recognition programs are not precluded from being nominated for a citywide award.

Members of the Employee Recognition Committee are eligible for nominations but they may not participate in the evaluation of the nomination.

Nomination Process

1. Employees or a team of employees can nominate any fellow employee for recognition. Nomination forms can be found on the intranet or in the City Manager's office.
2. Completed forms will be reviewed by the Employee Recognition Committee. The Committee will recommend that awards be given to the nominated individuals who meet the highest standards for superior performance. The City Manager will consider the recommendations of the Recognition Committee and may select any of the nominated individuals to receive special recognition during an annual ceremony. The City Manager may also choose not to give any awards in a given year.
3. Nomination forms may be submitted throughout the year to the City Manager's Office with a deadline of November 15. Nominations received after the deadline will be considered for the following year.
4. The nominator may be contacted by the Recognition Committee for clarifications or if there is missing information in the nomination form.

Categories & Criteria

Employees may be nominated for special achievement and superior performance in the following categories:

A. Safe Practices & Wellness

The employee goes beyond what is required for safely performing their work and ensuring others are safe, contributes to the fostering of a safe and/or healthy work environment, or consistently provides an example of safe work practices. The employee may also have created a solution which provided a valued benefit to the organization in terms of health, safety, or wellness. The efforts went beyond what is required for their normal job duties.

Or, the employee showed dedication and perseverance and inspired others in achieving a significant personal fitness or wellness goal such as weight loss or smoking cessation.

B. Customer Service

The employee provides consistent exemplary service to customers with an inspiring attitude and behavior that far exceeds the norm and inspires others to achieve excellence in customer service as well. The employee goes beyond the job requirements to satisfy customers and displays a professional and friendly image of the City. The employee may have also solved a difficult customer-service based problem or found improvements for a city customer service related function.

C. Sustainability

The employee embodies the City's goal for sustainability. He/she helped the City become more "green" resulting in savings for the City and/or the environment. The solution was beyond the normal requirements for their job.

D. Special Accomplishments

Accomplishments include meritorious achievements which are above and beyond the norm, including significant academic or professional achievements.

E. Heroism

The employee went above and beyond the call of duty when responding to an emergency that threatened life or property. All employees are eligible for this award. For Police Department heroic actions, the Police Chief will determine if the action was above and beyond the call of duty.

F. Innovation

The employee showed ingenuity in solving a City or community problem. An employee may be awarded in this category for accomplishments that contributed to increased efficiency and/or quality of City operations or resulted in significant savings or the generation of new revenue for the City.

Awards

Award recipients will receive a cash prize of \$500 and an inscribed trophy. Their name and award will also be engraved on a commemorative plaque which will be displayed in the City Hall display case.

The City Manager may award up to 6 employees with Excellence awards each year. Only one award per category may be granted and the City Manager may elect not to give awards for a given year.

Award Ceremony

The employees will be recognized by the City Manager and Recognition Committee at the annual employee holiday lunch. The award recipients will also be announced and recognized at a City Council meeting.

Employee Recognition Committee

The Recognition Committee shall consist of at least five employees in good standing: two supervisors and three non-supervisors. No more than one employee per department, supervisor or non-supervisor, can serve on the Committee at one time. Committee member terms will be two years.

The Committee will meet quarterly or at another interval as decided by the Committee to review nominations and make recommendations to the City Manager. The Committee is responsible for coordinating and preparing prizes, working with the Finance Department and the City Manager's Office to review prizes and prize amounts, and ensuring monetary rewards are delivered. The Committee is also responsible for making recommendations to the program itself, such as changes to award criteria.

2012 Recognition Committee Members

To be determined _____

Program Review

The Employee Recognition Program will be reviewed annually by the Recognition Committee beginning with the program's first year. The Committee will examine the program's effectiveness in meeting its goals for recognizing outstanding performance and extraordinary accomplishments by city staff. The review will include an evaluation of the nomination and selection process, the award criteria, employee participation, and other factors that relate to the program's success.



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 27, 2013
 Continued from the August 20th Council Meeting

Staff Report #: 13-139

Agenda Item #: F-3

REGULAR BUSINESS: **Select a Voting Delegate and Alternate to the League of California Cities Annual Conference and provide direction to the Voting Delegate related to the resolutions to be voted on at the League of California Cities Annual Conference**

RECOMMENDATION

Staff recommends the Council take the following actions: (1) Select a Voting Delegate and Alternate; and (2) Provide direction to the Voting Delegate related to the resolutions to be voted on at the League of California Cities Annual Conference.

BACKGROUND

The League of California Cities (League) Annual Conference will be held in Sacramento on September 18-20, 2013. An important part of the Annual Conference is the Annual Business Meeting (at the *General Assembly*), scheduled for 12:00 noon on Friday, September 18, 2013 at the Hyatt Regency Hotel. There are two resolutions that will be considered during the meeting. In order to vote at the Annual Business Meeting, Council must designate a voting delegate. Up to two alternates may be appointed to vote in the event that the designated voting delegate is unable to serve in that capacity. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only if they wish. The names of the voting delegates and alternates must be submitted to the League no later than September 13, 2013 (Attachment A).

ANALYSIS

This year, two resolutions have been introduced for consideration by the Annual Conference. League staff has provided an analysis on each resolution which is included in the Annual Conference Resolution Packet (Attachment B). The titles for the resolutions are below with a short summary.

Resolution #1

Title: Resolution Calling Upon the Governor and Legislature to Work with the League of California Cities in Providing Adequate Funding and to Prioritize Water Bonds to Assist

Local Government in Water Conservation, Ground Water Recharge and Reuse of Stormwater and Urban Runoff Programs.

Source: Los Angeles County Division
Referred to: Environmental Quality Policy Committee
Recommendation to General Resolutions Committee: Approve

Summary:

In 2009, the State Legislature and Governor Arnold Schwarzenegger signed a package of legislation that included four policy bills and an \$11.1 billion water bond. The water bond was originally scheduled to appear on the 2010 ballot as Proposition 18. However, due to significant criticism over the size of the bond, the amount of earmarks and lack of public support, the Legislature has voted twice to postpone the ballot vote. The water bond is now slated for the November 4, 2014 ballot.

Resolution #2

Title: Resolution Calling Upon the Governor and Legislature to Enter Into Discussions with the League and California Police Chiefs' Association Representatives to Identify and Enact Strategies that will Ensure the Success of Public Safety Realignment from a Local Municipal Law Enforcement Perspective.

Source: Public Safety Policy Committee
Referred to: Public Safety Policy Committee
Recommendation to General Resolutions Committee: Approve

Summary:

This resolution seeks to outline the deficiencies in the State's current public safety realignment policy, as implemented in 2011 by AB 109, and to identify policy changes that will assist State, county, and municipal law enforcement entities to cope with the expanded universe of offenders that are now being directed to county facilities, resulting in increased related impacts on both local communities and municipal law enforcement.

IMPACT ON CITY RESOURCES

There is no fiscal impact for the proposed action.

POLICY ISSUES

Providing information to the voting delegate does not present a change to existing policy.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

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. Annual Conference Voting Delegate & Alternate Packet
- B. Annual Conference Resolutions Packet

Report prepared by:
Pamela Aguilar
Acting City Clerk

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1400 K Street, Suite 400 • Sacramento, California 95814
 Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Council Action Advised by September 13, 2013

PLEASE NOTE: You are receiving this letter and form earlier than usual because hotel space near the Sacramento Convention Center for the Annual Conference will be especially tight this year. As a result, we want to encourage you to make your hotel reservations early.

July 23, 2013

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
 League of California Cities Annual Conference – September 18 - 20, Sacramento**

The League's 2013 Annual Conference is scheduled for September 18 - 20 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, September 20, at the Hyatt Regency Hotel. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 13, 2013. This will allow us time to establish voting delegate/alternates' records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one person must be present at the

- Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.
- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 18, 9:00 a.m. – 6:30 p.m.; Thursday, September 19, 7:00 a.m. – 4:00 p.m.; and September 20, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but not during a roll call vote, should one be undertaken.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 13. If you have questions, please call Mary McCullough at (916) 658-8247.

Attachments:

- 2013 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Annual Conference Voting Procedures 2013 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2013 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Friday, September 13, 2013. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Friday, September 13, 2013

League of California Cities
ATTN: Mary McCullough
1400 K Street
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: mmccullough@cacities.org
(916) 658-8247



***Annual Conference
Resolutions Packet***

115th Annual Conference



***Sacramento
September 18 - 20, 2013***

INFORMATION AND PROCEDURES

RESOLUTIONS CONTAINED IN THIS PACKET: The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, two resolutions have been introduced for consideration by the Annual Conference and referred to the League policy committees.

POLICY COMMITTEES: Two policy committees will meet at the Annual Conference to consider and take action on resolutions referred to them. The committees are Environmental Quality and Public Safety. These committees will meet on Wednesday, September 18, 2013, at the Sheraton Grand Hotel in Sacramento. The sponsors of the resolutions have been notified of the time and location of the meetings.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet at 1:00 p.m. on Thursday, September 19, at the Sacramento Convention Center, to consider the reports of the two policy committees regarding the two resolutions. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president. Please check in at the registration desk for room location.

ANNUAL LUNCHEON/BUSINESS MEETING/GENERAL ASSEMBLY: This meeting will be held at 12:00 p.m. on Friday, September 20, at the Hyatt Regency Hotel.

PETITIONED RESOLUTIONS: For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (47 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Session of the General Assembly. This year, that deadline is 12:00 p.m., Thursday, September 19. If the petitioned resolution is substantially similar in substance to a resolution already under consideration, the petitioned resolution may be disqualified by the General Resolutions Committee.

Resolutions can be viewed on the League's Web site: www.cacities.org/resolutions.

Any questions concerning the resolutions procedures may be directed to Meg Desmond at the League office: mdesmond@cacities.org or (916) 658-8224

GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's eight standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

Guidelines for Annual Conference Resolutions

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.
2. The issue is not of a purely local or regional concern.
3. The recommended policy should not simply restate existing League policy.
4. The resolution should be directed at achieving one of the following objectives:
 - (a) Focus public or media attention on an issue of major importance to cities.
 - (b) Establish a new direction for League policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.
 - (c) Consider important issues not adequately addressed by the policy committees and board of directors.
 - (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

LOCATION OF MEETINGS

Policy Committee Meetings

Wednesday, September 18, 2013
Sheraton Grand Hotel
1230 J Street, Sacramento

Public Safety: 9:00 a.m. – 10:30 a.m.
Environmental Quality: 10:30 a.m. – 12:00 p.m.

General Resolutions Committee

Thursday, September 19, 2013, 1:00 p.m.
Sacramento Convention Center
1400 J Street, Sacramento

Annual Business Meeting and General Assembly Luncheon

Friday, September 20, 2013, 12:00 p.m.
Hyatt Regency Hotel
1209 L Street, Sacramento

KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3
		1 - Policy Committee Recommendation to General Resolutions Committee 2 - General Resolutions Committee 3 - General Assembly		

ENVIRONMENTAL QUALITY POLICY COMMITTEE

		1	2	3
1	Water Bond Funds			

PUBLIC SAFETY POLICY COMMITTEE

		1	2	3
2	Public Safety Realignment			

Information pertaining to the Annual Conference Resolutions will also be posted on each committee's page on the League website: www.cacities.org. The entire Resolutions Packet will be posted at: www.cacities.org/resolutions.

KEY TO ACTIONS TAKEN ON RESOLUTIONS (*Continued*)

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

Action Footnotes

* Subject matter covered in another resolution

** Existing League policy

*** Local authority presently exists

KEY TO ACTIONS TAKEN

- A - Approve
- D - Disapprove
- N - No Action
- R - Refer to appropriate policy committee for study
- a - Amend
- Aa - Approve as amended
- Aaa - Approve with additional amendment(s)
- Ra - Amend and refer as amended to appropriate policy committee for study
- Raa - Additional amendments and refer
- Da - Amend (for clarity or brevity) and Disapprove
- Na - Amend (for clarity or brevity) and take No Action
- W - Withdrawn by Sponsor

Procedural Note: Resolutions that are approved by the General Resolutions Committee, as well as all qualified petitioned resolutions, are reported to the floor of the General Assembly. In addition, League policy provides the following procedure for resolutions approved by League policy committees but *not* approved by the General Resolutions Committee:

Resolutions initially recommended for approval and adoption by all the League policy committees to which the resolution is assigned, but subsequently recommended for disapproval, referral or no action by the General Resolutions Committee, shall then be placed on a consent agenda for consideration by the General Assembly. The consent agenda shall include a brief description of the basis for the recommendations by both the policy committee(s) and General Resolutions Committee, as well as the recommended action by each. Any voting delegate may make a motion to pull a resolution from the consent agenda in order to request the opportunity to fully debate the resolution. If, upon a majority vote of the General Assembly, the request for debate is approved, the General Assembly shall have the opportunity to debate and subsequently vote on the resolution.

2013 ANNUAL CONFERENCE RESOLUTIONS

RESOLUTION REFERRED TO ENVIRONMENTAL QUALITY POLICY COMMITTEE

- 1. RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO WORK WITH THE LEAGUE OF CALIFORNIA CITIES IN PROVIDING ADEQUATE FUNDING AND TO PRIORITIZE WATER BONDS TO ASSIST LOCAL GOVERNMENT IN WATER CONSERVATION, GROUND WATER RECHARGE AND REUSE OF STORMWATER AND URBAN RUNOFF PROGRAMS.**

Source: Los Angeles County Division

Concurrence of five or more cities/city officials: Cities of Alhambra; Cerritos; Claremont; Glendora; Lakewood; La Mirada; La Verne; Norwalk; Signal Hill; Mary Ann Lutz, Mayor, city of Monrovia.

Referred to: Environmental Quality Policy Committee

Recommendations to General Resolutions Committee: Approve

WHEREAS, local governments play a critical role in providing water conservation, ground water recharge and reuse of stormwater infrastructure, including capture and reuse of stormwater for their citizens, businesses and institutions; and

WHEREAS, local governments support the goals of the Clean Water Act to ensure safe, clean water supply for all and the U.S. Environmental Protection Agency has encouraged local governments to implement programs to capture, infiltrate and treat stormwater and urban runoff with the use of low impact development ordinances, green street policies and programs to increase the local ground water supply through stormwater capture and infiltration programs; and

WHEREAS, local governments also support the State's water quality objectives, specifically Section 13241 of the Porter-Cologne Water Quality Control Act, on the need to maximize the use of reclaimed and water reuse and the Regional Water Quality Control Boards and the State Water Resources Board encourage rainwater capture efforts; and

WHEREAS, the State's actions working through the water boards, supported by substantial Federal, State and local investments, have led to a dramatic decrease in water pollution from wastewater treatment plants and other so-called "point sources" since 1972. However, the current threats to the State's water quality are far more difficult to solve, even as the demand for clean water increases from a growing population and an economically important agricultural industry; and

WHEREAS, the State's Little Hoover Commission found in 2009 that more than 30,000 stormwater discharges are subject to permits regulating large and small cities, counties, construction sites and industry. The Commission found that a diverse group of water users – the military, small and large businesses, home builders and local governments and more – face enormous costs as they try to control and limit stormwater pollution. The Commission concluded that the costs of stormwater clean up are enormous and that the costs of stormwater pollution are greater, as beach closures impact the State's economy and environmental damage threatens to impair wildlife; and

WHEREAS, at the same time that new programs and projects to improve water quality are currently being required by the U.S. EPA and the State under the National Pollution Discharge Elimination System (NPDES) permits and the Total Daily Maximum Load (TMDL) programs, many local governments find that they lack the basic infrastructure to capture, infiltrate and reuse stormwater and cities are facing difficult economic challenges while Federal and State financial assistance has been reduced due to the impacts of the recession and slow economic recovery; and

WHEREAS, cities have seen their costs with the new NPDES permit requirements double and triple in size in the past year, with additional costs anticipated in future years. Additionally, many local businesses have grown increasingly concerned about the costs of retrofitting their properties to meet stormwater and runoff requirements required under the NPDES permits and TMDL programs; and

WHEREAS, the League of California Cities adopted water polices in March of 2012, recognizing that the development and operation of water supply, flood control and storm water management, among other water functions, is frequently beyond the capacity of local areas to finance and the League found that since most facilities have widespread benefits, it has become the tradition for Federal, State and local governments to share their costs (XIV, Financial Considerations); and the League supports legislation providing funding for stormwater and other water programs; and

WHEREAS, the Governor and the Legislature are currently contemplating projects for a water bond and a portion of the bond could be directed to assist local government in funding and implementing the goals of the Clean Water Act and the State’s water objectives of conserving and reusing stormwater in order to improve the supply and reliability of water supply; and now therefore let it be

RESOLVED by the General Assembly of the League of California Cities, assembled in Sacramento on September 20, 2013, that the League calls for the Governor and the Legislature to work with the League and other stakeholders to provide adequate funding for water conservation, ground water recharge and capture and reuse of stormwater and runoff in the water bond issue and to prioritize future water bonds to assist local governments in funding these programs. The League will work with its member cities to educate federal and state officials to the challenges facing local governments in providing for programs to capture, infiltrate and reuse stormwater and urban runoff.

//////////

Background Information on Resolution No. 1

Source: Los Angeles County Division

Background:

In order to meet the goals of both the Federal Clean Water Act and the State’s Porter-Cologne Water Quality Control Act, which seek to ensure safe clean water supplies, cities provide critical water conservation, ground water recharge and reuse of stormwater infrastructure, including capture and reuse of stormwater for their citizens, businesses and institutions.

Working with the State’s Regional Water Quality Control Boards and the State Water Resources Board through the National Pollution Discharge Elimination System (NPDES) permitting process and Total Maximum Daily Load (TMDL) Programs, California’s cities implement programs to capture, infiltrate and treat stormwater and urban runoff with the use of low impact development ordinances, green streets policies and other programs to increase the local ground water supply.

These actions have led to a dramatic decrease in water pollution from wastewater treatment plants and other so-called “point sources” since the adoption of the Clean Water Act in 1972. However, current threats to the State’s “non-point sources “ of pollution, such as stormwater and urban runoff are far more difficult to solve, even as the demand for clean water increases from a growing population and an economically important agricultural industry.

Current Problem Facing California's Cities

The Little Hoover Commission found in 2009 that more than 30,000 stormwater discharges are subject to permits regulating large and small cities, counties, construction sites and industry. The Commission found that a diverse group of water users – the military, small and large businesses, home builders and local governments and more – face enormous costs as they try and control and limit stormwater pollution. The Commission concluded that the costs of stormwater clean up are enormous and that the costs of stormwater pollution are greater as beach closures impact the state's economy and environmental damage threatens to impair wildlife.

Additionally, new programs and projects to improve water quality are currently being required by the U.S. EPA and the State under the NPDES permits and the TMDL programs. Many local governments find that they lack the basic infrastructure to capture, infiltrate and reuse stormwater and the cities are facing difficult economic challenges while Federal and State financial assistance has been reduced due to the impacts of the recession and slow economic recovery.

Cities have seen their costs with the new NPDES permit requirements triple in size in the past year, with additional costs anticipated in future years. Additionally, many local businesses have grown increasingly concerned about the costs of retrofitting their properties to meet stormwater and runoff requirements required under the NPDES permits and TMDL programs.

In Los Angeles County alone, reports commissioned by the Los Angeles County Flood Control District estimate the costs of achieving region-wide compliance for implementing TMDL programs in the NPDES permits required by the Los Angeles Regional Water Quality Control Board (LARWQCB) will be in the tens of billions of dollars over the next twenty years. Additionally, failure to comply with the LARWQCB's terms could result in significant Clean Water Act fines, state fines and federal penalties anywhere from \$3,000- \$37,500 per day. Violations can also result in third-party litigation. Such costs are not confined to Los Angeles County and are being realized statewide.

Clearly, compliance with the NPDES permit and TMDL programs will be expensive for local governments over a long period of time and cities lack a stable, long-term, dedicated local funding source to address this need. Many cities are faced with the choice of either cutting existing services or finding new sources of revenue to fund the NPDES and TMDL programs.

Los Angeles County Division Resolution

The Division supports strong League education and advocacy at both the State and Federal levels to help cities face the challenges in providing programs to capture, infiltrate and reuse stormwater and urban runoff. While Los Angeles County cities and other regions seek to secure local funding sources to meet the Clean Water Act and the State's water objectives, it will simply not be enough to meet the enormous costs of compliance. The Los Angeles County Division strongly believes that State and Federal cooperation are necessary to fund programs to secure and reuse stormwater in order to improve water supply and reliability throughout the state.

The Division calls for the League to engage in discussions on 2014 State Water Bond to assist cities in funding and implementing the goals of the Clean Water Act and the State's Water objectives. This resolution does not support the 2014 bond issue, since the League and individual cities will need to make this decision at a later time upon review of the final language. However, the Governor and Legislature have reopened discussions for the 2014 water bond and funding of urban runoff and stormwater programs has taken a back seat in past bond issues, such as Proposition 84. In May, Assembly Speaker John Perez appointed a Water Bond Working Group which recently outlined a new set of [Priorities and Accountability Measures](#) for developing a water bond that would gain the support of 2/3 of the Legislature and voters. One of the priorities identified by the committee included, "Regional Self Reliance/Integrated Regional Water

Management,” posing the question if stormwater capture should be included in any future bonds. The Division believes the opportunity to advocate for funding in the bond is now.

//////////

League of California Cities Staff Analysis on Resolution No. 1

Staff: Jason Rhine; (916) 658-8264

Committee: Environmental Quality

Summary:

This resolution seeks to call upon the Governor and the Legislature to work with the League of California Cities in providing adequate funding and to prioritize water bonds to assist local governments in water conservation, ground water recharge and reuse of stormwater and urban runoff programs.

Background:

In 2009, the State Legislature passed and Governor Arnold Schwarzenegger signed a package of legislation that included four policy bills and an \$11.1 billion water bond (The Clean, and Reliable Drinking Water Supply Act). The water bond included the following major spending proposals:

- \$455 million for drought relief projects, disadvantaged communities, small community wastewater treatment improvements and safe drinking water revolving fund
- \$1.4 billion for "integrated regional water management projects"
- \$2.25 billion for projects that "support delta sustainability options"
- \$3 billion for water storage projects
- \$1.7 billion for ecosystem and watershed protection and restoration projects in 21 watersheds
- \$1 billion for groundwater protection and cleanup
- \$1.25 billion for "water recycling and advanced treatment technology projects"

The \$11.1 billion bond also included nearly \$2 billion in earmarks. Projects slated for funding included:

- \$40 million to educate the public about California's water
- \$100 million for a Lake Tahoe Environmental Improvement Program for watershed restoration, bike trails and public access and recreation projects
- \$75 million for the Sierra Nevada Conservancy, for public access, education and interpretive projects
- \$20 million for the Baldwin Hills Conservancy to be used to buy more land
- \$20 million for the Bolsa Chica Wetlands for interpretive projects for visitors

The water bond was originally scheduled to appear on the 2010 ballot as Proposition 18. However, due to significant criticism over the size of the bond, the amount of earmarked projects, and a lack of public support, the Legislature has voted twice to postpone the ballot vote. The water bond is now slated for the November 4, 2014 ballot.

It is unclear whether or not the water bond will actually appear on the November 2014 ballot. In recent months, pressure has been mounting to postpone the water bond yet again or significantly rewrite the water bond to drastically reduce the overall size of the bond and remove all earmarks. The Legislature has until the summer of 2014 to act.

Fiscal Impact:

Unknown. This resolution does not seek a specified appropriation from a water bond.

Existing League Policy:

In 2008, the League formed a new Water Task Force to consider updates and revision to the Water Guidelines the League drafted and adopted 20 years earlier. These new Guidelines were formally approved by the League board of directors in Feb. 2010. Below are the most pertinent policy and guiding principles related to the proposed resolution. To view the entire water policy guidelines, go to www.cacities.org/waterpolicyguidelines.

General Principles

- The League supports the development of additional groundwater and surface water storage, including proposed surface storage projects now under study if they are determined to be feasible, including but not limited to: environmentally, economically, and geographically relating to point of origin. Appropriate funding sources could include, but are not limited to user fees, bonds and federal funding.
- The League supports state water policy that allows undertaking aggressive water conservation and water use efficiency while preserving, and not diminishing, public and constitutional water rights.

Water Conservation

- The League supports the development of a statewide goal to reduce water use by 20% by 2020 through the implementation of fair and equitable measures consistent with these principles.
- Accomplishing water conservation and water use efficiency goals will require statewide action by all water users, including residential, commercial, industrial and agricultural water users, local and regional planning agencies, state and federal agencies, chambers of commerce, and business, commercial and industrial professional and trade associations.

Water Recycling

- Wherever feasible, water recycling should be practiced in urban, industrial and agricultural sectors. This includes increasing the use of recycled water over 2002 levels by at least one million acre-feet/year (afy) by 2020 and by at least two million afy by 2030.
- Increased recycling, reuse and other refinements in water management practices should be included in all water supply programs.

Water Storage

- The development of additional surface facilities and use of groundwater basins to store surface water that is surplus to that needed to maintain State Water Resource Control Board (SWRCB) Bay-Delta estuary water quality standards should be supported.

Groundwater

- The principle that local entities within groundwater basins (i.e., cities, counties, special districts, and the regional water quality control boards) working cooperatively should be responsible for and involved in developing and implementing basin wide groundwater, basin management plans should be supported. The plans should include, but not be limited to: a) protecting groundwater quality; b) identifying means to correct groundwater overdraft; c) implementing better irrigation techniques; d) increasing water reclamation and reuse; and e) refining water conservation and other management practices.
- Financial assistance from state and federal governments should be made available to requesting local agencies to develop and implement their groundwater management plans.

Financial Considerations

- It is recognized that the development and operation of water supply, water conveyance, flood control and stormwater management, water storage, and wastewater treatment facilities is frequently beyond the capability of local areas to finance;

- The League supports legislation to provide funding for stormwater, water and wastewater programs, including a constitutional amendment which would place stormwater fees in the category of water and wastewater fees, for the purposes of Proposition 218 compliance.

Support:

New this year, any resolutions submitted to the General Assembly must be concurred in by five cities or by city officials from at least five or more cities. Those submitting resolutions were asked to provide written documentation of concurrence. The following letters of concurrence were received: cities of Alhambra; Cerritos; Claremont; Glendora; Lakewood; La Mirada; La Verne; Norwalk; Signal Hill; and Mary Ann Lutz, Mayor, city of Monrovia. A letter of support was also received from the California Contract Cities Association.

RESOLUTION REFERRED TO PUBLIC SAFETY POLICY COMMITTEE

2. RESOLUTION CALLING UPON THE GOVERNOR AND LEGISLATURE TO ENTER INTO DISCUSSIONS WITH THE LEAGUE AND CALIFORNIA POLICE CHIEFS' ASSOCIATION REPRESENTATIVES TO IDENTIFY AND ENACT STRATEGIES THAT WILL ENSURE THE SUCCESS OF PUBLIC SAFETY REALIGNMENT FROM A LOCAL MUNICIPAL LAW ENFORCEMENT PERSPECTIVE.

Source: Public Safety Policy Committee

Concurrence of five or more cities/city officials: Cities of Arroyo Grande, Covina; Fontana; Glendora; Monrovia; Ontario; Pismo Beach; and Santa Barbara

Referred to: Public Safety Policy Committee

Recommendation to General Resolutions Committee: Approve

WHEREAS, in October 2011 the Governor proposed the realignment of public safety responsibilities from state prisons to local government as a way to address recent court orders in response to litigation related to state prison overcrowding, and to reduce state expenditures; and

WHEREAS, the Governor stated that realignment needed to be fully funded with a constitutionally protected source of funds if it were to succeed; and

WHEREAS, the Legislature enacted the realignment measures, AB 109 and AB 117, and the Governor signed them into law without full constitutionally protected funding and liability protection for stakeholders; and

WHEREAS, California currently has insufficient jail space, probation officers, housing and job placement programs, medical and mental health facilities, lacks a uniform definition of recidivism; and utilizes inappropriate convictions used to determine inmate eligibility for participation in the realignment program; and

WHEREAS, since the implementation of realignment there have been numerous issues identified that have not been properly addressed that significantly impact municipal police departments' efforts to successfully implement realignment; and

WHEREAS, ultimately many of these probationers who have severe mental illness are released into communities where they continue to commit crimes that impact the safety of community members and drain the resources of probation departments and police departments throughout the state; and

WHEREAS, an estimated 30 counties were operating under court-ordered or self-imposed population caps before realignment, and the current lack of bed space in county jails has since led to many convicted probationers being released early after serving a fraction of their time; with inadequate to no subsequent supervision, leaving them free to engage in further criminal offenses in our local cities; and

WHEREAS, there is increasing knowledge among the offender population which offenses will and will not result in a sentence to state prison, and many offenders, if held in custody pending trial, that would be sentenced to county jail are ultimately sentenced to time served due to overcrowding in county facilities; and

WHEREAS, there are inadequate databases allowing local police departments to share critical offender information among themselves, with county probation departments, and with other county and state law enforcement entities; and

WHEREAS, local police departments have not received adequate funding to properly address this new population of offenders who are victimizing California communities; and now therefore let it be

RESOLVED by the General Assembly of the League of California Cities, assembled in Sacramento on September 20, 2013, to request the Governor and State Legislature to immediately enter into discussions with League representatives and the California Police Chiefs' Association to address the following issues:

1. The need to fully fund municipal police departments with constitutionally protected funding to appropriately address realignment issues facing front-line law enforcement;
2. Amend appropriate sections of AB 109 to change the criteria justifying the release of non-violent, non-serious, non-sex offender inmates (N3) inmates to include their total criminal and mental history instead of only their last criminal conviction;
3. Establish a uniform definition of recidivism with the input of all criminal justice stakeholders throughout the state;
4. Enact legislation that will accommodate the option for city police officers to make ten (10) day flash incarcerations in city jails for probationers who violate the conditions of their probation;
5. Establish oversight procedures to encourage transparency and accountability over the use of realignment funding;
6. Implement the recommendations identified in the California Little Hoover Commission Report #216 dated May 30, 2013;
7. Provide for greater representation of city officials on the local Community Corrections Partnerships. Currently AB 117 provides for only one city official (a police chief) on the seven-member body, six of which are aligned with the county in which the partnership has been established. As a result, the counties dominate the committees and the subsequent distribution of realignment funds.
8. Provide, either administratively or by legislation, an effective statewide data sharing mechanism allowing state and local law enforcement agencies to rapidly and efficiently share offender information to assist in tracking and monitoring the activities of AB 109 and other offenders.

//////////

Background Information on Resolution No. 2

Source: Public Safety Policy Committee

Background:

In October 2011 the Governor proposed the realignment of public safety tasks from State Prisons to local government as a way to address certain judicial orders dealing with State prison overcrowding and to reduce State expenditures. This program shifts the prisoner burden from State prisons to local counties and cities.

When the Governor signed into law realignment he stated that realignment needed to be fully funded with constitutionally protected source of funds to succeed. Nonetheless, the law was implemented without full constitutional protected funding for counties and cities; insufficient liability protections to local agencies; jail space; probation officers; housing and job placement programs; medical and mental health facilities; and with an inappropriate definition of N3 (non-serious, non-sexual, non-violent) criminal convictions used to screen inmates for participation in the program.

Two-thirds of California's 58 counties are already under some form of mandated early release. Currently, 20 counties have to comply with maximum population capacity limits enforced by court order, while another 12 counties have self-imposed population caps to avoid lawsuits.

At this time no one knows what the full impact of realignment will ultimately be on crime. We hope that crime will continue to drop, but with the current experience of the 40,000 offenders realigned since October 2011, and an estimated additional 12,000 offenders being shifted from State prison to local jails and community supervision by the end of fiscal year 2013-14, it will be very difficult to realize lower crime rates in the future.

Beginning in October 2011, California State prisons began moving N3 offenders into county jails, the county probation and court systems, and ultimately funneled them into community supervision or alternative sentencing program in cities where they will live, work, and commit crime.

Note: There is currently no uniform definition of recidivism throughout the state and no database that can deliver statistical information on the overall impact realignment has had on all cities in California. Because of this problem we have used data from Los Angeles County.

The March 4, 2013 report to the Los Angeles County Criminal Justice Coordination Committee (CCJCC) shows a strong effort and progress in addressing the realignment mandate. However, there is insufficient funding.

The report also states the jail population continues to be heavily influenced by participants housed locally. On September 30, 2012, the inmate count in the Los Angeles County Jail was 15,463; on January 31, 2013, the count was 18,864. The realignment population accounted for 32% of the Jail population; 5,743 offenders sentenced per Penal Code Section 1170 (h) and 408 parole violations.

By the end of January 2013, 13,535 offenders were released on Post Release Community Supervision (PRCS) to Los Angeles County including prisoners with the highest maintenance costs because of medical and drug problems and mental health issues costing counties and local cities millions of dollars in unfunded mandates since the beginning of the program. Prisoners with prior histories of violent crimes are also being released without proper supervision. That is why sections of **AB 109 must be amended to change the criteria used to justify the release of N3 inmates to include an offender's total criminal and mental history instead of only their last criminal conviction.** Using the latter as the key criteria does not provide

an accurate risk assessment of the threat these offenders pose to society if they are realigned to county facilities, or placed on Post Release Community Supervision.

Chief Jerry Powers from the Los Angeles County Probation Department recently stated the release criteria for N3 offenders “has nothing to do with reality.” He said initially the State estimated the population of released PRCS offenders would be 50% High Risk, 25% Medium Risk and 25% Low Risk. The reality is 3% are Very High Risk, 55% are High Risk, 40% are Medium Risk and only 2% are Low Risk offenders. He said the High Risk and serious mentally ill offenders being released “are a very scary population.” One of the special needs offenders takes the resources of 20-30 other offenders.

Assistant Sheriff Terri McDonald who is the county Jail Administrator recently stated the Jail has only 30 beds for mentally ill offenders being released – when in fact she actually needs 300 beds to accommodate the volume of serious mentally ill offenders being released that require beds.

Los Angeles County data shows 7,200 released offenders have had some sort of revocation. This number is expected to increase because of a significant increase in the first four months of year two of realignment that totals 83% of the entire first year of the program; 4,300 warrants were issued for offenders; 6,200 offenders have been rearrested; and 1,400 prosecuted. Data reveals one in 10 offenders will test positive for drugs during the first 72 hours after being released knowing they are required to report to a probation officer during that time. Only one in three offenders will successfully complete probation.

There are more than 500 felony crimes that qualify State prison inmates for release under realignment. They will be spending their time in cities with little, if any, supervision.

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League of California Cities Staff Analysis on Resolution No. 2

Staff: Tim Cromartie (916) 658-8252

Committee: Public Safety Policy Committee

Summary:

This Resolution seeks to outline the deficiencies in the State’s current public safety realignment policy, as implemented in 2011 by AB 109, and to identify policy changes that will assist State, county and municipal law enforcement entities to cope with the expanded universe of offenders that are now being directed to county facilities, resulting in increased related impacts on both local communities and municipal law enforcement.

Background:

This resolution was brought to the Public Safety Policy Committee by individual members of that committee who are increasingly concerned about municipal public safety impacts resulting from county jail overcrowding, a problem that has intensified with realignment, resulting in certain categories of offenders doing no jail time or being sentenced to time served. This has created a climate in which some offenses receive little or no jail time, accompanied by a growing body of anecdotal evidence that property crimes have correspondingly increased, with some, such as auto theft, being committed in serial fashion. Increased criminal activity has strained the resources of many local police departments already struggling to more closely coordinate information sharing with county probation offices to effectively monitor offenders on post-community release supervision.

In addition, there is growing concern about the criteria established for determining which offenders are eligible for post-release community supervision (the non-violent, non-serious, non-sex offenders). There is so much concern that a May 2013 report of California’s Little Hoover Commission recommended adjusting

the criteria to examine an offender's total criminal history rather than merely his or her last known offense, as a means of more accurately assessing the risk he or she might pose to the community.

Implementation of the realignment policy is handled in part by the Community Corrections Partnerships established by AB 109, which currently have only one city representative, compared to at least four county-level representatives.

Fiscal Impact:

Unknown impact on the State General Fund. This resolution seeks to establish increased and constitutionally protected funding for city police departments (and county sheriff's departments, to the degree they are contracted to provide police services for cities), but does not specify a dollar amount for the revenue stream. At a minimum, it would entail an annual revenue stream of at least the amount provided for cities for front-line law enforcement in the State's 2013-14 Budget, \$27.5 million, indefinitely – although that revenue stream has never been formally identified by the Brown Administration as having any direct connection to realignment.

Existing League Policy:

Related to this resolution, existing policy provides:

- The League supports policies establishing restrictions on the early release of state inmates for the purpose of alleviating overcrowding, and limiting parole hearing opportunities for state inmates serving a life sentence, or paroled inmates with a violation.
- The League supports increasing municipal representation on and participation in the Community Corrections Partnerships, which are charged with developing local corrections plans.
- In addition, the Strategic Priorities for 2012, as adopted by the League Board of Directors, included the promotion of local control for strong cities. The resolution's objectives of locking in ongoing funding for front-line municipal law enforcement, and increasing city participation in the Community Corrections Partnerships, are consistent with promoting local control.

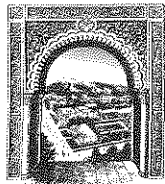
Support:

New this year, any resolutions submitted to the General Assembly must be concurred in by five cities or by city officials from at least five or more cities. Those submitting resolutions were asked to provide written documentation of concurrence. The following cities/city officials have concurred: cities of Arroyo Grande; Covina; Fontana; Glendora; Monrovia; Ontario; Pismo Beach; and Santa Barbara.

LETTERS OF CONCURRENCE
Resolution #1
Water Bond Funds

City of Alhambra
Office of the Mayor and City Council

July 1, 2013



Gateway
to the
San Gabriel Valley

111
South First Street
Alhambra
California
91801

626
570-5010

FAX
281-2248

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

Dear President Bogaard:

The City of Alhambra supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. The City of Alhambra is anticipating spending \$24,101.96 this year to start the development of the Enhanced Watershed Plan and monitoring plan. Prior to 2016, the City anticipates spending \$1,169,000 for full capture device on our storm drain catch basins. In the future, it is estimated the city may need \$34 million dollars to finance the required infrastructure to meet the new permit guidelines. We also anticipate needing to hire additional staff to monitor and maintain the program. None of these costs have a dedicated funding source.

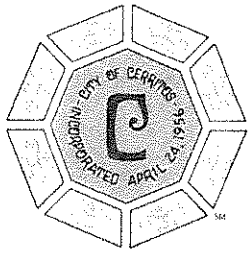
As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Mary Chavez, Director of Public Works, at (626) 570-5067 if you have any questions.

Very truly yours,

Steven Placido, DDS
Mayor

cc: Jennifer Quan, League of California Cities





CITY OF CERRITOS™

CIVIC CENTER • 18125 BLOOMFIELD AVENUE
P.O. BOX 3130 • CERRITOS, CALIFORNIA 90703-3130
PHONE: (562) 916-1310 • FAX: (562) 468-1095
CELL PHONE: (562) 547-1732
E-mail: bbarr90703@aol.com
WWW.CERRITOS.US



OFFICE OF THE MAYOR
BRUCE W. BARROWS

July 8, 2013

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

President Bogaard: *Bill*

The City of Cerritos supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

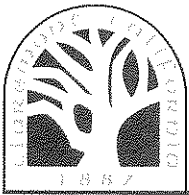
The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. The City of Cerritos expended \$866,000 in the Fiscal Year 2011-2012 for compliance with required stormwater programs. Future expenditures are expected to be over \$1.5 million annually, as the City will be required to begin construction of costly stormwater capital improvements.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Art Gallucci, City Manager at (562)916-1301 or agallucci@cerritos.us, if you have any questions.

Sincerely,

Bruce W. Barrows
MAYOR

cc: Ling-Ling Chang, President, Los Angeles County Division c/o
Robb Korinke, Executive Director, Los Angeles County Division, robb@lacity.org



CITY OF CLAREMONT

City Hall
207 Harvard Avenue
P.O. Box 880
Claremont, CA 91711-0880
Fax: (909) 399-5492
Website: www.ci.claremont.ca.us
Email: contact@ci.claremont.ca.us

City Council • (909) 399-5444
Corey Calaycay
Joseph M. Lyons
Opanyi K. Nasiali
Sam Pedroza
Larry Schroeder

July 1, 2013

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

President Bogaard:

**RE: Los Angeles County Division Proposed Resolution for LCC Approval
At The 2013 Annual Conference**

The City of Claremont supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond.

As members of the League, our City values the policy development process provided to the General Assembly and appreciates your time on this issue. If you have any questions, please feel free to contact Tony Ramos, City Manager, at (909) 399-5441.

Sincerely,

Opanyi Nasiali
Mayor

c: Jennifer Quan, League of California Cities

v:/TMoreno/City Council/Letters/LCC Annual Conf Approval Ltr-ON-July'13



CITY OF GLENDORA CITY HALL

(626) 914-8200

116 East Foothill Blvd., Glendora, California 91741
www.ci.glendora.ca.us

July 15, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

President Bogaard:

The City of Glendora supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact me, if you have any questions.

Sincerely,

Joe Santoro, Mayor

cc: Ling-Ling Chang, President, Los Angeles County Division c/o Robb Korinke,
Executive Director, Los Angeles County Division, robb@lacity.org
Jennifer Quan, Regional Public Affairs Manager, League of California Cities –
jqquan@lacity.org

Todd Rogers
Vice Mayor

Jeff Wood
Council Member

Diane DuBois
Council Member

Ron Piazza
Council Member

July 2, 2013

CITY OF LAKEWOOD

CALIFORNIA

Steve Croft
Mayor

Mr. Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: Los Angeles County Division Annual Conference Resolution - Support

Dear President Bogaard:

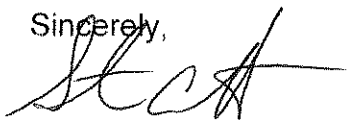
The City of Lakewood supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond.

For Lakewood, the initial cost alone to prepare the Watershed Management Plan (WMP), Coordinated Integrated Management Plan (CIMP), and Reasonable Assurance Modeling for the three watersheds that Lakewood is a part of is estimated to be \$153,167. This cost does not include administration costs, monitoring costs, construction costs, or inspection costs, which are estimated to be in the millions of dollars.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Paolo Beltran, Senior Management Analyst, at (562) 866-9771, extension 2140, or email at pbeltran@lakewoodcity.org, if you have any questions.

Sincerely,



Steve Croft
Mayor

cc: Ling-Ling Chang, President, Los Angeles County Division c/o
Robb Korinke, Executive Director, Los Angeles County Division,
robb@lacity.org

Lakewood



CITY OF LA MIRADA
DEDICATED TO SERVICE

13700 La Mirada Boulevard
La Mirada, California 90638
P.O. Box 828
La Mirada, California 90637-0828
Phone: (562) 943-0131 Fax: (562) 943-1464
www.cityoflamirada.org

July 15, 2013

LETTER OF SUPPORT

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

SUBJECT: LOS ANGELES COUNTY DIVISION ANNUAL CONFERENCE RESOLUTION

Dear President Bogaard:

On behalf of the City of La Mirada, I am writing to express support for the League of California Cities, Los Angeles County Division's effort to submit a resolution for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for local governments working to meet Federal and State objectives to protect water resources and storm water management plans. The resolution also provides direction for the League to educate State leaders and advocates for the inclusion of storm water funding in the State's proposed 2014 Water Bond.

Like many cities, the City of La Mirada does not have the basic infrastructure to capture, filter, and reuse storm water, and Federal and State funding to assist in providing this infrastructure has been reduced in recent years as a result of the economic recession. Compliance with the MS-4 permit and other storm water regulations could cost the City millions, and reduce funding for other vital City services such as infrastructure and public safety. The City could also face steep fines, penalties, and third party lawsuits if it is unable to meet the National Pollutant Discharge Elimination Systems (NPDES) permit requirements. Receiving State funding could help alleviate the financial burden placed on local governments to meet storm water requirements.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact Jeff Boynton, Deputy City Manager, at (562) 943-0131 if you have any questions.

Sincerely,

CITY OF LA MIRADA

Steve De Ruse
Mayor

TER:jb:vdr

cc: Ling-Ling Chang, President, Los Angeles County Division
Robb Korinke, Executive Director, Los Angeles County Division



CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.ci.la-verne.ca.us

July 2, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

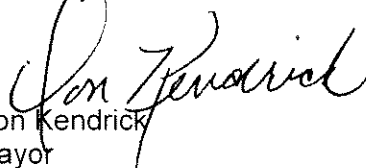
President Bogaard:

The City of La Verne supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. While the City is still in the process of identifying the costs associated with meeting the new requirements of the MS-4 PERMIT, it is expected these measures will far exceed existing local resources.

As members of the League, our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, Bob Russi at 909-596-8726, if you have any questions.

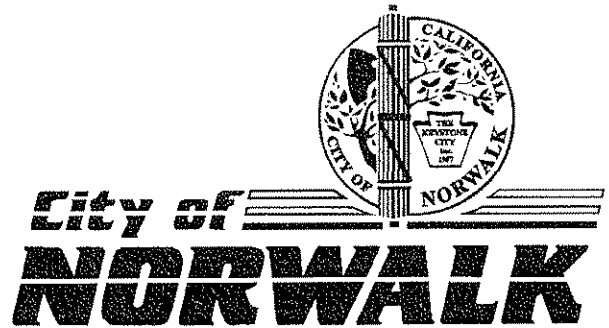
Sincerely,


Don Kendrick
Mayor

cc: Jennifer Quan, League of California Cities
JR Ranells, Senior Management Analyst

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LUIGI VERNOLA
Mayor
MARCEL RODARTE
Vice Mayor
CHERI KELLEY
Councilmember
MICHAEL MENDEZ
Councilmember
LEONARD SHRYOCK
Councilmember
MICHAEL J. EGAN
City Manager



12700 NORWALK BLVD., P.O. BOX 1030, NORWALK, CA 90651-1030 * PHONE: 562/929-5700 * FACSIMILE: 562/929-5773 * WWW.NORWALKCA.GOV

July 2, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

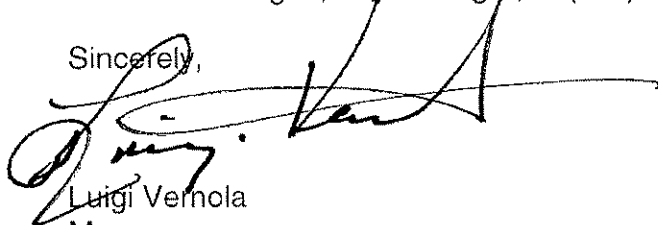
Dear President Bogaard:

The city of Norwalk supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. The cost of compliance with the new storm water permit is in the millions of dollars. The Watershed Management Plan alone will cost close to \$1M. Implementation of projects in the near future based on that Watershed Management Plan could potentially cost the City of Norwalk \$5 - \$10 million annually.

As members of the League our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Mike Egan, City Manager, at (562) 929-5772 if you have any questions.

Sincerely,



Luigi Vernola
Mayor

cc: Ling-Ling Chang, President, Los Angeles County Division c/o
Robb Korinke, Executive Director, Los Angeles County Division, robb@lacity.org



CITY OF SIGNAL HILL

2175 Cherry Avenue • Signal Hill, California 90755-3799

June 27, 2013

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

President Bogaard:

The city of Signal Hill supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. The city of Signal Hill currently budgets for \$755,000 annually for compliance with required stormwater programs, which represents over 4% of the entire General Fund. Future expenditures are expected to be over \$1.5 million annually, as the City will be required to begin construction of costly stormwater capital improvements.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Ken Farfsing, City Manager at (562) 989-7302 or kfarfsing@cityofsignal.org, if you have any questions.

Sincerely,

Michael J. Noll
Mayor

CC: Ling-Ling Chang, President, Los Angeles County Division c/o
Robb Korinke, Executive Director, Los Angeles County Division, robb@lacity.org



Office of the Mayor and the City Council

July 2, 2013

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

SUBJECT: Los Angeles County Division Annual Conference Resolution

Dear President Bogaard:

As Mayor of the City of Monrovia, I support the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. The City is anticipating millions of dollars in stormwater permit compliance costs over the next five years – funds the City currently does not have available. Funding assistance is vital in order for the City to meet stormwater permit requirements.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Heather Maloney, Senior Management Analyst, at (626) 932-5577 or hmaloney@ci.monrovia.ca.us, if you have any questions.

Sincerely,

Mary Ann Lutz,
Mayor

cc: City Council
Ling-Ling Chang, President, Los Angeles County Division c/o
Robb Korinke, Executive Director, Los Angeles County Division, robb@lacity.org
Laurie K. Lile, City Manager
Ron Bow, Director of Public Works



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June 20, 2013

Bill Bogaard
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Los Angeles County Division Annual Conference Resolution

President Bogaard:

The California Contract Cities Association supports the Los Angeles County Division's effort to submit a resolution for consideration by the General Assembly at the League's 2013 Annual Conference in Sacramento.

The Division's resolution seeks to address a critical funding need for cities working to meet the State's water quality objectives and storm water management plans by providing direction for the League to educate state leaders and advocate for funding during discussions on the 2014 Water Bond. All of the 58 cities we represent can ill afford this increasingly expensive ongoing cost.

As members of the League our association values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our office at (562) 622-5533 if you have any questions.

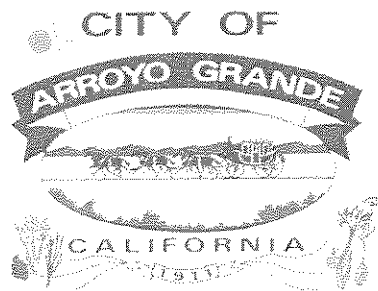
Sincerely,

Steve Tye
CCCA President

CC: Ling-Ling Chang, President, Los Angeles County Division c/o
Robb Korinke, Executive Director, Los Angeles County Division, robb@lacity.org

LETTERS OF CONCURRENCE
Resolution #2
Public Safety Realignment

OFFICE OF THE
MAYOR



300 East Branch Street
Arroyo Grande, CA 93420
Phone: (805) 473-5400
FAX: (805) 473-0386
agcity@arroyogrande.org
www.arroyogrande.org

July 17, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Public Safety Realignment Resolution

Dear President Bogaard:

On behalf of the City of Arroyo Grande, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact our City Manager, Steve Adams, at (805)473-5404, if you have any questions.

Sincerely,

Tony Ferrara

Mayor, City of Arroyo Grande



CITY OF COVINA

125 East College Street • Covina, California 91723-2199
www.covinaca.gov

July 17, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: Public Safety Realignment Resolution

Dear President Bogaard:

On behalf of the City of Covina, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact Daryl Parrish, City Manager, at (626) 384-5410, if you have any questions.

Sincerely,

Walter Allen III
Mayor, City of Covina



Mayor Acquanetta Warren



July 17, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: Public Safety Realignment Resolution

Dear President Bogaard:

On behalf of the City of Fontana, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact Ken Hunt City Manager, at (909)350-7654, if you have any questions.

Sincerely,

Mayor, City of Fontana

AW/ac



CITY OF GLENDORA CITY HALL

(626) 914-8201

116 East Foothill Blvd., Glendora, California 91741

FAX (626) 914-8221

www.ci.glendora.ca.us

OFFICE OF THE MAYOR

July 19, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: Public Safety Realignment Resolution

Dear President Bogaard:

On behalf of the City of Glendora, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact Chris Jeffers, City Manager, at cjeffers@ci.glendora.ca.us or (626) 914-8201, if you have any questions.

Sincerely,

City of Glendora

Joe Santoro
Mayor

PRIDE OF THE FOOTHILLS



Office of the Mayor and the City Council

July 19, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: PUBLIC SAFETY REALIGNMENT RESOLUTION

Dear President Bogaard:

As Mayor of the City of Monrovia, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

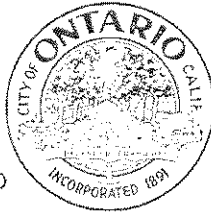
As a member of the League, our City values the policy development process provided to the General Assembly. Please contact Laurie Lile, City Manager, at (626) 932-5501, if you have any questions.

Sincerely,

Mary Ann Kutz
Mayor

cc: City Council
James Hunt, Police Chief

CITY OF



ONTARIO

303 EAST "B" STREET, CIVIC CENTER

ONTARIO

CALIFORNIA 91764-4105

(909) 395-2000

FAX (909) 395-2070

PAUL S. LEON
MAYOR

CHRIS HUGHES
CITY MANAGER

JIM W. BOWMAN
MAYOR PRO TEM

July 18, 2013

MARY E. WIRTES, MMC
CITY CLERK

ALAN D. WAPNER
DEBRA DORST-PORADA
PAUL VINCENT AVILA
COUNCIL MEMBERS

JAMES R. MILHISER
TREASURER

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

RE: Public Safety Realignment Resolution


Dear President Bogaard:

On behalf of the City of Ontario, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision; i.e., a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact Chris Hughes, City Manager, at (909) 395-2010, if you have any questions.

Sincerely,


PAUL S. LEON
Mayor



From the Office of the Mayor
Shelly Higginbotham
760 Mattie Road
Pismo Beach, CA 93449
(805) 235-6604
shigginbotham@pismo-beach.org

July 18, 2013

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

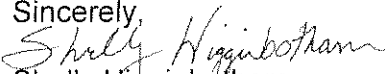
RE: Public Safety Realignment Resolution

Dear President Bogaard:

On behalf of the City of Pismo Beach, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

As a member of the League, our City values the policy development process provided to the General Assembly. Please contact James R. Lewis, City Manager, at (805) 773-7007, if you have any questions.

Sincerely,

Shelly Higginbotham
Mayor



City of Santa Barbara

Office of Mayor

HSchneider@SantaBarbaraCA.gov

www.SantaBarbaraCA.gov

July 19, 2013

Helene Schneider
Mayor

Bill Bogaard, President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

City Hall
735 Anacapa Street
Santa Barbara, CA
93101-1990

RE: Public Safety Realignment Resolution

Dear President Bogaard:

Mailing Address:
P.O. Box 1990
Santa Barbara, CA
93102-1990

Tel: 805.564.5323
Fax: 805.564.5475

On behalf of the City of Santa Barbara, I am writing to express support for the League of California Cities' Public Safety Resolution, which will be submitted for consideration by the League's General Assembly at the September 2013 Annual Conference in Sacramento.

The League's Resolution seeks to highlight a number of deficiencies with the current public safety realignment policy, and what funding and policy changes need to occur in response. The resolution specifically calls out the need for ongoing local law enforcement funding related to realignment, as well as modification of the criteria for which offenders are eligible for post-release community supervision, i.e. a non-violent, non-serious, non-sex offender criteria that focuses on total criminal history rather than merely the last recorded offense.

It is important to our City, that such state-mandated programs remain fully-funded and that the regulations do not impede our law enforcement officers' ability to use their professional discretion in protecting our community.

As a member of the League, our City values the League's leadership and policy direction on this issue.

Sincerely,

Helene Schneider,
Mayor

cc: Dave Mullinax, League of California Cities



Please consider the environment before printing this letter.

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OFFICE OF THE CITY MANAGER

Council Meeting Date: August 27, 2013
Staff Report #: 13-152

Agenda Item #: F-4

REGULAR BUSINESS: Accept the 500 El Camino Real Subcommittee Final Report

RECOMMENDATION

The 500 El Camino Real Subcommittee recommends that the City Council accept its final report which establishes the following requirements for a revised proposed project submittal from Stanford:

1. Stanford will eliminate all medical office. All office will be general office (this follows Stanford's previous reduction for all office to 199,500 square feet).
2. Stanford will make a substantial contribution to the cost of design and construction of a pedestrian-bike undercrossing at Middle Avenue. The amount will be negotiated/determined through the project approval process with the goal of ensuring there will be sufficient funding to construct the undercrossing in timely manner.
3. Stanford will participate in a City working group regarding the design of the Middle Avenue plaza, undercrossing and vehicular access to the site.
4. Stanford will fund a neighborhood cut through traffic study as scoped by the City.

BACKGROUND

On January 28th, the Planning Commission hosted a study session on Stanford's proposed project which included 229,500 square feet of office space (96,150 square feet of which was medical office space) and a range of 135-152 residential housing units. Many concerns were voiced by the public regarding the potential traffic impacts, need for additional integration of bicycle and pedestrian access and community benefit including the long planned bike/pedestrian railroad undercrossing at Middle Ave. and improvements to the plaza. In addition, the applicant was given feedback to increase the amount of housing, reduce the amount of office space and improve the architecture for the office building.

On April 16th, the City Council hosted a study session on a revised project proposal that included architectural enhancements, an increase of housing units to 170, a reduction of office space to 199,500 square feet, of which 25,000 square feet could be used as medical office space, and increased square footage of the plaza. Based on public comment and the concerns raised by individual council members, the City Council created a subcommittee of the City Council, consisting of Councilmembers Keith and

Carlton, to explore potential further project refinement. The 500 El Camino Real Subcommittee was charged with:

- Providing a framework for discussing the issues related to the 500 El Camino Real Project.
- Facilitating the productive communication of information between neighborhood representatives and the applicant, regarding project refinement that balanced the needs of the applicant and those of the greater Menlo Park community prior to the submittal of a revised project proposal.
- Assisting with developing a timeline for review of the Specific Plan

ANALYSIS

Overview

The 500 El Camino Real Subcommittee has met 17 times since April 16th. The Subcommittee has met with neighborhood representatives, the Silicon Valley Bicycle Coalition, representatives from environmental groups, representatives from Stanford University and City Staff. These meetings provided the Subcommittee with the necessary background and input to make the recommendations included in this report. These recommendations provide a framework to the applicant regarding project refinement.

Traffic

There were two specific concerns related to traffic. First, the potential impacts of cut-through traffic on the neighborhood bounded by El Camino Real, University Dr., Middle Ave. and Creek Dr. While the Specific Plan EIR had studied traffic impacts at a higher program level, it had not studied the traffic impacts at a specific project level. It had always been anticipated that a project level analysis would be necessary to assess conformance with the Specific Plan and address any project related traffic impacts. The Subcommittee met with staff, neighborhood representatives and Stanford in order to develop the scope and methodology for this project level analysis. A staff recommendation for this project level analysis will be submitted for City Council approval.

The second traffic-related area the Subcommittee addressed was that of overall anticipated traffic generation by the project. After reviewing the amount of traffic typically generated by general office use and the significantly higher amount generated by medical office, it was clear that removal of medical office from the mix of uses would significantly reduce the overall traffic generation. It is anticipated that this one concession will reduce the overall traffic generation from the 3,840 daily trips to 3,284 daily trips. This reduction of 556 daily trips represents a 14.5% decrease in traffic trip generation.

Undercrossing

Residents have long anticipated a railroad undercrossing at Middle Ave. in order to improve east/west connectivity. The Specific Plan identifies an undercrossing connecting the Stanford properties under the railroad tracks to Burgess Park. This undercrossing would improve connectivity for neighborhoods on both sides of the

railroad tracks with City amenities, and access to public transit and Downtown Menlo Park. It would encourage the use of alternative modes of transportation and contribute to a healthier Menlo Park. While there are several issues that still need to be addressed, the Subcommittee is confident that the groundwork is in place for making this undercrossing a reality. Stanford has agreed to participate in a working group that will develop a budget, design, and plan for construction. Stanford has also agreed to take a major role in the financing and construction of the undercrossing.

Plaza

The Specific Plan also identifies construction of a public plaza on the Stanford property. Stanford will work with a City working group to ensure that among other things the public plaza is designed to minimize vehicular traffic and maximize pedestrian access. The proposed plaza area will be greater than the public plaza area at Café Borrone.

Downtown/El Camino Real Specific Plan Review

At the June 11th City Council Meeting, the Subcommittee report to the City Council stated that the annual review of the Specific Plan should coincide with the completion of the Subcommittee's work on the 500 El Camino Project. If the City Council approves the recommendations contained within this report, then the review of the Specific Plan will begin with a public hearing before the Planning Commission at its September 9th meeting. Following the Planning Commission hearing on September 9th, City Council will hold a public hearing to review the Specific Plan. This hearing is tentatively scheduled for October 1st.

IMPACT ON CITY RESOURCES

There are no direct impacts on City resources associated with the actions of this report. The costs associated with the staff review of the revised proposed project submittal will be funded by the development fees paid by the applicant.

POLICY ISSUES

The 500 El Camino Real Subcommittee has completed its charge and submits the recommendations enclosed in this final report to the City Council. It is expected that Stanford will draft a revised proposed project submittal based on these recommendations. The revised proposed project will be submitted for staff review of its conformance with the Specific Plan.

ENVIRONMENTAL REVIEW

While this action does not require environmental review the expected proposed project will be reviewed for conformance with the Specific Plan. This review will include the aforementioned cut-through traffic analysis. Upon the completion of staff review, the revised proposed project submittal will be brought before the Planning Commission.

The Planning Commission must make a finding of conformance with the Specific Plan prior to issuance of building permits. The Planning Commission's finding is appealable to the City Council.

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

None

Report prepared by:
Jim Cogan
Economic Development Manager



PUBLIC WORKS DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-153

Agenda Item #: F-5

REGULAR BUSINESS:

Approve the Scopes of Work and Authorize the City Manager to Enter Into Agreements with W-Trans for two Separate Agreements: (1) Plan Review and Traffic Engineering Analysis, and (2) Neighborhood Cut-Through Analysis for the Stanford 500 El Camino Real Project

RECOMMENDATION

Approve the Scopes of Work and authorize the City Manager to enter into agreements with W-Trans for two separate agreements: (1) Plan Review and Traffic Engineering Analysis (Attachment A), and (2) Neighborhood Cut-Through Analysis (Attachment B) for the Stanford 500 El Camino Real Project.

BACKGROUND

In response to the 500 El Camino Real revised proposed project, discussed in the final report of the 500 EL Camino Real Subcommittee, Staff has coordinated with W-Trans to complete a Plan Review and Traffic Engineering Analysis to verify project consistency with the Downtown/El Camino Real Specific Plan.

As referenced in the final report of the 500 EL Camino Real Subcommittee the attached cut-through analysis was developed with input from the neighborhood representatives, Stanford and the City Council Subcommittee and has been reviewed and approved by these groups.

These two scopes are initial reviews of the traffic generated by the 500 El Camino site and depending on the outcome of this work there could be additional analysis required.

ANALYSIS

The Proposal for Provide Plan Review and Traffic Engineering Analysis Related to the Stanford 500 El Camino Real Project includes the following Tasks:

- A. El Camino Real/Downtown Specific Plan Consistency
 - a. Trip Generation conformance
- B. Traffic Operations

The Proposal for Neighborhood Cut-Through Analysis Related to the Stanford 500 El Camino Real Project includes the following Tasks:

- A. Data Collection
- C. Traffic Operations
 - a. Synchro Model of the immediate study area
 - b. Summary tables and/or graphics of existing conditions
- D. Meetings
- E. Neighborhood Cut-Through Traffic Analysis (Manual Assignment)

IMPACT ON CITY RESOURCES

The cost to complete the Plan Review and Traffic Engineering Analysis for the Stanford 500 El Camino Real Project is estimated to be \$37,345.00, including a 10% contingency. The cost for this study will ultimately be reimbursed to the City by Stanford.

The cost to complete the Neighborhood Cut-Through Analysis for the Stanford 500 El Camino Real Project is estimated to be \$21,450.00, including a 10% contingency. The cost for this study will ultimately be reimbursed to the City by Stanford.

The total cost for both scopes including a 10% contingency is \$58,795.00

POLICY ISSUES

The recommendation does not represent any change to existing City policy.

ENVIRONMENTAL REVIEW

Plan Review and Traffic Engineering Analysis & Neighborhood Cut-Through Analysis for the Stanford 500 El Camino Real Project are not projects under the current California Environmental Quality Act Guidelines.

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. Proposal to Provide Plan Review and Traffic Engineering Analysis for the Stanford 500 El Camino Real Project
- B. Proposal for Neighborhood Cut-Through Traffic Analysis Related to the Stanford 500 El Camino Real Project

Report prepared by:
Jesse T. Quirion
Transportation Manager



August 20, 2013

Mr. Chip Taylor
Public Works Director
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025-3483

Whitlock & Weinberger
Transportation, Inc.
475 14th Street
Suite 290
Oakland, CA 94612
voice 510.444.2600
web www.w-trans.com

**Proposal to Provide Plan Review and Traffic Engineering Analysis
for the Stanford 500 El Camino Real Project**

Dear Mr. Taylor;

W-Trans is pleased to submit this revised proposal to provide plan review and traffic engineering services to the City of Menlo Park. Our objective will be to review the site plan, access and circulation alternatives, and conduct traffic operations analysis of the proposed project at 500 El Camino Real.

It is our understanding that the proposed project is 199,500 square feet of general office space, 10,000 square feet of retail space, and 170 apartment units. Full access driveways are proposed on El Camino Real at Middle Avenue and at Cambridge Avenue, and right in-right out driveways are proposed on El Camino Real at Partridge Avenue and at College Avenue.

Our scope of work includes the following tasks:

A. El Camino Real/Downtown Specific Plan Consistency

1. Trip Generation analysis will be conducted. We will calculate a daily and peak hour trip generation estimate and compare the findings to the assumptions used in the El Camino Real/Downtown Specific Plan EIR analysis. A detailed comparison table will be prepared.
2. Trip Distribution assumptions for the proposed land uses will be summarized, based on the most recent City of Menlo Park Circulation System Assessment (CSA) document. Trip distribution assumptions used in the El Camino Real/Downtown Specific Plan EIR will be compared to assumptions for the proposed project. The most recent CSA will be used for trip distribution purposes only, and not for other comparative purposes such as the Traffix network used in the El Camino Real/Downtown Specific Plan EIR. A comparison of trip assignment (traffic routing based on local knowledge, traffic conditions and professional judgment) assumptions used in the El Camino Real/Downtown Specific Plan EIR and the proposed 500 El Camino Real project will be provided.
3. Prepare draft and final memoranda summarizing the analysis and El Camino Real/Downtown Specific Plan consistency findings, based on Tasks 1-3 above. Any comments received on the draft memo will be addressed in the final memo.

We anticipate delivery of the draft memorandum on trip generation and trip distribution analysis and Specific Plan consistency findings to the City of Menlo Park within two weeks of project commencement.

B. Traffic Operations

4. Traffic operations analysis will be conducted to assess access and circulation elements of the proposed project and its effect on El Camino Real in Menlo Park in the vicinity of 500 El Camino Real. We will create a Synchro model of El Camino Real between Ravenswood Avenue and Sand Hill Road (to capture the effects of traffic upstream and downstream of the project area). All data used in the Synchro model will be identified in the written summary. We will also run SimTraffic using the same data to analyze the interaction of intersections and to provide a more detailed queuing analysis. Both Synchro and SimTraffic will be used to make a determination of conditions. We will focus the analysis on the study intersections along El Camino Real at Ravenswood Avenue, Middle Avenue, College Avenue, Partridge Avenue, Cambridge Avenue and Sand Hill Road. If recent traffic data are not available we will collect new peak hour intersection turning movement counts, include pedestrian and bicyclist counts. The elements to be analyzed and specifically described in the written summary include:
 - a. Intersection Level of Service for the weekday a.m. and p.m. peak hours.
 - b. Queuing at intersections on El Camino Real (through lanes and turn pockets).
 - c. Geometry required at study intersections (number of lanes, right-of-way). We will analyze different lane configurations and report the differences and pro/con of each configuration.
 - d. Recommended intersection geometry and access scheme.
 - e. We will analyze the Existing, Cumulative No Project and Cumulative with Project scenarios. The near-term (or Background) scenarios are not assumed as this is an initial review of the project. Approved and pending projects are assumed to be included in the cumulative scenarios.
 - f. For the Partridge Avenue access, we will analyze up to two lane configuration alternatives. The lane configurations will be identified and confirmed by City of Menlo Park staff prior to analysis. These may include a right in-right out only driveway, a right in-right out only driveway with a left in only (no left out), or another variation to be identified.
 - g. For the Middle Avenue and Cambridge Avenue access intersections we will analyze up to four configuration alternatives. The lane configurations will be identified and confirmed by City of Menlo Park staff prior to analysis.
5. Pedestrian and bicycle access in the site vicinity, into and out of the site, and through the site (to Burgess Park or elsewhere). We will primarily focus the analysis on the plaza concept at Middle Avenue to connect the project site to CalTrain via an undercrossing. We will confirm site plan and access assumptions with City staff prior to analysis.
6. After the City has reviewed and approved items noted above, W-Trans will prepare draft and final memoranda of the traffic operations analysis and recommendations. Following receipt of comments on the draft memorandum we will respond to comments and prepare a final memorandum.

Mr. Chip Taylor

August 20, 2013

We anticipate delivery of the draft memorandum on traffic operations analysis and recommendations to the City of Menlo Park approximately four weeks after confirmation of trip generation assumptions (Task A above) as well as any data collection needs.

Our services will be conducted on a time and materials basis at the rates indicated on the enclosed sheet. The estimated maximum fee for this work is \$19,500, including potential data collection costs. Any services not explicitly stated above are excluded from this proposal and fee estimate.

Please forward written authorization to proceed under the terms of our existing on-call services agreement if you wish to initiate work.

Thank you for giving W-Trans the opportunity to propose on these services. We look forward to the opportunity to work on this assignment. Please do not hesitate to contact us should you have any questions or comments regarding our proposal.

Sincerely,



Mark Spencer, PE
Principal

MS/MPA010.PI-15a

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August 20, 2013

Mr. Chip Taylor
Public Works Director
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025-3483

Whitlock & Weinberger
Transportation, Inc.
475 14th Street
Suite 290
Oakland, CA 94612
voice 510.444.2600
web www.w-trans.com

Proposal for Neighborhood Cut-Through Traffic Analysis Related to the Stanford 500 El Camino Real Project

Dear Mr. Taylor;

W-Trans is pleased to submit this proposal for neighborhood cut-through traffic analysis to the City of Menlo Park. Our objective will be to conduct traffic operations analysis of the proposed project at 500 El Camino Real and its effect on El Camino Real and the Allied Arts Neighborhood, with specific attention paid to the potential for cut-through traffic in the adjoining neighborhood resulting from the proposed project.

It is our understanding that the proposed 500 El Camino Real project is 199,500 square feet of general office space, 10,000 square feet of retail space, and 170 apartment units. Full access driveways are proposed on El Camino Real at Middle Avenue and at Cambridge Avenue, and right in-right out driveways are proposed on El Camino Real at Partridge Avenue and at College Avenue. We will also analyze an alternative configuration that includes an additional signalized intersection on El Camino Real along with revisions to the proposed project's access points.

Our scope of work includes the following tasks. For reference, Tasks A, B and C include items that are either completed or currently underway.

A. Data Collection (All work in Task A was completed between June 4 – 6, 2013)

Intersection turning movement counts, including pedestrian and bicycle counts, will be conducted on a weekday during the morning (7:00 a.m. – 9:00 a.m.) and afternoon (4:00 p.m. – 6:00 p.m.) peak periods at the following locations:

1. El Camino Real & Menlo Avenue/Ravenswood Avenue
2. El Camino Real & Live Oak Avenue
3. El Camino Real & Roble Avenue
4. El Camino Real & Middle Avenue
5. El Camino Real & College Avenue
6. El Camino Real & Partridge Avenue
7. El Camino Real & Cambridge Avenue
8. El Camino Real & Harvard Avenue
9. El Camino Real & Creek Drive
10. El Camino Real & Sand Hill Road
11. Middle Avenue and Safeway Driveway
12. Middle Avenue and Blake Street
13. Blake Street and College Avenue
14. University Drive & Middle Avenue

15. University Drive & College Avenue
16. University Drive & Partridge Avenue
17. University Drive & Cambridge Avenue
18. University Drive & Harvard Avenue
19. University Drive & Creek Drive
20. Middle Avenue and Yale Road
21. College Avenue and Yale Road
22. Cambridge Avenue and Yale Road
23. Creek Drive and Yale Road

24 hour street segment counts will be conducted at the following locations:

- A. Middle Avenue – between Kenwood Drive and Alto Lane
- B. Alto Lane – between Middle Avenue and College Avenue
- C. Alto Lane – between Cambridge Avenue and Harvard Avenue
- D. Alto Lane – between Harvard Avenue and Creek Drive
- E. Blake Street – between Middle Avenue and College Avenue
- F. Cornell Road – between Cambridge Avenue and Harvard Avenue
- G. Cornell Road – between Harvard Avenue and Creek Drive
- H. Middle Avenue – between University Drive and Blake Street
- I. College Avenue – between University Drive and El Camino Real
- J. Partridge Avenue – between University Drive and El Camino Real
- K. Cambridge Avenue – between University Drive and El Camino Real
- L. Harvard Avenue – between University Drive and El Camino Real
- M. Creek Avenue – between University Drive and El Camino Real
- N. University Drive – between Partridge Avenue and Cambridge Avenue
- O. Yale Road – between Partridge Avenue and Cambridge Avenue

B. Traffic Operations

- We will create a Synchro model of the immediate study area that includes the study intersections identified above.
- We will prepare summary tables and/or graphics that show the existing conditions of:
 - Roadways (24-hour segment volumes)
 - Pedestrian volumes (a.m. and p.m. peak hour)
 - Bicycle volumes (a.m. and p.m. peak hour)

C. Meetings

W-Trans will attend meetings as part of this work effort, up to the budget resources allocated. This includes meetings with City staff, the City Council Subcommittee, or other formal meetings associated with this project.

D. Neighborhood Cut-Through Traffic Analysis (Manual Assignment)

Once the conformance analysis is completed, the potential impacts on residential neighborhoods related to project-generated congestion and cut-through traffic will be assessed.

- Project-generated traffic, including congestion potentially resulting from the proposed project, will be assigned manually onto the local network and up to six (6) access alternatives will be assessed. This manual assignment of traffic to and from the project driveways will be based on the gateways and trip distribution percentages to be specifically identified in the written reports noted below. These trip assignment alternatives will assign both peak hour and daily trips to the west, including north and south on I-280 and US 101, assuming both non-congested and congested conditions on El Camino Real, and along one or more routes so that potential impacts to the neighborhood can be assessed.
- Trip distribution and trip assignment will be specifically identified and mapped to/from project driveways. The percentage of traffic on alternate routes will be based on the anticipated actual use of streets, with consideration of congestion on El Camino Real and other streets and the trip assignment of project-generated trips. We will describe in the written documentation the use of the City's Circulation System Assessment (CSA) document in terms of its underlying assumptions, the purpose and basis of its use, and how it was applied to this analysis. The intent of the written and graphical presentation will be to make the analysis assumptions, methodology, trip distribution gateways, trip assignment routes, and potential peak hour and daily effects of the proposed project as well as overall congestion on El Camino Real clear to residents, city staff and decision makers.
- Peak hour traffic volumes will be shown on a map of the study roadways for the Existing, Cumulative No Project (Downtown Specific Plan Land Use Plan) and Cumulative with 500 El Camino Real Project scenarios. We will also present a future volume scenario based on traffic growth prior to full build out of the Downtown Specific Plan. These figures will provide a comparison of future traffic levels and a qualitative way to assess induced cut-through traffic that is associated with traffic congestion but not necessarily related to the 500 El Camino Real project.
- The near-term (or Background) scenarios are not assumed as this is an initial review of the project. Approved and pending projects are assumed to be included in the cumulative scenarios.
- Existing and projected future roadway ADT volumes will be shown on a map, and also summarized on a table along with the City's acceptable threshold for the roadway classification.
- It will be determined if congestion resulting from project-generated traffic, and project-generated traffic, would exceed the City's acceptable threshold for added traffic on the study roadways for each alternative.
- Measures to alleviate potential cut-through traffic will be developed. These may include traffic control devices, physical measures, access and turn restrictions, or other measures. We will

also prepare a qualitative review of the effectiveness of the neighborhood traffic management measures.

- We will prepare a draft and final technical memoranda of assumptions, methodologies and results. Graphics will be prepared to support the memoranda and assist with presentations. Following receipt of comments on the draft memorandum we will respond to comments and prepare a final memorandum.

Budget

Our services will be conducted on a time and materials basis at the rates indicated on the enclosed sheet. The estimated maximum fee for this work is \$33,950, including:

- A. \$7,950 for Data Collection
- B. \$8,000 for Traffic Operations Analysis
- C. \$6,000 for Meetings
- D. \$12,000 for Cut-Through Traffic Analysis

Schedule

The anticipated schedule to conduct the traffic analysis is approximately six to eight weeks to prepare the draft technical memorandum after receiving written authorization to proceed.

Any services not explicitly stated above are excluded from this proposal and fee estimate.

Please forward written authorization to proceed if you wish to initiate work.

Thank you for giving W-Trans the opportunity to propose on these services. We look forward to the opportunity to work on this assignment. Please do not hesitate to contact us should you have any questions or comments regarding our proposal.

Sincerely,



Mark Spencer, PE
Principal

MS/MPA010.PI-15b



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 27, 2013
 Continued from the August 20th Council Meeting

Staff Report #: 13-143

Agenda Item #: I-1

INFORMATIONAL ITEM: Quarterly Financial Review of General Fund Operations as of June 30, 2013

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

BACKGROUND

This report is the preliminary unaudited fourth quarterly financial update for FY 2012-13. The quarterly report schedule (Attachment) provides a comparison of the fund's year-to-date revenues and expenditures with the 2012-13 adjusted budget, as well as a comparison of the prior year-to-date operations. Governmental accounting transactions are reported on a modified accrual basis which means all the accruals and receivables are reported only at year end. Staff is in the process of recording all the accruals and therefore, this report is not a true comparison to the audited actual of FY 2011-12 or of the 2012-13 adjusted budget.

At each fiscal year end, the accounting records remain open for revenue and expenditure accruals in all funds, so that transactions are recorded in the appropriate accounting period. **This means that expenditures incurred prior to the fiscal year end are still being recorded, as well as accounts receivable for revenues attributable to the 2012-13 fiscal year.** In addition, analysis of this "first close" of the fiscal year will result in adjustments and/or reallocation of resources amongst City funds.

On June 4, 2013 the Council adopted a resolution appropriating \$2.7 million one-time revenues from the dissolution of former Redevelopment Agency funds (housing and non-housing) and proceeds from the sale of 50 Terminal Avenue from the General fund to be transferred to the General Capital Improvement Project Fund. In actuality the total revenues receipted from the above transactions was \$2,564,916 and it is transferred to the General Capital Improvement Project Fund.

ANALYSIS

Overview

The report developed to apprise Council of the year-to-date status of the General Fund is shown as an attachment to this staff report. Revenues are 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 of the report show the budget and actual amounts of General Fund revenues and expenditures as of June 30, 2012. The format then provides comparisons with current and prior fiscal year: three columns of budgetary comparison, three columns of year-to-date comparison, a comparison of actual year-to-date with the prior year audited amounts, and two columns of actual-to-budget comparisons. These various perspectives are helpful because although the cash flows associated with the City’s revenues are irregular throughout the year, they are usually consistent with the prior year’s cash flows.

The budget-to-actual comparisons shown compare actual transactions of the fourth quarter of each year as compared to the adjusted budget as it stood on June 30th, including the carry-over of (expenditure) commitments funded in the prior year’s budget (encumbrances) and budget adjustments made year-to-date. For fiscal year 2011-12, General Fund encumbrances from the prior year amounted to an additional \$419,900; in 2012-13, \$272,551 of commitments was 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.

This format allows for “below the line” items that warrant specific accounting treatment or are one-time items not generally impacting the General Fund operating budget. Encumbrances, for example, are not part of the fund’s annual adopted budget.

The FY 2012-13 budget was adjusted with the Mid-year Financial Summary presented in late April. At that time revenue budgets were adjusted upward by 1.8 percent mainly due to increased revenue in the Community Services programs. Expenditure budgets also were adjusted upward. Most of the revenues are accounted for in this report whereas the expenditures are gradually being processed. The revenue budget was not adjusted in mid-year for the onetime property tax revenue related to the dissolution of Redevelopment Agency as well as for the proceeds from the sale of property at 50 Terminal Avenue. Once we exclude the onetime revenue, the total revenue is almost equal to the revised budget. Total expenditures will be approximately 6.7 percent below the adjusted budget for the year. In fact, budgetary savings in every department should allow for a net addition of approximately \$1.1 million to General Fund reserves after transferring \$1.2 million to offset the Comprehensive Planning sub fund activities and the Housing Element Project. This estimated increase in General Fund reserve is in addition to the \$2.7 million one-time revenue transfer to the General Capital Improvement Program Fund.

Again, **transactions (both revenues and expenditures) continue to be posted to the fiscal year's accounting records** – a process that will continue through September in preparation for the annual audit and compilation of the City's 2012-13 Comprehensive Annual Financial Report (CAFR).

Revenues

General Fund revenues received as of June 30, 2013 exceeded the same period 2011-12 by approximately \$4.0 million (10.2 percent). After excluding the onetime revenue it is approximately \$1.4 million. This is the third year of increased revenues, and it is clear that revenue trends at the end of 2012-13 for property tax, sales tax and transient occupancy tax are more favorable than in prior years. General Fund revenues as a whole are anticipated to be higher than in fiscal year 2007-08, despite a severe decline in revenues from the City's investment portfolio (\$2 million) since that time.

Property Tax:

When compared with the prior fiscal year property tax (excluding the onetime property tax revenue of \$1.8 million due to dissolution of the former Redevelopment Agency) increased by 4.6 percent (approximately \$600,000) reflecting the demand for properties in Menlo Park.

Sales Tax and Licenses and Permits:

Sales tax revenue stayed relatively flat with an increase of nearly \$91,000. The sharp increase in FY 2012-13 under Licenses and Permits is mainly due to Facebook's first annual payment of \$800,000 for the sales tax in lieu fee.

TOT (Transient Occupancy Tax, or Hotel Tax):

TOT revenue increased by \$470,000 over the prior year due to the tax rate increase from 10% to 12% as of January 2013 as well as increased occupancy rate.

Charges for Services:

Significant changes that affect the Charges for Services category include:

- Approximately \$100,000 in increased revenue for facility rental,
- Nearly \$800,000 in fees for Community Services programs and
- Approximately \$770,000 in decreased revenue from Planning fees compared to the prior year (due to Facebook and Commonwealth Corporate Center development project fees paid in 2011-12).

Interest Income and Operating Transfers In & Other Income:

Interest income shows an increase of \$81,000 from prior year mainly due to increased cash balance available for investment.

The sharp increase under Operating Transfers in and Other Income category is due to the proceeds from the sale of the 50 Terminal Avenue property to Beechwood School.

Although several income categories declined, these reductions were largely anticipated. As discussed in prior quarterly reports, Intergovernmental Revenue decreased due to

the expiration of the San Carlos Dispatch contract as well as a decline in State and Federal grants to Belle Haven Child Development Center due to less enrollment days that can be supported by the grant.

Overall, General Fund revenues (excluding the onetime revenues) are expected to be less than the adjusted budget for 2012-13, by approximately \$600,000.

Expenditures

As previously noted, the budgets shown from both fiscal years are adjusted for commitments that were funded in the previous fiscal year. Each fiscal year's expenditures include payroll costs incurred through the last week in June. Payroll expenditures comprise roughly 69 percent of the General Fund adjusted budget (excluding onetime transfer of \$2,700,000) for 2012-13. The overall expenditures in FY 2011-12 and 2012-13 in relationship to the budget (last two columns of the report) is almost 93 percent.

Comparing the prelim actual of 2012 with that of 2013:

- Police Department expenditures under personnel costs show no increase in 2012-13 even after absorbing the Narcotic Task Force which used to be funded through former Redevelopment Agency due to five vacant positions including the Chief of Police (for more than eight months).
- Public Works Department personnel costs remained flat due to five managerial positions being vacant for most of the year. Operating costs exceeded the prior year due to increased utilities, gasoline price and other maintenance costs. Contract services have increased due to backfilling vacant positions with contract service. In addition, the street sweeping contract and building maintenance contracts were absorbed as part of contract services in 2012-13.
- Community Services Department costs increased due to demand for more services as a result of increased participation level.
- Library Services Department shows approximately a 7 percent increase from 2011-12 to 2012-13 due mainly to increased operating costs.
- Community Development Department expenditures in FY 2012-13 are approximately 13 percent lower than FY 2011-12. The difference is due to the significant legal costs and contract services associated with two major projects namely Facebook and El Camino Specific Plan that were active in FY 2011-12, but not as active in 12-13.
- In Administrative Services Department, positions like Human Resources Director and Business Development Manager that were vacant in FY 2011-12 were filled in 2012-13. Operating costs increased by absorbing costs associated due to the dissolution of the former Redevelopment Agency.

Contract services increased due to the Belle Haven Visioning Process in 2012-13

Departments continue to process invoices for goods and services received prior to the end of the 2012-13 fiscal year. In the following weeks, every effort will be made to finalize these prior fiscal year costs so that an accurate picture of the General Fund operations for 2012-13 can be provided to the Council early in October. The City's external auditors will be scheduled to begin their audit of the City's books at about that time.

POLICY ISSUES

This fourth quarterly financial review, as with previous quarterly reports, provides only a cash-based "snapshot" of General Fund activity, for a consistent comparison to the prior fiscal year. Staff is in the process of capturing all transactions related to the 2012-13 fiscal year, so that a preliminary "actual" picture of revenues and expenditures – including accruals of the year's activity beyond cash receipts and payments – can provide a valid *economic* comparison with the prior year.

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. Comparative General Fund Budget-to-Actual Report as of June 30, 2013

Report prepared by:
Uma Chokkalingam
Interim Finance Director

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City of Menlo Park
 General Fund Budget-to-Actual Report, FY 2012-13
 Preliminary as of June 30, 2013

ATTACHMENT A

A	B	C	D	E	(E-C)/C	G	H	(H-G)/G	G/C	G/D	H/E	Notes
	Adjusted Budget as of 6/30/12	Audited Actual FY 2011-12	2011-12 Adjusted Budget 6/30/2012	2012-13 Adjusted Budget 6/30/2013	% Budget Change 6/30/13 to Audited Actual FY 11-12	Actual YTD 6/30/2012	Actual YTD 6/30/2013	% Actual Change	% of Actual YTD 6/30/2012 to Audited Actual FY 11-12	% Actual-to-Budget 6/30/2012	% Actual-to-Budget 6/30/2013	
Property Tax	\$13,021,000	\$13,239,856	\$13,021,000	\$13,853,000	4.63%	\$13,239,856	\$15,648,833	18.19%	100.00%	101.68%	112.96%	1
Sales Tax	6,203,000	5,938,310	6,203,000	6,280,000	5.75%	5,938,310	6,029,294	1.53%	100.00%	95.73%	96.01%	2
Transient Occupancy Tax	2,920,000	2,939,475	2,920,000	3,326,000	13.15%	2,939,475	3,409,564	15.99%	100.00%	100.67%	102.51%	3
Utility Users' Tax	1,135,900	1,080,435	1,135,900	1,165,499	7.87%	1,080,436	1,062,951	-1.62%	100.00%	95.12%	91.20%	
Franchise Fees	1,768,000	1,758,705	1,768,000	1,873,500	6.53%	1,758,704	1,603,014	-8.85%	100.00%	99.47%	85.56%	4
Charges for Services	6,243,141	6,743,126	6,030,515	7,080,246	5.00%	6,744,175	6,989,833	3.64%	100.02%	111.83%	98.72%	5
Licenses and Permits	3,371,465	3,685,556	3,371,465	4,326,465	17.39%	3,685,687	4,447,058	20.66%	100.00%	109.32%	102.79%	6
Interest Income	315,000	386,341	315,000	390,000	0.95%	283,912	364,467	28.37%	73.49%	-11.76%	93.45%	7
Rental Income	366,188	374,985	366,188	362,018	-3.46%	370,751	346,076	-6.66%	98.87%	101.25%	95.60%	8
Intergovernmental Revenue	1,140,552	1,158,010	1,140,552	838,130	-27.62%	1,158,010	758,951	-34.46%	100.00%	101.53%	90.55%	9
Fines & Forfeitures	980,000	1,067,327	980,000	991,400	-7.11%	1,067,327	989,870	-7.26%	100.00%	108.91%	99.85%	10
Operating Transfers In/ Other Revenue	589,559	606,176	589,559	420,123	-30.69%	612,790	1,185,012	93.38%	101.09%	103.94%	282.06%	11
Total Revenues:	\$38,053,805	\$38,978,302	\$37,841,179	\$40,906,381	4.95%	\$38,879,433	\$42,834,923	10.17%	99.75%	102.74%	104.71%	
Police	14,318,619	13,975,240	14,158,619	14,462,753	3.49%	13,721,711	13,758,863	0.27%	98.19%	96.91%	95.13%	12
Public Works	4,895,007	4,482,385	4,993,031	5,535,335	23.49%	4,440,401	4,954,669	11.58%	99.06%	88.93%	89.51%	13
Community Services	6,651,453	6,310,929	6,651,453	7,079,105	12.17%	6,239,070	6,697,680	7.35%	98.86%	93.80%	94.61%	14
Library	2,033,990	1,871,633	2,033,990	2,042,465	9.13%	1,857,695	1,985,812	6.90%	99.26%	91.33%	97.23%	
Community Development	3,490,954	3,383,568	3,507,601	3,197,249	-5.51%	3,147,923	2,734,272	-13.14%	93.04%	89.75%	85.52%	
Administrative Services	5,038,800	4,616,945	5,169,128	5,898,280	27.75%	4,349,051	5,186,105	19.25%	94.20%	84.14%	87.93%	
Operating Transfers Out	2,377,800	2,377,800	2,377,800	5,164,328	117.19%	2,377,800	5,164,328	117.19%	100.00%	100.00%	100.00%	15
Total Expenditures:	\$38,806,623	\$37,018,500	\$38,891,622	\$43,379,515	17.18%	\$36,133,651	\$40,481,729	12.03%	97.61%	92.91%	93.32%	
Preliminary addition/draw on General Fund Reserves	(\$752,818)	\$1,959,802	(\$1,050,443)	(\$2,473,134)		\$2,745,782	\$2,353,194					
Carry-over encumbrances and Reappropriations from prior year subtracted from adjusted budget.	\$419,900		\$419,900	\$272,551								
Net addition to/draw on General Fund Reserves	(\$332,918)		(\$630,543)	(\$2,200,583)								
Net Operating Revenue	(\$332,918)		(\$630,543)	(\$2,200,583)								

NOTES: Notes must be considered for proper analysis of the data contained herein; refer to Quarterly Report dated August 20, 2013.

- (1) Property Tax Payment for RDA LMIHF DDR (\$584,795) is a one-time payment; in addition to (\$1,213,266) other one-time payment from dissolution totalling (\$1,798,061).
- (2) Sales Tax reflects payments from State through June.
- (3) Transient Occupancy Tax rate increased from 10% to 12% on January 1, 2013; includes revenue received through June.
- (4) Franchise Fees fourth quarter 2012-13 for Cable TV not yet received; along with last quarter water franchise payment.
- (5) Charges for Services increase in recreation fees for contract classes and youth sports.
- (6) Business License receipts down \$92,000: prior year compliance program yielded approximately 400 new licenses for tax years 2009-2011. Includes \$800,000 Facebook payment per development agreement.
- (7) Interest includes deferred interest on former City Manager's loan paid off in October 2012.
- (8) Rental Income decrease due to RDA dissolution.
- (9) Intergovernmental revenue decreased due to expiration of San Carlos dispatch contract, also State Grants decline for Belle Haven Child Care due to less enrollment days that can be supported by the grant.
- (10) Fines and Forfeitures are down due to Caltrans repaving El Camino shutting down red light cameras for three months.
- (11) Operating Transfers In for RDA administrative overhead decrease due to RDA dissolution as of 2/1/12; includes one-time payment of Beechwood Property (\$766,855).
- (12) Police Narcotics Task Force costs previously charged to former redevelopment agency.
- (13) Public Works includes \$108,000 membership for the JPA San Francisquito Creek, previously funded in RDA.
- (14) Community Services expenditures increase due to increased classes at new facilities.
- (15) Transfers include \$2,700,000 transfer to Capital Improvement Project Fund.

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: August 27, 2013
Continued from the August 20th Council Meeting

Staff Report #: 13-142

Agenda Item #: I-2

**INFORMATIONAL ITEM: Review of the City's Investment Portfolio as of
June 30, 2013**

RECOMMENDATION

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

BACKGROUND

The City's investment policy requires a quarterly investment report to the Council, 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 Council an update on the cash balances of the City's various funds.

ANALYSIS

Investment Portfolio as of June 30, 2013

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 June was over \$86.3 million. The portfolio includes the General Fund, Water Fund, Special Revenue Funds, Successor Agency Funds, Capital Project Fund and funds for debt service obligations. Funds are invested in accordance with the City Council policy on investments using safety, liquidity and yield as selection criteria. Approximately \$37.1 million (42.9 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 \$49.2 million, \$19.8 million (22.9 percent) is invested in short-term Federal agency issues (U.S. Instrumentality), \$4 million (4.6 percent) in U.S. Treasury securities, and \$25.4 million (29.6 percent) in medium-term corporate notes. 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 June, the fair value (market value) of the City's securities was over \$281,000 less than the amortized historical cost which is referred to as an unrealized loss. This is a significant decrease from the end of the previous quarter unrealized *gain* of \$199,000. 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. 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 loss will be reported on the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2013.

Current Market Conditions

The U.S. economy continues to grow at a slow but steady pace. The real Gross Domestic Product (GDP) grew at an annual rate 1.8 percent during the first quarter of 2013. The increase of the GDP during the first quarter was due, in part, to increases in private inventory investment, personal consumption expenditures, and exports combined with small decreases in federal spending. However, this increase was offset by increased imports and slowing nonresidential fixed investment.

The Federal Open Market Committee (FOMC) met in April and June during the last quarter to discuss monetary policy. Even though the economy saw some improvement over the first quarter of 2013, the FOMC is concerned about the slow rate of growth and the continued high unemployment. Currently, the unemployment rate is at 7.6 percent as of June 30, 2013. In light of the modest economic recovery, the FOMC is still determined that the federal funds rate remain at the current near-zero level at least through 2015. The FOMC anticipates this rate to be appropriate while the unemployment rate remains above 6.5 percent. It will continue purchasing additional agency mortgage-back securities at a pace of \$40 billion per month and longer-term Treasury securities at a pace of \$45 billion per month. It is still anticipated that these actions will continue to put a downward pressure on longer-term interest rates, support mortgage markets, and help improve other financial conditions. Therefore, it is expected that the low yields on U.S. Treasuries and other safe investments will continue for at least the next two years. The FOMC meets again beginning on September 17th.

Investment Yield

The annualized rate of return for the City's portfolio shown on the performance summary as of June 30, 2013, prepared by Cutwater, is 0.53 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.27 percent and the rate of return earned through LAIF over the past quarter of 0.24 percent.

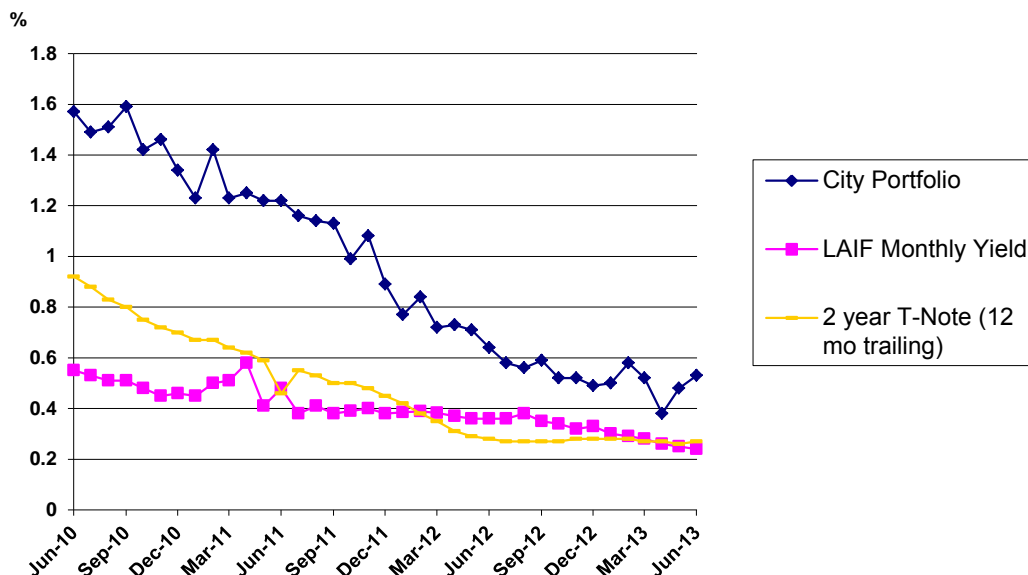
Over the second quarter of 2013, investment yields saw decreases for short-term bonds and increases for long-term bonds despite the FOMC monetary policy. The same is true over the past year as interest rates slightly increased, with longer-term securities of over 2 years increasing while short-term securities decreased. While investment opportunities in long-term Treasuries have improved compared to last year, they continue to be unattractive compared to agency securities and corporate bonds. The short-term Treasuries continue to offer yields significantly less than what is available with LAIF. The difference can be seen by the change in U.S. Treasuries rates:

Term	June 30, 2012	March 31, 2013	June 30, 2013
3-month	0.08	0.07	0.03
6-month	0.15	0.10	0.09
2-year	0.30	0.24	0.27
5-year	0.72	0.76	1.39
10-year	1.65	1.85	2.49
30-year	2.75	3.10	3.50

As previously stated, almost 43 percent of the portfolio resides in the City's LAIF account yielding 0.24 percent for the quarter ending June 30, 2013. 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 difference between the yields earned in the City's portfolio and those earned from LAIF have been decreasing significantly over the last four years. Since the City no longer holds any of the higher yielding investments purchased before 2009, the portfolio's yields will not be significantly higher than the yields earned from LAIF. Considering that the Fed's Fund rate will remain low at least through 2015, this trend will continue for some time.

In June 2013, the State Department of Finance approved the Due Diligence Report for the Non-housing funds of the former Community Development Agency. With the approval, the City, acting as Successor Agency, transferred over \$11.5 million to the County Controller's Office. The City's account with LAIF is now considerably below the \$50 million maximum holding permitted by LAIF in a single agency account. However, over the past quarter, the yields available with LAIF have dropped below those available on 2-year Treasuries. Staff has more flexibility in reinvesting excess funds but with few attractive opportunities of higher yields.

Comparative Rates of Return



Fees paid to Cutwater (totaling \$9,455 for the quarter ended June 30, 2013) 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 while providing safety for the principal amount.

Investment Transactions in the Second Quarter

Staff is continuing to purchase new long-term investments as others are called or matured or as the City does not require as much liquidity. Long-term securities carry higher yields and since it is expected the federal funds rate will continue at its current level through 2015, there will be minimal exposure to interest rate risk. In addition, the portfolio will benefit from the higher yields of the long-term investments then continually re-investing in lower yielding short-term ones. During the second quarter, the City invested \$10 million by purchasing agencies and corporate bonds. These purchases were made to reinvest funds from \$3.5 million in securities that matured or were called during the period and from receipt of large revenue sources such as property taxes. The purchased securities offered slightly higher yields than those available with LAIF and T-Notes.

With longer-term purchases 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 in the City’s portfolio increased during the second quarter. The average number of days to maturity of the City’s portfolio as of June 30, 2013 was 521 days as compared to 362 days as of March 31, 2013. The average life of securities in LAIF’s portfolio as of June 30, 2013 was 278 days. There were \$5 million in callable securities purchased during the quarter. Callable investments provide a slightly higher yield

because of the added risk of being called prior to maturity, however there were no attractive callable securities available during the first quarter. Of the \$14.9 million of agency bonds currently held in the City's portfolio, three are callable agency bonds with a par value of \$6 million.

Investments that matured, were called or purchased during the period of April 1, 2013 through June 30, 2013 are shown in the schedule below:

<u>Date</u>	<u>Transaction</u>	<u>Description</u>	<u>Term</u>	<u>% Yield</u>	<u>Principal</u>
04/01/13	Maturity	T-Note	1.00 yrs	0.82	\$1,000,000
04/03/13	Purchase	FNMA Callable	3.00 yrs	0.68	\$1,000,000
04/18/13	Purchase	FNMA Callable	4.50 yrs	0.41	\$2,000,000
04/22/13	Purchase	Pfizer Inc	1.00 yrs	0.53	\$3,000,000
05/01/13	Maturity	ING Funding	0.50 yrs	0.46	\$2,500,000
05/06/13	Purchase	FNMA Callable	4.75 yrs	0.50	\$2,000,000
05/20/13	Purchase	Apple	4.75 yrs	1.16	\$2,000,000

Cash and Investments by Fund

Overall, the City's investment portfolio decreased by over \$6.4 million in the second quarter of 2013. The schedule below lists the change in cash balance by fund type.

Fund/Fund Type	Cash Balance as of 06/30/13	Cash Balance as of 03/31/13	Difference	% Change
General Fund	25,640,070	22,060,603	3,579,467	16.23%
Bayfront Park Maintenance Fund	696,913	718,711	(21,798)	-3.03%
Recreation -in-Lieu Fund	1,169,076	1,103,340	65,736	5.96%
Other Expendable Trust Funds	1,066,776	930,330	136,446	14.67%
Transportation Impact Fee Fund	2,761,898	2,995,999	(234,101)	-7.81%
Garbage Service Fund	863,087	933,406	(70,319)	-7.53%
Parking Permit Fund	2,947,807	2,944,115	3,692	0.13%
BMR Housing Fund	5,992,745	5,120,949	871,796	17.02%
Measure A Funds	862,088	897,047	(34,959)	-3.90%
Storm Water Management Fund	271,980	185,303	86,677	46.78%
Successor Agency Funds	2,647,899	14,813,994	(12,166,095)	-82.13%
Measure T Funds	291,045	290,609	436	0.15%
Other Special Revenue Funds	9,739,612	9,369,112	370,500	3.95%
Capital Project Fund- General	11,472,684	11,314,971	157,713	1.39%
Water Operating & Capital	14,525,421	14,719,062	(193,641)	-1.32%
Debt Service Fund	1,832,234	1,092,657	739,577	67.69%
Internal Service Fund	3,585,207	3,348,126	237,081	7.08%
Total Portfolio of all Funds	86,366,542	92,838,334	(6,471,792)	-6.97%

Cash and investment holdings in the General Fund increased due to the receipt of property tax revenue which included over \$3.7 million for the April semi-annual receipt of property taxes and \$1.4 million for the City's portion of the former Community Development Agency's Non-housing Funds assets. These funds and additional revenues received during the quarter were offset by normal operating expenses. The Successor Agency Funds were decreased by the \$11.5 million transfer to the County for the remittance of the Non-housing assets of the former Community Development Agency and the transfer of over \$3 million to BNY Mellon for debt service obligations. These payments were offset by the receipt of over \$1.9 million from the Redevelopment Property Tax Trust Fund for the former Community Development Agency's obligations during the period of July to December 2013.

The Below Market Rate Housing Fund increased due to the sale of two below market rate housing units. The units sold include over \$484,000 for 297 Terminal Avenue and over \$285,000 for 1441 Almanor. The City's Debt Service Funds increased from the receipt of the April property tax revenue. These revenues are being held in anticipation of the City's general obligation bonds' principal and interest payments that were due on July 31, 2013. The increase in the Internal Service Funds is due to accumulating funds from normal operating revenue in anticipation of the workers' compensation and general liability insurance premiums due during the third quarter of 2013.

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 Successor 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).

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. Cutwater Investment Reports (attachment) for the period of June 1, 2013 – June 30, 2013.

Report prepared by:
Geoffrey Buchheim
Financial Services Manager

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

CITY OF MENLO PARK

Report for the period June 1, 2013 - June 30, 2013

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

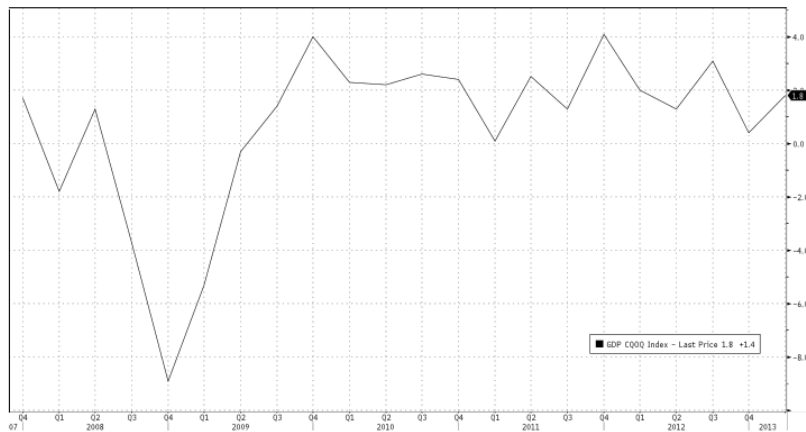
(This report was prepared on July 5, 2013)

Fixed Income Market Review June 30, 2013

U.S. Gross Domestic Product

12/31/07 - 03/31/13

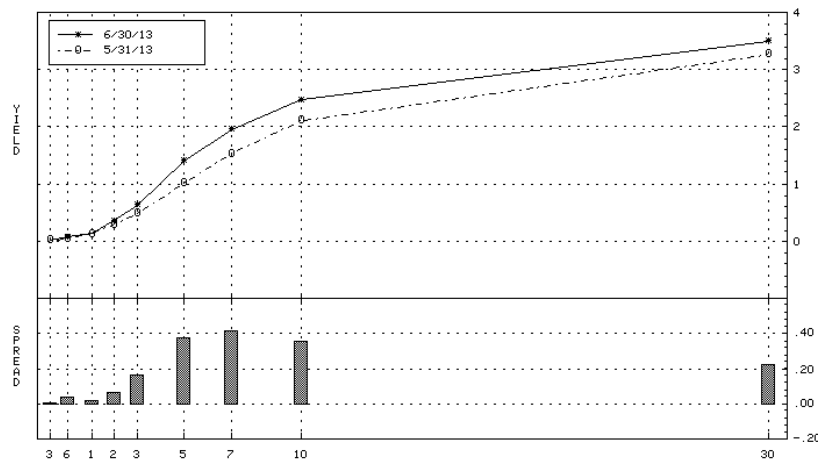
Chart 1



Treasury Yield Curves

05/31/13 - 06/30/13

Chart 2



Economic Indicators & Monetary Policy – The U.S. economy grew at a slower rate than expected in the first quarter of 2013 as Gross Domestic Product (GDP) increased by a revised 1.8 percent annual rate (Chart 1) compared to a prior estimate of 2.4 percent. Over the past four quarters, GDP was up 1.6 percent compared to a 1.7 percent gain during calendar year 2012.

Consumer spending last quarter increased at a revised 2.6 percent rate, down from the prior 3.4 percent estimate, but still represents the fastest quarterly increase in consumer spending in two years. Household purchases were revised lower as consumers cut back on services from vacations to legal advice.

Nonetheless, consumer spending was up 0.3 percent in May following a negative 0.2 percent revised rate in April. Rising housing prices, bigger income gains, and labor market improvement may mute the effects of tax increases and spending cuts.

April values of existing properties in 20 U.S. cities posted the biggest year-over-year gain since March of 2006, but mortgage rates spiked to their highest levels since July of 2011 and now average 4.46 percent. Incomes, however, increased 0.5 percent in May, following a 0.1 percent gain the prior month, and unemployment is expected to fall to 7.5 percent for June

At its latest meeting on June 19th, the FOMC kept the federal funds target rate at a range of zero to 0.25 percent to foster maximum employment and price stability. With markets reeling, several Fed officials have recently emphasized that the central bank won't begin tightening for some time.

Policy-makers will likely hold the benchmark rate near zero as long as unemployment is above 6.5 percent and the inflation outlook is below 2.5 percent. Jeffrey Lacker, Richmond Fed President, stated on June 28th during a speech in West Virginia that "Markets will probably remain volatile as policy makers debate when and how to curtail the so-called quantitative easing program."

Yield Curve & Spreads – Treasury yields increased in June due to possible tapering of quantitative easing and perceived economic growth.

At the end of June, the 3-month Treasury bill yielded 0.03 percent, 6-month Treasury bill yielded 0.09 percent, 2-year Treasury note yielded 0.36 percent, 5-year Treasury note yielded 1.39 percent, 10-year Treasury note yielded 2.49 percent, and the 30-year Treasury yielded 3.50 percent. (Chart 2)

Additional Information
June 30, 2013

The opinions expressed above are those of Cutwater Asset Management and are subject to change without notice. All statistics represent month-end figures unless otherwise noted.

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/.

**City of Menlo Park
Activity and Performance Summary
for the period June 1, 2013 - June 30, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value	94,642,804.96
Additions	
Contributions	0.00
Interest Received	86,449.58
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	86,449.58
Deductions	
Withdrawals	8,681,559.63
Fees Paid	3,288.01
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(8,684,847.64)
Accretion (Amortization) for the Period	(48,064.99)
Ending Amortized Cost Value	85,996,341.91
Ending Fair Value	85,715,013.74
Unrealized Gain (Loss)	(281,328.17)

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	8,827.57	0.00	0.00	8,827.57
U.S. Treasury	2,890.12	(77.35)	0.00	2,812.77
U.S. Instrumentality	24,905.51	(7,796.06)	0.00	17,109.45
Corporate	54,944.69	(35,928.23)	0.00	19,016.46
Sales and Maturities				
U.S. Instrumentality	0.00	(4,263.35)	0.00	(4,263.35)
Total	91,567.89	(48,064.99)	0.00	43,502.90

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.13 %	0.10 %
Overnight Repo	0.15 %	0.10 %	0.05 %
3 Month T-Bill	0.07 %	0.06 %	0.04 %
6 Month T-Bill	0.11 %	0.09 %	0.07 %
1 Year T-Note	0.16 %	0.14 %	0.15 %
2 Year T-Note	0.27 %	0.27 %	0.33 %
5 Year T-Note	0.77 %	0.87 %	1.20 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	91,567.89	82,740.32
Accretion (Amortization)	(48,064.99)	(48,064.99)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	43,502.90	34,675.33
Average Daily Historical Cost	93,131,808.36	49,320,163.05
Annualized Return	0.57%	0.86%
Annualized Return Net of Fees	0.53%	0.77%
Annualized Return Year to Date Net of Fees	0.50%	0.74%
Weighted Average Effective Maturity in Days	521	912

**City of Menlo Park
Activity and Performance Summary
for the period June 1, 2013 - June 30, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value	94,682,683.55
Additions	
Contributions	0.00
Interest Received	86,449.58
Accrued Interest Sold	0.00
Total Additions	86,449.58
Deductions	
Withdrawals	8,681,559.63
Fees Paid	3,288.01
Accrued Interest Purchased	0.00
Total Deductions	(8,684,847.64)
Change in Fair Value for the Period	(369,271.75)
Ending Fair Value	85,715,013.74

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	8,827.57	0.00	8,827.57
U.S. Treasury	2,890.12	(7,422.00)	(4,531.88)
U.S. Instrumentality	24,905.51	(177,345.11)	(152,439.60)
Corporate	54,944.69	(180,011.28)	(125,066.59)
Sales and Maturities			
U.S. Instrumentality	0.00	(4,493.36)	(4,493.36)
Total	91,567.89	(369,271.75)	(277,703.86)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.13 %	0.10 %
Overnight Repo	0.15 %	0.10 %	0.05 %
3 Month T-Bill	0.11 %	0.09 %	0.00 %
6 Month T-Bill	0.20 %	0.16 %	0.00 %
1 Year T-Note	0.27 %	0.20 %	0.00 %
2 Year T-Note	0.25 %	-0.01 %	-0.49 %
5 Year T-Note	-1.43 %	-4.55 %	-17.40 %

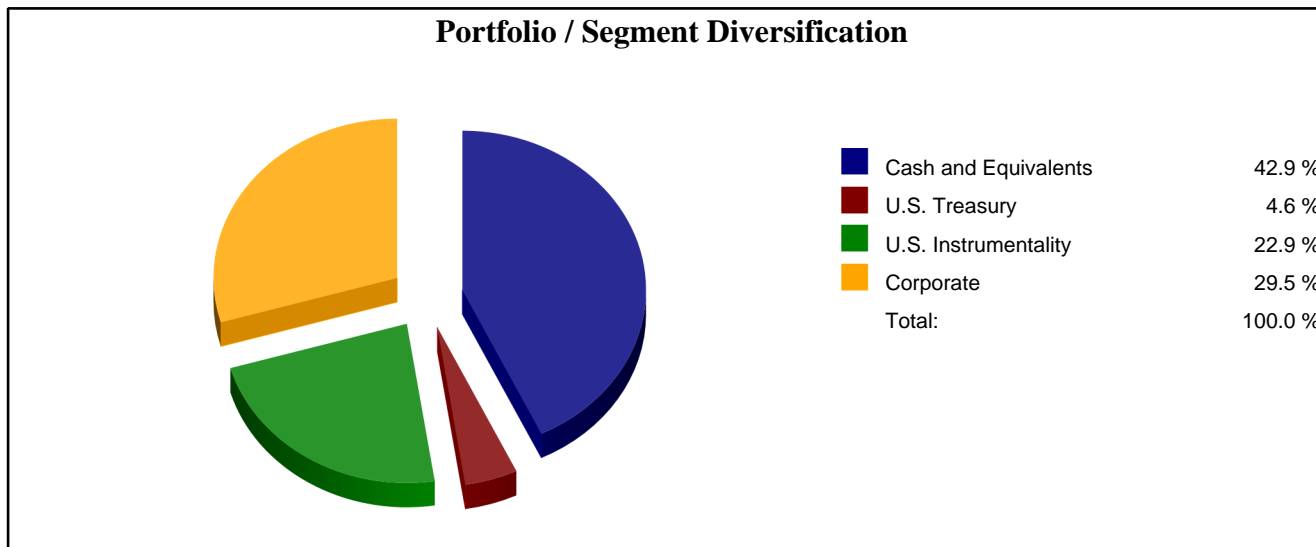
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	91,567.89	82,740.32
Change in Fair Value	<u>(369,271.75)</u>	<u>(369,271.75)</u>
Total Income on Portfolio	(277,703.86)	(286,531.43)
Average Daily Historical Cost	93,131,808.36	49,320,163.05
Annualized Return	(3.63%)	(7.07%)
Annualized Return Net of Fees	(3.67%)	(7.15%)
Annualized Return Year to Date Net of Fees	(0.50%)	(1.31%)
Weighted Average Effective Maturity in Days	521	912

**City of Menlo Park
Recap of Securities Held
June 30, 2013**

	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	37,068,311.98	37,068,311.98	37,068,311.98	0.00	1	1	42.92	0.25	0.00
U.S. Treasury	4,011,796.88	4,013,336.04	4,032,618.00	19,281.96	473	473	4.65	0.85	1.28
U.S. Instrumentality	19,813,410.99	19,721,625.99	19,550,719.79	(170,906.20)	1,239	1,128	22.94	0.93	2.86
Corporate	25,473,021.85	25,193,067.90	25,063,363.97	(129,703.93)	813	813	29.49	0.88	2.16
Total	86,366,541.70	85,996,341.91	85,715,013.74	(281,328.17)	546	521	100.00	0.62	1.35

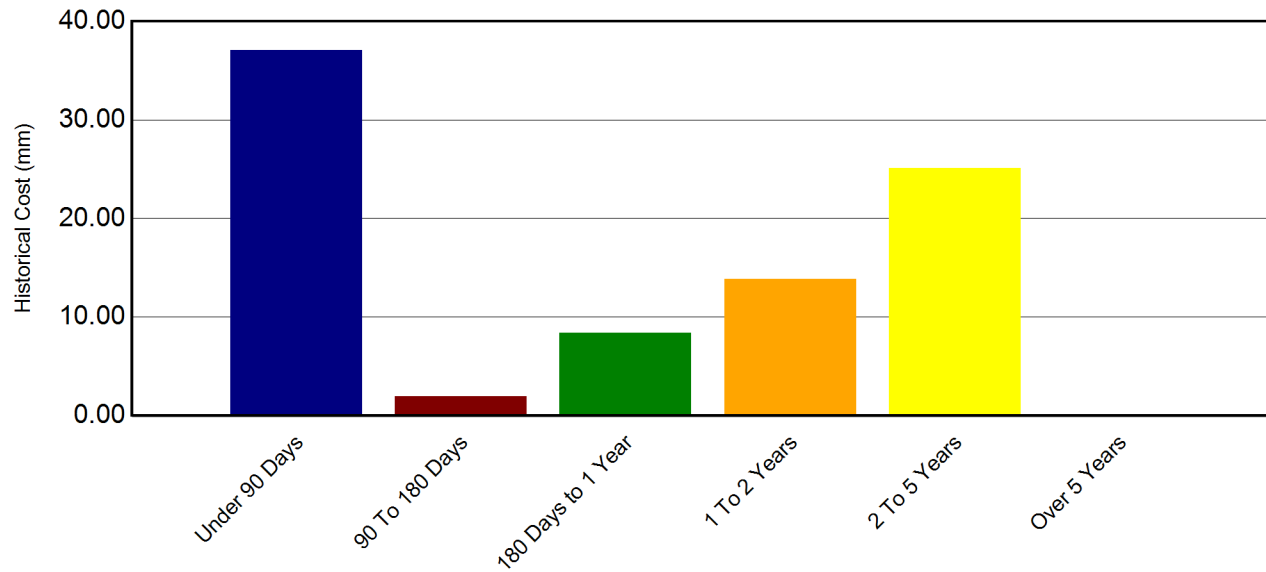
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Menlo Park
Maturity Distribution of Securities Held
June 30, 2013**

Maturity	Historical Cost	Percent
Under 90 Days	37,068,311.98	42.92 %
90 To 180 Days	1,985,781.25	2.30 %
180 Days to 1 Year	8,381,035.00	9.70 %
1 To 2 Years	13,831,316.88	16.01 %
2 To 5 Years	25,100,096.59	29.06 %
Over 5 Years	0.00	0.00 %
	86,366,541.70	100.00 %

Maturity Distribution



**City of Menlo Park
Securities Held
June 30, 2013**

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	
Cash and Equivalents														
LAIF - City 98-19-22	06/30/13	0.245V		37,068,311.98	37,068,311.98	37,068,311.98	37,068,311.98	0.00	0.00	8,827.57	31,285.73	42.92	0.25	
					0.00	0.00	0.00							
TOTAL (Cash and Equivalents)				37,068,311.98	37,068,311.98	37,068,311.98	37,068,311.98	0.00	0.00	8,827.57	31,285.73	42.92		
					0.00	0.00	0.00							
U.S. Treasury														
912828PL8	12/15/10	0.750	12/15/13	2,000,000.00	1,985,781.25	1,997,833.46	2,005,860.00	8,026.54	7,500.00	1,232.66	655.74	2.30	0.99	
T-Note					0.00	389.20	(1,016.00)							
912828RB8	08/25/11	0.500	08/15/14	1,000,000.00	1,003,046.88	1,001,150.30	1,003,242.00	2,091.70	0.00	414.36	1,878.45	1.16	0.40	
T-Note					0.00	(84.16)	(547.00)							
912828QX1	08/25/11	1.500	07/31/16	1,000,000.00	1,022,968.75	1,014,352.28	1,023,516.00	9,163.72	0.00	1,243.10	6,256.91	1.18	1.02	
T-Note					0.00	(382.39)	(5,859.00)							
TOTAL (U.S. Treasury)				4,000,000.00	4,011,796.88	4,013,336.04	4,032,618.00	19,281.96	7,500.00	2,890.12	8,791.10	4.65		
					0.00	(77.35)	(7,422.00)							
U.S. Instrumentality														
31398A3G5	09/28/11	1.500	09/08/14	1,500,000.00	1,535,565.00	1,514,344.99	1,519,087.50	4,742.51	0.00	1,875.00	7,062.50	1.78	0.69	
FNMA					0.00	(991.59)	(1,689.00)							
3136G0KG5	Call	06/05/12	0.625	06/04/15	2,000,000.00	2,001,400.00	2,000,649.11	2,002,922.00	2,272.89	6,250.00	1,041.67	2.32	0.59	
FNMA				06/04/14		0.00	(57.61)	(2,058.00)						
3133XWNB1	09/28/11	2.875	06/12/15	1,500,000.00	1,606,845.00	1,556,146.93	1,572,180.00	16,033.07	21,562.50	3,593.75	2,276.04	1.86	0.92	
FHLB					0.00	(2,369.07)	(3,417.00)							
3134G3MK3	Call	02/24/12	1.000	02/24/16	2,000,000.00	2,010,200.00	2,003,320.93	2,006,310.00	2,989.07	0.00	1,666.67	2.33	0.74	
FHLMC				02/24/14		0.00	(418.60)	(2,592.00)						
3136FT3C1	Call	03/05/12	1.000	12/05/16	2,000,000.00	1,996,500.00	1,997,473.79	1,998,180.00	706.21	10,000.00	1,666.66	2.31	1.04	
FNMA				03/05/14		0.00	60.48	(12,292.00)						
3135G0VM2	Call	04/03/13	0.750	03/14/17	1,000,000.00	1,000,700.00	1,000,519.42	985,426.00	(15,093.42)	0.00	625.00	2,229.17	1.16	0.68
FNMA				03/14/14		395.83	(60.87)	(11,192.00)						
3128MBFA0	01/23/13	6.000	04/01/17	1,554,017.98	1,652,600.99	1,642,349.39	1,647,582.29	5,232.90	7,770.09	7,770.09	7,770.09	1.91	2.95	
FHLMC					0.00	(1,934.27)	(1,571.11)							
3135G0PP2	Call	04/18/13	1.000	09/20/17	2,000,000.00	2,005,000.00	2,002,612.90	1,954,740.00	(47,872.90)	0.00	1,666.67	5,611.11	2.32	0.41
FNMA				09/20/13		1,555.56	(967.75)	(38,438.00)						
3137EADN6	01/22/13	0.750	01/12/18	2,000,000.00	1,984,380.00	1,985,756.21	1,936,416.00	(49,340.21)	0.00	1,250.00	7,041.67	2.30	0.91	
FHLMC					416.67	258.04	(34,122.00)							
3137EADN6	02/15/13	0.750	01/12/18	2,000,000.00	1,980,960.00	1,982,405.00	1,936,416.00	(45,989.00)	0.00	1,250.00	7,041.67	2.29	0.95	
FHLMC					1,375.00	318.75	(34,122.00)							

**City of Menlo Park
Securities Held
June 30, 2013**

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
3136G1KN8 FNMA	Call 05/03/13	1.500	04/24/18 04/24/15	2,000,000.00	2,039,260.00 750.00	2,036,047.32 (1,633.57)	1,991,460.00 (35,852.00)	(44,587.32)	0.00	2,500.00	5,583.33	2.36	0.50
TOTAL (U.S. Instrumentality)				19,554,017.98	19,813,410.99 4,493.06	19,721,625.99 (7,796.06)	19,550,719.79 (177,345.11)	(170,906.20)	45,582.59	24,905.51	54,053.08	22.94	

Corporate

36962G4X9 GE Capital	02/02/12	2.100	01/07/14	1,500,000.00	1,531,845.00 0.00	1,508,582.34 (1,355.11)	1,513,060.50 (2,803.50)	4,478.16	0.00	2,625.00	15,225.00	1.77	0.99
931142DA8 Wal-Mart	07/26/11	1.625	04/15/14	1,000,000.00	1,020,000.00 0.00	1,005,794.77 (603.62)	1,009,740.00 (830.00)	3,945.23	0.00	1,354.17	3,430.56	1.18	0.88
478160AX2 Johnson & Johnson	05/20/11	1.200	05/15/14	1,000,000.00	998,830.00 0.00	999,658.97 32.17	1,007,537.00 (1,571.00)	7,878.03	0.00	1,000.00	1,533.33	1.16	1.24
36962GX41 GE Capital	12/14/11	5.650	06/09/14	750,000.00	818,760.00 0.00	775,974.32 (2,271.80)	786,665.25 (3,152.25)	10,690.93	21,187.50	3,531.25	2,589.58	0.95	1.86
94974BET3 Wells Fargo	10/22/12	3.750	10/01/14	2,000,000.00	2,122,880.00 0.00	2,079,204.74 (5,199.43)	2,071,922.00 (10,262.00)	(7,282.74)	0.00	6,250.00	18,750.00	2.46	0.56
084664AT8 Berkshire Hathaway F	10/23/12	4.850	01/15/15	3,000,000.00	3,284,850.00 0.00	3,197,015.42 (10,498.15)	3,192,957.00 (16,977.00)	(4,058.42)	0.00	12,125.00	67,091.67	3.80	0.56
713448BX5 PEPSICO Inc	09/21/12	0.750	03/05/15	1,000,000.00	1,005,430.00 0.00	1,003,713.03 (182.01)	1,001,687.00 (1,895.00)	(2,026.03)	0.00	625.00	2,416.67	1.16	0.53
717081DA8 Pfizer Inc	04/22/13	5.350	03/15/15	3,000,000.00	3,272,700.00 16,495.83	3,245,114.74 (11,822.25)	3,230,073.00 (13,476.00)	(15,041.74)	0.00	13,375.00	47,258.33	3.79	0.53
36962G5Z3 GE Capital	10/02/12	1.625	07/02/15	1,013,000.00	1,032,236.87 0.00	1,027,020.09 (575.38)	1,024,717.37 (4,729.70)	(2,302.72)	0.00	1,371.77	8,184.90	1.20	0.92
36962G4P6 GE Capital	09/21/12	1.000V	09/23/15	725,000.00	724,369.98 0.00	724,532.51 17.23	730,369.35 (186.33)	5,836.84	1,812.50	604.17	161.11	0.84	1.03
594918AG9 MICROSOFT CORP	07/26/11	1.625	09/25/15	1,000,000.00	1,003,400.00 0.00	1,001,822.86 (67.02)	1,022,460.00 (3,434.00)	20,637.14	0.00	1,354.16	4,333.33	1.16	1.54
38259PAC6 GOOGLE INC	10/16/12	2.125	05/19/16	1,000,000.00	1,053,370.00 0.00	1,042,866.98 (1,221.28)	1,033,284.00 (6,862.00)	(9,582.98)	0.00	1,770.84	2,479.17	1.22	0.62
459200GX3 IBM Corp	11/09/12	1.950	07/22/16	2,000,000.00	2,076,820.00 0.00	2,063,514.39 (1,705.85)	2,049,700.00 (15,662.00)	(13,814.39)	0.00	3,250.00	17,225.00	2.40	0.89
084670BD9 Berkshire Hathaway	02/02/12	1.900	01/31/17	1,500,000.00	1,528,050.00 0.00	1,520,134.52 (461.10)	1,515,517.50 (20,914.50)	(4,617.02)	0.00	2,375.00	11,954.17	1.77	1.51
88579YAE1 3M Company	12/19/12	1.000	06/26/17	2,000,000.00	2,014,560.00 0.00	2,012,848.10 (264.72)	1,953,826.00 (32,890.00)	(59,022.10)	10,000.00	1,666.67	277.78	2.33	0.84
037833AJ9	05/20/13	1.000	05/03/18	2,000,000.00	1,984,920.00	1,985,270.12	1,919,848.00	(65,422.12)	0.00	1,666.66	3,222.22	2.30	1.16

**City of Menlo Park
Securities Held
June 30, 2013**

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
APPLE INC					944.44	250.09	(44,366.00)						
TOTAL (Corporate)				24,488,000.00	25,473,021.85	25,193,067.90	25,063,363.97	(129,703.93)	33,000.00	54,944.69	206,132.82	29.49	
					17,440.27	(35,928.23)	(180,011.28)						
GRAND TOTAL					85,110,329.96	86,366,541.70	85,996,341.91	85,715,013.74	(281,328.17)	86,082.59	91,567.89	300,262.73	100.00
					21,933.33	(43,801.64)	(364,778.39)						

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

City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2013

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)
<u>LAIF</u>												
	Cash and Equivalents	0.245	01/30/3100				37,068,311.98	37,068,311.98	42.92	37,068,311.98	43.25	0.00
ISSUER TOTAL							37,068,311.98	37,068,311.98	42.92	37,068,311.98	43.25	0.00
<u>FNMA</u>												
3136G0KG5	U.S. Instrumentality	0.625	06/04/2015	06/04/2014	AA+	Aaa	2,000,000.00	2,001,400.00	2.32	2,002,922.00	2.34	0.93
31398A3G5	U.S. Instrumentality	1.500	09/08/2014		AA+	Aaa	1,500,000.00	1,535,565.00	1.78	1,519,087.50	1.77	1.18
3136FT3C1	U.S. Instrumentality	1.000	12/05/2016	03/05/2014	AA+	Aaa	2,000,000.00	1,996,500.00	2.31	1,998,180.00	2.33	3.37
3135G0VM2	U.S. Instrumentality	0.750	03/14/2017	03/14/2014	AA+	Aaa	1,000,000.00	1,000,700.00	1.16	985,426.00	1.15	3.64
3135G0PP2	U.S. Instrumentality	1.000	09/20/2017	09/20/2013	AA+	Aaa	2,000,000.00	2,005,000.00	2.32	1,954,740.00	2.28	4.11
3136G1KN8	U.S. Instrumentality	1.500	04/24/2018	04/24/2015	AA+	Aaa	2,000,000.00	2,039,260.00	2.36	1,991,460.00	2.32	4.62
ISSUER TOTAL							10,500,000.00	10,578,425.00	12.25	10,451,815.50	12.19	2.98
<u>FHLMC</u>												
3134G3MK3	U.S. Instrumentality	1.000	02/24/2016	02/24/2014	AA+	Aaa	2,000,000.00	2,010,200.00	2.33	2,006,310.00	2.34	0.65
3128MBFA0	U.S. Instrumentality	6.000	04/01/2017		AA+	Aaa	1,554,017.98	1,652,600.99	1.91	1,647,582.29	1.92	1.90
3137EADN6	U.S. Instrumentality	0.750	01/12/2018		AA+	Aaa	4,000,000.00	3,965,340.00	4.59	3,872,832.00	4.52	4.42
ISSUER TOTAL							7,554,017.98	7,628,140.99	8.83	7,526,724.29	8.78	2.87
<u>GE Capital</u>												
36962G4X9	Corporate	2.100	01/07/2014		AA+	A1	1,500,000.00	1,531,845.00	1.77	1,513,060.50	1.77	0.52
36962GX41	Corporate	5.650	06/09/2014		AA+	A1	750,000.00	818,760.00	0.95	786,665.25	0.92	0.93
36962G5Z3	Corporate	1.625	07/02/2015		AA+	A1	1,013,000.00	1,032,236.87	1.20	1,024,717.37	1.20	1.96
36962G4P6	Corporate	1.000	09/23/2015		AA+	A1	725,000.00	724,369.98	0.84	730,369.35	0.85	2.21
ISSUER TOTAL							3,988,000.00	4,107,211.85	4.76	4,054,812.47	4.73	1.27
<u>T-Note</u>												
912828PL8	U.S. Treasury	0.750	12/15/2013		AA+	Aaa	2,000,000.00	1,985,781.25	2.30	2,005,860.00	2.34	0.46
912828RB8	U.S. Treasury	0.500	08/15/2014		AA+	Aaa	1,000,000.00	1,003,046.88	1.16	1,003,242.00	1.17	1.13
912828QX1	U.S. Treasury	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	1.18	1,023,516.00	1.19	3.00
ISSUER TOTAL							4,000,000.00	4,011,796.88	4.65	4,032,618.00	4.70	1.27
<u>Pfizer Inc</u>												
717081DA8	Corporate	5.350	03/15/2015		AA	A1	3,000,000.00	3,272,700.00	3.79	3,230,073.00	3.77	1.63
ISSUER TOTAL							3,000,000.00	3,272,700.00	3.79	3,230,073.00	3.77	1.63

City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2013

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)
<u>Berkshire Hathaway Finance Cor</u>												
084664AT8	Corporate	4.850	01/15/2015		AA	Aa2	3,000,000.00	3,284,850.00	3.80	3,192,957.00	3.73	1.48
ISSUER TOTAL							3,000,000.00	3,284,850.00	3.80	3,192,957.00	3.73	1.48
<u>Wells Fargo</u>												
94974BET3	Corporate	3.750	10/01/2014		A+	A2	2,000,000.00	2,122,880.00	2.46	2,071,922.00	2.42	1.23
ISSUER TOTAL							2,000,000.00	2,122,880.00	2.46	2,071,922.00	2.42	1.23
<u>IBM Corp</u>												
459200GX3	Corporate	1.950	07/22/2016		AA-	Aa3	2,000,000.00	2,076,820.00	2.40	2,049,700.00	2.39	2.95
ISSUER TOTAL							2,000,000.00	2,076,820.00	2.40	2,049,700.00	2.39	2.95
<u>3M Company</u>												
88579YAE1	Corporate	1.000	06/26/2017		AA-	Aa2	2,000,000.00	2,014,560.00	2.33	1,953,826.00	2.28	3.89
ISSUER TOTAL							2,000,000.00	2,014,560.00	2.33	1,953,826.00	2.28	3.89
<u>APPLE INC</u>												
037833AJ9	Corporate	1.000	05/03/2018		AA+	Aa1	2,000,000.00	1,984,920.00	2.30	1,919,848.00	2.24	4.69
ISSUER TOTAL							2,000,000.00	1,984,920.00	2.30	1,919,848.00	2.24	4.69
<u>FHLB</u>												
3133XWNB1	U.S. Instrumentality	2.875	06/12/2015		AA+	Aaa	1,500,000.00	1,606,845.00	1.86	1,572,180.00	1.83	1.91
ISSUER TOTAL							1,500,000.00	1,606,845.00	1.86	1,572,180.00	1.83	1.91
<u>Berkshire Hathaway</u>												
084670BD9	Corporate	1.900	01/31/2017		AA	Aa2	1,500,000.00	1,528,050.00	1.77	1,515,517.50	1.77	3.43
ISSUER TOTAL							1,500,000.00	1,528,050.00	1.77	1,515,517.50	1.77	3.43
<u>GOOGLE INC</u>												
38259PAC6	Corporate	2.125	05/19/2016		AA	Aa2	1,000,000.00	1,053,370.00	1.22	1,033,284.00	1.21	2.80
ISSUER TOTAL							1,000,000.00	1,053,370.00	1.22	1,033,284.00	1.21	2.80

City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2013

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)
<u>MICROSOFT CORP</u>												
594918AG9	Corporate	1.625	09/25/2015		AAA	Aaa	1,000,000.00	1,003,400.00	1.16	1,022,460.00	1.19	2.20
ISSUER TOTAL							1,000,000.00	1,003,400.00	1.16	1,022,460.00	1.19	2.20
<u>Wal-Mart</u>												
931142DA8	Corporate	1.625	04/15/2014		AA	Aa2	1,000,000.00	1,020,000.00	1.18	1,009,740.00	1.18	0.79
ISSUER TOTAL							1,000,000.00	1,020,000.00	1.18	1,009,740.00	1.18	0.79
<u>Johnson & Johnson</u>												
478160AX2	Corporate	1.200	05/15/2014		AAA	Aaa	1,000,000.00	998,830.00	1.16	1,007,537.00	1.18	0.88
ISSUER TOTAL							1,000,000.00	998,830.00	1.16	1,007,537.00	1.18	0.88
<u>PEPSICO Inc</u>												
713448BX5	Corporate	0.750	03/05/2015		A-	A1	1,000,000.00	1,005,430.00	1.16	1,001,687.00	1.17	1.67
ISSUER TOTAL							1,000,000.00	1,005,430.00	1.16	1,001,687.00	1.17	1.67

GRAND TOTAL	85,110,329.96	86,366,541.70	100.00	85,715,013.74	100.00	1.34
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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
June 1, 2013 - June 30, 2013**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
LAIF - City 98-19-228	06/13/2013	0.245V		975,000.00	100.000	975,000.00	0.00	0.25
LAIF - City 98-19-228	06/27/2013	0.245V		1,500,000.00	100.000	1,500,000.00	0.00	0.25
TOTAL (Cash and Equivalents)				2,475,000.00		2,475,000.00	0.00	
GRAND TOTAL				2,475,000.00		2,475,000.00	0.00	

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

City of Menlo Park
Securities Sold and Matured
June 1, 2013 - June 30, 2013

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
<u>Cash and Equivalents</u>													
LAIF - City 98-19- 228	06/24/2013	0.245V		11,000,000.00	11,000,000.00	11,000,000.00	100.00	11,000,000.00	0.00	0.00	0.00	0.00	0.25
						0.00		0.00					
TOTAL (Cash and Equivalents)				11,000,000.00	11,000,000.00	11,000,000.00		11,000,000.00	0.00	0.00	0.00	0.00	
						0.00		0.00					
<u>U.S. Instrumentality</u>													
3128MBFA0 FHLMC	06/01/2013	6.000	04/01/2017	73,398.06	78,054.25	73,398.06	100.00	73,398.06	0.00	0.00	366.99	0.00	2.95
						(4,263.35)		(4,493.36)					
TOTAL (U.S. Instrumentality)				73,398.06	78,054.25	73,398.06		73,398.06	0.00	0.00	366.99	0.00	
						(4,263.35)		(4,493.36)					
GRAND TOTAL				11,073,398.06	11,078,054.25	11,073,398.06		11,073,398.06	0.00	0.00	366.99	0.00	
						(4,263.35)		(4,493.36)					

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

**City of Menlo Park
Transaction Report
for the period June 1, 2013 - June 30, 2013**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/01/2013	3128MBFA0	Paydown	INS	FHLMC	04/01/2017	73,398.06	73,398.06	8,137.08	81,535.14	81,535.14
06/04/2013	3136G0KG5	Interest	INS	FNMA	06/04/2015	2,000,000.00	0.00	6,250.00	6,250.00	87,785.14
06/05/2013	3136FT3C1	Interest	INS	FNMA	12/05/2016	2,000,000.00	0.00	10,000.00	10,000.00	97,785.14
06/09/2013	36962GX41	Interest	COR	GE Capital	06/09/2014	750,000.00	0.00	21,187.50	21,187.50	118,972.64
06/12/2013	3133XWNB1	Interest	INS	FHLB	06/12/2015	1,500,000.00	0.00	21,562.50	21,562.50	140,535.14
06/13/2013		Bought	CE	LAIF - City 98-19-22		975,000.00	975,000.00	0.00	(975,000.00)	(834,464.86)
06/15/2013	912828PL8	Interest	TSY	T-Note	12/15/2013	2,000,000.00	0.00	7,500.00	7,500.00	(826,964.86)
06/23/2013	36962G4P6	Interest	COR	GE Capital	09/23/2015	725,000.00	0.00	1,812.50	1,812.50	(825,152.36)
06/24/2013		Sold	CE	LAIF - City 98-19-22		11,000,000.00	11,000,000.00	0.00	11,000,000.00	10,174,847.64
06/26/2013	88579YAE1	Interest	COR	3M Company	06/26/2017	2,000,000.00	0.00	10,000.00	10,000.00	10,184,847.64
06/27/2013		Bought	CE	LAIF - City 98-19-22		1,500,000.00	1,500,000.00	0.00	(1,500,000.00)	8,684,847.64
Portfolio Activity Total									8,684,847.64	

Net Contributions:	0.00
Net Withdrawals:	8,681,559.63

Fees Charged:	3,288.01
Fees Paid:	3,288.01

**City of Menlo Park
Securities Bid and Offer
for the period 6/1/2013 - 6/30/2013**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
		No Activity this period							

**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
07/02/2013	Interest	36962G5Z3	GE Capital	1.625	07/02/2015		1,013,000.00	0.00	8,230.63	8,230.63
07/07/2013	Interest	36962G4X9	GE Capital	2.100	01/07/2014		1,500,000.00	0.00	15,750.00	15,750.00
07/12/2013	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
07/12/2013	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
07/15/2013	Interest	084664AT8	Berkshire Hathaway	4.850	01/15/2015		3,000,000.00	0.00	72,750.00	72,750.00
07/15/2013	Estimated Paydown	3128MBFA0	FHLMC	6.000	04/01/2017		1,554,017.98	29,813.07	7,770.09	37,583.16
07/22/2013	Interest	459200GX3	IBM Corp	1.950	07/22/2016		2,000,000.00	0.00	19,500.00	19,500.00
07/31/2013	Interest	084670BD9	Berkshire Hathaway	1.900	01/31/2017		1,500,000.00	0.00	14,250.00	14,250.00
07/31/2013	Interest	912828QX1	T-Note	1.500	07/31/2016		1,000,000.00	0.00	7,500.00	7,500.00

END OF REPORTS



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Colorado Office
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Denver, CO 80202
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Fax: 303 860 0016

For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

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OFFICE OF THE CITY MANAGER

Council Meeting Date: August 27, 2013
Continued from the August 20th Council Meeting

Staff Report #: 13-144

Agenda Item #: I-3

INFORMATIONAL ITEM: Office Of Economic Development Quarterly Update

This is an information item that does not require Council Action.

BACKGROUND

Attached for your review, is the inaugural edition of the Office of Economic Development's Quarterly Update. This newsletter will be presented to the City Council and circulated to the greater community to provide updates on the economic activity in and affecting the City of Menlo Park. It is intended as both a vehicle for communicating information as well as an example of the City's continued commitment to economic development and support for our diverse business community.

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. Office of Economic Development's Quarterly Update

Report prepared by:
Jim Cogan
Economic Development Manager

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Office of Economic Development

Quarterly Update Q1 / Q2



August 2013

Introduction

Welcome to the inaugural edition of the Menlo Park Office of Economic Development Quarterly Newsletter. As this is the inaugural edition, it will provide information regarding activity in the first and second quarters of 2013. Subsequent issues will be offered quarterly. The goal of this newsletter is to provide updates on the economic activity in, and affecting Menlo Park.

We enjoy a diverse and thriving economy in Menlo Park, which brings together all of the components of Silicon Valley. Ours is a community of small family businesses, start-ups, local and national retailers, professional services, industry-leading corporations, and the venture capitalists who form the financial engine of the innovation economy. The role of the Office of Economic Development (OED) is to help ensure that the City of Menlo Park is responding to the needs of our businesses and providing opportunities for them to succeed. Their success enhances the fabric of our community by providing jobs, tax revenue and the continued fiscal stability necessary to deliver the high-quality services that all of our residents deserve.

Menlo Park is a desirable location for businesses, because of our community and the success its support can mean. We are the epicenter of innovation. You only have to peruse the list of local businesses to see that a good idea here can take you far, well a good idea and a Mexican mocha at [Café Borrone](#). Did you know that the [Round Table Pizza](#) on El Camino Real started the franchise that now has over 500 stores in nine western states and five foreign countries? The first [Draeger's Market](#) opened its doors in 1925 in Menlo Park, and [SRI](#) has contributed more to the world as we know it than we will ever know (mostly because a lot of their projects start out classified).

This newsletter will provide you with information about the City and business community. It will report on the efforts of the OED and alert you to new opportunities in Menlo Park. It is our sincere hope that you find it valuable and we encourage your feedback.

Thank you for your time. Please contact us if we can help you find success in Menlo Park.

IN THIS ISSUE:

- Introduction
- Sales Tax Report
- Vacancy Report
- Updating the ED Plan

RESOURCES:

[Menlo Park Office of Economic Development](#)

[Menlo Park Community Development](#)

[Menlo Park Chamber of Commerce](#)

[Silicon Valley Economic Development](#)

TOP 25 SALES TAX GENERATORS:

- [Acclarent](#)
- [Als Roofing Supply](#)
- [Automatic Rain Company](#)
- [Beltramos Wine & Liquor](#)
- [Chevron Service Stations](#)
- Chevron Service Stations
- [CVS Pharmacy](#)
- [DM Figley Company](#)
- [Draegers Supermarkets](#)
- Evalve
- [Flegel's Home Furnishings](#)
- [OfficeMax](#)
- [Pacific Biosciences](#)
- [Safeway Stores](#)
- [Sand Hill Resort & Hotel](#)
- [Sharon Heights Golf Country Club](#)
- [Shell Service Stations](#)
- Shell Service Stations
- Shell Service Stations
- [Staples Office Superstore](#)
- [Trader Joe's](#)
- [Triplepoint Capital](#)
- [Tyco Electronics Corporation](#)
- [Walgreen's Drug Stores](#)
- Willow Cove Service Stations

VACANCY RATES:

If the number of businesses clamoring to locate in Menlo Park was not enough, the desirability of Menlo Park as a retail destination is reflected in Retail vacancy rates far below the County average. Because reporting agencies classify retail differently, Retail vacancy rates for Q2 fluctuates between 1% and 1.7%, depending on the agency. According to [Terranomics](#), between Q1 and Q2 of 2013, Menlo Park's retail vacancy rate dropped dramatically from 7.4% to 1.2%, which is less than half San Mateo County's average of 3.1%.

Sales Tax Report

Although our most recent numbers are for sales in the first quarter of 2013, the news is good. Sales tax is up and continues to provide evidence for cautious optimism. Our fiscal year to date collections show a 5.7% increase over last year, which tracks with San Mateo County's 6.0% and the State of CA's 6.2 percent.



Auto sales were a large contributor to the strong State and County numbers, but have dipped slightly in Q2. In the quarter to quarter comparison of Q1 2012 to Q1 2013, Menlo Park has enjoyed a 2.2% increase and our recent drop in retail vacancy should help continue this positive trend. Sales tax from restaurants, service stations food markets were at their highest point in past two years, while sales in furniture/appliance and building materials were down. The Historical Cash Collections Analysis Chart below shows, Menlo Park's economy is strong and growing.

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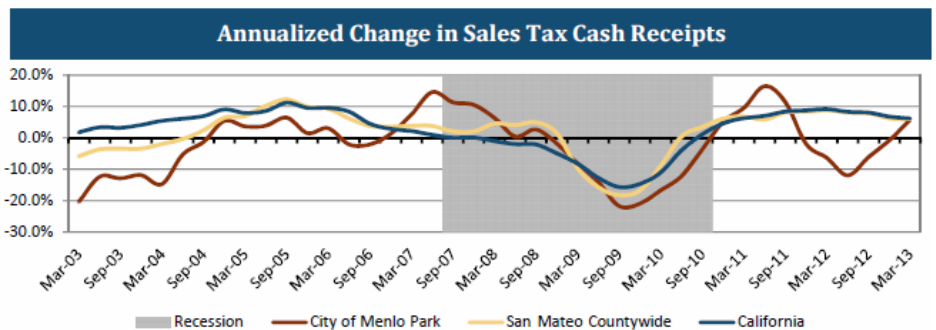


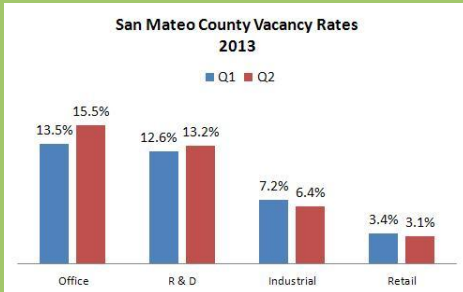
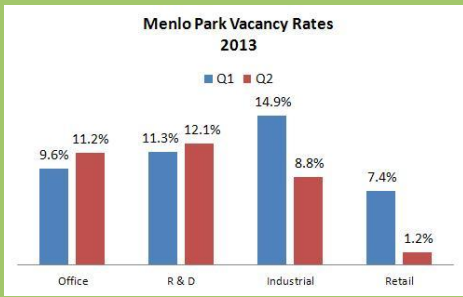
Chart Courtesy of MuniServices

Vacancy Report

There is no more visible example of improvement in the economy than the filling of our vacant downtown storefronts. In the past 2 quarters, 7 vacant downtown storefronts have been leased with new businesses open or opening soon.

Please join us in welcoming Build It Again Toys at 611 Santa Cruz Ave. Build It Again Toys offers a fun new concept for children with drop-in play and Lego Maniac classes. In fact, my 2 young boys are almost as excited about this addition as I am. [Unravel Design](#) has opened at 773 Santa Cruz Ave., offering contemporary and timeless home designs that marry form and function. [Rococo and Taupe](#), at 844 Santa Cruz Ave., offers custom home design that will help you realize the potential in your kitchen and bath. We look forward to welcoming [Traditionally Derby Furnishings & Design](#) at 850 Santa Cruz Ave., as well as Menlo Hardwood at 846 Santa Cruz Ave., which will be opening soon. OED has heard an art gallery will be opening at 845 Santa Cruz Ave, and we look forward to providing more information on this in the future.

These new businesses will further establish Menlo Park as the premier destination for home design and furnishings, augmenting our already robust reputation that was established by the likes of [Flegel's Home Furnishings](#), [Dolma Tibetan Carpets](#), [Menlo Designer Rugs](#), [Harvest Furniture](#), [Home, Oriental Carpet](#) and [Ruby Living Design](#).



Vacancy Date Source: Terranomics

Menlo Park also remains consistently below the County average for Research and Development (R&D) and Office vacancy. With a vacancy rate of 11.2% and 12.1% for Office and R&D, respectively, Menlo Park is well below the County averages of 15.5% and 13.2%. Though there has been some increase in office and R&D vacancy since the first quarter, these fluctuations reflect normal market trends and are, in part, a result of projects to come. Newly developed properties coming online that have not yet been leased, such as those recently completed off Marsh Road west of Highway 101, and older properties in the process for redevelopment, such as Common Wealth, cause a higher vacancy rate that is expected to decrease as development occurs over the coming quarters.



Ruby Living Design has been so successful since its opening in late 2012, that they have expanded next door. This expansion was possible thanks, in part, to the creative work of our professional Planning staff, who worked to simplify the approval process allowing the expansion. We are fortunate to have excellent Planning staff, who understand the needs of businesses and are willing to work to find reasonable solutions that help businesses open sooner.

Part of the service that OED provides is to help facilitate developing strategies for approval. We think of ourselves as your business concierge. Your success is our priority. We enjoy a great working relationship with the Planning and Building Division, and are all working together to make your experience with the City positive.

A Refuge In Menlo Park

I saved my favorite addition to Menlo Park for last to illustrate OED's business concierge service. The new [Refuge](#) location opened in June at 1143 Crane St. Pastrami, Belgian Beer, and Burgers! What's not to love? But don't take my word for it. Check out [this story](#) that appeared in the Patch on July 26th. The videography was done by Menlo Park resident Nathan Lewis. You can also catch Refuge on the Food Network's Diners, Drive-ins and Dives. The episode airs on September 2nd.

A longtime fan of their first location in San Carlos, I told the City Manager I wanted to get the owners to open a 2nd location in Menlo Park, shortly after I started in December 2012. I have always believed it is sometimes better to be lucky than good. Unbeknownst to me, the owners of Refuge had the same idea and finalized their lease in January 2013. Refuge submitted their application for improvements in February and, partnering with our professional Planning and Building staff, we developed strategies to expedite them through the process and identify solutions to project challenges. By the beginning of April, they had the approvals they needed from the City and were able to open without unnecessary delay. This is the kind of service that OED is ready to provide to any business looking to open in Menlo Park. We will meet with you early in the process and help you develop a strategy for approval.



Refuge has now been open for 2 months and celebrated with an official grand opening on August 15th. According to the owners Matt Levin and Melanie Roth, it has been a good 2 months, "We're on par with our soft opening expectations. We're looking forward to marketing efforts coming to fruition and grass roots word of mouth to bolster overall awareness. So far, feedback has been positive. People have been really excited that we chose Menlo Park as our second location. We're definitely in the right place."

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Updating the Economic Development Plan

"I love it when a plan comes together." Those of us in Generation X remember fondly this quote from Hannibal Smith on the TV show "The A-Team" that concluded every episode. To that end, the Menlo Park City Council directed the OED to revise the current Economic Development Plan. This will be a team effort and we look to hearing from you to make sure that the plan comes together.

A good Economic Development Plan articulates a 3-5 year vision, includes broad initiatives and reflects the values of the community. Our current plan was most recently revised in 2010, which means that there is still a lot of valuable content, but at the same time, it predates the addition of Facebook and current upswing in development activity that we are experiencing in Menlo Park.

OED is currently developing the process for this revision to the plan which will include the input of stakeholders and will eventually be presented to the City Council for action. We began public outreach at the June 19th Downtown Block Party and invite you to share your thoughts on the kind of changes that you would like to see in the plan or economic development efforts in Menlo Park. You can email me directly at jccogan@menlopark.org and look forward to future updates on this effort.



OFFICE OF THE CITY MANAGER

Council Meeting Date: August 27, 2013
Continued from the August 20th Council Meeting

Staff Report #: 13-145

Agenda Item #: I-4

INFORMATIONAL ITEM: Update on City Council Goals

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

BACKGROUND

Council members and staff have previously set goals in order to better align staff's work plans, Commission work plans, Council priorities and, ultimately, the City budget. Until 2009, these activities had generally occurred independent of one another, contributing to a lack of clear direction and priorities for the organization. The foundational idea behind high-level Council goals and staff deliverables is that it is appropriate for Council to determine "WHAT" needs to occur and staff to determine "HOW" best to achieve those results, expressed through Council-approved deliverables to ensure accountability for goal achievement.

The City Council held a Special Meeting on February 4, 2013, to develop goals for the 2013 calendar year. The goal setting session was facilitated by Dr. Bill Mathis at the Arrillaga Family Recreation Center. The entire Council participated in the goal setting session as well as the City Manager and Executive staff.

At its regular meeting on March 26, 2013, the City Council approved the 2013 City Council Goals.

ANALYSIS

The City Council expressed interest in a range of services and initiatives, and prioritized these into goals around five (5) service areas:

- | | |
|--|---------------------------------------|
| 1. Economic Development Directly Impacting City Revenues | 3. Public Safety Initiatives |
| 2. Organizational Capacity Initiatives | 4. Land Use: Planning and Development |
| | 5. Infrastructure and Renewal |

Following approval in March 2013, these goals were incorporated in the proposed FY2013-14 Budget which was adopted by the City Council at its June 11, 2013, regular meeting.

City Council Goals

1. Update the Economic Development Plan

The City's current Business Development Plan was approved by the City Council in March 2010 when the City found itself in a time of economic uncertainty. Economic development was viewed as the primary tool to stabilize the City's fiscal condition. The Plan also requires regular updates in order to ensure the City's economic development efforts are in line with the priorities of the City Council and reflects major changes in the character of Menlo Park's economy. Importantly, updating The Plan should reflect vital strategic economic decisions made by the City Council that have occurred since the Plan's creation, including adoption of the Downtown Specific Plan and the successful recruitment of Facebook to the City.

Current Status: The Economic Development Manager is continuing work on updating the plan document. Outreach to stakeholders and interested parties started at the successful community block party event in June 2013 and is ongoing. More than a dozen interested parties have stepped forward with suggestions and feedback. This goal is on track and will be submitted by December 31 for City Council consideration.

2. Beautify Santa Cruz Avenue (Downtown)

There was an opinion in the community that the Downtown (Santa Cruz Avenue) is in need of physical refreshing. Council members seized that concept and prioritized beautifying the downtown as a means of infusing vitality into the area and sparking tenancy and sales. While beauty is subjective, staff has in place several plans for beautification of the downtown including replacement of the 40-year old irrigation system with a modern, water efficient system. Further, the irrigation upgrade includes replacing and/or enhancing existing vegetation to create a more attractive shopping environment. There will be a multi- year effort to implement the improvement from the Downtown Specific Plan.

Current Status: The irrigation replacement project is on schedule. This includes street trenching, excavation of tree pits, and work at the base of the light poles. New street furniture and trash bins are scheduled for delivery in September. Collaboration with the Chamber of Commerce for expanded downtown community events is ongoing and the development of the Façade Grant program is progressing.

3. Initiate Enhanced Disaster Preparedness Training

The City Council expressed concerns as to the City's preparedness in the event of a disaster (natural or otherwise). The City is working to build a stronger relationship with the Menlo Park Fire Protection District so that an enhanced level of emergency training and disaster readiness for staff, Council and the community can be achieved.

Current Status: The City has developed a scope of work and is awaiting the Fire District's response. The Council subcommittee met with District officials in July 2013.

4. Initiate work on the update of the General Plan

The City's General Plan (specifically the Land Use and Circulation Elements) was last updated in 1994 and includes outdated land use and traffic projections to the year 2010. The City Council has asked staff to put into place a process and related funding to comprehensively update the Plan. The update would focus on the Land Use and Circulation Elements and would include a geographic focus on the M-2 zoning area, plus other areas of the City aside from the El Camino Real and Downtown areas. Topics that will be part of the discussion would include items such as Complete Streets and a Greenhouse Gas Reduction Strategy.

Current Status: On June 11, 2013, with adoption of the FY2013-2014 Budget, the Council appropriated resources to initiate the General Plan Update. Planning Division staff has identified a team to work on the update and a proposed work plan is scheduled to be presented to the City Council on August 27, 2013. A complete request for proposal process and consultant selection is scheduled to be completed by December 31, 2013.

5. Improve Traffic Flow on El Camino Real

With ever-increasing concerns about the flow of traffic along El Camino Real, the City Council asked to accelerate a project in the Capital Improvement Program to study the flow of vehicles, bicycles and pedestrians along El Camino Real, particularly between the southern border of the City up to Ravenswood, and beyond, if appropriate.

Current Status: As part of the FY2013-2014 Budget process, the Council accelerated work on this goal and staff is currently developing a scope of work. In addition, a subcommittee of representatives from the Bicycle and Transportation Commissions will work to help develop and refine the scope of work before it is ultimately presented to the City Council for consideration. We are on schedule to have the consultant selected by January 2014.

City Manager's Goals

In addition to the City Council's goals, the Council also identified goals for the City Manager.

1. Create a staffing plan with a timeline and resources needed to accomplish the Council's goals.

Current Status: Staff is organized and focused on accomplishing the goals set out by the Council. The City Manager continues to take steps to reorganize departments with an eye on efficiency. We are also looking toward shifting resources to respond to increased workload anticipated this year.

2. Create an Information Technology strategy to bring the City into the 21st century. Provide timelines and implementation schedule with costs.

The Council focused on upgrading and improving technology tools as an overall need for the organization as well as providing an enhanced ability to communicate with the community. To that end, steps have already been taken to investigate various elements for a Technology Master Plan as well as estimated costs.

Current Status: An update of the City's payroll system which will improve automation and accounting function is underway and scheduled for completion by the end of summer. The phone system upgrade is nearly complete with only one department remaining. Additionally, through the budget process, funds have been approved for an Information Technology Master Plan. The City will retain a consultant, as scheduled, by November 30, 2013.

3. Create, measure and implement a culture change to a High Performance Team with staff and City Council. Bring forward an evaluation of the labor market, and create a work environment of optimism, willing to take risks for successes.

Current Status: Last year's employee survey indicated that 75% of employees were optimistic about the direction of the City and 79% felt they had opportunities to seek innovative solutions. This year's survey results will be used to gauge improvements in these areas. Additionally, the City Manager has undertaken organizational assessments of two departments, Police and Administrative Services, with a third planned by the end of the calendar year. Organizational development remains a focus and will be discussed at the upcoming management team retreat. The City continues to evaluate labor market conditions and is working on negotiations with the four remaining labor groups.

4. Broaden the Branding project within Community Services to be Citywide to enhance the positive image of the City.

Current Status: The project scope has been expanded to be citywide and staff will be asking Council to appoint a subcommittee to assist in setting and refining the vision for a Community Communication Initiative as well as provide feedback and suggestions on a variety of communication improvements including the city logo and other related branding activities.

5. Prepare three initiatives for implementing a shared services model that will share resources or increase efficiency.

City Council has encouraged cross-agency collaboration where possible. Staff will work with neighboring communities and agencies to explore opportunities to collaborate. This can include public safety, community services, administrative services and public works.

Current Status: The City Manager has met with several area city managers to discuss the concept of shared services. Current considerations include sharing dispatch services with East Palo Alto, partnering with the Menlo Park Fire Protection District on disaster preparedness training activities, and shared fleet maintenance services with the West Bay Sanitation District. This process is ongoing.

6. Begin a Public Safety initiative for a disaster planning program for the City.

This is reflected in the Council's stated Public Safety Initiative above in working with Menlo Park Fire Protection District in providing this service to the City.

CONCLUSION

By prioritizing goals, the Council messages to itself, the organization and perhaps, most importantly, the community, what the Council plans to accomplish in the year. Goal setting is difficult at the beginning of the calendar year because resources cannot be appropriated until the Council adopts its fiscal year budget. But now that the FY2013-14 Budget has been adopted and contains resources to implement these goals, staff is focused on accomplishing them.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

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

None

Report prepared by:
Clay Curtin
Assistant to the City Manager

Alex D. McIntyre
City Manager



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-150

Agenda Item #: I-5

INFORMATION ITEM: Initiation of the General Plan Update

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

BACKGROUND

On March 26, 2013, the City Council adopted goals for calendar year 2013. One goal is related to the General Plan and reads as follows:

Initiate work on the update of the General Plan (Council Goal #4):

The City's General Plan (specifically the Land Use and Circulation Elements) was last updated in 1994 and includes outdated land use and traffic projections to the year 2010. The City Council has asked staff to put into place a process and related funding to comprehensively update the Plan. The update would focus on the Land Use and Circulation Elements and would include a geographic focus on the M-2 zoning area, plus other areas of the City aside from the El Camino Real and Downtown areas. Topics that will be part of the discussion would include items such as Complete Streets and a Greenhouse Gas Reduction Strategy.

On June 11, 2013, with adoption of the FY2013-2014 Budget, the Council appropriated resources to initiate the General Plan Update.

ANALYSIS

What is the General Plan?

The General Plan is a legal document, required by state law, which serves as the City of Menlo Park's "constitution" for development and the use of its land. It is a comprehensive, long-range document, providing guidance for the physical development of the City, and of any land outside its boundaries but within its designated "sphere of influence." The California Government Code requires every city and county to adopt a comprehensive General Plan and defines specific purposes and content requirements for General Plans. A General Plan must cover the following seven elements (or topics): land use, circulation (transportation), housing, open space, conservation, noise and safety.

Menlo Park's current General Plan elements, available on the City [website](#), are comprised of three documents as follows:

- Land Use and Circulation Elements, adopted in 1994 with amendments through May 2013;
- Housing Element (2007-2014 planning period), adopted in May 2013; and
- Open Space/Conservation, Noise and Safety Element, adopted in May 2013.

Work to update the Housing Element for the 2014-2022 planning period is underway and expected to be completed prior to embarking on the substance of the General Plan update.

In addition, State law allows jurisdictions to include optional elements that may be important to a specific community. Examples include historic preservation, urban design, and/or economic development.

All City actions related to land use, development, transportation and infrastructure need to be consistent with the General Plan. The General Plan establishes goals, policies, programs plus land use and circulation designations and standards. The Zoning Ordinance, Subdivision Ordinance and other chapters of the City's Municipal Code all serve to implement the General Plan. The Capital Improvement Plan and Comprehensive Bicycle Development Plan are examples of other tools for implementing community infrastructure needs identified in the General Plan.

Why Does the General Plan Need to be Updated?

The Council has identified the need for the City to focus on the M-2 (General Industrial Zoning District) to explore opportunities to streamline processes and increase revenue potential. The M-2 Area generally located between US101 and the San Francisco Bay has historically been a strong source of revenue for the City and provides an opportunity for continued revenue if planned for appropriately. Aside from development projects in the pipeline (i.e., pending and approved projects), the M-2 area has the potential for approximately 1 million square feet of net new development potential under the existing land use intensities of the General Plan and the Zoning Ordinance. This development potential is above and beyond what was analyzed in the Environmental Impact Report for the 1994 General Plan and EIRs prepared for individual development projects such as Menlo Gateway, Facebook, etc. Given a combination of General Plan policies, Zoning Ordinance requirements, City-adopted Transportation Impact Analysis Guidelines, and the California Environmental Quality Act, most requests for new development require case-by-case review by the Planning Commission (and sometimes the City Council) and oftentimes require the preparation of an EIR to address significant and unavoidable traffic impacts based on the City-established standards and noise, air quality and greenhouse gas impacts. Therefore, updating the General Plan provides the appropriate venue to deal with this "change area" of the City in a comprehensive rather than project-by-project basis and achieve efficiencies in the review process.

Other reasons for updating the General Plan include the following:

- State law provides Guidance that the General Plan should be updated every 10 years. (The Land Use and Circulation Elements have not been comprehensive updated in 20 years);
- Issues that were relevant in the 1990s are no longer relevant (i.e., the extension of Sand Hill Road to El Camino Real), while topics which are potentially relevant (i.e., High Speed Rail, Caltrain electrification, Dumbarton Rail Corridor) are not referenced in the Land Use and Circulation Elements; and
- The elimination of Redevelopment Agencies.

Initial Givens for the General Plan Update

Consistent with the City's Community Engagement Model, staff has developed a set of "givens" or principles that would guide the overall development of the General Plan. Unless directed otherwise by the City Council, staff will use the principles listed below for the future work on the General Plan.

- Community outreach and engagement will be an integral and robust component of the process to develop the plan;
- Focus will be given to the M-2 (General Industrial) zoning district, especially the appropriateness of land uses, development standards, review procedures, etc.;
- Throughout development of the General Plan, pursue opportunities to establish goals and policies that will support streamlining of the development review process where appropriate;
- Inclusion of new concepts and strategies to address emerging needs, including Greenhouse Gas Reduction and Complete Streets;
- Land use and traffic projections for potential growth would be to the Year 2040 for general consistency with other local and regional plans; (e.g., Urban Water Management Plan, City/Council Association of Governments (C/CAG) Traffic Model, etc.);
- Development of the General Plan will be informed by a full environmental review and Fiscal Impact Analysis; and
- General Plan will comply with State law.

Basic Steps and Timeline

The update of the General Plan will involve multiple phases including work program definition, consultant selection, data collection and analysis, visioning, plan preparation, environmental and fiscal review, and extensive public participation. Upon adoption of the updated General Plan, the work effort would focus on high priority implementation programs identified in the Plan.

At a minimum, the update of the General Plan will take three years from initiation to adoption given the need for visioning, environmental review, etc. The update of the 1994 Land Use and Circulation Elements took six years to complete. The preparation of the El Camino Real Downtown Specific Plan took five years from initiation to adoption. In order

to complete the General Plan Update in less than four years, the community, Council and staff will need to share this goal and work closely together.

Establishing the Work Program

By early September 2013, staff intends to issue a request for qualifications (RFQ) to firms that would provide expertise in a variety of disciplines to assist in the update of the General Plan. On a concurrent track, staff intends to reach out to the Council and City Commissions on a draft work program/request for proposal (RFP). Staff is now tentatively scheduled to present an overview of the General Plan Update to Council on September 24, 2013. The following summarizes the target meeting dates for staff presentations to City commissions which have a charge/mission related to the physical development of the City:

Commission	Meeting Date
Recreation	Wednesday, September 25
Housing	Wednesday, October 2
Bicycle	Monday, October 14
Transportation	Wednesday, October 16
Environmental Quality	Wednesday, October 23
Planning	Monday, October 28

In addition, staff intends to coordinate a session with the Chamber of Commerce and owners of substantial property in the M-2 area (i.e., Bohannon, ProLogis, Tarlton, TE Connectivity, and Facebook).

Staff will present information and seek input from the commissions on items such as the following:

- Givens or principles for preparation of the General Plan;
- Report out on status of current Land Use and Circulation Goals, Policies and Programs;
- Provide resources, opportunities for educational series on topics like multi-modal level of service, examples of best practices/recently adopted General Plans, and a summary of lessons learned from past Menlo Park planning experience;
- Provide a listing of existing policy documents and background material that is currently available (e.g., Urban Water Management Plan, Climate Action Plan, etc.);
- Options for communicating with and engaging the community, including branding; and
- Whether there is a strong desire for any optional Elements (e.g., neighborhood character, health, etc.) or specific topic or geographic areas on which to focus.

At the November 12, 2013 Council meeting, staff intends to present a work plan/RFP, which incorporates input from the Commissions, for Council consideration. The work program will include a recommendation or options related to community outreach and the potential formation of an outreach and oversight committee, steering committee, task

force or some other type of body. Staff will report on the results of the RFQ and recommend a select set of firms to receive the RFP to be issued shortly following the November 12 Council meeting. In addition, staff will recommend a process, including a timeline, for screening the proposals and selecting the consultant team.

IMPACT ON CITY RESOURCES

The proposed work program would require both staff resources dedicated to the project, as well consultant services. The Council has budgeted \$2,000,000 for Fiscal Year 2013-14 for the General Plan Update. A total of 3.5 full-time equivalent staff from Community Development and Public Works is allocated to the General Plan Update and the Housing Element. Dependent on the scope of the work program, additional funding may be necessary in future years.

POLICY ISSUES

The General Plan update process will consider a number of policy issues.

ENVIRONMENTAL REVIEW

The General Plan update is subject to CEQA and an EIR will be prepared at the appropriate time in the process.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. In addition, the City sent an email update to subscribers of the Planning Division project pages. A project page for the General Plan update will be created. This page will provide up-to-date information about the project, allowing interested parties to stay informed of its progress and allow users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled.

ATTACHMENT

- A. Generalized Land Use Map
- B. Circulation Map

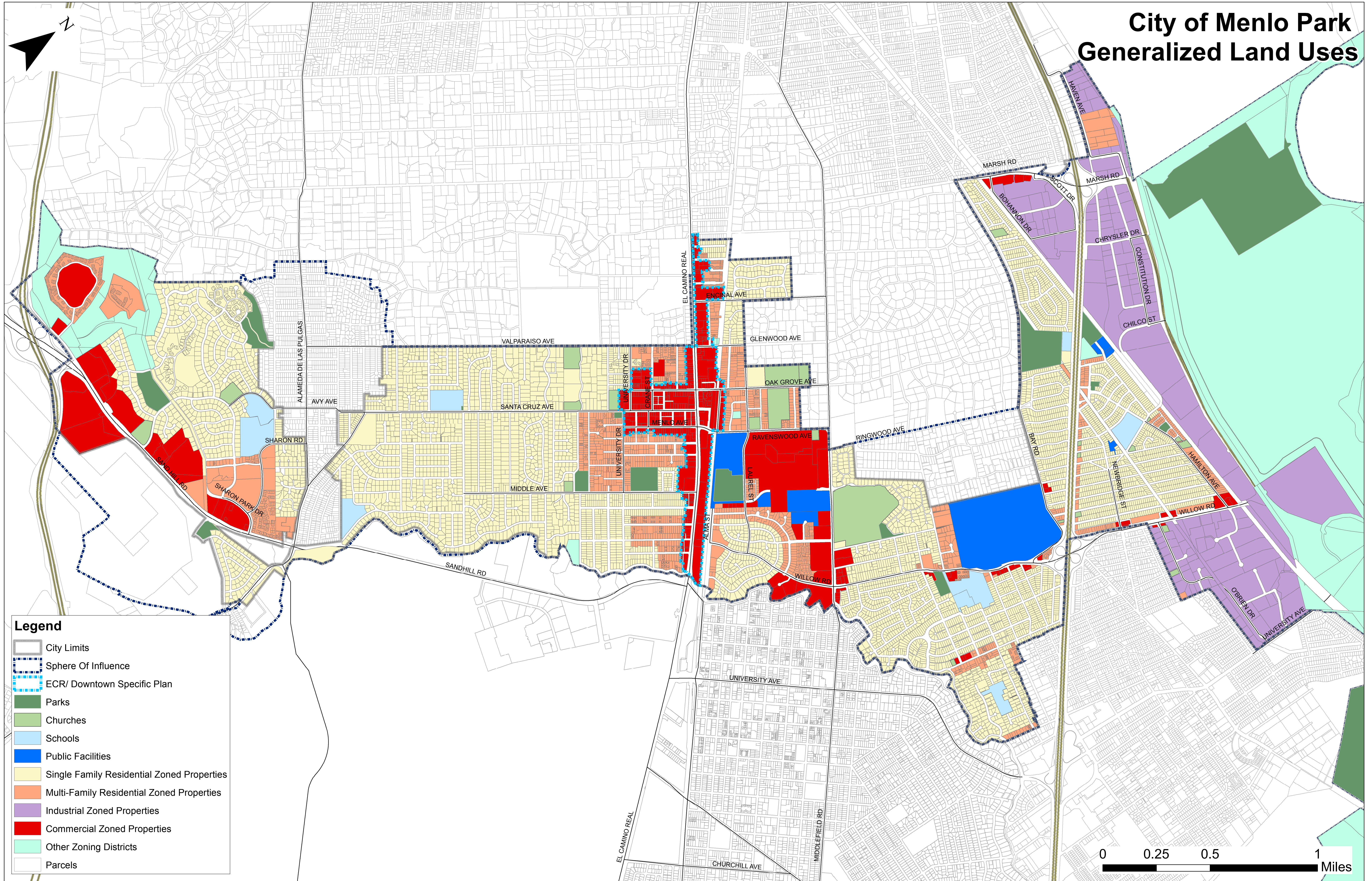
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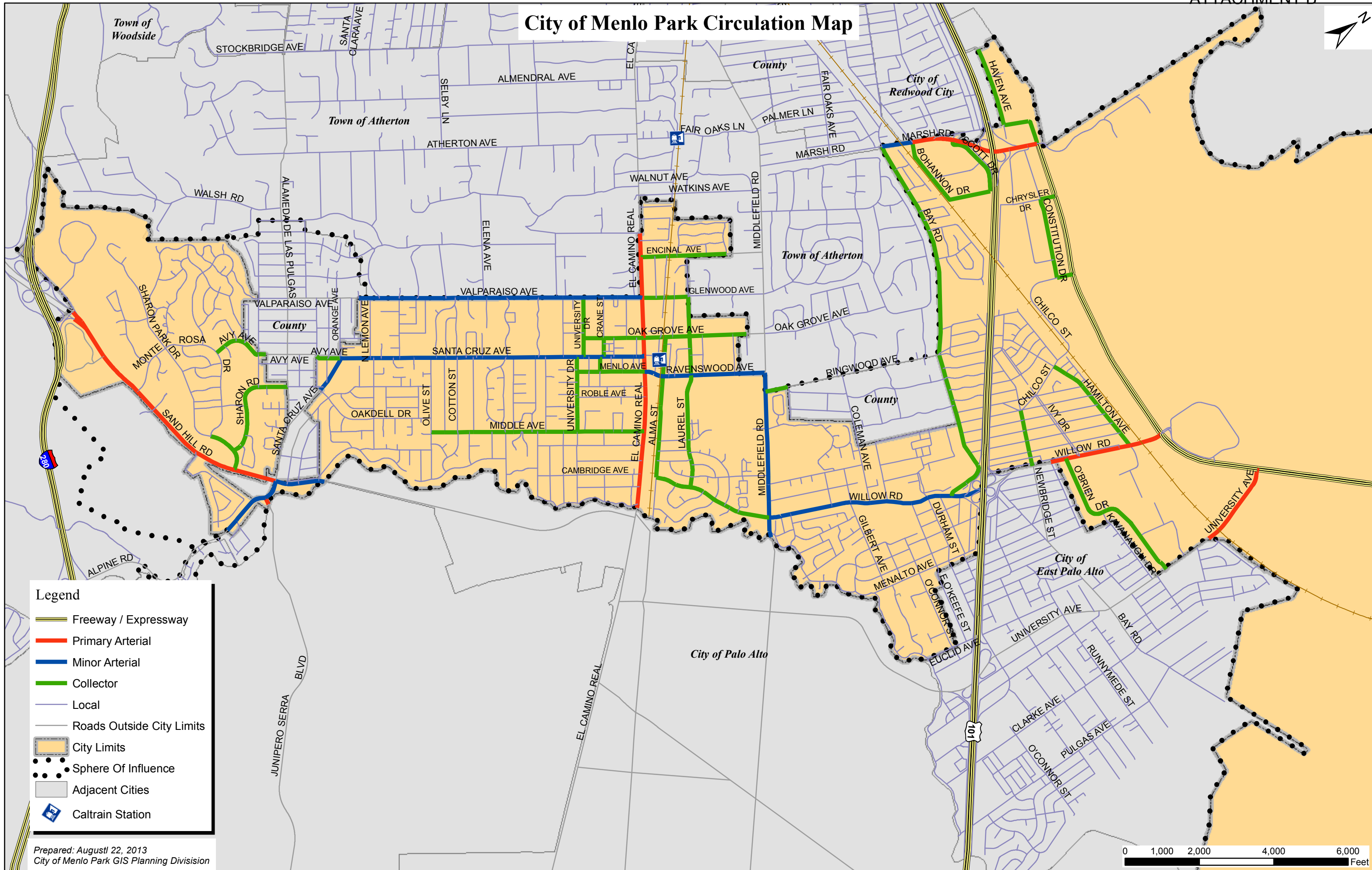
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City of Menlo Park Generalized Land Uses



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City of Menlo Park Circulation Map



Legend

- Freeway / Expressway
- Primary Arterial
- Minor Arterial
- Collector
- Local
- Roads Outside City Limits
- City Limits
- Sphere Of Influence
- Adjacent Cities
- Caltrain Station

Prepared: August 22, 2013
 City of Menlo Park GIS Planning Division



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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: August 27, 2013
Staff Report #: 13-146

Agenda Item #: I-6

INFORMATION ITEM: Update on the Draft Public Outreach and Development Agreement Negotiation Process for the SRI International Campus Modernization Project

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

OVERVIEW

The City is currently conducting the environmental review and processing the development application for the SRI Campus Modernization Project located at 333 Ravenswood Avenue. The previous staff reports, which provide more detailed background information, are available for review on the City-maintained project page accessible through the following link:

http://www.menlopark.org/projects/comdev_sri.htm

The remainder of this staff report focuses on updates to the Draft Public Outreach and Development Agreement Negotiation Process. The updated process includes the addition of five public meetings (inclusive of this meeting) associated with the requested abandonment of the Burgess Drive reserved Right-of-Way (ROW) and heritage tree removals. In addition, one meeting is proposed for removal during the Draft Environment Impact Report (EIR) process as a result of the addition of an alternative Commission meeting. The revised Draft Public Outreach and Development Agreement Negotiation Process is included as Attachment A, and the proposed changes are discussed in more detail below.

Process and Schedule Update

The Draft Public Outreach and Development Agreement Negotiation Process for the SRI Campus Modernization Project was reviewed and approved by the City Council at its regular meeting on June 11, 2013. This document provides an overall framework to guide the project review process, and is a living document intended to be updated as project review proceeds. Since Council review of the Draft Public Outreach and Development Agreement Negotiation Process in June, staff identified the need to add five meetings (inclusive of this meeting) and the potential to remove one meeting. Tonight's meeting is intended to share staff initiated changes to the process, and the net three additional meetings (with the exception of tonight's meeting) are specifically

related to the requested abandonment of the reserved Burgess Drive ROW, and requested heritage tree removals. These two project elements and the additional meetings are discussed in more detail below.

Abandonment of Reserved ROW

The application submittal includes a request for abandonment of reserved ROW for the extension of Burgess Drive to Middlefield Road. Burgess Drive currently terminates adjacent to the City Corporation Yard and an emergency vehicle access point at the southwest corner of the SRI Campus. The extension of Burgess Drive along the southern end of the SRI Campus was previously shown in the City's 1974 General Plan (formerly known as the Comprehensive Plan). The 1975 Conditional Development approval for the SRI Campus included a requirement that SRI make an offer of dedication for the City to extend Burgess Drive. A Parcel Map recorded in 1979 shows this dedication, which is 30 feet in width when adjacent to the USGS campus, and 60 feet in width when fully contained on the SRI Campus. The 1994 update of the General Plan eliminated the proposed extension of Burgess Drive, but SRI's offer of dedication remains in place. SRI would like to abandon the reservation of future ROW for consistency with the General Plan and due to conflicts with security/operational needs since the dedication would bifurcate the campus, and the presence of approximately 17 heritage trees within the reserved right-of-way.

The following additional meetings are included as an opportunity to further discuss this element of the project:

- **October 14, 2013, Bicycle Commission Meeting:** This meeting would provide an opportunity for the Bicycle Commission and public to learn more about the requested abandonment of reserved Burgess Drive ROW.
- **October 16, 2013, Transportation Commission Meeting:** Similar to the Bicycle Commission meeting, this meeting would provide an opportunity for the Transportation Commission and public to learn more about the requested abandonment of reserved Burgess Drive ROW.
- **November 12, 2013, City Council Meeting:** Meeting to review the requested abandonment of reserved Burgess Drive ROW, including discussion of potential policy implications associated with the requested abandonment.

Heritage Tree Removals

The application submittal identifies 520 existing heritage trees on the project site. As part of the redevelopment of the SRI Campus, the applicant seeks to remove approximately 96 heritage trees, in phases, as the site is redeveloped. Though the applicant has diligently tried to retain heritage trees to the maximum extent feasible, given the extensive existing on-site tree canopy, approximately one-fifth of the existing heritage trees are proposed for removal as part of the Project. Given the breadth of this request, staff felt it would be prudent for the Environmental Quality Commission (EQC) to review and provide feedback on the requested heritage tree removals, as well as the

Greenhouse Gas Emission section of the EIR. Specific details about this meeting are provided below:

- **Mid-2014, Environmental Quality Commission Meeting:** During the public review period for the Draft EIR the EQC would have the opportunity to provide feedback on the requested heritage tree removals. In addition, they would also have the opportunity to review and comment on the EIR Summary and Greenhouse Gas Emission section of the EIR. Similar to public, agency and organization comments on the EIR, formal comments that would be responded to in the Final EIR would need to be submitted by individuals Commissioners, in writing.

Given the addition of the EQC meeting, coupled with the previously scheduled Transportation Commission meeting and Public Outreach Meeting during the Draft EIR review period, staff is proposing the removal of the General Commissions meeting during this same time period. All Commissions, as well as the City Council and public are welcomed and encouraged to attend the Public Outreach Meeting during the EIR review period. If deemed necessary, additional Commission meetings can be added as the project review period continues.

The addition of these meetings would not extend the duration of Project processing, and would facilitate additional opportunities for the City Council, Environmental Quality Commission, Transportation Commission, Bicycle Commission, and public input on the SRI Campus Modernization Project specific to two important project components.

IMPACT ON CITY RESOURCES

The applicant is required to pay planning permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated environmental review and fiscal analysis. For the environmental review and fiscal analysis, the applicant deposits money with the City and the City pays the consultants.

POLICY ISSUES

The proposed project will ultimately require the Council to consider certain land use entitlements. Staff will be identifying policy issues during the Council's review of the project such as abandonment of reserved Burgess Drive ROW and public benefit related to the Development Agreement. The City Council is scheduled to discuss the abandonment of reserved Burgess Drive ROW in November 2013 and negotiation of the Development Agreement is projected to commence after the release of the Draft EIR and Draft Fiscal Impact Analysis (FIA) in 2014.

ENVIRONMENTAL REVIEW

An EIR is being prepared for the project.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. In addition, the City has prepared a project page for the proposal, which is available at the following address: http://www.menlopark.org/projects/comdev_sri.htm. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated.

ATTACHMENTS

- A. Draft Public Outreach and Development Agreement Negotiation Process, Dated August 27, 2013

Report Prepared by:
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Justin Murphy
Development Services Manager

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**Public Outreach and Development Agreement Negotiation Process
SRI Campus Modernization Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
<u>MILESTONE:</u> SRI submits preliminary application to commence environmental review on November 29, 2012				
1.	City Council study session	April 2013	Council agenda published Web site project page updated & email bulletin sent	4/2/13
2.	City Council authorization for City Manager to enter into consultant contracts for environmental review and fiscal impact analysis and review of draft public outreach and development agreement negotiation process	Prior to environmental review and fiscal impact analysis kick-off	Council agenda published Web site project page updated & email bulletin sent	6/11/13
<u>MILESTONE:</u> Notice of Preparation issued for public review				
3.	Planning Commission EIR scoping session and study session	During Notice of Preparation comment period	Planning Commission agenda published Web site project page updated & email bulletin sent Mailed notice to all property owners and occupants within ¼ mile radius	8/19/13
4.	City Council information item regarding proposed changes to the draft Public Outreach and Development Agreement Negotiation Process	During Notice of Preparation comment period	Council agenda published Web site project page updated & email bulletin sent	8/27/13

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**Public Outreach and Development Agreement Negotiation Process
SRI Campus Modernization Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
5.	Bicycle Commission Meeting to provide an opportunity for the Bicycle Commission and public to learn more about the requested abandonment of reserved right-of-way	During the time period when the City is preparing the environmental review and fiscal analysis	Bicycle Commission agenda posted Web site project page updated & email bulletin sent	10/14/13
6.	Transportation Commission Meeting to provide an opportunity for the Bicycle Commission and public to learn more about the requested abandonment of reserved right-of-way	During the time period when the City is preparing the environmental review and fiscal analysis	Transportation Commission agenda posted Web site project page updated & email bulletin sent	10/16/13
7.	City Council review of the requested abandonment of reserved right-of-way	During the time period when the City is preparing the environmental review and fiscal analysis	Council agenda published Web site project page updated & email bulletin sent	11/12/13
8.	City Council appointment of a Council subcommittee	Approximately one month prior to release of Draft EIR and Draft FIA	Council agenda published Web site project page updated & email bulletin sent	Early 2014
MILESTONE: Draft Environmental Impact Report (EIR) and Draft Fiscal Impact Analysis (FIA) issued for public review in Mid 2014				
9.	Public Outreach Meeting to inform the community about the proposed project and the documents available for review <i>(Note: Meeting is open to the public and may be attended by any or all Council Members or Commissioners)</i>	Prior to deadline for Draft EIR comments. (Meeting is not intended to receive comments, but to let people know how they can submit comments)	Postcard mailing to all property owners and occupants within ¼ mile radius Web site project page updated & email bulletin sent Email sent to all appointed commissioners	Mid 2014

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**Public Outreach and Development Agreement Negotiation Process
SRI Campus Modernization Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
10.	Environmental Quality Commission Meeting to review the Draft EIR summary, Greenhouse Gas Emissions chapter, the requested heritage tree removals, and to provide individual written comments	During Draft EIR review period	Environmental Quality Commission agenda posted Web site project page updated & email bulletin sent	Mid 2014
11.	Transportation Commission Meeting to review the Draft EIR summary and the Transportation chapter, and to provide individual written comments	During Draft EIR review period	Transportation Commission agenda posted Web site project page updated & email bulletin sent	Mid 2014
12.	Planning Commission public hearing regarding the Draft EIR and study session item to discuss Draft FIA and the project <i>(Outcome: Receive public comments on the Draft EIR – all comments will be responded to in the Final EIR)</i> <i>(Outcome: Commission reviews and comments on project proposal)</i>	After release of the Draft EIR and Draft FIA – towards the end of the 45-day review period for Draft EIR	Planning Commission agenda posted Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	Mid 2014
13.	City Council study session to learn more about the project and identify any other information that is needed to ultimately make a decision on the project	After the close of the Draft EIR comment period	Council agenda published Web site project page updated & email bulletin sent	Mid 2014
14.	City Council regular item to consider feedback from the Commissions, discuss environmental impacts and mitigations, public benefit, fiscal impacts, development program and provide direction or parameters to guide development agreement negotiations	Approximately 2 weeks after the Council Study Session	Council agenda published Web site project page updated & email bulletin sent	Mid 2014

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**Public Outreach and Development Agreement Negotiation Process
SRI Campus Modernization Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
MILESTONE: Prepare Final EIR, Final FIA and negotiate a draft Development Agreement				
MILESTONE: Publish Final EIR and Final FIA for public review in the end of 2014 and advertise through public notice in newspaper and email bulletin				
15.	City Council regular item to review business terms of development agreement	Late 2014	Council agenda published Web site project page updated & email bulletin sent	Late 2014
MILESTONE: Mail notice advertising future meeting dates				
16.	Planning Commission public hearing for recommendation on Final EIR, Final FIA, and requested land use entitlements and associated agreements	Approximately 3 weeks after Council review of the business terms of the Development Agreement. Public comment on the Final EIR and Final FIA should be submitted before the Commission meeting in order for the comments to be considered prior to the Commission's recommendation.	Planning Commission agenda published Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	Late 2014/Early 2015
17.	City Council public hearing for review of Final EIR, Final FIA, and requested land use entitlements and agreements	Approximately 3 weeks after Planning Commission recommendation	Council agenda published Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	Late 2014/Early 2015

DRAFT**Public Outreach and Development Agreement Negotiation Process****SRI Campus Modernization Project**

No.	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
18.	City Council second reading of the Development Agreement and Rezoning Ordinances (consent item)	Next available Council meeting after first reading	Council agenda published Web site project page updated & email bulletin sent	Late 2014/Early 2015

Note: all dates tentative and subject to revision.

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