



## CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, November 18, 2014 at 6:00 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025

Councilmember Ohtaki will appear via telephone from the following location:

Embassy Suites Phoenix-Tempe  
4400 S. Rural Road Tempe, AZ 85282

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### 6:00 P.M. REGULAR SESSION

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

### PLEDGE OF ALLEGIANCE

### ANNOUNCEMENTS

#### A. PRESENTATIONS AND PROCLAMATIONS

- A1. Presentation by Andy Belknap of Management Partners regarding the Administrative Services review
- A2. Presentation by Nancy Kaiser of Municipal Resource Management regarding the Library review
- A3. Presentation by Nancy Kaiser of Municipal Resource Management regarding the Community Services review
- A4. Presentation by Charlie Knox of PlaceWorks regarding the ConnectMenlo Guiding Principles and approach for creating Land Use alternatives for consideration at upcoming community workshop
- A5. Proclamation recognizing Shay Patel and Alley Oops Kids

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

- B1. Parks & Recreation Commission quarterly report on the status of their 2 Year Work Plan ([Attachment](#))

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

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

**D. CONSENT CALENDAR**

- D1. Authorize the City Manager to amend an agreement with MRG for additional assistance ([Staff report # 14-191](#))
- D2. Award of contracts to various vendors for a total of \$381,274 for the purchase of ten vehicles, one ADA compliant senior transit bus and one electric motorcycle including purchase and installation of equipment for each vehicle ([Staff report # 14-196](#))
- D3. Approve the proposed Library Landscaping Schematic plans ([Staff report # 14-189](#))
- D4. Adopt a resolution in support of sustainable groundwater management in the San Francisquito Creek area ([Staff report # 14-188](#))
- D5. Increase budget for the Lawn Be Gone rebate program for commercial and multifamily accounts ([Staff report # 14-194](#))
- D6. Accept City Council minutes for the meetings of August 19, 2014 and October 1, 7, 21, and 29, 2014 ([Attachment](#))

**E. PUBLIC HEARING**

- E1. Adopt a resolution amending the Menlo Park Municipal Water District's 2010 Urban Water Management Plan's Water Shortage Contingency Plan; and adopt a resolution implementing Stage 2 of the amended Water Shortage Contingency Plan ([Staff report # 14-187](#))

**F. REGULAR BUSINESS**

- F1. Consider a resolution ratifying the Menlo Park Fire Protection District's ordinance for the adoption of and Local Amendments to the 2013 California Fire Code ([Staff report # 14-197](#))

**G. CITY MANAGER'S REPORT – None**

**H. WRITTEN COMMUNICATION – None**

**I. INFORMATIONAL ITEMS**

- I1. Dedication of Hamilton Avenue between Willow Road and Chilco Street as a Memorial Corridor in the name of Dr. Hattie. L. Bostic ([Staff report # 14-195](#))
- I2. Quarterly report of data captured by automated license plate readers (ALPR) for the period beginning July 1, 2014 through October 1, 2014 ([Staff report # 14-190](#))
- I3. Quarterly Financial Review of General Fund Operations as of September 30, 2014 ([Staff report # 14-192](#))
- I4. Review of the City's Investment Portfolio as of September 30, 2014 ([Staff report # 14-193](#))

**J. COUNCILMEMBER REPORTS**

**K. PUBLIC COMMENT #2**

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/AgendaCenter> and can receive e-mail notification of agenda and staff report postings by subscribing to the [Notify Me](http://www.menlopark.org/notifyme) service on the City's homepage at [www.menlopark.org/notifyme](http://www.menlopark.org/notifyme). 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: 11/13/2014)

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

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

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Office of the City Clerk, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours. Members of the public may send communications to members of the City Council via the City Council's e-mail address at [city.council@menlopark.org](mailto:city.council@menlopark.org). These communications are public records and can be viewed by 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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Date: November 18, 2014  
To: Menlo Park City Council  
From: Thomas Stanwood, Parks and Recreation Commission Member  
Kristin Cox, Parks and Recreation Commission Chair  
Re: Quarterly Report to City Council on 2-Year Work Plan

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**Update on current work plan goals for 2014-2016**

1. Research and evaluate the social services and recreation opportunities in the Belle Haven neighborhood in support of the Belle Haven Visioning and Neighborhood Action Plan resulting in diverse, high quality programs meeting the needs of neighborhood residents. Ongoing to January 1, 2016.
  - The Commission received a presentation on the Belle Haven Neighborhood Action Plan update that was presented to the Council in August. Commission feedback includes:
    - a. The Commission feels that Belle Haven has been given a voice and agree that although there has been much progress there is still much work to be done.
    - b. A dialogue is recommended with neighboring businesses and corporations in supporting neighborhood economically through jobs, trainings, internships and mentorships. The Commission would also like to see an Action Team formed to address this area of concern.
    - c. The City should require developers to support the neighborhood through trade-offs that would enhance and improve the neighborhood as a condition for their development approval.
2. Research and evaluate opportunities to support and increase arts program offerings for the community resulting in residents having a greater exposure to the arts and improved partnerships with new and existing arts groups and venues. Ongoing to January 1, 2016.
  - The Commission formed an Arts Sub-Committee that will review the Commission's charter and consider proposals to include the Arts in their purview and include in its name. Commissioners agree that a change in their charter may be pre-mature at this time but may be considered as the Sub-Committee works on their work plan goal. Other areas the committee will explore include research of other City-sponsored Arts Commissions on the peninsula and their scope of work, gathering information and identify locations in the City for potential public arts and research potential sources of funding for a public art program.

3. Study and evaluate City operated parks to ensure their short and long term vitality resulting in park structures and flora being properly maintained; parks being utilized by the community with greater frequency; and ensuring a proper balance of park usage and long term conservation. Ongoing to January 1, 2016.
  - The Commission formed a Bedwell-Bayfront Sub-committee comprised of three commissioners and members of the Friends of Bedwell-Bayfront Park.
  - Commissioners met with the Friends of Bedwell-Bayfront Park and developed a wish list for park improvements, as well as began working on a rough draft proposal in addressing the park's short and long term needs. This proposal may include a recommendation for the development of a park master plan to ensure its long term sustainability.
  - The Commission toured three parks in Menlo Park which included Nealon, Jack Lyle and Willow Oaks. During the tour commissioners discussed several topics concerning usage, amenities and maintenance.
    - a. Nealon Park – Commissioners expressed concerns regarding the dual use of the Nealon Softball Field which includes sports field users and dog park users. In their discussion, commissioners explored other potential areas for a dog park one of which was relocating within Nealon Park itself. Commissioners were concerned about the field condition and issues the park has with drainage and irrigation.
    - b. Jack Lyle Park – Commissioners identified the need for permanent restrooms at the park not only for field user groups but for the casual user of the park, particularly families with children. The Commission expressed concern for hygiene in using portable toilets. The Commission is supportive of a broad community engagement process that includes field users, nearby residents, and area-wide residents that may frequent the park.
    - c. Willow Oaks Park – Commissioners identified the need for permanent restroom facilities for the similar reasons as Jack Lyle Park and would be supportive of a broad community engagement process. Commissioners expressed concern over irrigation and drainage issues at the park as well as overall field maintenance to accommodate a variety of field users from Pre-K to Adult.
  - The Commission received a presentation from the Public Works Department regarding the Fremont Park Pine Tree Removal and Replacement and/or Reuse Options.
    - a. The Commission recommends an improved notification process to area residents for similar issues in the future. The Commission fielded a number of resident concerns and would like to be kept informed as early as possible to have the information or direct residents to the appropriate resources.
    - b. The Commission is supportive of looking at multiple uses for the tree which may include repurposing parts of the tree for amenities as the park and also harvesting pieces to make into furniture that could be auctioned to generate funds for a tree replacement.

Other areas and issues addressed by the Commission:

- The Commission received a staff report and presentation concerning Non-Resident Fee Policy and Resident Priority Registration. The following were the options that the Commission considered in their discussion:
  - a. *Lower non-resident surcharge percentage for all non-residents.*
  - b. *Lower non-resident fees to the resident rate for only residents of unincorporated Menlo Park.*

- c. Keep non-resident fees at current rate but cap non-resident surcharge at \$75 per class (or different amount).*
- d. Provide resident priority registration to residents of unincorporated Menlo Park but make no changes to non-resident fees.*
- e. Non-resident option to purchase “residency” by paying approximately \$194 or more annually.*
- f. A combination of any of the above options.*
- g. No change to non-resident fees or priority registration.*

After a lengthy discussion and debate the Commission was not inclined to make any changes to the current non-resident fee policy, however, would recommend that registration priority would go first to Menlo Park Residents, second to residents of unincorporated Menlo Park and third to general public.

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## OFFICE OF THE CITY MANAGER

Council Meeting Date: November 18, 2014  
Staff Report #: 14-191

Agenda Item #: D-1

**CONSENT CALENDAR:**            **Authorize the City Manager to Amend an Agreement with MRG for Additional Assistance**

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### RECOMMENDATION

Staff recommends the Council authorize the City Manager to amend the existing agreement with MRG in an amount not to exceed a total of \$125,000 for assistance in implementing the study's recommendations.

### BACKGROUND

During the past nine months, the firm of Municipal Resource Management has performed organizational analysis of the Library Services Department and the Community Services Department. These independent consultants conducted a thorough analysis of each Department, and then evaluated opportunities for services modification and improvement. The purpose is to provide a subject matter expert to make recommendations on improving the quality of services as well as evaluating the structure of each Department, and conformance with "Best Practices." Similar studies have been done for the Police Department and Administrative Services. Recommendations resulting from both the Library Services Study and the Community Services Study will be presented at the City Council's November 18<sup>th</sup> meeting.

### ANALYSIS

Given the breadth of the recommendations from the study, staff recommends utilizing the expertise of MRG for additional work to implement the recommendations more thoroughly and more expeditiously. The contract amendment would provide overall assistance with implementation of the recommendations outlined in the reports including the following:

- Work in partnership with the City and Department Managers to improve department operating structures,
- Develop draft/sample documents to provide a framework for revising departmental structure for improved efficiency;
- Develop duty statements;
- Develop draft policies and procedures; and

- Develop staff members to achieve an understanding of marketing principles and effective use of marketing tools.

## **IMPACT ON CITY RESOURCES**

The original contract in the amount of \$47,687 has been completed. Additional assistance will cost between \$125 and \$150 per hour, depending on the expertise of the particular consultant that will be used. Staff is recommending City Council authorize an amendment to the contract for services in a total amount not to exceed \$125,000 (including the original contract). This represents an addition of \$77,313 to the original contract. Although this amendment was not anticipated in the 2014-15 budget, it is believed that the increase can be funded from anticipated operational savings.

## **POLICY ISSUES**

Contracting out for specialized services is consistent with Council goals. The additional use of the consultant requires City Council authorization because the total dollar amount of the contract exceeds the City Manager's authority. Although the scope of this work will be different than the original contract, since the additional work will be with the same firm Council authority is required due to the cumulative cost.

## **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**

None

Report prepared by:  
*Starla Jerome-Robinson*  
*Assistant City Manager*



## PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 18, 2014  
Staff Report #: 14-196

Agenda Item #: D-2

**CONSENT CALENDAR:**                    **Award of Contracts to Various Vendors for a Total of \$381,274 for the Purchase of Ten Vehicles, One ADA Compliant Senior Transit Bus and One Electric Motorcycle Including Purchase and Installation of Equipment for Each Vehicle**

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### RECOMMENDATION

Staff recommends that the City Council:

1. Award a contract to Downtown Ford Sales in the amount of \$254,154 for the purchase of ten vehicles for Police, Community Services, Public Works and the City pool car fleet;
2. Award a contract to Creative Bus Sales in the amount of \$77,307 for the purchase of one ADA Compliant Senior Transit Bus for Community Services;
3. Award a contract to ZERO Motorcycles in the amount of \$16,681 for the purchase of one electric Police motorcycle;

### BACKGROUND

Annually, staff recommends vehicles and equipment to replace on the basis of mileage, age, downtime for repairs, vehicle emissions and efficiency, and an assessment of the vehicle and equipment needed to provide services to the community. Based on these criteria, two (2) Police patrol vehicles, one (1) Police motorcycle, two (2) Public Works Maintenance vehicles, four (4) Motor Pool Vehicles, two (2) Community Service Vans and one (1) Senior Transit Bus are scheduled for replacement in Fiscal Year 2014-15.

### ANALYSIS

During this year's review of the vehicle replacement program, Staff met with vendors and reviewed a number of different models of vehicles and purchasing/leasing programs for use in the City pool car fleet. Some of the vehicle models reviewed included; Toyota Prius Hybrid, Toyota Prius Plugin, Honda Civic Hybrid, Smart Car, Electric Smart Car, Electric Nissan Leaf, Ford Fusion, Ford Fusion Hybrid, Ford C-Max, and Electric Ford C-Max. The upfront cost for each of these vehicles, the infrastructure

costs for electric vehicle charging stations, resale values, City Mechanic Staff training on new vehicle models and gas versus electricity costs over the lifetime of the vehicle, it was determined the City would receive the best value and greatest return on investments with vehicle brand and model uniformity through the purchase and investment in Ford model vehicles.

The City is approved through Ford as an authorized maintenance and warranty mechanic shop and staff has been trained on the maintenance and warranty of Ford vehicles. This reduces vehicle down time, maintenance and warranty costs to the City as repairs can be made in-house by City Staff with reimbursement of some warranty items to the City by Ford. If the City decided to switch over to another vehicle brand, staff may no longer be authorized to complete in-house warranty work and staff would require additional training on the new vehicle brands and models.

In October 2014, staff sent Requests for Quotes (RFQ) to five local automotive dealers and to two local bus dealers. Two of the automotive dealers and one bus dealers returned quotes. Zero Motorcycle is a sole provider. Refer to Attachment A for vehicle quotes.

Staff also requested quotes for the purchase and installation of emergency equipment for the new police vehicles. These services are not provided by the car dealerships and currently, there is only one local company that offers the services necessary to outfit public safety vehicles. Staff also requested additional quotes for outfitting the remaining vehicles with equipment.

**IMPACT ON CITY RESOURCES**

| VENDOR              | DESCRIPTION   | QTY | COST             |
|---------------------|---|-----|------------------|
| Downtown Ford Sales | Police Utility Interceptors   | 2   | \$64,212         |
|                     | Public Works Maintenance Vehicles   | 2   | \$54,003         |
|                     | Motor Pool Vehicles   | 4   | \$75,511         |
|                     | Community Service Vans  | 2   | \$60,428         |
| Creative Bus Sales  | ADA Compliant Senior Transit Bus  | 1   | \$77,307         |
| Zero Motorcycles    | Electric Police Motorcycle  | 1   | \$16,681         |
| Contingency         | Purchase and installation of all necessary safety equipment accessories, graphics and/or additional unforeseen needs for all vehicles | 1   | \$33,132         |
| <b>Total Cost</b>   |   |     | <b>\$381,274</b> |

There are sufficient funds in the Vehicle Replacement program in fiscal year 2014/2015 including cost recover from the sale of vehicles pulled out of service to pay for these replacement vehicles, additional equipment and installation, and the contingency. The contingency will cover any additional required equipment and installations.

Staff has recently sold the surplus vehicles from fiscal year 2013-14 at an auction and will sell the used vehicles being replaced at auction and will deposit the sale proceeds back into the Vehicle Replacement fund for additional vehicle replacements later this year.

## **POLICY ISSUES**

This recommendation does not represent any change to existing policy. This recommendation supports the City Council's goal to promote and follow sustainable environmental practices aimed at reducing greenhouse emissions, protecting the environment, and conserving natural resources.

## **ENVIRONMENTAL REVIEW**

The proposed purchases are not a project under the California Environmental Quality Act. Environmental review is not 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. Bid Summary

Report prepared by:

*Don Weber*

*Fleet Supervisor*

*Brian Henry*

*Public Works Superintendent*

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### VEHICLE QUOTES

|   | COMPANY             | BID AMOUNT |
|---|---------------------|------------|
| 1 | DOWNTOWN FORD SALES | \$254,154  |
| 2 | TOWNE FORD SALES    | \$254,523  |

### SENIOR TRANSIT BUS

|   | COMPANY            | BID AMOUNT |
|---|--------------------|------------|
| 1 | CREATIVE BUS SALES | \$77,307   |

### ELECTRIC MOTORCYCLE

|   | COMPANY          | BID AMOUNT |
|---|------------------|------------|
| 1 | ZERO MOTORCYCLES | \$16,681   |

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## PUBLIC WORKS DEPARTMENT

**Council Meeting Date: November 18, 2014**

**Staff Report #: 14-189**

**Agenda Item #: D-3**

**CONSENT CALENDAR:**            **Approve the Proposed Library Landscaping Schematic Plans**

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### RECOMMENDATION

Staff recommends that the City Council approve the Library Landscaping Schematic plans.

### BACKGROUND

The City Council approved the replacement of the existing landscaping and irrigation surrounding the Menlo Park Library as part of the 2014/2015 Capital Improvement Program (CIP).

The existing landscaping surrounding the library was installed in the 1970's and was slightly modified in the 1990's. The existing plant materials are overgrown limiting the view of the library and some of the plants have reached their life expectancy. The landscaping needs to be updated to reflect a water conservation design that will blend into the landscaping installed with the Arrillaga facilities at the Civic Center.

Staff sent out request for proposals to three landscape architecture firms and based on the proposals received, selected Callander Associates. Callander Associates developed the attached schematic plan, based on meetings with staff from the Library, Public Works, and the City Manager's Office.

The schematic plan was then presented to both the Library Commission and Parks & Recreation Commission who reviewed and supported the proposed layout.

### ANALYSIS

The newly proposed landscaping will be drought tolerant similar to the landscaped areas surrounding the fountain and the Arrillaga Gymnastic Center. Additionally, the proposed improvements include:

- Improve sight lines around the Library
- Improve lighting at entrance to Library
- Enhance seating locations
- Replace landscaping with drought tolerant plants that add color

- Incorporate variety of hardscapes
- Beautify the gateway to the Civic Center campus by opening up and improving the walkway experience surrounding the Library.
- Replace irrigation system with more efficient

A copy of the schematic plan and a material pallet are available in the City Council office for review. If the City Council approves the schematic plans, staff will proceed with the design of the project. Staff anticipates presenting the projects bids for award of the contract in the spring of 2015.

## **IMPACT ON CITY RESOURCES**

The Library Landscaping project has an approved \$350,000 budget. Staff did not have any schematic plans or estimates to develop a budget for this project. This budget was a place holder until schematic plans were developed and Callander Associates prepared an estimated of the cost based upon the plans. The total estimated cost of these improvements is \$500,000.

## **POLICY ISSUES**

This project does not represent a change to existing City policy.

## **ENVIRONMENTAL REVIEW**

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

## **PUBLIC NOTICE**

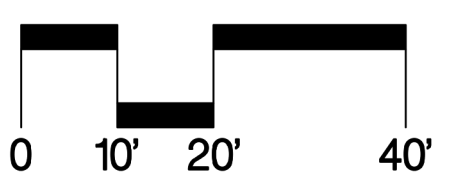
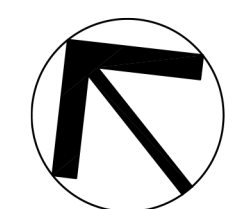
Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

## **ATTACHMENTS**

- A. Proposed Library Landscaping Schematic Plan

Report prepared by:  
*Jesse T. Quirion*  
*Interim Public Works Director*







MULCH AND GROUND PLANE TREATMENT



walk on bark



desert gold pebbles



lin creek pebbles

INFORMAL SEATING



FLOWERING PLANTS



iris douglasiana



arctostaphylos spp.



ribes sanguineum



correa spp.

PLANTS WITH INTERESTING LEAF TEXTURE AND COLOR



sarcococca humilis



heuchera micrantha



mahonia aquifolium



dryopteris arguta



euphorbia amygdaloides



helleborus argutifolius

GRASSES



festuca occidentalis



pennisetum 'little bunny'



muhlenbergia rigens

TREES



jacaranda mimosifolia



arbutus unedo







## PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 18, 2014

Staff Report #: 14-188

Agenda Item #: D-4

**CONSENT CALENDAR:**            **Adopt a Resolution in Support of Sustainable Groundwater Management in the San Francisquito Creek Area**

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### RECOMMENDATION

Staff recommends adopting a resolution in support of sustainable groundwater management in the San Francisquito Creek area.

### BACKGROUND

Groundwater is an important water supply resource in California, particularly in periods of drought. A lack of coordinated groundwater resource management has led to dire situations in some parts of the state including irreversible land subsidence and salt water intrusion. In order to decrease the probability of such an undesirable outcome locally, a number of agencies in the region have agreed to adopt a resolution regarding sustainable groundwater management, with the goal that this action will raise awareness of the factors potentially impacting the quality and availability of this important resource.

At the June 3, 2014 City Council meeting, as part of the Study Session discussion on Water Policy, many of the Councilmembers expressed interest in adopting the resolution in support of sustainable groundwater management in the San Francisquito Creek area. Other agencies that have adopted the resolution include San Mateo County, Palo Alto, East Palo Alto, Atherton, Portola Valley, and the Santa Clara Valley Water District.

### ANALYSIS

The City has a vested interest in maintaining the quality and availability of groundwater. As part of the City's emergency water supply project, three to four emergency wells will be considered in the Menlo Park Municipal Water District's eastern service area. The first well is currently being designed and will be located at the City's Corporation Yard on Burgess Drive. These wells will eventually provide water to Menlo Park Municipal Water District customers in times of water supply emergencies. Therefore, it is critical that the groundwater is safe, of high quality, and available.

Adoption of this resolution will reinforce Menlo Park's commitment to sustainable management of groundwater as a source of supply.

### **IMPACT ON CITY RESOURCES**

There is no impact on City resources.

### **POLICY ISSUES**

The recommendation does not represent any change to existing City policy. The General Plan Policy under Public and Quasi-Public Facilities and Services states:

I-H-6 The City shall work with other regional and subregional jurisdictions and agencies responsible for ground water extraction to attempt to develop a comprehensive underground water protection program which includes monitoring of all wells in the basin to evaluate the long term effects of water extraction. In addition, the City shall consider instituting appropriate controls within Menlo Park on the installation of new wells and on the pumping from both existing and new wells so as to prevent: ground subsidence, further salinity intrusion into the shallow aquifers, particularly in the bayfront area, and contamination of the deeper aquifers that may result from changes in the ground water level.

### **ENVIRONMENTAL REVIEW**

An environmental review is not required.

### **ATTACHMENTS**

- A. Resolution

Report prepared by:  
*Pam Lowe, P.E.*  
*Associate Civil Engineer*

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

**RESOLUTION IN SUPPORT OF SUSTAINABLE GROUNDWATER MANAGEMENT IN THE SAN FRANCISQUITO CREEK AREA TO ENSURE ITS AVAILABILITY DURING DROUGHTS AND EMERGENCY SITUATIONS**

WHEREAS, the San Francisquito Creek area of the Midpeninsula overlies the Santa Clara and San Mateo Plain Groundwater Subbasins; and

WHEREAS, groundwater is a critical natural resource that is vital for emergency water supplies on the Midpeninsula, and therefore needs to be protected; and

WHEREAS, most of the water consumed on the Midpeninsula is purchased from a single source – the San Francisco Public Utilities Commission (SFPUC) – with 85% coming from the Hetch Hetchy Reservoir on the Tuolumne River, making our primary water supply vulnerable to the impacts of climate change as well as major catastrophes; and

WHEREAS, interest in local groundwater extraction is growing as a result of rising SFPUC water prices, limits on current availability of SFPUC water, population growth and likely reductions in water supply due to climate change and droughts; and

WHEREAS, sustainable groundwater management will preserve stable groundwater levels through the recurring cycles of above average rainfall and below average rainfall (drought) periods; and

WHEREAS, unsustainable groundwater extraction will result in declining groundwater levels, which may lead to saltwater intrusion, land subsidence and degradation of water quality; and

WHEREAS, contingency plans of many water providers for droughts and emergencies likely will rely on the same shared groundwater resources, making strong support and cooperation from well owners, water agencies, land use planning agencies and all water users vital to protecting and maintaining our groundwater resources; and

WHEREAS, groundwater resources can be enhanced through conjunctive water management, groundwater recharge, aggressive water conservation/efficiency, use of alternative supplies such as recycled water, and storm water infiltration; and

WHEREAS, groundwater and surface water in the San Francisquito Creek area are interconnected resources that cross political boundaries and support multiple beneficial uses; and

WHEREAS, more information on the hydrology and geology of the San Francisquito Creek area is needed to better design and implement sustainable groundwater management practices; and

WHEREAS, the General Plan provides as a policy that the City shall work with other jurisdictions to develop a comprehensive underground water protection program to evaluate the long term effects of water extraction.

THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park is committed to collaborating with other agencies and organizations to better understand the hydrology and geology of the San Francisquito Creek area, including recharge and sustainable extraction rates; and

FURTHER, BE IT RESOLVED, that the City Council of the City of Menlo Park is committed to the sustainable management of local groundwater, including conjunctive water management and aggressive conservation, to protect its quality and ensure its availability during droughts and emergency situations.

I, PAMELA AGUILAR, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on the eighteenth day of November, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City Council on this eighteenth day of November, 2014.

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PAMELA AGUILAR  
City Clerk





## PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 18, 2014  
Staff Report #: 14-194

Agenda Item #: D-5

**CONSENT CALENDAR:**            **Increase Budget for the Lawn Be Gone Rebate Program for Commercial and Multifamily Accounts**

### RECOMMENDATION

Staff recommends that City Council increase funds dedicated to commercial and multifamily properties by \$65,000, allowing waitlisted applicants to complete their projects and allowing the approval of new applicants expected to apply later this fiscal year

### BACKGROUND

The City began implementing the Lawn Be Gone program in 2012 through a partnership with the Bay Area Water Supply and Conservation Agency (BAWSCA). The Lawn Be Gone program provides an incentive of \$2 per square foot (sq. ft.) to Menlo Park Municipal Water District (MPMWD) customers who convert their lawns into water-efficient landscapes. By participating in the Lawn Be Gone program, participants can save an average of 26 gallons of water annually for every sq. ft. of lawn removed, provide additional habitat by increasing landscape diversity, and encourage a cultural shift towards avoiding turf installation in front yards. In addition, the Lawn Be Gone program assists in meeting various City goals outlined in the following Plans:

- Menlo Park's 2011 Climate Action Plan to reduce greenhouse gas (GHG) emissions associated with the energy used to distribute potable water
- 2010 Urban Water Management to meet Senate Bill x7-7 requirements to reduce water consumption 20% by 2020
- Menlo Park's General Plan Policy 1-H-1 that encourages community designs that conserve resources and minimize waste
- State Water Resources Control Board's (SWRCB) emergency regulations that became effective July 28, 2014 and expires on April 25, 2015 unless SWRCB revises, renews, or terminates the regulation.

In November 2011, Council authorized a partnership with BAWSCA Lawn Be Gone Rebate Program, providing an incentive to motivate MPMWD customers to voluntarily replace their lawns with water efficient landscapes.

In January 2013, Council responded to low participation levels in the program by approving funds to match BAWSCA's per square foot rebate, increasing the maximum rebate caps, and implementing the Conserve-A-Scape program to help overcome the "how to design" barrier experienced by many customers new to landscaping.

Currently, the rebate is \$2.00 sq. ft. of lawn area converted, which is paid for by the City. As a participating agency in BAWSCA's Lawn Be Gone Rebate Program, the City receives a state grant that covers \$0.375 per sq. ft. of the rebate. Thus, the cost to the MPMWD is \$1.63/sq. ft. Based on expenditure data collected from past single-family residential lawn conversions, the average cost to convert a lawn is \$3.00/sq. ft., bringing the out of pocket cost for the customer to \$1.00/sq. ft.

In order to maximize participation, in June 2014, Council removed all rebate caps, allowing each applicant a total rebate amount limited only by the Program's approved budget. The cap removal was consistent with established goals in the City's Urban Water Management Plan, recent drought response strategies, and feedback received from potential and existing participants.

The cap removal was very successful in encouraging participation, and consequently, the current commercial and multifamily program's funds will be exhausted before the fiscal year is complete. Several new commercial applicants have been placed on hold due to insufficient funds. Staff anticipates additional applicants will come forward before the fiscal year close in June 2015.

## **ANALYSIS**

The total program budget for the current fiscal year is \$40,000 for commercial and multifamily properties, and \$40,000 for single family residential properties.

### *Commercial and Multifamily Rebate Applications:*

Phase two of SLAC National Accelerator Laboratory's lawn conversion project was approved this fiscal year for 20,075 square feet and is estimated to require \$40,150 in Lawn Be Gone rebate funds, which would reduce SLAC's water use by approximately 521,950 gallons annually. SLAC's Phase one lawn conversion of 5,962 sq. ft. was completed last fiscal year and resulted in approximate water savings of 155,012 gallons annually.



***Before and after lawn conversion. SLAC's Phase I lawn conversion project.***

Five other projects have submitted applications for this fiscal year; however they are on hold due to insufficient program funds.

Staff anticipates that additional commercial and multifamily projects will apply for the program during this fiscal year due to increased awareness of water conservation needs due to the ongoing drought. For the purpose of estimating additional program demand, staff calculated the total lawn area to be converted from projects for which applications have been received so far this fiscal year, and then assumed an additional 25% total lawn area for which applications will be submitted later this fiscal year.

Staff estimates the need for an additional \$65,000 in commercial and multifamily funding. Attachment A shows the calculations for the recommended amount of funding increase.

**Residential Rebate Applications:**

As of October 29, 2014, for FY 14-15, the City has received thirteen single-family residential Lawn Be Gone applications totaling 12,720 sq. ft. which are anticipated to use \$25,440 of the current \$40,000 budget. Once these conversions are completed, expected water savings total 330,720 gallons annually. For the purpose of estimating additional demand from prospective applicants, staff calculated the sum of the total lawn area to be converted from projects for which applications have been received so far for this fiscal year, and then assumed an additional 25% of that amount would be requested this fiscal year. If only 25% more is needed, the current budget of \$40,000 will be sufficient. Attachment B shows the calculations for the residential funding.



**Before and after lawn conversion.** Menlo Park resident, Annette Wijsman, recently converted 947 sq. ft. of her front lawn into a water-efficient landscape through the Lawn Be Gone Program, which will save her 24,622 gallons of water annually.

## **IMPACT ON CITY RESOURCES**

The additional \$65,000 will be allocated from the Water Operating Fund for commercial and multifamily Lawn Be Gone Rebates. Staff will evaluate the budget during the mid-year budget review. In future fiscal years, staff may suggest an increased Lawn Be Gone budget, if program demand continues to increase.

## **POLICY ISSUES**

Increasing funding available to businesses and residents interested in the Lawn Be Gone Rebate program will assist MPMWD in meeting Senate Bill x7-7 requirement to reduce water consumption. In addition, the Urban Water Management Plan approved by Council in June 2011 directs the City to use a lawn conversion program to reduce water consumption with a participation goal of 400 or 10% of customer accounts by 2020. This requires 50 accounts to participate in the Lawn Be Gone Rebate Program per year. Increasing funding will help the City's Water District meet the participation goal.

In addition, implementing the Lawn Be Gone Rebate Program is consistent with the City's 2011 Climate Action Plan to reduce greenhouse gas (GHG) emissions associated with the energy used to distribute potable water, the City's 2010 Urban Water Management to meet Senate Bill x7-7 requirements to reduce water consumption 20% by 2020, and the City's General Plan Policy 1-H-1 that encourages community designs that conserve resources and minimize waste. Lastly it will also assist in meeting the State Water Resources Control Board's (SWRCB) emergency regulations that became effective July 28, 2014 and expires on April 25, 2015 unless SWRCB revises, renews, or terminates the regulation.

## **ENVIRONMENTAL REVIEW**

None Required.

## **ATTACHMENTS**

- A. FY 14-15 Commercial/Multifamily Lawn Be Gone Applications Spreadsheet
- B. FY 14-15 Current Single Family Residential Lawn Be Gone Applications Spreadsheet

Report prepared by:

*Heather Abrams*

*Environmental Programs Manager*

*Vanessa Marcadejas*

*Environmental Programs Specialist*

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| FY 14-15 Current Commercial/Multifamily Lawn Be Gone Applications                                 |   |            |                    |                         |                               |  |   |
|---|---|------------|--------------------|-------------------------|-------------------------------|--|---|
| Commercial Business/Property  | Address                                   | Status     | Project Start Date | Project Completion Date | Total Area Converted (sq.ft.) | Estimated Water Savings (26gal/sq.ft.) | Estimated Rebate Amount (Total Area Converted * \$2/sq.ft.) |
| SLAC NATIONAL ACCELERATOR LABORATORY (Phase 2)  | 2575 Sand Hill Rd                         | Converting | 2-Oct-14           | 2-Feb-15                | 20,075                        | 521,950                                | \$ 40,150.00  |
| Randtron Antenna Systems (Jerry Cornell)  | 130 Constitution Dr                       | On Hold    | -                  | -                       | 7,000                         | 182,000                                | \$ 14,000.00  |
| Pro Logis, Menlo Science & Technology Park  | 1350 Willow Rd                            | On Hold    | -                  | -                       | 3,150                         | 81,900                                 | \$ 6,300.00   |
| Pro Logis, Menlo Science & Technology Park  | 1360 Willow Rd                            | On Hold    | -                  | -                       | 4,090                         | 106,340                                | \$ 8,180.00   |
| Pro Logis, Menlo Science & Technology Park  | 1380 Willow Rd                            | On Hold    | -                  | -                       | 2,890                         | 75,140                                 | \$ 5,780.00   |
| Sharon Hills Community Assn. (Owned by Michael Asimov, CFO; Name on Application: Robert Dressler) | 1300 Trinity Dr                           | On Hold    | -                  | -                       | 4,597                         | 119,522                                | \$ 9,194.00   |
|   |   |            |                    |                         |                               | <b>Subtotal</b>                        | \$ 83,604.00  |
|   |   |            |                    |                         |                               | <b>Budget</b>                          | \$ 40,000.00  |
|   |   |            |                    |                         |                               | <b>Insufficient Funds</b>              | \$ (43,604.00)  |
| Antipicated Applicants FY14-15  | (Anticipated 25% additional applications) |            |                    |                         | 10,451                        | 271,713                                | \$ 20,901.00  |
|   |   |            |                    |                         |                               | <b>Total Insufficient Funds</b>        | \$ (64,505.00)  |
|   |   |            |                    |                         |                               | <b>Revised Budget (rounded)</b>        | \$ 105,000.00   |

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| FY 14-15 Current Single Family Residential Lawn Be Gone Applications |   |                    |                         |                      |  |                         |                             |
|--|---|--------------------|-------------------------|----------------------|--|-------------------------|-----------------------------|
| Address  | Status                                    | Project Start Date | Project Completion Date | Total Area Converted | Estimated Water Savings (26gal/sq.ft.) | Estimated Rebate Amount | Final Rebate Amount Awarded |
| 307 Lexington Dr   | Application Incomplete                    |                    |                         | 1,280.00             | 33,280.00                              | \$ 2,560.00             |                             |
| 770 Ivy Dr   | Completed                                 | 21-Feb-14          | 08-Jul-14               | 1,114.00             | 28,964.00                              | \$ 2,228.00             | \$1,409.56                  |
| 250 Newbridge St   | Completed                                 | 06-Mar-14          | 02-Sep-14               | 2,297.00             | 59,722.00                              | \$ 4,594.00             | \$3,585.41                  |
| 2270-72 Eastridge Ave  | Completed                                 | 28-Feb-14          | 28-Jul-14               | 935.00               | 24,310.00                              | \$ 1,870.00             | \$1,870.80                  |
| 458 Central Ave  | Completed                                 | 06-Mar-14          | 08-Jul-14               | 1,147.00             | 29,822.00                              | \$ 2,294.00             | \$2,294.86                  |
| 1312 Madera Ave  | Completed                                 | 19-Aug-14          | 30-Oct-14               | 792.00               | 20,592.00                              | \$ 1,584.00             | \$1,672.00                  |
| 219 Haight St  | Converting                                | 11-Sep-14          | 11-Dec-14               | 200.00               | 5,200.00                               | \$ 400.00               |                             |
| 1004 Henderson Ave   | Conserve-A-Scape                          |                    |                         | 456.00               | 11,856.00                              | \$ 912.00               |                             |
| 370 Nova Ln  | Completed                                 | 02-Jul-14          | 18-Sep-14               | 813.00               | 21,138.00                              | \$ 1,626.00             | \$1,626.00                  |
| 1054 Oakland Ave   | Application Incomplete                    |                    |                         |                      | 0.00                                   | \$ -                    |                             |
| 815 Monte Rosa Dr  | Conserve-A-Scape                          |                    |                         | 2,380.00             | 61,880.00                              | \$ 4,760.00             |                             |
| 1961 Menalto Ave   | Completed                                 | 13-Aug-14          | 25-Sep-14               | 634.00               | 16,484.00                              | \$ 1,268.00             | \$1,268.00                  |
| 1056 Tehama Ave  | Applied                                   |                    |                         | 672.00               | 17,472.00                              | \$ 1,344.00             |                             |
| <b>Total</b>   |   |                    |                         |                      |  | \$ 25,440.00            | \$13,726.63                 |
| <b>Budget</b>  |   |                    |                         |                      |  | \$ 40,000.00            |                             |
| <b>Remaining Budget</b>  |   |                    |                         |                      |  | \$ 14,560.00            |                             |
| Anticipated Applicants FY14-15                                       | (Anticipated 25% additional applications) |                    |                         | 3,180.00             | <b>Anticipated Demand</b>              | \$ 6,360.00             |                             |

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

**Tuesday, August 19, 2014 at 6:00 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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**6:00 P.M. STUDY SESSION**

Mayor Mueller called the meeting to order at 6:18 p.m. with all councilmembers present.

**SS1.** Discuss implementing the State Water Resources Control Board's Emergency Mandatory Regulations for Water Conservation ([Staff report #14-147](#))

Staff presentation by Interim Public Works Director Jesse Quirion ([presentation](#)).

**ACTION:** Mayor Mueller summarized the next steps for staff to come back with a public outreach effort plan that includes a quantified dollar amount.

The Study Session ended at 7:01 p.m.

**7:00 P.M. REGULAR SESSION**

Mayor Mueller called the meeting to order at 7:02 p.m. with all members present.

Mayor Mueller led the pledge of allegiance.

**ANNOUNCEMENTS**

**A. PRESENTATIONS AND PROCLAMATIONS**

**A1.** Proclamation honoring the Menlo Park Historical Association ([attachment](#))  
Mayor Mueller presented the proclamation to Jym Clendenin on behalf of the Menlo Park Historical Association.

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

**B1.** Environmental Quality Commission quarterly report on the status of their 2 Year Work Plan

Commission Chair Scott Marshall gave the report.

**B2.** Consider applicants for appointment to fill two vacancies on the Library Commission ([Staff report #14-135](#))

**ACTION:** By acclamation the following appointments were made for the Library Commission:

- Thomas McDonough – Term ending April 30, 2018
- Lynne Bramlett – Term ending April 30, 2018

**B3.** Consider applicants for appointment to fill three at-large positions, six Commissioner positions and two City Council positions to serve on the General Plan Advisory Committee ([Staff report #14-144](#))

**ACTION:** Motion and Second (Ohtaki/Keith) to expand committee to 13 members where at-large positions are increased from three to five passes unanimously.

**ACTION:** Motion and Second (Keith/Cline) to affirm Commission nominations, appoint 5 at-large positions to: Harry Bims, David Bohannon, Heidi Butz, Roger Royce, and Vince Bressler; and affirm Mayor Mueller and Councilmember Ohtaki as members of GPAC passes unanimously.

**B4.** Appointments to the Stanford Parcel Negotiation Subcommittee relating to the Specific Plan

**ACTION:** Motion and second (Mueller/Ohtaki) to restart the Stanford Parcel Negotiation subcommittee passes unanimously.

**ACTION:** Motion and second (Ohtaki/Cline) to nominate Mueller and Keith as members to the subcommittee passes unanimously.

**B5.** Report from Mayor Mueller regarding request to rename a portion of Hamilton Avenue in recognition of Reverend Hattie Bostic.

Public Comment:

- Brenda Robinson spoke in support of renaming street after Dr. Hattie Bostic
- Johnnie Walton spoke in support of renaming street after Dr. Hattie Bostic
- Jenell Armstrong spoke in support of renaming street after Dr. Hattie Bostic
- Jeffrey Wray spoke in support of renaming street after Dr. Hattie Bostic
- Bishop Teman L. Bostic Sr. spoke regarding his mother, Dr. Hattie Bostic and in support of renaming Hamilton Avenue after Dr. Hattie Bostic

Mueller advised that he will request that staff start the process of renaming the street after Dr. Hattie Bostic

**B6.** Report from Mayor regarding follow up to request to remove train maintenance supplies from Dumbarton Rail Spur

Letter received dated August 19, 2014 addressed to the Mayor ([attachment](#)).

At this time Public Comment for Item B3 was called out of order.

Public Comment:

- Reginald Harris, GPAC nominee, spoke in regards to the appointed members of the committee and determining if they were residence of the Belle Haven neighborhood.

**C. PUBLIC COMMENT #1**

**NOTE:** City Attorney Bill McClure is recused from discussion on the Specific Plan and left the Council meeting during public comment on that topic at 7:53 p.m. and returned at 8:03 p.m.

- Heyward Robinson expressed concerns regarding the recent Menlo Focus newsletter, calling it propoganda and questioned the purpose for the additional report by Lisa Wise, stating that the report was not independent.
- Patti Fry asked Council and staff to provide more complete and impartial information regarding the specific plan with regards to the Lisa Wise report, the city website and city mailer.
- Courtney McDonald, organizer with local non-profit Evolve, requested Council to consider a resolution on the agenda of the next Council meeting to reform Proposition 13.

**D. CONSENT CALENDAR**

Mayor Pro Tem Catherine Carlton requested item D4, *Adopt a resolution authorizing the installation of stop signs on Monte Rosa Drive at Eastridge Avenue*, be tabled to the next Council meeting.

- D1.** Adopt a resolution no. 6219 to authorize the Bay Area Water Supply & Conservation Agency to initiate, defend, and settle arbitration to the Water Supply Agreement between San Francisco and the Wholesale Customers ([Staff report #14-138](#))
- D2.** Award a construction contract for the 2013-14 Water Main Replacement Project to Casey Construction, Inc. in the amount of \$1,225,505 and authorize a total construction budget of \$1,409,505 for construction and contingencies ([Staff report #14-146](#))
- D3.** Accept and appropriate \$427,000 from the Metropolitan Transportation Commission Surface Transportation Program Funding for the 2014-2015 Resurfacing of Federal Aid Routes Project STPL 5273(023), award a construction contract to C.F. Archibald Paving, Inc. in the amount of \$704,525 and authorize a total construction budget of \$904,525 for construction, construction engineering and contingencies by utilizing the approved Street Resurfacing Project Budget ([Staff report #14-126](#))

- D4.** Adopt a resolution authorizing the installation of stop signs on Monte Rosa Drive at Eastridge Avenue ([Staff report #14-137](#))
- D5.** Authorize the City Manager to approve expenditures of up to \$172,000 for labor and employee relations consulting services to the Law Office of Renne, Sloan, Holtzman, and Sakai ([Staff report #14-142](#))
- D6.** Adoption of amended salary schedule for Fiscal Year 2014-15 ([Staff report #14-143](#))
- D7.** Adopt a resolution establishing the employee share of the employer pension contribution as a pre-tax contribution ([Staff report #14-145](#))
- D8.** Adopt a resolution approving the revised investment policy for the City and the former Community Development Agency of Menlo Park ([Staff report #14-133](#))
- D9.** Approve an appropriation of an additional \$15,000 and authorize the City Manager to amend the agreement, not to exceed a total of \$165,000, with Lisa Wise Consulting, Inc. for additional analysis of the potential impacts related to the Ballot Initiative to amend the Menlo Park El Camino Real/Downtown Specific Plan ([Staff report #14-148](#))
- D10.** Accept minutes for the Council meetings of June 3, June 17, July 15 and August 6, 2014 ([Attachment](#))

**ACTION:** Motion and Second (Carlton/Ohtaki) to table Item D4 to the September 9, 2014 City Council meeting passes 4-1 (Mueller dissents).

**ACTION:** Motion and Second (Cline/Ohtaki) to approve items D1-D3 and D5-D10 on the Consent Calendar passes unanimously.

## **E. PUBLIC HEARING**

- E1.** Consider the land use entitlements for the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive, including a request for a rezoning, conditional development permit, tentative parcel map, heritage tree removal permits, tentative parcel map, heritage tree removal permits, Below Market Rate agreement, Environmental Impact Report, and authorize the City Manager to execute a funding agreement to share in the cost of replacing a water main ([Staff report #14-140](#))

Staff presentation by David Hogan, Contract planner ([presentation](#))

Applicant presentation by Rich Trumpler ([presentation](#))

Mayor Mueller opened the Public Hearing at 8:41 p.m.

### Public Comment

- Renu Nanda, Ravenswood Education Foundation, spoke in support of the Sobrato Family and Organization and their support to the community
- Peter Fourtenbaugh, Boys and Girls Club of the Peninsula, spoke in support of the Sobrato Organization
- Amy Wright, InnVision Shelter Network, spoke in support of Sobrato Family and Foundation as a community partner to InnVision Community network.
- Harry Bims, Chamber of Commerce, spoke in support of the Commonwealth Project and requested allocating funds to widening bike lane to a portion of Chilco Street and hopes the project will provide job opportunities for JobTrain graduates and the Belle Haven community.
- Fran Dehn spoke in support of the Commonwealth Project and states that the project benefits the M-2 area and approval of the project will meet five of the City Council goals # 1,2,3, 12 and 13.
- Jason Wurtz, Ravenswood Family Health Center, spoke in support of Sobrato Organization
- Steve Schmidbauer, Jobtrain, spoke in support of Sobrato Organization and their deep involvement in the community

**ACTION:** Motion and Second (Cline/Ohtaki) to close Public Hearing passes unanimously.

The council took a brief recess from 9:32 p.m. – 9:38 p.m.

**ACTION:** Motion and Second (Keith/Cline) taking the following actions, including two changes made to Section 10 of the Conditional Development permit to (1) increase guaranteed minimum Sales and Use Tax per year from \$75,000 to \$100,000 for a period of 10 years and (2) add an additional \$50,000 to the Capital Improvement Plan for the widening of the bike lane on a portion of Chilco passes unanimously.

- Approved Resolution No. 6222 certifying the Final Environmental Impact Report for the Commonwealth Corporate Center;
- Approved Resolution No. 6223 adopting findings required by CEQA, Statement of Overriding Considerations, and adopting the Mitigation Monitoring and Reporting Program for the property located at 151 Commonwealth Drive and 164 Jefferson Drive;
- Introduced an ordinance rezoning properties located at 151 Commonwealth Drive and 164 Jefferson Drive;
- Approved Resolution No. 6224 approving a Conditional Development Permit for property located at 151 Commonwealth Drive and 164 Jefferson Drive;

- Approved Resolution No. 6225 approving a Tentative Parcel Map for the properties located at 151 Commonwealth Drive and 164 Jefferson Drive;
- Approved Resolution No. 6226 approving the Heritage Tree Removal Permits for the properties located at 151 Commonwealth Drive and 164 Jefferson Drive;
- Approved Resolution No. 6227 approving a Below Market Rate Housing Agreement with the Sobrato Organization for the property located at 151 Commonwealth Drive and 164 Jefferson Drive;
- Authorized the City Manager to Execute a Funding Agreement to share in the cost of replacing a water main on the project site

At this time Public Comment #1 was called out of order.

#### Public Comment

- John Mooney spoke in regards to his letter regarding the property where Beechwood School is located.

Mayor Mueller requested Mr. Mooney to speak directly with Assistant City Manager Starla Jerome-Robinson.

## **F. REGULAR BUSINESS**

- F1.** Consider and introduce an Ordinance to amend Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] of the Menlo Park Municipal Code, to include payday lenders and auto title lenders as added nuisances ([Staff report #14-130](#))

Staff presentation by Police Commander Dave Bertini.

#### Public Comment

- Donsey Nunn spoke in support of banning payday lenders
- Kenia Najjar, Youth United for Community Action, spoke in support of the Ordinance to ban payday lenders ([handout](#))
- Liana Molina, California Reinvestment Coalition, commended staff and Council and asked Council to encourage federal reform on payday lending to the Federal Consumer Financial Protection Bureau during their public comment
- Alejandro Suarez, student, spoke in support of the Ordinance to ban payday lenders and auto title lenders
- Saul Gonzalez, Samaritan House in San Mateo, spoke regarding payday lenders and the importance of financial education
- Zakiya Hussein, Youth Leadership Institute, spoke regarding Daly City recently banning payday lenders and in support of Menlo Park also banning payday lenders
- Eleanor Clement Glass, Silicon Valley Community Foundation commended the Police Chief and spoke in support of the Ordinance banning payday lenders and auto title lenders



- Keith Odgen, Community Legal Services in East Palo Alto, spoke in support of the Ordinance banning payday lenders and auto title lenders ([handout](#))

**ACTION:** Motion and Second (Ohtaki/Carlton) to introduce an Ordinance to amend Chapter 8.04 [Nuisances] of Title 8 [Peace, Safety and Morals] of the Menlo Park Municipal Code, to include payday lenders and auto title lenders as added nuisances passes unanimously.

- F2.** Presentation of information regarding employee compensation and receipt of public comment relating to upcoming labor negotiations with all units ([Staff report #14-141](#))

No public comment.

**ACTION:** Motion and second (Keith/Ohtaki) to accept the report passes unanimously.

- F3.** Provide direction regarding the resolution to be voted on at the League of California Cities Annual Conference ([Staff report #14-136](#))

No public comment.

**ACTION:** Motion and second (Carlton/Cline) to support the resolution passes unanimously

**G. CITY MANAGER'S REPORT – None**

**H. WRITTEN COMMUNICATION – None**

**I. INFORMATIONAL ITEMS**

- I1.** Quarterly financial review of General Fund operations as of June 30, 2014 ([Staff report #14-139](#))

- I2.** Review of the City's investment portfolio as of June 30, 2014 ([Staff report #14-134](#))

- I3.** Pending Council-directed amendments to the El Camino Real/Downtown Specific Plan ([Staff report #14-149](#))

- I4.** Update on the San Mateo County Mosquito & Vector Control District's recent mosquito fogging in Menlo Park ([Staff report #14-150](#))

Council spoke in regards to improving noticing to residents of future fogging. Staff provided instruction on how to receive notices through the City's website and the San Mateo County Mosquito & Vector Control District's website.

**J. COUNCILMEMBER REPORTS**

**J1.** Mayor Mueller's presentation was given at 5:00 p.m. this evening on Silicon Valley delegation's trip to China

Councilmember Keith reported on an update from San Francisquito Creek Joint Powers Authority (SFCJPA) stating the regional water board permit should be issued at the end of 30 day comment period

Councilmember Ohtaki thanked Economic Development Manager Jim Cogan for his work on bringing Hello Startups to Menlo Park.

Mayor Pro Tem Carlton thanked staff and Mayor Mueller for their efforts toward the Family Fitness Extravaganza event that occurred on August 13, 2014.

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

There was no public comment.

**L. ADJOURNMENT at 10:33 p.m.**

Nicole Mariano  
Deputy City Clerk



**CITY COUNCIL  
SPECIAL MEETING **DRAFT** MINUTES**

**Wednesday, October 01, 2014 at 5:30 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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Mayor Mueller called the Special Meeting to order at 5:38 p.m. Councilmember Cline was absent.

Mayor Mueller led the pledge of allegiance.

**A. PUBLIC COMMENT**

There was no public comment.

**B. SPECIAL BUSINESS**

- B1.** Staff presentation regarding the 500 El Camino Real Traffic Analysis and Council discussion of appropriate next steps which City Council may desire to take ([Staff report #14-180](#))([presentation](#))

Interim Public Works Director Jesse Quirion gave the presentation. Mark Spencer of W-Trans was present and responded to Council questions

Public Comment:

- Stefan Petry spoke regarding traffic congestion and cut-through traffic ([presentation](#))
- Kevin Sheehan spoke regarding the traffic impact generated by office development
- Adina Levin spoke regarding a project level Environmental Impact Report and asked Council to consider traffic analysis prior to making policy and project decisions
- John Boyle stated that Council should consider traffic mitigation with development projects
- Morris Brown inquired during what time frame in June 2013 the data in the report was collected
- Skip Hilton spoke stated that Council should move forward with reasonable mixed-use development with traffic mitigation measures in place

Council questions and discussion ensued regarding a focused EIR, Ravenswood intersection, Vehicle Access Alternative D, trip generation scenarios during AM & PM peak times

There was consensus by Council for redesign and sensitivity studies prior to conducting an environmental impact report

**B2.** Report from Stanford Parcel Negotiation Subcommittee and Council discussion of appropriate next steps which City Council may desire to take  
Councilmember Keith reported that two meetings have been held of the subcommittee, the most recent was an informational meeting on September 30<sup>th</sup>.

**ADJOURNMENT** at 7:34 p.m.

Pamela Aguilar  
City Clerk



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

**Tuesday, October 07, 2014 at 6:00 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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**6:00 P.M. CLOSED SESSION (1<sup>st</sup> floor Council Conference Room, Administration Building)**

Mayor Pro Tem Carlton called the Closed Session to order at 6:10 p.m. Mayor Mueller was absent.

There was no Public Comment.

**CL1.** Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Sergeants' Association (PSA)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Drew Corbett, Finance Director, and Charles Sakai, Labor Attorney

**7:00 P.M. REGULAR SESSION**

Mayor Pro Tem Carlton called the meeting to order at 7:01 p.m. and announced that Mayor Mueller is delayed.

Mayor Pro Tem Carlton led the **PLEDGE OF ALLEGIANCE**

**REPORT FROM CLOSED SESSION**

There was no report from the Closed Session held earlier this evening.

**ANNOUNCEMENTS** – None

Mayor Mueller arrived at 7:04 p.m.

**A. PRESENTATIONS AND PROCLAMATIONS**

**A1.** Proclamation recognizing Menlo Art League's 40 years of service ([proclamation](#))  
Diana Beuttler accepted the proclamation on behalf of the league.

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS – None**

**C. PUBLIC COMMENT #1**

- Wayne Lee, Mayor of the City of Millbrae, announced a healthcare sign-up fair on 11/15/14 and a free trade discussion with China and the Far East on 10/23; he also asked for the Council's support for a seat on the SamTrans board
- Aram James spoke regarding people living in vehicles, housing for the homeless and announced several upcoming fundraisers

- Michael Closson spoke regarding heritage tree removal, notice to the public and alternatives for preserving heritage trees

#### **D. CONSENT CALENDAR**

- D1.** Authorize the City Manager to enter into a lease agreement with the Rotary Club of Menlo Park to operate a Community Garden ([Staff report #14-175](#))
- D2.** Authorize the City Manager to enter into an agreement with Erler & Kalinowski, Inc. to develop the 2015 Urban Water Management Plan ([Staff report #14-176](#))
- D3.** Approve an amendment to the General Fund Reserve Policy to incorporate a reserve for pension costs ([Staff report #14-173](#))

Councilmember Cline requested that Item D2 be pulled for further discussion.

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

Staff responded to Council questions regarding Consent Item D2 stating that the EKI document will focus on the Menlo Park Municipal Water District, that the public has been notified as to where the document will be available for viewing, and that the City will participate in groundwater use and attend East Palo Alto's groundwater management meetings.

**ACTION:** Motion and second (Cline/Ohtaki) to authorize the City Manager to enter into an agreement with Erler & Kalinowski, Inc. to develop the 2015 Urban Water Management Plan passes unanimously.

#### **E. PUBLIC HEARING**

- E1.** Adopt a resolution to abandon public utility and emergency access easements within the property at 721 - 851 Hamilton Avenue ([Staff report #14-177](#))

Staff presentation by Assistant Public Works Director Ruben Nino

Mayor Mueller opened the Public Hearing. There was no public comment.

Motion and second (Cline/Keith) to close the Public Hearing passes unanimously.

**ACTION:** Motion and second (Keith/Cline) to adopt **Resolution 6235** to abandon public utility and emergency access easements within the property at 721 - 851 Hamilton Avenue

- E2.** Approve a resolution making findings necessary to authorize an energy services contract for Power Purchase Agreements (PPA) at the Arrillaga Gymnasium, Arrillaga Gymnastics Center, Onetta Harris Center, and City Corporation Yard; authorize the City Attorney to finalize the agreement and authorize the City Manager to execute the agreement; and amend the existing consulting contract with Optony, Inc. to include construction management services ([Staff report #14-178](#)) ([presentation](#))

Staff presentation by Environmental Programs Specialist Vanessa Marcadejas

Nikki Nagaya, Interim Transportation Manager and Jonathan Whelan, Optony Senior Project Manager, were also present.

Mayor Mueller opened the Public Hearing. There was no public comment.

Motion and second (Keith/Carlton) to close the Public Hearing passes unanimously.

Staff responded to Council questions and discussion ensued regarding insurance requirements, construction oversight, decreased rebate amount, usage data and cost, similar contracts with other jurisdictions, and project management services.

**ACTION:** Motion and second (Ohtaki/Carlton) to approve **Resolution 6236** making findings necessary to authorize an energy services contract for Power Purchase Agreements (PPA) at the Arrillaga Gymnasium, Arrillaga Gymnastics Center, Onetta Harris Center, and City Corporation Yard; authorize the City Attorney to finalize the agreement and authorize the City Manager to execute the agreement with a most favored cities clause; and amend the existing consulting contract with Optony, Inc. to include construction management services of which the 3.5% listed under schedule 9 would be applied passes unanimously.

## **F. REGULAR BUSINESS**

**F1.** One year review and follow up on the Police Department Taser Assessment and consider a request for adoption of tasers for the entire Police Department ([Staff report #14-174](#))  
Staff presentation by Commander Dave Bertini (*presentation*)

### Public Comment:

- Aram James spoke against tasers ([handouts](#))

**ACTION:** Motion and second (Ohtaki/Keith) to approve a request for adoption of tasers for the entire Police department with a 3-month report on statistics and a policy for review passes unanimously.

**F2.** Authorize the City Manager to enter into a contract with Peninsula Conflict Resolution Center (PCRC) in an amount not to exceed \$91,300 for facilitation, youth and family support, and community building in the Belle Haven Neighborhood for FY 2014-15  
([Staff report #14-179](#))

Staff presentation by Community Services Director Cherise Brandell (*presentation*)

**ACTION:** Motion and second (Cline/Carlton) to authorize the City Manager to enter into a contract with Peninsula Conflict Resolution Center (PCRC) in an amount not to exceed \$91,300 for facilitation, youth and family support, and community building in the Belle Haven Neighborhood for FY 2014-15 with the addition of an opt-out clause passes unanimously.

## **G. CITY MANAGER'S REPORT – None**

## **H. WRITTEN COMMUNICATION – None**

## **I. INFORMATIONAL ITEMS**

**I1.** Update on City Council Goals ([Staff report #14-181](#))

## **J. COUNCILMEMBER REPORTS**

**J1.** Report from Mayor regarding Project Cornerstone  
Mayor Mueller gave a brief report on the work of Project Cornerstone and indicated that the program will be rolled out in Menlo Park in the near future.

Mayor Pro Tem Carlton reported on a fallen heritage tree at the Gate House and stated that the wood would be used to make heritage wood furniture.

Councilmember Ohtaki reported that AB1690, sponsored by Assemblymember Rich Gordon and supported by the City, passed both houses

**K. PUBLIC COMMENT #2**

There was no public comment.

**L. ADJOURNMENT** at 9:38 p.m.

Pamela Aguilar  
City Clerk





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

**Tuesday, October 21, 2014 at 6:00 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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**6:00 P.M. STUDY SESSION**

The Mayor called the Study Session to order at 6:03 p.m. Councilmember Cline was absent.

**SS1.** Provide direction on proposed Police and Public Works antenna structure design  
([Staff report #14-185](#))(*presentation*)

Staff presentation by Assistant Public Works Director Ruben Nino. Police Commander Dave Bertini was also present for Council questions.

Council gave staff direction to provide additional design options and costs as well as visuals of the antenna from different perspectives.

Council recessed the meeting at 6:37 p.m.

**7:00 P.M. REGULAR SESSION**

Mayor Mueller called the Regular Session to order at 7:00 p.m. Councilmember Cline was absent.

Mayor Mueller led the pledge of allegiance.

**ANNOUNCEMENTS**

**A. PRESENTATIONS AND PROCLAMATIONS**

**A1.** Presentation regarding update on Two Menlos friendship agreement  
(*presentation*)(*handout*)

Jim Lewis of the Menlo Park Historical Society gave a brief presentation.

**A2.** Proclamation honoring Fire Chief Harold Schapelhouman  
This item is continued to a future date.

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS – None**

**C. PUBLIC COMMENT #1**

\* City Attorney McClure exited the Council chambers during the public comment of George Fisher due to a conflict of interest that his business office is in proximity to the location that is the subject of Measure M

- George Fisher spoke regarding the City website information on Measure M

\* City Attorney McClure returned to the Council chambers during the remaining public comment

- Fran Dehn thanked and recognized the efforts of the Public Works department for their recent efforts in power washing downtown sidewalks with reclaimed water while complying with State water conservation guidelines.

#### **D. CONSENT CALENDAR**

Councilmember Ohtaki requested Item D1 on the Consent Calendar be pulled for further discussion.

**D1.** Accept and appropriate the State of California, Department of Alcoholic Beverage Control mini-grant, in the amount of \$25,000, and authorize the City Manager to execute all necessary agreements to conduct specified Alcohol Beverage Control enforcement operations ([Staff report #14-182](#))

**D2.** Award a contract to Knorr Systems, Inc. for the installation of the Variable Frequency Drive systems for the Burgess and Belle Haven pools and authorize a total project budget of \$64,272 for construction and contingency ([Staff report #14-184](#))

**ACTION:** Motion and second (Keith/Carlton) to approve Item D2 on the Consent Calendar passes 4-01 (Cline absent)

Police Commander Dave Bertini responded to Council questions about Item D1 in regards to public notification and education.

**ACTION:** Motion and second (Ohtaki/Keith) to accept and appropriate the State of California, Department of Alcoholic Beverage Control mini-grant, in the amount of \$25,000, and authorize the City Manager to execute all necessary agreements to conduct specified Alcohol Beverage Control enforcement operations passes 4-0-1 (Cline absent).

#### **E. PUBLIC HEARING - None**

#### **F. REGULAR BUSINESS**

**F1.** Approve and authorize the Mayor to execute cultural exchange agreements with Kochi, India and Xinbei, China ([Attachments](#))  
Mayor Mueller introduced this item.

**ACTION:** Motion and second (Keith/Ohtaki) to approve and authorize the Mayor to execute cultural exchange agreements with Kochi, India and Xinbei, China passes 4-0-1 (Cline)

#### **G. CITY MANAGER'S REPORT – None**

#### **H. WRITTEN COMMUNICATION – None**

#### **I. INFORMATIONAL ITEMS**

**I1.** Financial review of unaudited General Fund operations as of June 30, 2014  
([Staff report #14-183](#))

Finance Director Drew Corbett provided clarification regarding the gross surplus and net surplus, encumbrances, vacancies and meeting service levels.

#### **J. COUNCILMEMBER REPORTS**

At 7:43 p.m., City Attorney McClure exited the Council chambers for the remaining items due to a conflict of interest that his business office is in proximity to the subject location

**J1.** Mayor Mueller's report out on the October 6 Menlo Park Planning Commission Meeting  
Mayor Mueller stated that the Planning Commission requested Council review public benefit and how it operates in relation to the Specific Plan.

**J2.** Mayor Mueller's request to set a Study Session to consider refining the public benefit process and thresholds within the Downtown Specific Plan  
There was consensus by Council to hold a joint study session with the City Council and the Planning Commission in January or February 2015 to discuss this topic.

**K. PUBLIC COMMENT – None**

- Vincent Bressler spoke regarding an open process for negotiating with developers based on lowering bonus level and in the spirit of the Specific Plan.

**L. ADJOURNMENT** at 7:55 p.m.

Pamela Aguilar  
City Clerk

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**CITY COUNCIL  
SPECIAL MEETING **DRAFT** MINUTES**

**Wednesday, October 29, 2014 at 6:00 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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**6:00 P.M. SPECIAL SESSION**

Mayor Pro Tem Carlton called the meeting to order at 6:04 p.m. All members are present. Mayor Mueller appeared by telephone from the Bo'ao Asia Forum Hotel in Dongyu Island, China

Mayor Pro Tem Carlton led the pledge of allegiance.

**A. PUBLIC COMMENT #1**

Kristen Duriseti-Kunz spoke regarding the Specific Plan ([handout](#))

**B. PUBLIC HEARING**

**B1.** Consider Planning Commission recommendation to amend the El Camino Real/Downtown Specific Plan (*Staff report #14-186*)

Mayor Pro Tem Carlton opened the Public Hearing

Senior Planner Thomas Rogers gave a brief presentation.

Public Comment:

Steve Schmidt stated that tonight's Council meeting is unnecessary and that action on this item can be made at a later time.

Motion and second (Cline/Keith) to close the Public Hearing passes unanimously.

Motion and second (Keith/Ohtaki) to adopt the following resolutions passes unanimously:

- (1) **Resolution 6237** adopting a Negative Declaration for amendments to the El Camino Real/Downtown Specific Plan
- (2) **Resolution 6238** amending the El Camino Real/Downtown Specific Plan - with the addition of Section 3 of page 2 to the resolution stating that the City Council hereby adopts the amended plan as outlined in Attachment E of the staff report.

ADJOURNMENT at 6:40 p.m.

Pamela Aguilar  
City Clerk

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# PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 18, 2014

Staff Report #: 14-187

Agenda Item #: E-1

**PUBLIC HEARING:** Adopt a Resolution Amending the Menlo Park Municipal Water District’s 2010 Urban Water Management Plan’s Water Shortage Contingency Plan; and Adopt a Resolution Implementing Stage 2 of the Amended Water Shortage Contingency Plan

## RECOMMENDATION

Staff is recommending the following:

1. Adopt a resolution amending the Menlo Park Municipal Water District’s 2010 Urban Water Management Plan’s Water Shortage Contingency Plan, and;
2. Adopt a resolution implementing Stage 2 of the amended Water Shortage Contingency Plan.

## BACKGROUND

The State Water Resources Control Board’s (SWRCB) emergency regulations became effective on July 28, 2014, and will remain in effect for up to 270 days, up to April 25, 2015. The emergency regulations consist of 3 components:

1. It restricts the following 4 outdoor irrigation activities:

| <b>Restricted Outdoor Irrigation Activities</b>  |
|--|
| 1. Applying potable water to any driveway or sidewalk.   |
| 2. Using potable water to water outdoor landscapes in a manner that causes runoff onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures. |
| 3. Using a hose that dispenses potable water to wash a motor vehicle, unless the hose is fitted with a shut-off nozzle.  |
| 4. Using potable water in a fountain or decorative water feature, unless the water is recirculated. Recycled water is not mandated, but encouraged for fountain use.                               |

2. The Menlo Park Municipal Water District (MPMWD) must implement all requirements and actions of the stage of its Water Shortage Contingency Plan (WSCP) that impose mandatory restrictions on outdoor irrigation with

potable water. Stage 3 of the MPMWD’s current WSCP triggers mandatory restrictions.

3. The MPMWD must submit monthly reports to the SWRCB.

On August 19, 2014, the City Council held a study session to discuss implementing the SWRCB emergency regulations. On August 26, 2014, the City Council adopted an urgency ordinance to enact chapter 7.35 of the Menlo Park Municipal Code allowing City Council to adopt by resolution a Water Conservation Plan consistent with any emergency water regulations adopted by the SWRCB or drought-related actions imposed by the San Francisco Public Utilities Commission (SFPUC). The City Council also adopted Resolution 6230 to establish a Water Conservation Plan to implement Stage 3 of the WSCP (see below) and the additional requirements of the SWRCB emergency regulations. See Attachment A for the WSCP in its entirety.

**Existing 2010 Urban Water Management Plan  
Water Shortage Contingency Plan - Stage 3**

| <b>Prohibited Activities</b> |   |
|------------------------------|---|
| 1                            | No new or expanded irrigation systems                                     |
| 2                            | Prohibition against noncommercial vehicle washing                         |
| 3                            | Prohibition against filling swimming pools and using ornamental fountains |
| 4                            | Limited new water service connections                                     |
| 5                            | Prohibition against use of potable water for construction dust control    |
| 6                            | Controls on groundwater use   |
| <b>Actions</b>               |   |
| 7                            | 30% reduction for residential, commercial, industrial & public customers  |
| 8                            | 45% reducing in dedicated irrigation accounts                             |

Stage 3 of the current WSCP significantly exceeds the intent of the emergency regulations to reduce water use by 20%, and it places a significant financial burden on business and residential customers to achieve a 30% water use reduction and irrigation customers to achieve a 45% water use reduction. Because of this, staff believes it is necessary to amend the existing WSCP in order to clarify the conservation measures and better reflect the needs of the community.

In order to amend the UWMP’s WSCP, the following must occur:

1. At least 60 days prior to a public hearing, the MPMWD must notify any city or county within which they provide water and that they will be reviewing and considering amendments or changes to the UWMP.
2. Make the amended UWMP available for public inspection.
3. Publish the time and place of the public hearing in a newspaper at least twice at least 5 days apart.
4. Hold a public hearing to adopt the amended UWMP.
5. Make the revised UWMP available for public review within 30 days of adoption.



At the end of August 2014, staff mailed letters to local cities, counties, and other agencies notifying them of the MPMWD's intent to amend the 2010 UWMP. The amended UWMP was made available on the City's website, and two public hearing notices were printed in the *Daily News* on Wednesday, November 5<sup>th</sup>, and Wednesday, November 12<sup>th</sup>.

On October 22, 2014, staff provided information to the Environmental Quality Commission (EQC) on the SWRCB emergency regulations, City Council actions taken to implement the emergency regulations, and the purpose of amending the 2010 UWMP's WSCP. The EQC made the following recommendations:

- 1. Given the short timing and lack of availability of accurate cost and benefit analysis of the list of options available to reduce community water consumption, we believe this is a thoughtful approach worthy of adoption as you see fit in the immediate term.*
- 2. At the time of adoption, Council should designate adequate resources (staff time or funding for outside support) to perform a full analysis of viable options that includes a ranked list based on cost of the action, the benefit of the action in terms of water reduction and an understanding of how durable the action will be over time. This analysis needs to be undertaken now so that it is available when the city's water policy is scheduled for review and revision in 2016.*
- 3. Given longer-term trends including projected population growth in the region and the impacts from climate change, the Council should not only to put in place short-term actions to reduce water consumption, but also longer-term policies (such as zoning, planning and financial signals) that will position the city to best adapt to longer-term water challenges.*

## **ANALYSIS**

The SWRCB emergency regulations will remain in effect for up to 270 days, up to April 25, 2015. The SWRCB can determine if these emergency regulations are no longer necessary due to changed conditions or they can renew the regulations if drought conditions continue. Because of this uncertainty, and the fact that the current WSCP was originally designed to match future mandated supply reductions by SFPUC and is now outdated, staff felt it necessary to amend the WSCP.

Staff developed an amended WSCP (see Attachment B) to provide flexibility to incorporate additional water regulations based on any future emergency water regulations adopted by the SWRCB or drought-related actions imposed by the San Francisco Public Utilities Commission (SFPUC). Each of the five stages list particular water regulations and the option for City Council to select other appropriate water regulations in order to meet the water reduction goal. As a reference, staff compiled a list of additional water regulations that the City Council could consider (see Attachment C).

On August 26, 2014, the City Council adopted Resolution 6230 (Attachment E) in order to implement Stage 3 of the current WSCP. With the amended WSCP, Stage 2 rather than Stage 3 would need to be implemented to comply with the emergency regulations.

In order to implement Stage 2 of the amended WSCP, two actions must occur as follows:

1. The City Council must adopt a resolution amending the 2010 UWMP's WSCP (Attachment D), and
2. The City Council must adopt a resolution to implement Stage 2 of the amended WSCP (Attachment F).

## **IMPACT ON CITY RESOURCES**

Staff is currently implementing the SWRCB emergency regulations, including outreach, monitoring, enforcement, and monthly reporting which is above and beyond staff's normal workload which has resulted in the delaying of the Corporation Yard Emergency Well and several environmental programs. If the drought continues and requires other mandatory regulations, additional resources will be necessary.

## **POLICY ISSUES**

The City has permanent water use restrictions in place and has already increased water conservation efforts in response to the dry conditions. The recommended action is consistent with those policy efforts and the strategies outlined in the 2010 UWMP, and the SWRCB's emergency regulations that became effective July 28, 2014 and expires on April 25, 2015 unless the SWRCB revises, renews, or terminates the regulations.

## **ENVIRONMENTAL REVIEW**

Council's adoption of the proposed resolutions is categorically exempt from CEQA under CEQA Guidelines 15307 (Actions by Regulatory Agencies for Protection of Natural Resources).

## **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. Existing 2010 Water Shortage Contingency Plan (from the 2010 Urban Water Management Plan)
- B. Draft Amended Water Shortage Contingency Plan
- C. Additional Water Regulations if Approved by Resolution of the City Council
- D. Draft Resolution to Amend the 2010 Urban Water Management
- E. Resolution 6230
- F. Draft Resolution Adopting a Water Conservation Plan

Report prepared by:  
*Pam Lowe, P.E.*  
*Associate Civil Engineer*

## Existing 2010 Water Shortage Contingency Plan (from the 2010 Urban Water Management Plan)

Every five years, the City must develop and update its Urban Water Management Plan (UWMP) and submit it for approval to the California Department of Water Resources. The UWMP addresses changing conditions related to water sources, water availability, water demands, and water reliability for the next 20 to 25 years. The Water Shortage Contingency Plan (WSCP), developed as part of the UWMP, describes the water supplier's response and planning for changes or shortages in water supply. It compares supply and demand under normal, single-dry, and multiple-dry years and describes stages and actions to be undertaken in response to water supply shortages of up to 50%.

Below is the City's WSCP (Table 5.11 from the 2010 UWMP). The City is currently implementing all of the voluntary Stage 2 actions. The current 2010 UWMP can be viewed in its entirety at <http://www.menlopark.org/150/Urban-Water-Management-Plan>.

### Water Shortage Contingency Rationing Stages\* to Address Water Supply Shortages (Table 5.11 from the 2010 UWMP)

| Stage No.              | Water Supply Conditions   | % Shortage            |
|------------------------|---|-----------------------|
| <b>1<br/>Ongoing</b>   | Water Waste Prohibitions including <ul style="list-style-type: none"> <li>• Repair of defective irrigation systems</li> <li>• No flooding of gutter, driveways and streets</li> <li>• Restaurant water served on request</li> <li>• Water use for cooling must be recycled</li> <li>• Prohibition against sidewalk and building washing</li> </ul>  | <b>NA</b>             |
| <b>2<br/>Voluntary</b> | Increase in public information budgets<br>Increased enforcement of the water waste prohibition<br>Restaurant water served on request<br>10% reduction across all customer classes   | <b>Up to<br/>20%</b>  |
| <b>3<br/>Mandatory</b> | All Stage 2 Prohibitions and <ul style="list-style-type: none"> <li>• No new or expanded irrigation systems</li> <li>• Prohibition against noncommercial vehicle washing</li> <li>• Prohibition against filling swimming pools and using ornamental fountains</li> <li>• Limited new water service connections</li> <li>• Prohibitions against use of potable water for construction dust control</li> <li>• Controls on groundwater use</li> </ul> 30% reductions for residential, commercial, industrial & public | <b>25% to<br/>35%</b> |

| Stage No.              | Water Supply Conditions   | % Shortage            |
|------------------------|---|-----------------------|
|                        | customers   |                       |
|                        | 45% reducing in dedicated irrigation accounts                             |                       |
| <b>4<br/>Mandatory</b> | All Stage 2 and 3 Prohibitions  | <b>40% to<br/>50%</b> |
|                        | 50% reductions for residential, commercial, industrial & public customers |                       |
|                        | 75% reductions in dedicated irrigation accounts                           |                       |

\* One of the stages of action must be designed to address a 50 percent reduction in water supply.



## Amendment to the 2010 Urban Water Management Plan

The following provisions of the 2010 Urban Water Management Plan are hereby amended with additions underlined and deletions shown lined out:

1. Section 5.5 is amended to read as follows:

### 5.5 WATER SHORTAGE CONTINGENCY AND DROUGHT PLANNING

This section provides information required by Water Code Section 10632. MPMWD has authority within Sections 7.3~~54~~ and 7.3~~8~~ of the City's Municipal Code to require water rationing and water conservation and to enforce penalties. MPMWD has also developed an independent Water Shortage Contingency Plan. This Plan was amended in 2014 to reflect the State Water Resources Control Board's emergency regulations that became law on July 28, 2014 ("Emergency Regulations"). The Emergency Regulations require urban water suppliers to "implement all requirements and actions of the stage of its Water Shortage Contingency Plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water."~~While this Plan was developed in 1993 and some of information regarding customer counts and finances is dated, the Plan does clearly establish stages of actions and monitoring procedures.~~ Information from the Municipal Code and the Water Shortage Contingency Plan is summarized here. The Municipal Code sections ~~are~~is included as Appendix D of this UWMP.

2. Section 5.5.1 is amended to read as follows. Table 5.11 is replaced in its entirety to provide that there will be five stages for specific reduction methods in the event of a declared emergency rather than four stages.

#### 5.5.1 Actions in Response to Water Supply Shortages (Water Code 10632(a))

Water Code Section 10632(a) requires a description of the actions to be undertaken by the urban water supplier in response to water supply shortages of up to 50%. This section also requires the water supplier to outline the specific water supply conditions that are applicable at each stage of action.

MPMWD currently has one strategy for managing water supply reductions: authorized mandatory demand management measures. As it brings its groundwater supply on-line, MPMWD will add important redundancy and flexibility to its system. Each of these strategies is outlined below.

#### *Description of Actions to be Taken*

The City Council has the authority to declare a water shortage emergency. Emergencies are declared in ~~four~~five stages with specific reduction methods used for each stage. Table 5.11 (DWR Table 35) summarizes the consumption reduction methods that MPWMD has the authority to use.

**Table 5.11 (DWR Table 35)  
Water Shortage Contingency Plan  
Rationing Stages to Address Water Supply Shortages**

| <b>Stage</b>    | <b>Water Use Regulations</b>   | <b>% Goal</b>           |
|-----------------|--|-------------------------|
| <b><u>1</u></b> | <ul style="list-style-type: none"> <li>• <u>Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.</u></li> <li>• <u>Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.</u></li> <li>• <u>Other measures as may be approved by Resolution of the City Council.</u></li> </ul>   | <b><u>NA</u></b>        |
| <b><u>2</u></b> | <ul style="list-style-type: none"> <li>• <u>Continue with actions and measures from Stage 1, except where superseded by more stringent requirements.</u></li> <li>• <u>Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.</u></li> <li>• <u>Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.</u></li> <li>• <u>Restaurants and other food service operations shall serve water to customers only upon request.</u></li> <li>• <u>Use only re-circulated or recycled water to operate ornamental fountains.</u></li> <li>• <u>Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction</u></li> </ul> | <b><u>Up to 20%</u></b> |
| <b><u>3</u></b> | <ul style="list-style-type: none"> <li>• <u>Continue with actions and measures from Stage 2, except where superseded by more stringent requirements.</u></li> <li>• <u>Potable water shall not be used for street cleaning.</u></li> <li>• <u>Limit outdoor irrigation to occur during specific hours, as determined by the Public Works Director, or his designee.</u></li> <li>• <u>Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</u></li> </ul>  | <b><u>Up to 30%</u></b> |
| <b><u>4</u></b> | <ul style="list-style-type: none"> <li>• <u>Continue with actions and measures from Stage 3, except where superseded by more stringent requirements.</u></li> <li>• <u>No new landscaping shall be installed at new construction sites.</u></li> <li>• <u>Limit outdoor irrigation to a set number of days per week, as determined by the Public Works Director, or his designee.</u></li> <li>• <u>Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</u></li> </ul>  | <b><u>Up to 40%</u></b> |
| <b><u>5</u></b> | <ul style="list-style-type: none"> <li>• <u>Continue with actions and measures from Stage 4, except where superseded by more stringent requirements.</u></li> <li>• <u>Newly constructed pools, spas and hot tubs shall not be filled.</u></li> <li>• <u>Existing irrigation systems shall not be expanded.</u></li> <li>• <u>Turf irrigation is prohibited at all times.</u></li> <li>• <u>Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.</u></li> </ul>  | <b><u>Up to 50%</u></b> |

3. Section 5.5.6 is amended to read as follows

**5.5.6 Water Shortage Contingency Ordinance (Water Code 10632(h))**

As noted above, MPMWD has adopted a Water Shortage Contingency Plan and has codified its authority for implementing the plan in Section 7.3~~5~~<sup>4</sup> of the Municipal Code.

To view the 2010 Urban Water Management Plan in its entirety, go to <http://www.menlopark.org/150/Urban-Water-Management-Plan>.

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**Water Shortage Contingency Plan 2014**  
**Additional Water Regulations if Approved by Resolution of the City Council**

| <b>Water Regulations</b>   |
|--|
| 1. Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.  |
| 2. Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.   |
| 3. Restaurants and other food service operations shall serve water to customers only upon request.   |
| 4. Use only re-circulated or recycled water to operate ornamental fountains.   |
| 5. Limit outdoor irrigation to occur during specific hours, as determined by the Public Works Director, or his designee. Outdoor irrigation may be limited to spray irrigation, drip irrigation, and/or hand watering.   |
| 6. Limit the amount of time that outdoor irrigation can occur (i.e. 10 minutes per day).   |
| 7. Limit outdoor irrigation to spray irrigation, drip irrigation, and/or hand watering.  |
| 8. Potable water shall not be used for street cleaning.  |
| 9. No new landscaping shall be installed at new construction sites.  |
| 10. Newly constructed pools, spas and hot tubs shall not be filled.  |
| 11. Landscape irrigation with potable water is prohibited.   |
| 12. Landscape shall not be irrigated during rain events.   |
| 13. Restaurants must use water-conserving dishwashing spray valves.  |
| 14. Water use for cooling must be recycled.  |
| 15. No new, non-residential water meters shall be issued unless the Public Works Director, or his designee, determines that such issuance will not impede the City's compliance with the required water use reductions.  |
| 16. Filling or re-filling ornamental lakes or ponds is prohibited except (1) to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level, or (2) with recycled water, if available. |
| 17. All vehicles must be washed at commercial car washes that re-circulate water.  |
| 18. No new potable water service shall be provided.  |
| 19. No statements of immediate ability to serve or provide potable water service (such as will-serve letters) shall be provided.   |
| 20. Water use, by individual water service account, shall be reduced by a percentage or method as approved by Resolution by the City Council.  |
| 21. Mobile high pressure/low volume wash systems may be used.  |
| 22. Potable water shall not be used for fire protection training.  |
| 23. Potable water for construction backfill consolidation shall not be used.   |
| 24. Potable water for construction dust control purposes shall not be used.  |
| 25. New decorative water features may not be filled.   |
| 26. Existing swimming pools or spas shall not be re-filled.  |
| 27. Commercial and industrial buildings must install single-pass cooling systems.  |
| 28. Commercial car wash facilities must install recirculating systems.   |
| 29. Using outdoor cooling devices (i.e. misters) is prohibited.  |
| 30. Pools must have covers when not in use.  |
| 31. Spas must have covers when not in use.   |
| 32. Hotels, motels, and other commercial lodging establishments must offer guests the option of not laundering towels and linens daily.  |
| 33. Non-commercial customers must post water conservation messages in all restroom facilities.   |
| 34. Schools, golf courses, governmental agencies, parks and cemeteries, public or private, shall be required to submit a copy of a water conservation plan and landscape irrigation schedule.  |
| 35. Drought tolerant or native plant materials shall be installed to the maximum extent possible in all new residential construction.  |
| 36. The use of drought tolerant or native plant material is required for new commercial and industrial construction.   |
| 37. Broken or defective plumbing and irrigation systems must be repaired or replaced within 24 hours.  |

## Water Regulations

38. The City shall not issue building permits that increase water demands.
39. Flushing water mains or hydrants shall only be allowed to protect public health.
40. The use of water from fire hydrants shall be limited only to fire fighting and related activities, construction activities, or other activities necessary to maintain the health, safety, and welfare of the public.
41. No water shall be used for air conditioning purposes.
42. No statements of immediate ability to serve or provide potable water service (i.e. will-serve letters) shall be issued by the City except under certain circumstances (valid , unexpired building permit has been issued; project necessary to protect the public's health, safety, and welfare; etc.)
43. Groundwater may not be used for outdoor irrigation.
44. Limit groundwater use for domestic purposes only (i.e. no irrigation purposes).
45. Other water restrictions if approved by Resolution by the City Council.

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO  
PARK AMENDING THE URBAN WATER MANAGEMENT PLAN**

**WHEREAS**, the Urban Water Management Planning Act (Water Code Section 10610 et. seq.) requires every urban water supplier to prepare an Urban Water Management Plan ("UWMP"), the primary function of which is to describe and evaluate reasonable and practical efficient water uses and conservation activities; and

**WHEREAS**, the Urban Water Management Planning Act requires periodic review of the UWMP at least once every five years, followed by any amendments or changes to the UWMP that are indicated by that review; and

**WHEREAS**, the State Water Resources Control Board adopted emergency regulations ("Emergency Regulations") that became effective on July 28, 2014 and will remain in effect for up to 270 days; and

**WHEREAS**, the Emergency Regulations describe and identify those activities that are reasonable and practical and conserve water during a drought; and

**WHEREAS**, at a duly noticed public hearing on November 18, 2014, the City Council of the City of Menlo Park, an urban water supplier operating as the Menlo Park Municipal Water District, reviewed its 2010 UWMP in light of the Emergency Regulations considered amendments to the UWMP, including the Water Shortage Contingency Plan and its stages.

**NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED** by the City Council of the City of Menlo Park that the City Council does hereby approve and adopt the amendment to the 2010 Urban Water Management Plan.

**BE IT AND IT IS HEREBY FURTHER RESOLVED** by the City Council of the City of Menlo Park that the City Manager is hereby authorized and directed to file the amendment to the 2010 Urban Water Management Plan with the California Department of Water Resources within thirty days after its adoption.

**BE IT AND IT IS HEREBY FURTHER RESOLVED** by the City Council of the City of Menlo Park that the adoption of the amendment to the 2010 Urban Water Management Plan is categorically exempt from the California Environmental Quality Act ("CEQA") under Section 15307 of the CEQA Guidelines (Actions by Regulatory Agencies for Protection of Natural Resources).

I, PAMELA AGUILAR, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on \_\_\_\_\_, 2014, by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City Council on this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
PAMELA AGUILAR,  
City Clerk

DRAFT

**RESOLUTION NO. 6230****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADOPTING WATER CONSERVATION PLAN PURSUANT TO CHAPTER  
7.35 OF TITLE 7 OF THE MENLO PARK MUNICIPAL CODE**

WHEREAS, on April 25, 2014, the Governor of the State of California issued an executive order finding that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater production, and additional scarcity if drought conditions continue into 2015. The National Integrated Drought Information System reported that nearly 80% of the state was under “extreme drought conditions at the end of June 2014; and

WHEREAS, Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports”; and

WHEREAS, on July 28, 2014 the State Water Board submitted an emergency action to adopt three sections and a new article in title 23 of the California Code of Regulations pertaining to drought emergency water conservation, which was approved by the Office of Administrative Law pursuant to sections 11346.1 and 11349.6 of the Government Code;

WHEREAS, the State Water Board’s emergency regulations “Regulations” became effective on July 28, 2014 pursuant to section 1058.5 of the Water Code; and

WHEREAS, the Regulations will expire on April 25, 2015; and

WHEREAS, the Regulations require each urban water supplier to implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water; and

WHEREAS, the Menlo Park Municipal Water District’s Water Shortage Contingency Plan (“WSCP”) Stage 3 must be implemented to comply with the Regulations; and

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby approve and adopt the following Water Conservation Plan, implementing Stage 3 of the Water Shortage Contingency Plan and incorporating the additional prohibited activities of the new State Water Board regulations:

**1. Definitions.**

For the purposes of this resolution, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is always mandatory and not merely directory.

- a. “Water District” means the Menlo Park Municipal Water District, an agency of the City.
- b. “Customer” means any person using water supplied by the Water District.
- c. “Public Works Director” means the City of Menlo Park Public Works Director or his/her designee.

**2. Prohibitions.**

- a. Customers may not:
  - i. Apply potable water to any driveway or sidewalk;
  - ii. Use potable water to water outdoor landscapes in a manner that causes runoff onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
  - iii. Use a hose that dispenses potable water to wash a motor vehicle, unless the hose is fitted with a shut-off nozzle; and
  - iv. Use potable water in a fountain or decorative water feature, unless the water is recirculated.
- b. Customers are prohibited pursuant to the Water District’s Water Shortage Contingency Plan Stage 3 from:
  - i. Installing new irrigation systems or expanding existing irrigation systems;
  - ii. Noncommercial vehicle washing unless the hose is fitted with a shut-off nozzle or the vehicle is washed at a facility utilizing a water recirculating system;
  - iii. Filling new swimming pools;
  - iv. Using ornamental fountains or decorative water features, unless water is recirculated; and
  - v. Using potable water for construction dust control.

**3. The Public Works Director shall:**

- a. If requested by a Customer, determine if a new water service connection shall be allowed; and
- b. Establish an outreach program for customers with private wells.

**4. Water Percentage Reductions.**

- a. Residential, commercial, industrial, and public water customers shall reduce their water use by 30% from the same period during a previous year (as determined by the Public Works Director).
- b. Customers with dedicated irrigation accounts shall reduce their irrigation water use by 45% from the same period during a previous year (as determined by the Public Works Director).

**5. Penalties.**

If a Customer fails to comply with any of the prohibitions listed above, the following penalties may result:

| Violation       | Enforcement   |
|-----------------|---|
| 1 <sup>st</sup> | Warning only. Educate customer on proper water conservation practices.  |
| 2 <sup>nd</sup> | \$50 fine   |
| 3 <sup>rd</sup> | \$100 fine  |
| 4 <sup>th</sup> | \$200 fine, and review by the Public Works Director (or his designee) to determine if a flow restricting device should be installed |
| 5 <sup>th</sup> | \$500 fine, and review by the Public Works Director (or his designee) to determine if water service should be discontinued          |
| 6 <sup>th</sup> | \$500 fine, water service shall be discontinued   |

**Charges for Installation or  
Removal of Flow Restricting Devices**

| Meter Size   | Installation Cost | Removal Cost |
|--------------|-------------------|--------------|
| 5/8" to 2"   | \$ 155.00         | \$ 155.00    |
| 3" or larger | Actual Cost       | Actual Cost  |

**Charges for Disconnecting and Reconnecting Service**

| Meter Size | Cost to Disconnect Service | Cost to Reconnect Service |
|------------|----------------------------|---------------------------|
| All sizes  | \$ 155.00                  | \$ 155.00                 |

BE IT AND IT IS HEREBY FURTHER RESOLVED by the City Council of the City of Menlo Park that this Water Conservation Plan shall remain in effect as long as the Emergency Regulations are in effect and shall sunset when the emergence regulations are no longer in effect.

I, NICOLE MARIANO, Deputy City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on this twenty-sixth day of August, 2014 by the following vote:

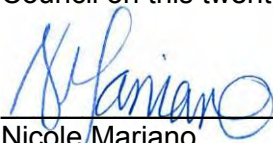
AYES: Carlton, Cline, Keith, Mueller, Ohtaki

NOES: None

ABSENT: None

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City Council on this twenty-sixth day of August, 2014.

  
\_\_\_\_\_  
Nicole Mariano  
Deputy City Clerk

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADOPTING A WATER CONSERVATION PLAN**

**WHEREAS**, on August 26, 2014 the City Council of the City of Menlo Park adopted Resolution No. 6230 to implement Stage 3 of Water Shortage Contingency Plan (“WSCP”) contained in the 2010 Urban Water Management Plan (“UWMP”); and

**WHEREAS**, subsequent to the adoption of Resolution No. 6230 the City Council of the City of Menlo Park adopted an amendment to the UWMP, which amended the WSCP, on November 18, 2014 (hereinafter referred to as “2014 UWMP” and “2014 WSCP”, respectively); and

**WHEREAS**, to comply with the State Water Board’s Emergency Regulations (“Emergency Regulations”) which became effective on July 28, 2014 pursuant to Section 1058.5 of the California Water Code, under the 2014 UWMP, Stage 2 of the 2014 WSCP (as opposed to Stage 3 of the WSCP) must be implemented; and

**WHEREAS**, the City Council of the City of Menlo Park wishes to amend Resolution No. 6230 and replace Stage 3 of the WSCP with Stage 2 of the 2014 WSCP.

**BE IT AND IT IS HEREBY RESOLVED** by the City Council of the City of Menlo Park that the City Council does hereby approve and adopt the following Water Conservation Plan, implementing Stage 2 of the 2014 WSCP:

1. **Definitions.** For the purposes of this Resolution, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is always mandatory and not merely directory.
  - a. “Water District” means the Menlo Park Municipal Water District, an agency of the City of Menlo Park.
  - b. “Customer” means any person using water supplied by the Water District.
  - c. “Public Works Director” means the City of Menlo Park Public Works Director or his/her designee.
  
2. **Conservation Measures.** Stage 2 of the 2014 WSCP implements the following water conservation measures:
  - a. Hoses must be equipped with a shut-off valve for washing vehicles, sidewalks, walkways, or buildings.
  - b. Broken or defective plumbing and irrigation systems must be repaired or replaced within a reasonable period.

- c. Potable water shall not be applied in any manner to any driveway or sidewalk, except when necessary to address immediate health or safety concerns.
- d. Potable water shall not be used to water outdoor landscapes in a manner that causes runoff onto non-irrigated areas, walkways, roadways, parking lots, or other hard surfaces.
- e. Restaurants and other food service operations shall serve water to customers only upon request.
- f. Use only re-circulated or recycled water to operate ornamental fountains.
- g. Other measures as may be approved by Resolution of the City Council to achieve the overall percentage reduction.

3. **Penalties.** Violations of the water conservation measures listed above are punishable by fines as described below. Fines must be paid within thirty (30) days. If fines are not paid when due, Customer's water service may be discontinued.

| Violation       | Enforcement   |
|-----------------|---|
| 1 <sup>st</sup> | Warning only. Educate customer on proper water conservation practices.  |
| 2 <sup>nd</sup> | \$50 fine   |
| 3 <sup>rd</sup> | \$100 fine  |
| 4 <sup>th</sup> | \$200 fine, and review by the Public Works Director (or his/her designee) to determine if a flow restricting device should be installed |
| 5 <sup>th</sup> | \$500 fine, and review by the Public Works Director (or his/her designee) to determine if water service should be discontinued          |
| 6 <sup>th</sup> | \$500 fine, water service shall be discontinued   |

**Charges for Installation or Removal of Flow Restricting Devices**

| Meter Size   | Installation Cost | Removal Cost |
|--------------|-------------------|--------------|
| 5/8" to 2"   | \$ 155.00         | \$ 155.00    |
| 3" or larger | Actual Cost       | Actual Cost  |

**Charges for Disconnecting and Reconnecting Service**

| Meter Size | Cost to Disconnect Service | Cost to Reconnect Service |
|------------|----------------------------|---------------------------|
| All Sizes  | \$ 155.00                  | \$ 155.00                 |

4. **Appeal Process.** Customer may contest a fine by submitting a written appeal to the Public Works Director within thirty (30) days of the date of the fine. Customer

may request a meeting with the Public Works Director to present evidence that a violation does not exist. If a meeting is requested, the Public Works Director shall meet with the Customer within fifteen (15) days of the appeal date. The Public Works Director shall make a final, non-appealable decision in writing within fifteen (15) days of the appeal date if no meeting requested or within fifteen (15) days of the meeting date. If the fine is upheld, the Customer shall have ten (10) days from the date of the Public Works Director's decision to pay the fine. If the fine is not paid when due, Customer's water service may be discontinued.

**BE IT AND IT IS HEREBY FURTHER RESOLVED** by the City Council of the City of Menlo Park that this Water Conservation Plan shall remain in effect as long as the Emergency Regulations are in effect and shall sunset when the Emergency Regulations are no longer in effect.

I, PAMELA AGUILAR, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on \_\_\_\_\_, 2014, by the following vote:

AYES: Councilmembers:  
NOES: Councilmembers:  
ABSENT: Councilmembers:  
ABSTAIN: Councilmembers:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City Council on this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
PAMELA AGUILAR,  
City Clerk

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## COMMUNITY DEVELOPMENT DEPARTMENT

**Council Meeting Date: November 18, 2014**  
**Staff Report #: 14-197**

**Agenda Item #: F-1**

**REGULAR BUSINESS:** Consider a Resolution Ratifying the Menlo Park Fire Protection District's Ordinance for the Adoption of and Local Amendments to the 2013 California Fire Code

### RECOMMENDATION

The Menlo Park Fire Protection District (Fire District) is requesting that the City Council adopt a resolution accepting local amendments to the 2013 California Fire Code for purposes of enforcement within the City of Menlo Park. If the Council determines that the amended fire codes are in the best interests of the city, the Council should act to approve the resolution (Attachment A).

### BACKGROUND

The California Building Standards Code (California Code of Regulations, Title 24, Parts 1, 2, 2.5, 3, 4, 5, 6, 8, 9, 10, 11, & 12) is published in its entirety every three years and is applicable to all buildings that submit an application for a building permit during its effective period. The Building Standards Code incorporates regulations applicable to disciplines of the construction industry including building, electrical, mechanical, plumbing, and fire prevention. The Building Standards Code is based on model codes written by various professional organizations. In adopting the Building Standards Code, the State considers the various model codes and typically adopts portions of the model codes rather than the model codes in their entirety.

The 2013 triennial edition of the California Building Standards Code became effective on January 1, 2014 and all applications for building permits submitted after that date have been subject to the Code. Local amendments to the Building Standards Code can be adopted by a jurisdiction at any time during a triennial code cycle. In order to make local amendments, a jurisdiction must also adopt the Building Standards Code. The City adopted the 2013 Building Standards Code and local amendments on December 13, 2013 in order for the local amendments to be effective on the same date as the new Building Standards Code.

The Menlo Park Fire Protection District (Fire District) serves the communities of Atherton, East Palo Alto, Menlo Park, and portions of unincorporated San Mateo County and is responsible for the enforcement of the 2013 California Fire Code (Part 9 of the Building Standards Code). The Fire District has prepared an ordinance for consideration by the Fire District Board that would adopt the 2013 California Fire Code as well as local amendments to the Code. Since the Fire District is independent from the communities it

serves, the District is subject to Section 13869.7 (c) of the California Health and Safety Code (H&S Code). This section of the H&S Code states:

*No ordinance adopted by the district shall be effective until ratification by the city, county, or city and county where the ordinance will apply.*

In accordance with this requirement, the Fire District is requesting that the City Council adopt a resolution ratifying the proposed ordinance following Fire District Board approval. The Fire District initially presented the proposed ordinance to the Council at an October 15, 2013 study session. Since that time, the Fire District has worked with City staff to address potential conflicts between the proposed ordinance amendments and City operations and has partially revised the text of the ordinance. The Fire District Board is scheduled to consider adoption of the proposed Fire District ordinance at its November 18, 2014 meeting.

## **ANALYSIS**

The Fire District's proposed ordinance will adopt the entire California Fire Code (CFC) as adopted by the State, parts of the model code that were either not adopted or were partially adopted by the State, and amend selected sections to help meet the Fire District's operational needs. The ratification of the Fire District's proposed ordinance by City Council will make all of the provisions of the Fire District's ordinance enforceable within the City of Menlo Park. Currently, only the provisions of the 2013 CFC as adopted by the State are enforceable except for the provisions established in the Fire District's existing 1984 ordinance that supersedes the CFC (see discussion of the 1984 ordinance in the *Ordinance Requirements for Automatic Fire Sprinkler Systems* section of this report).

Of the proposed amendments to the 2013 CFC, the two which most directly impact building and roadway construction in Menlo Park are the sections that address automatic fire sprinkler systems and fire apparatus access roads. These are discussed in more detail below.

### **Ordinance Requirements for Automatic Fire Sprinkler Systems**

Fire sprinkler requirements are addressed differently depending on the type of land use and whether the proposed project is new construction or an expansion/renovation of an existing building. Specifically, for new single-family homes, the State adopted the California Residential Code (Building Standards Code Part 2.5) which has required fire sprinklers since 2010. For this reason, the 2013 CFC and the Fire District's proposed amendments do not address new single-family homes, and instead focus on existing single-family homes and new and existing buildings other than single-family homes.

Currently, the Fire District enforces the 2013 California Fire Code, except where superseded by an ordinance adopted by the Fire District in 1984. The 1984 ordinance requires the installation of fire sprinklers in buildings or structures, except new and existing single-family homes, under certain conditions. The 1984 ordinance was adopted prior to the change in the H&S Code requiring ratification of District ordinances

by the jurisdictions served by the Fire District. As such, the 1984 ordinance supersedes the 2013 CFC and is enforceable until an updated ordinance is ratified. If the Fire District's proposed ordinance is ratified, the ordinance will replace the 1984 ordinance. A comparison of the requirements of the 1984 ordinance, the 2013 CFC and Fire District's proposed ordinance is included as Attachment B.

### *Newly Constructed Buildings (Other than Single-Family Homes)*

The 2013 CFC establishes provisions for where fire protection systems such as fire sprinklers are required. These provisions apply to the design, installation, inspection, operation, testing, and maintenance of all fire protection systems. The 2013 CFC fire sprinkler requirements are based on a variety of factors related to occupancy type and building square footage where more hazardous uses and conditions have lower triggers for fire sprinklers.

The Building Standards Code establishes ten different types of occupancy groups. An occupancy group is assigned to a building or portions of a building based on the proposed use of a building. As an example, the City Council Chambers is an assembly group occupancy (Occupancy Group A) and the City's administrative offices are a business occupancy (Occupancy Group B). The more hazardous the occupancy, the lower the threshold before fire sprinklers are required. As an example, the 2013 CFC does not require fire sprinklers in business related occupancies such as office buildings (Occupancy Group B) but does require them for all occupancies that are considered high hazard such as labs working with large quantities of chemicals (Occupancy Group H).

Specific to sprinklers, the Fire District currently enforces the 1984 ordinance which requires fire sprinklers when a structure is over 5,000 square feet in size, over four stories in height, or over 40 feet in height. The 1984 ordinance does not include the variation in requirements based on occupancy type and square footage that is used in the 2013 CFC. It functions more as a "one-size-fits-all" approach.

The Fire District's proposed ordinance maintains the "one-size-fits-all" approach of the 1984 ordinance but would reduce the requirement threshold for the installation of fire sprinklers from the 5,000 square foot limit established in the 1984 ordinance to 1,000 square feet. The District's ordinance will also require fire sprinklers to be installed in any new building that has a basement exceeding 250 square feet. This is not currently required under the 1984 ordinance or the 2013 CFC, although the CFC does include a fire sprinkler requirement for some below grade stories based on specific design parameters. An example of when the proposed ordinance would require sprinklers based on a basement is if a 600 square foot detached garage and workshop (Occupancy Group U) were built, the installation of fire sprinklers would not be required because the building would be less than 1,000 square feet. However, if a 300 square foot basement for storage was added, the installation of fire sprinklers would be required.

The proposed ordinance will potentially increase the construction cost of new buildings (other than single-family homes) that are between 1,000 and 5,000 square feet in size. The increased cost would be the result of:

- The need to install a dedicated water main to serve the fire water needs or a larger single water main to serve both the domestic and fire water;
- The need to install a second back flow device for a new fire water main; and
- The installation of the fire sprinkler system.

The proposed ordinance would require the sprinkler installation to occur during the initial construction. This would potentially help to offset the added costs as opposed to a situation where the sprinkler system is required to be installed in an existing building due to a change in occupancy type (which could take place under the 2013 CFC since the requirements are based in part on occupancy types).

In summary, although the proposed ordinance would result in some increase in the number of buildings that would be required to have a fire sprinkler system, the added costs would be able to be included in the budgeting for the initial construction and ultimately provide more flexibility in use of the building over time.

#### Existing Buildings (All Types Including Single-Family Homes)

The 2013 CFC establishes fire sprinkler requirements for two types of existing buildings: (1) existing buildings where cellulose nitrate film or pyroxylin plastics are manufactured, stored, or handled in quantities exceeding 100 pounds; or (2) when occupancies that give 24-hour care provides for five or more persons who are incapable of self-preservation or classified as non-ambulatory or bedridden. The 2013 CRC does not otherwise require the installation of fire sprinklers in an existing building.

The 1984 ordinance uses a different approach based on assessed property value and the extent of improvements to an existing building. The 1984 ordinance requires the installation of fire sprinklers when the cost or value of the improvements made to the building as a result of one or more improvement projects exceeds 50 percent of the assessed valuation of the building or structure in 1984. The one exception is that if a fire sprinkler system would not be included in a similar new building, it is not required of the expanded/renovated building. It should be noted that the 1984 ordinance does not apply to new or existing single-family homes.

The Fire District's proposed ordinance establishes three criteria to determine when the installation of fire sprinklers is required in existing buildings, including single-family homes:

- (1) In buildings larger than 1,000 square feet when the accrued square footage of alterations and/or additions exceed 50 percent of the gross floor area of the building over a ten year period;
- (2) A change in the use or occupancy that would result in an increased fire hazard or risk; and
- (3) In new 250 square foot basements constructed below existing buildings.

The proposed ordinance will result in an increased number of existing buildings, especially expanded and renovated single-family homes, needing to install fire sprinkler systems. The installation of fire sprinklers usually requires a minimum of a one-inch water meter and a one-inch waterline from the meter to the house. In some cases a



one-inch water line from the main in the street to the water meter is needed as well. The majority of single-family residences in Menlo Park (2,740 residences in the Menlo Park Water District) currently have a three-quarter-inch water line from the water main in the street to the house with a three-quarter inch water meter and a pressure range of 70 to 80 pounds per square inch (psi). A three-quarter-inch water line provides a flow of 10 to 15 gallons per minute (gpm) and a one-inch water line provides a flow of 20 to 25 gpm depending on the water pressure. When a single fire sprinkler head is activated it applies water at a rate of 13 gpm at a minimum pressure of 7 psi. When two sprinkler heads are activated, there would be a demand of 26 gpm at 14 psi. Therefore, with two sprinkler heads activated, there may be a need to increase an existing three-quarter-inch water line to a minimum of one inch to provide adequate flow.

Increasing the water line from the meter to the house in a two-head design scenario should generally result in adequate flow for the fire sprinklers. In a three-head or four-head design scenario, depending upon the flow pressure at the meter, it may be necessary to increase the water line in the street from the water main to the water meter.

The Fire District's staff report (Attachment C) states that the cost is commonly less than one percent of the construction value of the home, exclusive of the City of Menlo Park water main and meter upgrade, if necessary. If an upgrade is necessary for a structure located in the Menlo Park Municipal Water District, the cost of replacing the water line from the main in the street to the meter is the City's direct installation cost for the installation plus 25 percent and a Capitol Facilities Charge based on the City's Master Fee Schedule. The cost for increasing the size of an existing water line from the meter to the house depends on the length of the line being installed, the amount of concrete the line must pass under, and who is providing the trenching and backfilling services.

The downtown area of the City has been uniquely impacted over the years by the fire sprinkler regulations. Many of the downtown buildings' existing water mains are not large enough to support a fire sprinkler system, yet if fire sprinklers are required as part of a construction project the CFC requires a new dedicated fire service main and meter be installed. The City's water utility provides water to the downtown buildings and has water mains on Menlo Avenue, Santa Cruz Avenue, and Oak Grove Avenue. As construction projects have triggered the requirement for the installation of fire sprinklers based on the 1984 ordinance the City has only allowed the water mains on Oak Grove Avenue or Menlo Avenue to be used as the water source. In most cases, this has resulted in trenching across the parking plazas. In all cases, the installation of a back flow device and a Fire Department connection is required. The back flow device and Fire Department connection are installed on the outside of the building.

The proposed ordinance includes a new prohibition on automatic fire sprinkler systems that only protect a portion of a building unless approved by the fire code official. An exception to this prohibition would allow for a partial fire sprinkler system when different tenant spaces in the same building are occupied and the installation of a fire sprinkler system might disrupt business. In this case, the fire code official and the building owner must agree in writing to a delay in completing the installation of the fire sprinkler system, provided there is a reasonable time of completion.

Neither the 2013 CFC nor the 1984 ordinance have regulations addressing partial systems. Due to the increased cost of construction since 1984 and the cumulative costs from multiple construction projects for a single building, small tenant improvements have been triggering the 1984 ordinance requirement for the installation of fire sprinklers. The Fire District has stated that this is not the original intent of the 1984 ordinance. Additionally, the requirement for the installation of sprinklers is for the entire building which can be very disruptive to other tenants in multi-tenant buildings.

The Fire District has sought to maintain business continuity and has allowed building owners to enter into written agreements establishing a three year period to provide required fire sprinkler protection in accordance with the 1984 ordinance. Projects that have not affected the entire building or occupants, have been offered the opportunity to provide the fire sprinkler main, framework, and piping for the building, while allowing the actual fire sprinkler installation to be postponed in tenant spaces not associated with the construction work until such time as a tenant moves out or remodeling is conducted.

The inclusion of provisions for partial fire sprinkler systems in the proposed ordinance would allow for a reasonable time frame for the completion of sprinkler installations and puts into code what has been a standing policy intended to support the business community.

National Fire Protection Association Design Criteria

The 2013 CFC requires sprinkler systems for all residential occupancies to be compliant with the National Fire Protection Association (NFPA) 13R design criteria. The District's proposed ordinance requires different design criteria. Specifically, the proposed ordinance states that where the 2013 CFC requires an NFPA 13R system, an NFPA 13 system shall be used. The following table outlines the differences between 13R and 13 design criteria.

| <b>NFPA 13R Design Criteria</b>  | <b>NFPA 13 Design Criteria</b>   |
|--|--|
| Not required in attics of closets that are less than 55 square feet in area or less than three feet in depth | Requires fire sprinkler heads in attics of closets   |
| Minimum hydraulic calculation must be based on the number of sprinkler heads activated in an event           | Minimum hydraulic calculation must be based on the number of sprinkler heads activated in an event |
| 4 heads activated at the same time   | 4 heads activated at the same time   |
| No similar regulation  | 5 heads activated at the same time for egress hallways   |

The CFC also establishes requirements for the installation of fire sprinklers in locations that do not delay the activation or obstruct the water flow. The proposed ordinance maintains this requirement plus requires sprinklers be provided in all areas including combustible or noncombustible concealed spaces with a gap of six inches or more with an exception for combustible or noncombustible concealed spaces if the building owner and the fire code official agree that the concealed spaces are unlikely to change in the future. The CFC does not require the installation of fire sprinklers in concealed spaces.

## Ordinance Requirements for Fire Apparatus Access Roads

The model code establishes standards for a fire apparatus access road (access road) that were not adopted by the State. The State agencies with authority to adopt the Building Standards Codes do not have authority to adopt the provisions of the model code that address roadways. The Fire District's proposed ordinance adopts the access road standards, including amendments to some of these sections.

A fire apparatus access road is defined as a road that provides fire apparatus access from a fire station to a facility, building or portion thereof. This is a general term inclusive of all other terms such as fire lane, public street, private street, parking lot lane, and access roadway. However, the California Code of Regulations Title 19, Division 1, Section 3.05(a) states that:

*Required access roads from every building to a public street shall be all-weather hard-surfaced (suitable for use by fire apparatus) right-of-way not less than 20 feet (6096 mm) in width. Such right-of-way shall be unobstructed and maintained only as access to the public street. **Exception:** The enforcing agency may waive or modify this requirement if in his opinion such all-weather hard-surfaced condition is not necessary in the interest of public safety and welfare.*

The Title 19 regulation gives the Fire District the authority to require a 20-foot roadway from the right of way to a building for access purposes but does not establish a maximum distance a building can be set back from the public right of way before an access road is required. Historically the Fire District has used the standards established in the un-adopted model code as a guideline.

The proposed ordinance specifies that the dimensions for private roadways shall require approval of the fire code official and be designed and constructed to provide required life and safety needs as well as emergency vehicle ingress and egress. The proposed ordinance does allow the width of an access road to single-family dwellings and duplexes that exceed 150 feet to be reduced to not less than 16 feet in width when the dwelling, including guest houses or in-law quarters, is protected by an automatic fire sprinkler system.

### Traffic Calming Devices

The proposed ordinance establishes standards for the design, construction and installation of traffic calming devices within the City Right of Way. Traffic calming devices may consist of physical designs as well as other measures including; narrowed roads, speed humps, speed feedback signs, striping, signage, etc., put in place on roads for the intention of slowing down or reducing motor-vehicle traffic as well as to improve safety for pedestrians, motorists and cyclists.

The proposed ordinance discusses the use of traffic calming devices within the City Right of Way and on Fire District primary response routes. The original text for this section as presented by the un-adopted model code would have given final review and approval of any improvements or modifications to City Right of Way to the Fire District, therefore preventing the City from modifying or improving our roadways without

approval from the Fire District. The current text as modified by City staff and Fire District staff states:

*Traffic calming devices shall be designed and constructed so that they shall not prevent or impede emergency vehicle travel, ingress, and/or egress. Special consideration shall be given to the use of traffic calming devices and their impacts to emergency response vehicles on Fire District primary response routes.*

Therefore, the text as presented notes that the City will take due care and consideration for emergency vehicle access when designing and constructing traffic calming devices, while maintaining the final review and approval of any improvements within the City Right of Way.

### Traffic Signal Control Devices

The initially proposed ordinance requested that the City require the installation of emergency vehicle preemption equipment any time an encroachment permit is issued at a signalized intersection. Traffic signal or vehicle preemption (also called traffic signal prioritization) is a type of system that allows the normal operation of traffic lights to be preempted or manually overridden. The most common use of these systems is to manipulate traffic signals in the path of an emergency vehicle, halting conflicting traffic and allowing the emergency vehicle right-of-way, to help reduce response times and enhance traffic safety. However, traffic signals along El Camino Real, Sand Hill Road and Willow Road either currently run on a coordinated signal timing system or are in the process of being converted to a coordinated signal system. Coordinated signal systems improve vehicle flow, reduce congestion and maximize vehicle throughput. The introduction of a vehicle preemption system risks the integrity of a signal coordination system, as the coordinated plan for the corridor is halted any time an emergency vehicle enters or crosses one of these corridors with their emergency lights and sirens activated. This can have a serve impact on the timing plan for all signals along the coordinated path as each signal is in synchronization with all other signals along the corridor.

The currently proposed text of the ordinance as modified by City staff and Fire District staff states that vehicle preemption equipment should be considered by the City whenever improvements are made to a signalized intersection. This language gives the City the final review and approval of preemption systems within our jurisdiction.

### **Other Proposed Amendments**

The Fire District's proposed ordinance includes of number of other provisions that are primarily of interest to the Fire District's operations. They are briefly described below. City staff is in agreement with the various provisions.

### Administrative Amendments (CFC Chapter 1, Division II)

The regulations found in Chapter 1, Division II are administrative in nature and the adoption of these regulations are needed because the State does not have authority to

prescribe how a jurisdiction operates administratively. Examples of the administrative provisions are the authority to charge fees, make inspections, and issue Stop Work Orders. The three amendments to this chapter amount to the insertion of the Fire District's name into the section addressing violations, reference to their fee schedule related to the issuance of permits, and Stop Work Orders.

#### Definition Amendments (CFC Chapter 2)

Chapter 2 establishes definitions of terms used throughout the CFC as adopted by the State. The Fire District proposes amendments to this chapter to add three definitions that do not appear in the 2013 CFC, which are:

- Partial sprinkler system;
- Response route; and
- Substantial alteration.

The codification of these terms and definitions makes them the legal definition for the purposes of the enforcement of the 2013 CFC and local amendments.

#### Planning and Preparedness Amendments (CFC Chapter 4)

Chapter 4 establishes provisions for emergency planning and preparedness. The State did not adopt all of the sections in this chapter. The Fire District's proposed ordinance adopts the entire chapter including the sections not adopted by the State and amends the section relating to the making of false reports. The amendment defines what constitutes a false report and references the Fire District's fee associated with their response to a false report.

#### Premises Identification Amendments (CFC Chapter 5)

Section 505 establishes requirements for premises identification and was not adopted by the State. The Fire District's ordinance both adopts and amends this section. The adoption and amendments to this section establish standards for things such as the size, lighting, and location of building addresses.

#### Firefighter Air Systems Amendments (CFC Chapter 5)

Section 511 is not in the CFC and is a new section that has been added by the Fire District. This ordinance section establishes that the installation of firefighter air systems can be required by the fire code official in the following types of structures except single-family residential structures:

- New buildings four or more stories in height;
- Existing buildings greater than 75 feet in height; and
- Any underground structure that are two or more floors below grade.

Firefighter air systems are building-installed air replenishment systems that allow firefighters to refill their air tanks inside a structure during a fire or any emergency where air quality is compromised.

*Flammable and Combustible Materials Amendments (CFC Chapters 57, 58, and 61)*

The CFC Chapters 57, 58, and 61 establishes requirements for the prevention, control, and mitigation of dangerous conditions associated with flammable and combustible liquids, flammable cryogenic fluids, and liquefied petroleum gases. These chapters were adopted by the State and the Fire District's amended language recognizes the City's requirement for obtaining a Conditional Use permit for storage and usage of these materials by stating, "See the Planning Department for the City of Menlo Park zones in which such storage is prohibited."

*Adoption of Appendix Chapters F, I, and K*

The State did not adopt the model code Appendix Chapters F, I, and K. Chapter F establishes provisions for the assignments of levels of hazard to be applied to specific hazard classes. The classifications are then posted on fire fighter warning placards. Chapter I establishes lists of noncompliant conditions in the fire sprinkler and fire alarm systems that are readily observable during fire inspections and may require component repair or replacement. Finally, Chapter K establishes regulations for temporary haunted houses, ghost walks, and similar amusements. These regulations address things such as staffing levels of qualified people in the event of evacuation, number of exits, and smoke generators.

**IMPACT ON CITY RESOURCES**

The adoption of the current State codes and proposed local amendments will not result in any direct costs to the City.

**POLICY ISSUES**

The ratification of the Fire District's proposed ordinance will change fire sprinkler requirements for the city, specifically increasing the requirements for the expansion/renovation of single-family homes and other types of buildings. The Council should consider the health and safety benefits associated with the increased sprinkler requirements balanced with the added impacts to individual project applicants in making its decision.

**ENVIRONMENTAL REVIEW**

The adoption of the proposed ordinance is not a project that has the potential for causing a significant effect on the environment and therefore is not subject to review under the California Environmental Quality Act (CEQA).

**PUBLIC NOTICE**

Public notification was achieved by publication of a notice in the local newspaper at least 10 days prior to the meeting. In addition, City staff notified frequent customers and interested individuals of this agenda item via email and by posting notification at the Development Services Counter of City Hall.

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

## **ATTACHMENTS**

- A. Resolution to Ratify the Menlo Park Fire Protection District Ordinance Number 36A-2013
- B. Table Comparing Fire Sprinkler Regulations
- C. Menlo Park Fire Protection District Staff Report, dated November 18, 2014, including attachments

Report co-prepared by:

*Ron LaFrance*  
*Building Official*

Report co-prepared by:

*Jesse Quirion*  
*Interim Public Works Director*

Report reviewed by:

*Arlinda Heineck*  
*Community Development Director*

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
RATIFYING THE MENLO PARK FIRE PROTECTION DISTRICT ORDINANCE  
ADOPTING AMENDMENTS TO THE 2013 CALIFORNIA FIRE CODE**

The City of Menlo Park makes the following findings:

1. On October 15, 2013, the Menlo Park Fire Protection District ("District") held a study session to discuss proposed amendments to the 2013 California Fire Code requirements; and
2. The District and the City of Menlo Park Building, Public Works, and Planning staff subsequently worked collaboratively on the proposed amendments; and
3. The District introduced the ordinance amending the 2013 California Fire Code requirements on October 21, 2014, conducted a second reading on November 15, 2014, and adopted the ordinance, Ordinance No. 36A-2013, a copy of which is attached; and
4. The City desires to ratify Ordinance No. 36A-2013 so that it applies to the City.

NOW, THEREFORE, 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,

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council hereby ratifies Ordinance No. 36A-2013 which amends the 2013 California Fire Code. Ordinance No. 36A-2013 shall apply to building permit submittals made after January 1, 2015.

I, Pamela I. Aguilar, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted by the City Council of the City of Menlo Park at a meeting held by said Council on the eighteenth day of November, 2014 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park on this eighteenth day of November, 2014.

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Pamela I. Aguilar  
City Clerk

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## Comparison of Fire Sprinkler Ordinance Regulations

|   | 1984 Ordinance   | 2013 CFC   | Proposed Fire District Ordinance   |
|---|--|--|--|
| <b>New Single Family, Residential Structure</b>                           | Not Required   | Not Required<br>(CRC Requirement)  | Not Required<br>(CRC Requirement)  |
| <b>Addition or Alteration to Single Family, Residential Structure</b>     | Not Required   | Not Required   | <p><b>Required when:</b></p> <ul style="list-style-type: none"> <li>In buildings greater than 1,000 sq. ft. where the gross floor area of a proposed alteration and/or addition combined with the gross floor area of any alterations and/or additions undertaken in the preceding 10 year time period starting from January 1, 2015 that exceeds 50 percent of the existing gross floor area of the building.</li> </ul>  |
| <b>New Basement to an Existing Single Family Residential Structure</b>    | Not Required   | Not Required   | <p><b>Required when:</b></p> <ul style="list-style-type: none"> <li>The basement exceeds 250 sq. ft.</li> </ul>  |
| <b>New Structures Other Than Single Family Residential Structure</b>      | <p><b>Required when:</b></p> <p>The structure is:</p> <ul style="list-style-type: none"> <li>Over 5,000 sq. ft.;</li> <li>Over four stories in height; or</li> <li>Over 40 ft. in height.</li> </ul> | <p><b>Required:</b></p> <ul style="list-style-type: none"> <li>For all occupancy types except B but the trigger for installation varies based on occupancy type and square footage.</li> </ul>   | <p><b>Required when:</b></p> <ul style="list-style-type: none"> <li>The structure exceeds 1,000 sq. ft.</li> <li>A proposed basement exceeds 250 sq. ft.</li> </ul>  |
| <b>Existing Structures Other Than Single Family Residential Structure</b> | <p><b>Required when:</b></p> <p>The cost or value of the cumulative improvements since 1984 exceed 50 percent of 1984 assessed value.</p>  | <p><b>Required when:</b></p> <ul style="list-style-type: none"> <li>Cellulose Nitrate film or pyroxylin plastics are manufacture, stored or handled in quantities exceeding 100 pounds</li> <li>I-2 occupancy where 24-hour care is provided for five or more non-ambulatory persons.</li> </ul> | <p><b>Required when:</b></p> <ul style="list-style-type: none"> <li>In buildings greater than 1,000 sq. ft. where the gross floor area of a proposed alteration and/or addition combined with the gross floor area of any alterations and/or additions undertaken in the preceding 10 year time period starting from January 1, 2015 that exceeds 50 percent of the existing gross floor area of the building.</li> <li>A change in occupancy classification resulting in an increased fire hazard or risk due to business operations and/or the number of occupants permitted in the building</li> <li>Basement over 250 sq. ft. is constructed on a property.</li> <li>Every story of all buildings with a floor area exceeding 1,000 square feet when openings entirely above the adjoining ground level totaling at least 20 square feet in each 50 linear feet or fraction thereof, of exterior wall in the story on at least one side are not provided.</li> </ul> |

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# MENLO PARK FIRE PROTECTION DISTRICT

## STAFF REPORT

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**TO:** Menlo Park City Council **MEETING DATE:** November 18, 2014  
**FROM:** Menlo Park Fire Protection District, Fire Prevention Division

**PREPARED BY:** Fire Marshal Jonathan Johnston

**ITEM:** **RATIFICATION OF MENLO PARK FIRE DISTRICT'S ORDINANCE 36A-2013  
ADOPTING THE 2013 CALIFORNIA FIRE CODE WITH LOCAL  
AMENDMENTS.**

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### RECOMMENDATION

1. That the City Council accepts the report as presented
2. The City Council ratifies the Fire District's Fire Prevention Ordinance

### COMMITTEE RECOMMENDATION

### BACKGROUND

The Menlo Park Fire Protection District (The Fire District) serves the communities of Atherton, East Palo Alto, Menlo Park, and southern portions of the San Mateo County unincorporated areas. The Fire District is responsible for the enforcement of the California Fire Code. The Fire District is independent from the communities they serve and therefore subject to Section 13869.7 (c) of the California Health and Safety Code (H&S Code). This section of the H&S Code requires:

*No ordinance adopted by the district shall be effective until ratification by the city, county, or city and county where the ordinance will apply.*

The Fire Code is an International Model Code developed by the International Code Council, which is headquartered in Washington DC. Every three years the Fire Code, and other companion Codes, including the Building Code, is updated and republished. The California Buildings Standards Commission adopts the updated Codes, makes State modifications to each Code, and establishes the most recent editions as the minimum Building and Life Safety Standards for the State of California. The 2013 California Fire Code (CFC), which is of Part 9 of the Building Standards Code, is based on the 2012 International Fire Code.

In accordance with recent State laws, when the California Fire Code went into effect on January 1, 2014, Menlo Park Fire District has only been able to enforce portions of the Fire Code which were adopted by the State Fire Marshal's Office, and a pre-existing fire sprinkler ordinance, Ordinance 12, which dates back to 1984. To use the Fire Code as a complete document and to update fire sprinkler requirements to present day standards, the Fire District's Ordinance is required to be ratified by the City.

Since the publication of the 2013 California Fire Code, staff from the Menlo Park Fire District have been engaged in talks with Menlo Park City staff regarding local adoption and ratification of the Fire Code, and any necessary local amendments that would be part of the local adoption and ratification process. The collaborative effort between staff was to resolve any potential conflicts the amendments could cause to City operations. All amendments were reviewed, with the main topics dealing with amendments to Chapter 9 that deal with automatic fire sprinklers and Chapter 5 and Appendix D which addresses traffic calming devices and fire apparatus roadways.

## **DISCUSSION**

Fire District staff met on several occasions with City of Menlo Park staff to discuss the concerns they had with the Fire District's Fire Protection Ordinance. The fire sprinkler requirements were updated to require fire sprinkler protection for any new commercial construction when the building exceeds 1,000 square feet. When current buildings, including residential structures undergo renovation, there is no fire sprinkler requirement until the renovation exceeds fifty percent of the existing square footage, and the building as a whole exceeds 1,000 square feet.

Ordinance 12 from 1984 requires fire sprinklers in new commercial occupancies at 5,000 square feet and when a cumulative total of renovations from 1984 exceed 50% of the buildings assessed value in 1984. Ordinance 12 specifically exempts residential fire sprinklers, which is in conflict with current State Law that went into effect in 2011 requiring all new residential structures to install residential fire sprinklers.

Discussions with City staff included fire lanes and traffic calming devices. Language in the Ordinance was crafted that requires the City's Transportation Department to include requirements for emergency vehicles in the design of new roadways and fire lanes ensuring proper turn radius and width for emergency vehicles. Talks also included minimum driveway widths to one and two family dwellings when the occupancy is more than 150 feet from the main roadway. Special consideration will be given to homes with a fire sprinkler system allowing a reduced driveway width.

Other discussions included the installation of traffic calming devices on public roadways. Traffic calming devices in the form of roadway obstructions, have a major impact on the Fire District's ability to deliver its service in a timely manner. The Ordinance allows these devices to be installed, however they are not allowed to prevent or impede emergency vehicle travel on the Fire District's primary response routes. A definition of a primary response route was added to the Ordinance as was the District's map of primary response routes.

The local amendments that have been presented in the Ordinance, such as automatic fire sprinkler requirements, are the same or are similar to neighboring cities.

## **FISCAL IMPACT**

The requirements of this Ordinance will not significantly impact building or the citizens of the Fire District. A minimal fiscal impact may be seen to existing residential homes for the installation of residential fire sprinkler systems. The cost is commonly less than 1% of the value of the home, exclusive of the City of Menlo Park Water main and meter upgrade if necessary. The same sprinkler Ordinance has been in effect in the rest of the Menlo Park Fire District for over 10 years with no impact to building. Commercial structures will see a positive fiscal impact as existing structures with no fire sprinklers may not have to install automatic fire sprinklers according to the 1984 Ordinance.

**ATTACHMENT**

**Attachment A: Menlo Park Fire Protection District, Ordinance 36A 2013 including Findings and Determinations Pursuant to California Health and Safety Code 1758 and 1758.5**

**Attachment B: Fire Sprinkler Ordinance Comparison Study**

**MENLO PARK FIRE PROTECTION DISTRICT**  
**ORDINANCE NO. 36A-2013**  
**DISTRICT FIRE PREVENTION CODE**  
**ADOPTING THE 2012 INTERNATIONAL FIRE CODE WITH CALIFORNIA AND LOCAL**  
**AMENDMENTS FOR THE CITY OF MENLO PARK**

This Ordinance was introduced and was adopted after the holding of a public hearing pursuant to California Health and Safety Code Section 13869.7 and California Government Code Section 50022.3.

**WHEREAS**, pursuant to Title 24 of the California Code of Regulations, also known as the California Building Standards Code (“CBSC”) and California Health and Safety Code Section 13869 *et seq.*, a fire protection district may adopt a fire prevention code by reference and may also, when reasonably necessary due to local climatic, geological or topographical conditions, establish more stringent local building standards relating to fire and panic safety than those set forth in the CBSC; and

**WHEREAS**, on September 17, 2013, the District adopted Ordinance 36-2013, a new amended and restated District Fire Prevention Code (the Code) that made local amendments to the 2013 California Fire Code; and

**WHEREAS**, there is currently no Fire Protection Ordinance enforced within the City of Menlo Park besides the portions of the California Fire Code as adopted by the State Fire Marshal and a fire sprinkler ordinance dating back to 1984; and

**WHEREAS**, Menlo Park Fire Protection District has worked with the City of Menlo Park staff to amend Ordinance 36-2013 to create a mutually agreed upon set of fire protection regulations that provides a reasonable degree of fire and life safety to the City of Menlo Park; and

**WHEREAS**, the District desires to amend Paragraph 3 and Paragraph 4 of Ordinance 36-2013 to meet the specific needs of the City of Menlo Park.

**NOW, THEREFORE**, the Board of Directors of the Menlo Park Fire Protection District ordains as follows:

**Findings and Determinations Pursuant to State of California Health & Safety Code sections 1758 and 17958.5**

Pursuant to Section 17958.5 and 17958.7 of the State of California Health and Safety Code, the Board of Directors of the Menlo Park Fire District finds that the above changes or modifications are needed and are reasonably necessary because of certain local climatic, geological and topographic conditions as described below.

**Finding 1: Climatic**



The District, on average, experiences an annual rainfall of 19.7 inches. This rainfall can be expected between October and April of each year. However, during the summer months there is little, if any measurable precipitation. During this dry period the temperatures are usually between 70 – 95 F degrees with light to gusty westerly winds. These drying winds, combined with the natural and imported vegetation which is dominant throughout the area, create a hazardous fuel condition that can cause extensive encroaching into these wooded and grass covered areas where wind-driven fires can have severe consequences. This has been demonstrated in a number of like climatic areas within the State of California and the western United States.

Because of variable weather patterns, normal rainfall cannot always be relied upon. This can result in water rationing and water allocation programs, as demonstrated in past drought patterns. Water shortages may also be expected in the future due to limited water storage capabilities and increased consumption. The District is bounded by San Francisco Bay on the east and the foothills of the Santa Cruz Coastal Range of mountains on the west. This setting allows for strong gusty winds to blow through the Fire District. These winds are a common occurrence each afternoon during summer months. Wind increases a fire's ability to spread and has been attributed to the rapid spread of both vegetation and structure fires. Automatic fire sprinkler protection as required in buildings specified in Chapter 9 of the Fire Code and the local requirements and standards of Menlo Park Fire Protection District would significantly reduce the fire's ability to spread rapidly, especially when the jurisdiction is affected by the typical wind patterns.

## **Finding 2: Geologic and Geographic:**

A. Geographic Location. The District is located at the southeastern most part of San Mateo County.

B. Seismic Location. The District is situated on alluvial soils between San Francisco Bay and the San Andreas Fault zones. The location makes it particularly vulnerable to damage to taller and older structures caused by seismic events. The relatively young geological processes that have created the San Francisco Bay Area are still active today. Seismically, the District sits between two active earthquake faults, the San Andreas fault and the Hayward/Calaveras fault, and numerous potentially active faults. A majority of the District's land surface is in the high-to-moderate seismic hazard zones, as established by the U.S. Geological Survey.

C. Seismic and Fire Hazards: Fires following an earthquake have the potential of causing greater loss of life and damage than the earthquake itself. A significant portion of the District's residential, commercial and industrial structures are located in seismic risk zones. Should a significant seismic event occur, fire suppression resources would have to be prioritized to mitigate the greatest threat, and may not be available for every structural fire. In such an event, individual structures should be equipped to help in mitigation of the risk of damage.

Other variables could aggravate the situation: (i) the extent of damage to the water system; (ii) the extent of isolation due to bridge and/or freeway overpass collapse; (iii) the extent of roadway damage and/or amount of debris blocking the roadways; (iv) climatic conditions (hot, dry weather with high winds); (v) time of day will influence the amount of traffic on roadways

and could intensify the risk to life during normal business hours; and; (vi) the availability of timely mutual aid or military assistance.

D. Waterways. The Fire District's south and east boundary lines are waterways, the south side being the San Francisquito Creek, and the east side being the San Francisco Bay. Both waterways are influenced by tides. The San Francisquito Creek is fed from Searsville Dam, located along the Jasper Ridge, and also collects water from storm drains along its drainage pathway. The creek finally empties into San Francisco Bay, and is therefore influenced by tidal activity. During periods of heavy rainfall in combination with high tides in the Bay, San Francisquito Creek has overflowed its banks, causing floods in both East Palo Alto and Menlo Park. The floods have hampered fire apparatus making a timely response to emergencies and providing needed service to the community. Proper roadway widths as defined in Chapter 5 of the Fire Code and the minimum roadway standards established by Menlo Park Fire District can provide fire apparatus with accessibility while helping to divert excess water flow during rainy seasons.

E. Transportation. The District is dissected by a major state highway (El Camino Real) and two major interstate freeways (I-280 and U.S. 101). However, the interconnecting road system is significantly less well developed. These conditions are likely to affect response times of fire suppression personnel and apparatus during periods of heavy traffic or conditions of major emergencies.

The Fire District is also split in half by an active railway that serves commuters during daylight hours and transports freight in the evening. There are seven railroad crossings that allow fire apparatus to cross from one side of the Fire District to the other. The railroad limits the Fire District's ability to not only make a timely response to an emergency, but also hampers our ability to provide a safe number of fire fighters to the scene of an emergency to begin operations that are compliant with Cal-OSHA Safety Regulations. Again, a structure's ability to control a fire or emergency condition with fire sprinkler protection, would play a key role in reducing losses.

A single toll bridge connects the Fire District with a substantial workforce that resides in Alameda County. This single point source connection significantly adds to traffic congestion through the jurisdiction during commute hours. With alternative work schedules, commute hours may last from 5:00 am through 7:00 pm, with significant traffic backups also noted during the lunch hour.

F. Soil Conditions. The District lies near the southern end of San Francisco Bay and is built atop the alluvial deposits that surround the margins of the Bay. The alluvium was created by the flooding of the many streams emptying into San Francisco Bay depression, and from intermittent sea water inundation has occurred over the last two or three million years. The areas closest to the Bay are overlain by unconsolidated fine silty clay, known as Bay Mud which varies in thickness from a few feet to as much as 30 feet. Generally, the older more stable alluvium is to the south and the younger less stable material is to the north. Bedrock lies beneath the area at depths generally 300 feet or more. The predominant soils patterns actuate the adverse effects on structures that may be expected from major seismic events.

G. Building Design. Many of the older and taller buildings are of designs which greatly limit accessibility by District resources. This includes large narrow parcels that have been subdivided into “flag-lots” on narrow residential streets.

The infrastructure that supports these buildings is old and not in compliance with current Codes. Some water mains in residential areas deliver water supplies that do not meet fire flow requirements required by Appendix B of the Fire Code. Some fire hydrant locations in both residential and commercial do not meet distance requirements of Appendix C of the Fire Code. This will not only hamper fire suppression operations, but limits building design. When water supplies must be altered to accommodate new construction, Menlo Park Fire District Guidelines on Underground Water Piping and Water Supplies attempt to work with the existing infrastructure to accommodate the needs of fire fighters.

Residential properties in the Fire District consist primarily of one-acre or smaller parcels, flag lots and single and multi-family infill developments. Common to the larger parcels is the development of additional residential or in-law type occupancies for which fire department access is difficult based on existing driveway configurations for the original single- family parcels. Flag lots, for example, typically have driveways in excess of 150 feet, with narrow access, necessitating additional requirements, which the Fire District has added to Section 501.1, by creating a guideline for driveways and private roadways that includes minimum driveway widths, fire apparatus turnaround specifications, and minimum vertical clearances. Additionally, fire department response times are increased due to gated access roads, a lack of street or address illumination, and existing vegetation barriers. Section 505.1 provides minimum requirements for addresses on buildings and now requires new buildings to have illuminated addressing. However, neighborhood street lighting continues to be an issue.

Proper roadway widths as required by Chapter 5 of the Fire Code would allow fire apparatus to set up fire suppression operations and access both driveways that extend greater than 150 feet, and private roadways serving minor developments.

With the aging infrastructure, many water supplies do not meet current fire flow requirements. When redevelopment occurs, compliance to Fire Code Section 507 on Water Supplies and Underground (Piping) is required. The Menlo Park Fire District provides a guideline on water supplies that addresses the type and size of approved fire hydrants, hydrant location in relationship distances, including “flag-lots”, and placement of “blue-dots” to indicate fire hydrant locations.

Due to our close proximity to San Francisco Bay, salt content in the soil is highly corrosive. Menlo Park Fire District’s Underground Guideline provides guidance for installation of underground piping systems for both fire hydrant installations as well as underground piping for automatic fire sprinkler systems. The guideline suggests installation methods that minimize corrosion caused by the soil.

**Finding 3: Topographical**

The District's topographic conditions are closely associated with the geological/geographical element. With the elevation changes within the District, development has followed the path of least resistance, creating a meandering pattern. This circumstance does not lend itself to a good systematic street and road layout, which would promote easy traffic flow. It has, in fact, resulted in few major cross-town thoroughfares that tend to be heavily congested, primarily during commute hours and seasonal periods of the year. This creates barriers that reduce the response time of fire equipment and other emergency services.

The topography of the District is also challenged by major development patterns. Employment areas are located adjacent to and throughout the jurisdiction. The people who work in these areas have added to the traffic congestion in the District thereby reducing the District's response time capabilities.

Inherent delays caused by these traffic patterns make it necessary to mitigate these problems with greater requirements for built-in automatic fire protection systems, noted in Section 903 of the Fire Code, along with local requirements. In addition, the Fire District has added Fire Alarm maintenance requirements, specifically UL Certification noted in Section 907, to reduce false alarms and insure system reliability.

#### **Finding 4**

The climatic conditions along the Peninsula affect the acceleration, intensity and size of a fire within the jurisdiction. Times of little or no rainfall, low humidity, and high temperatures have created extremely hazardous fire conditions, particularly as they relate to roof fires and conflagrations. The winds experienced in the Fire District can have a tremendous impact upon structure fires by carrying sparks and burning brands to other structures, thus spreading the fire and causing conflagrations. In building fires, winds can literally force the fire back into the structure, creating a blow torch effect, in addition to preventing the natural and cross ventilation efforts of firefighters. In 1997, a fire at Green Oaks School in East Palo Alto resulted in a multi-million dollar loss. The fire's unusually rapid spread was attributed to wind conditions occurring at the time of the fire. Other fires within the jurisdiction's housing tracts have also experienced unusually rapid spread due to the gusty winds that occur daily off the San Francisco Bay.

#### **Finding 5**

By the use of automatic early fire detection and suppression systems, the Fire District will have the ability to curb losses of life and property attributed to the local climate's influence on fires. With the use of an early, automatic fire suppression system, major fire losses can be controlled. For example, in 1989, a flammable liquid fire occurred at Romic Environmental Services, a former chemical recycling company that was located at the south end of the Fire District. The area suspected as the point of the fire's origin was an open-air, unsprinklered building subject to wind conditions. The fire grew rapidly. It was finally brought under control several hours after discovery, with the assistance of neighboring fire departments and resulted in a multi-million dollar loss of property, equipment and product. Two years later, after the area had been rebuilt and retrofitted with an automatic fire sprinkler system, another fire occurred at the

same location. This fire was contained to a single piece of equipment and was controlled by one fire crew.

### **Finding 6**

The geological conditions experienced within the Fire District increase the magnitude, exposure and accessibility to fire events. For example, a fire following an earthquake has the potential of causing greater loss of life and damage than the earthquake itself. Hazardous materials, particularly toxic gases, could pose the greatest threat to the largest number of people, should a significant seismic event occur. Fire protection resources would have to be prioritized to mitigate the greatest threat, and may likely be unavailable for smaller single-family dwelling or smaller business occupancy fires. Other variable conditions could include damage to the water system, freeway overpass collapse, roadways blocked by debris, and time of day, which could affect traffic patterns during or after the event.

In 1989 a 7.0 magnitude earthquake struck the San Francisco Bay Area via the San Andres Fault. For three hours following the event, firefighters from Menlo Park Fire District responded to over 100 incidents per hour. Though during this event, losses in the Fire District due to fire were minimal, however other neighboring jurisdictions were not as lucky. Had automatic fire sprinkler protection been a requirement at the time, it could have assisted firefighters in setting their priorities and assisting those citizens who needed emergency services the most.

### **Finding 7**

Heavy traffic congestion on city streets already acts as a barrier to the timely response of fire equipment and emergency services. Continued growth, both residential and commercial from both inside and outside the Fire District will only serve to continue the traffic problem. In the event of an accident or other emergency at certain key point intersections, portions of the Fire District could be isolated or response times could be sufficiently slowed, thus increasing the risk of substantial injury and damage.

A year long time study of response times for fire apparatus indicates significant increases in response to emergencies during the commute hours of 6:00 am to 10:00 am and again from 3:00 pm to 7:00 pm. In conjunction with the increased response time, fire losses also showed the same pattern of higher losses for fires starting during commute hours. From 2003 to 2012, the Fire District experienced 22 structural fires where the property loss was greater than \$300,000. Of those fires more than half occurred during the above noted commute hours, indicating significant losses that could be directly attributed to typical traffic congestion experienced within the Fire District.

If fire apparatus is hindered in their response, automatic fire sprinkler protect will help. According to IFSTA Training Manuals, the temperature inside a structure can go from ambient to an excess of 1,000F within the first ten minutes of a fire. Delay of fire apparatus will only allow the fire to grow, thus making efforts to suppress the fire more difficult. Additionally, the ability to perform an effective rescue is diminished if fire fighters are delayed in their response. With the automatic fire sprinkler protection in place, the fire should be held to a controllable level,

allowing the ability of citizens to escape from the burning structure, as well as allowing firefighters to contain the fire in a safe manner, in its beginning stages.

### **Finding 8**

It is due to these climatic, geographical and topographical conditions that the Fire District supports the need for structures within the jurisdiction to at least be capable of initial fire suppression capacity.

### **Finding 9**

For the above reasons, taken individually and cumulatively, that the Board of Directors of the Menlo Park Fire Protection District finds there to be building and fire hazards particular to the jurisdiction that require the increased fire protection detailed as set forth in this Ordinance.

## **Section 1: Adoption by Reference**

### **Paragraph 1- Title**

This set of regulations, including provisions adopted and incorporated by reference, shall be known as the "District Fire Prevention Code" of the Menlo Park Fire Protection District ("the District") and may be cited as such. It is also referred to as "the Code" in these regulations.

### **Paragraph 2- Authority**

The District Fire Prevention Code is adopted pursuant to the Fire Protection District Act of 1987 (California Health and Safety Code Sections 13800 *et seq.*) and in particular the following provisions of that Act:

- Section 13861(h), which empowers the District to adopt ordinances;
- Section 13861(i), which empowers the District to establish and enforce rules and regulations for the administration, operation and maintenance of the governmental services which it is authorized to provide;
- Section 13862, which empowers the District to provide certain governmental services including fire protection services;
- Section 13869, which empowers the District to adopt a fire prevention code by reference;
- Section 13870, which empowers the District's authorized representatives to order correction or elimination of fire and life hazards;
- Section 13871(b), which provides that failure to correct or eliminate a fire or life hazard after a duly issued order is a misdemeanor;
- Section 13872, which empowers the District's authorized representatives to issue citations for certain violations;
- Section 13873, which provides that the District's employees shall have the powers of peace officers while engaged in the prevention and suppression of fires and the preservation of life and property; and,
- Sections 13916, 13917, 13918 and 13919, which, among other things, empower the District's Board of Directors (the "Board" or "Board of Directors") to charge a fee to



cover the cost of any services, which the District provides and the cost of enforcing any regulation for which a fee is charged.

**Paragraph 3- Adoption by Reference of the California Fire Code, which Code Adopts by Reference the 2012 Edition of the International Fire Code With Necessary Amendments.**

The California Fire Code (California Code of Regulations, Title 24, Part 9), (the “CFC”) which adopts by reference the 2012 edition of the International Fire Code (“IFC”) with necessary State amendments is adopted by reference and incorporated into the District Fire Prevention Code, including Chapter 1, Division II, Chapters 3, 4, and 5, and Appendix Chapters D, F, I, and K that were either not adopted or were partially adopted by the State Fire Marshal, except to the extent portions of the CFC may be deleted, modified or amended by Paragraph 4 of this Code. This ordinance shall take effect [ Date]

**Paragraph 4- Amendments, Modifications and Deletions to the CFC**

The following Sections of the CFC have been amended, modified or deleted as follows:

**CHAPTER 1, DIVISION II  
ADMINISTRATION**

**101 General**

[A] **101.1 Title.** These regulations shall be known as the District Fire Prevention Code of Menlo Park Fire Protection District hereinafter referred to as “the Code.” See also Paragraph 3 of this ordinance.

**105.6 30 Open Burning.**

[A] **105.6.30 Open burning.** When allowed by the Bay Area Air Quality Management District, an operational permit is required for the kindling or maintaining of an open fire or a fire on any public street, alley, road, or other public or private ground. Instructions and stipulations of the permit shall be adhered to.

**108 Board of Appeals**

[A] **108.1 Board of appeals established.** In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a Board of Appeals.

Any person who is aggrieved within the meaning of this paragraph by an action of an authorized representative of the District may appeal the action to the Fire District’s Board of Directors. The appeal must be in writing, must fully describe the action sought to be appealed and must be filed with the Clerk of the District Board within 30 days of the date of the action appealed. The Board of Directors shall render all decisions and findings in writing to the appellant with a duplicate copy to the fire code official.

[A] **108.2 Limitations on authority.** A person shall be deemed to be aggrieved within the meaning of this Section if the person is the applicant or the permittee or is otherwise directly affected by the action in question. An application for appeal shall be based on a claim that

the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply or an equivalent method of protection or safety is proposed. The action in question may also involve the approval or disapproval of a permit application submitted to the District, the grant or denial of a permit, or a decision concerning the interpretation, construction, operation or enforcement of the District's Fire Prevention Code. The Board shall have no authority to waive requirements of this code.

**[A] 108.3 Qualifications.** The Board of Appeals shall consist of the Fire District Board of Directors. The Fire Chief shall be an ex officio member of said Board but shall have no vote on any matter before the Board.

### **109 Violations**

**[A] 109.4 Violation Penalties.** Persons who shall violate a provision of a fire prevention code or a district ordinance shall be guilty of an infraction, which shall be punishable by a fine in accordance with Sections 17(d) of the currently adopted California Penal Code. Any person who fails or refuses to correct or eliminate a fire or life hazard after written order of the District Board or its authorized representative is guilty of a misdemeanor, which shall be punishable by fine or imprisonment or both in accordance with Section 19 of the currently adopted California Penal Code. The imposition of a punishment pursuant to this paragraph shall neither excuse the violation, nor shall it authorize the violation to continue or preclude the District from taking other action to enforce compliance with a fire prevention code or district ordinance. All violations shall be corrected within a reasonable time regardless of whether a conviction is obtained. Each day that a violation continues after due notice has been served, shall be deemed a separate offense.

The District shall be entitled to recover all of its actual expenses incurred to correct violations and to obtain compliance with the District's Fire Prevention Code. If the violation has not been corrected, the District shall begin charging an hourly Code Enforcement charge for additional follow up inspections until the violation has been corrected. Code Enforcement charges shall be in accordance with the Fire District's fee schedule, account #41310.

### **111 Stop Work Order**

**[A] 111.4 Failure to comply.** Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition shall be liable to a Code Enforcement charge as set forth in the Fire District's fee schedule under account #41310. See also Section 109.4 above.

### **113 Fees**

**[A] 113.6 Permit Fees to Public Agencies.** Fees shall be charged to other public agencies for services provided by the District. The District Board may, by resolution, establish policies and procedures by which waivers from payment of fees may be allowed by the Board, when payment of a fee would not be in the public interest.

## **CHAPTER 2**



## DEFINITIONS

### 202 General Definitions

**[A] JURISDICTION.** Jurisdiction shall mean the territorial boundaries of the Menlo Park Fire Protection District. In that case “Jurisdiction” would mean, as appropriate, the County of San Mateo, the City of East Palo Alto, the City of Menlo Park and the Town of Atherton. The Fire District’s map book shall be adopted by reference to indicate the territorial boundaries of the Menlo Park Fire Protection District.

Except where in the code the term "jurisdiction" is used in a context which implies the ability to exercise governmental powers, such as “the authority having jurisdiction,” then in that context "jurisdiction" shall mean the particular public agency authorized to and exercising that governmental power.

**PARTIAL SPRINKLER SYSTEM.** A fire sprinkler system that only protects a portion of the building.

**PRIMARY RESPONSE ROUTE.** A main roadway that is often taken by emergency fire apparatus when responding from a fire station to the scene of an emergency. A map of primary response routes can be found on the Fire District’s web page and at the end of this ordinance.

**SUBSTANTIAL ALTERATION.** The renovation of any structure, which combined with any additions to the structure, affects a *gross floor area* which exceeds fifty percent of the existing floor area of the structure. This may include but is not limited to :

- a. Removal of electricity to the building or structure.
- b. Removal of water supply and /or sanitation to the building or structure
- c. Removal of exterior walls and/or roof assembly

When any structural changes are made to the building, such as walls, columns, beams or girders, floor or ceiling joists and covering, roof rafters, roof diaphragms, foundations, piles or retaining walls or similar components, the floor area of all rooms affected by the changes shall be included in computing floor areas for purposes of applying this definition. This definition does not apply to the replacement and upgrading of residential roof coverings.

## CHAPTER 4 EMERGENCY PLANNING AND PREPAREDNESS

### 401 General

**401.5 Making false report.** It shall be unlawful for a person to give, signal or transmit a false alarm. A false report may include signals from a fire alarm system, including signals caused during fire alarm maintenance without prior Fire District notification. Making a false report shall be liable to a charge as set forth in the Fire District fee schedule under account # 41320 False Alarm Response, Engine or account #41325 False Alarm Response, Inspector.

## CHAPTER 5 FIRE SERVICE FEATURES

### **503 Fire Apparatus Access Roads**

**503.2.1 Dimensions.** Fire apparatus access roads shall have an unobstructed width of not less than 20 feet (6096 mm), exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches (4115 mm). Dimensions for public roadways shall require approval of the local traffic authority and be designed and constructed to provide required life and safety needs as well as emergency vehicle ingress and egress.

Dimensions for private roadways shall require approval of the fire code official and be designed and constructed to provide required life and safety needs as well as emergency vehicle ingress and egress.

Exception: When fire access road to 1 and 2 family dwellings exceed 150 feet to any structure, the fire access road width may be reduced to not less than 16 feet when the R-3 Occupancy, including guest houses or in-law quarters, is protected by an automatic fire sprinkler system complying with Section 903.

**503.4.1. Traffic calming devices.** Traffic calming devices shall be designed and constructed so that they shall not prevent or impede emergency vehicle travel, ingress, and/or egress. Special consideration shall be given to the use of traffic calming devices and their impacts to emergency response vehicles on Fire District primary response routes. A map of Fire District primary response routes can be found on the Menlo Park Fire District web page at <http://www.menlofire.org/pdf/Primary%20Routes%20Map.pdf> and at the end of this ordinance.

### **505 Premises Identification**

**505.1 Address identification.** New and existing buildings shall have *approved* address numbers, building numbers or *approved* building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall be a minimum of 4 inches (101.6 mm) high with a minimum stroke width of 0.5 inch (12.7 mm). Said numbers shall be either internally or externally illuminated (lighted) from dusk to dawn in all new construction, or with *substantial alterations* or repairs of existing structures. Where access is by means of a private road and the building cannot be viewed from the *public way*, a monument, pole or other sign or means shall be used to identify the structure. Address numbers shall be maintained.

Commercial structures 20 to 50 feet in height shall have the address a minimum of 8 inches high with lettering a minimum of 1 inch stroke wide. When the structure is more than 50 feet in height the address shall be a minimum of 12 inches high with lettering a minimum of 2.5 inch stroke wide.

**505.1(a) Addressing of Multi-Tenant Buildings.** When a structure has individual tenant spaces, numbers or letters shall be placed on the interior doors on all occupancies inside the building. Size of the numbers shall be a minimum of 4 inches high with lettering not less than ¼ inch stroke width on a contrasting background. Said addresses or numbers shall be posted at a height not greater than 5 feet, 6 inches above the finished floor. Directional address numbers or letters shall be provided.

**505.1(b) Rear Addressing.** When required by the fire code official, approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from any fire apparatus road at the back of a property. Rear addressing does not require illumination. Number stroke and size shall comply with Section 505.

### **511 Firefighter Air Systems**

**511 Firefighter Air Systems.** When required by the fire code official, a firefighter air system shall be installed in new buildings four or more stories in height and in existing buildings greater than 75 feet in height, not later than December 31, 2005, and any underground structures that are two or more floors below grade.

**Exception:** R-3 Occupancies.

## **CHAPTER 9 FIRE PROTECTION SYSTEMS**

### **903 Automatic Sprinkler Systems**

**903.2 Where required.** Approved automatic fire sprinkler systems in new buildings and structures shall be provided in all Group A, B, E, F, S, and U Occupancies greater than 1,000 square feet and in locations described in subsections 903.2.2, 903.2.5, 903.2.6, 903.2.8, 903.2.11, 903.2.12. Sections and Subsections of 903.2.1, 903.2.3, 903.2.4, 903.2.7 and 903.2.9, 903.2.10 of Chapter 9 of the code are deleted in their entirety.

Approved automatic fire sprinkler system in existing buildings and structures shall be provided as described in section 903.6.

**903.2.7 Group M.** Automatic fire sprinkler systems shall be provided throughout buildings containing a Group M occupancy with a fire area greater than 1,000 square feet and any Group M occupancy used for the display and sale of upholstered furniture.

**903.2.7.1 High-piled storage.** To remain unchanged

**903.2.11 Specific building areas and hazards.** In all occupancies an *automatic sprinkler system* shall be installed for building design or hazards in the locations set forth in sections 903.2.11.1 through 903.2.11.6.

**903.2.11.1 Stories and basements without openings.** Automatic sprinkler systems shall be installed in every building where the basement fire area exceeds 250 square feet.

Exception: For the Town of Atherton, any new building or structure having a basement shall be provided with an automatic fire sprinkler system throughout the building or structure, regardless of the building or structure's square footage.

Automatic sprinkler systems shall be installed in every story of all buildings where the floor area exceeds 1000 square feet and where the following type of exterior wall opening is not provided.

1. Openings entirely above the adjoining ground level totaling at least 20 square feet (1.86 m<sup>2</sup>) in each 50 linear feet (15 240 mm), or fraction thereof, of exterior wall in the story on at least one side.

**903.3.1.2 NFPA 13R sprinkler systems.** Where in the code a NFPA 13R sprinkler system is allowed, a NFPA 13 sprinkler system shall be used.

**903.3.3 Obstructed locations.** Automatic sprinklers shall be installed with due regard to obstructions that will delay activation or obstruct the water distribution pattern. Automatic fire sprinklers shall be installed in or under covered kiosks, displays, booths, concession stands, laboratory fume hoods, bio safety cabinets that use flammable liquids in processes, or equipment that exceeds 4 feet (1219 mm) in width. Not less than a 3-foot (914 mm) clearance shall be maintained between automatic sprinklers and the top of piles of combustible fibers. Sprinklers shall be provided in all areas including combustible or noncombustible concealed spaces, 6 inches or more.

**Exception:** 1. Combustible or noncombustible concealed spaces if the building owner and the fire code official agree in writing that combustible or noncombustible concealed spaces, 6 inch or less are unlikely to change in the future.

2. Kitchen equipment under exhaust hoods protected with a fire-extinguishing system in accordance with Section 904.

**903.3.9 Partial Systems in new buildings or structures.** Automatic fire sprinkler systems that only protect a portion of the building shall not be allowed.

**903.6 Where required in existing buildings and structures.** An *automatic sprinkler system* shall be provided in existing buildings and structures where required in Chapter 11 or when improvements are conducted in accordance with this section.

**903.6.1 Where required due to improvements to buildings and structures.** The provisions of this section are intended to provide a reasonable degree of fire safety in existing structures by requiring installation of an automatic fire-extinguishing system.

**903.6.1.1 Where Required.** All existing buildings and structures, regardless of type of occupancy or area, shall be provided with an automatic fire sprinkler system when any of the

following conditions occur:

(A) Where the *gross floor area* of a proposed alteration, addition, or combination of alterations and additions and the *gross floor area* of any alterations, additions, or combination of alterations and additions, that have been undertaken in a 10 year time period starting from January 1, 2015 that exceeds 50% of the existing *gross floor area* of the building.

Exception: Buildings or structures less than 1,000 square feet.

(B) When a change in occupancy classification, as defined within the Building Code, results in an increased fire hazard or risk due to business operations and/or number of occupants permitted in the building.

(C) When an existing occupancy constructs a basement that is 250 square feet or larger, a fire sprinkler system shall be provided throughout the basement and the rest of the building or structure.

**Exception:** For the Town of Atherton, when an existing occupancy constructs a basement of any size an automatic fire sprinkler system shall be provided throughout the basement and the rest of the building or structure.

**903.6.1.2 Partial Systems in existing buildings and structures.** Automatic fire sprinkler systems that only protect a portion of the building shall not be allowed.

**Exception:** A phased installation of an automatic fire sprinkler system may be allowed as an alternate materials and method application, as prescribed in Section 104.9, when different tenant spaces in the same building are occupied, and the installation of a fire sprinkler system may disrupt business.

## **907 Fire Alarm and Detection Systems**

**907.7 Acceptance tests and completion.** Upon completion of the installation, the fire alarm system and all fire alarm components shall be tested in accordance with NFPA 72. Fire alarm systems in commercial structures shall obtain a UL Certificate for the system prior to final inspection.

**907.9 Where required in existing buildings and structures.** An *approved* fire alarm system shall be provided in existing buildings and structures where required in Chapter 11. When an alteration to any existing building or structure requires an upgrade or new fire alarm system, multiple fire alarm systems shall be approved by the fire code official.

## **CHAPTER 57 FLAMMABLE AND COMBUSTIBLE LIQUIDS**

### **5704 Storage**

**5704.2.9.6.1 Locations where above-ground tanks are prohibited.** Storage of Class I and II liquids in above-ground tanks outside of buildings is prohibited within the limits established by local law. See the Planning Department for the City of Menlo Park, Town of Atherton, City of East Palo Alto or the County of San Mateo for the zones in which such storage is prohibited.

#### **5706 Special Operations**

**5706.2.4.4 Locations where above-ground tanks are prohibited.** The storage of Class I and II liquids in above-ground tanks is prohibited within the limits established by law. See the Planning Department for the City of Menlo Park, Town of Atherton, City of East Palo Alto or the County of San Mateo for the zones in which such storage is prohibited.

### **CHAPTER 58 FLAMMABLE CRYOGENIC FLUIDS**

#### **5806 Flammable Cryogenic Fluids**

**5806.2 Limitations.** Storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited within the limits established by local law. See the Planning Department for the City of Menlo Park, Town of Atherton, City of East Palo Alto or the County of San Mateo for the zones in which such storage is prohibited.

### **CHAPTER 61 LIQUIFIED PETROLEUM GASES**

#### **6104 Location of LP-Gas Containers**

**6104.2 Maximum capacity within established limits.** Within the limits established by law restricting the storage of liquefied petroleum gas for the protection of heavily populated or congested areas, the aggregate capacity of any one installation shall not exceed a water capacity of 2,000 gallons (7570 L). See the Planning Department for the City of Menlo Park, Town of Atherton, City of East Palo Alto or the County of San Mateo for the zones in which such storage is prohibited.

### **APPENDIX D FIRE APPARATUS ACCESS ROADS**

**D103.7 Traffic Signal Control Devices.** When a new or existing traffic signal is being modified or installed, emergency vehicle preemption equipment should be considered.

#### **Section 2: SEVERABILITY**

If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Directors of the Menlo Park Fire Protection District hereby declares that it would have adopted this ordinance and

each section, subsection sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, phrase or portion may be declared invalid or unconstitutional.

**Section 3: DATE OF EFFECT:**

Pursuant to Section 36937 of the Government Code of the State of California, this ordinance shall take effect and be in full force and affect thirty (30) days after its final passage.

**Section 4: PUBLIC POSTING:**

This ordinance shall be posted at the following three public places (1) Front Door of the Menlo Park Fire Protection District; (2) Bulletin Board in Front of the Classroom at the Menlo Park Fire Protections District; (3) Menlo Park Fire District Website, and published pursuant to law.

Introduced the 21<sup>st</sup> day of October 2014.

PASSED AND ADOPTED as an Ordinance of the Menlo Park Fire Protection District at a regular meeting thereof held on the \_\_\_\_\_ day of \_\_\_\_\_ 2014.

AYES:

NOES:

ABSENT:

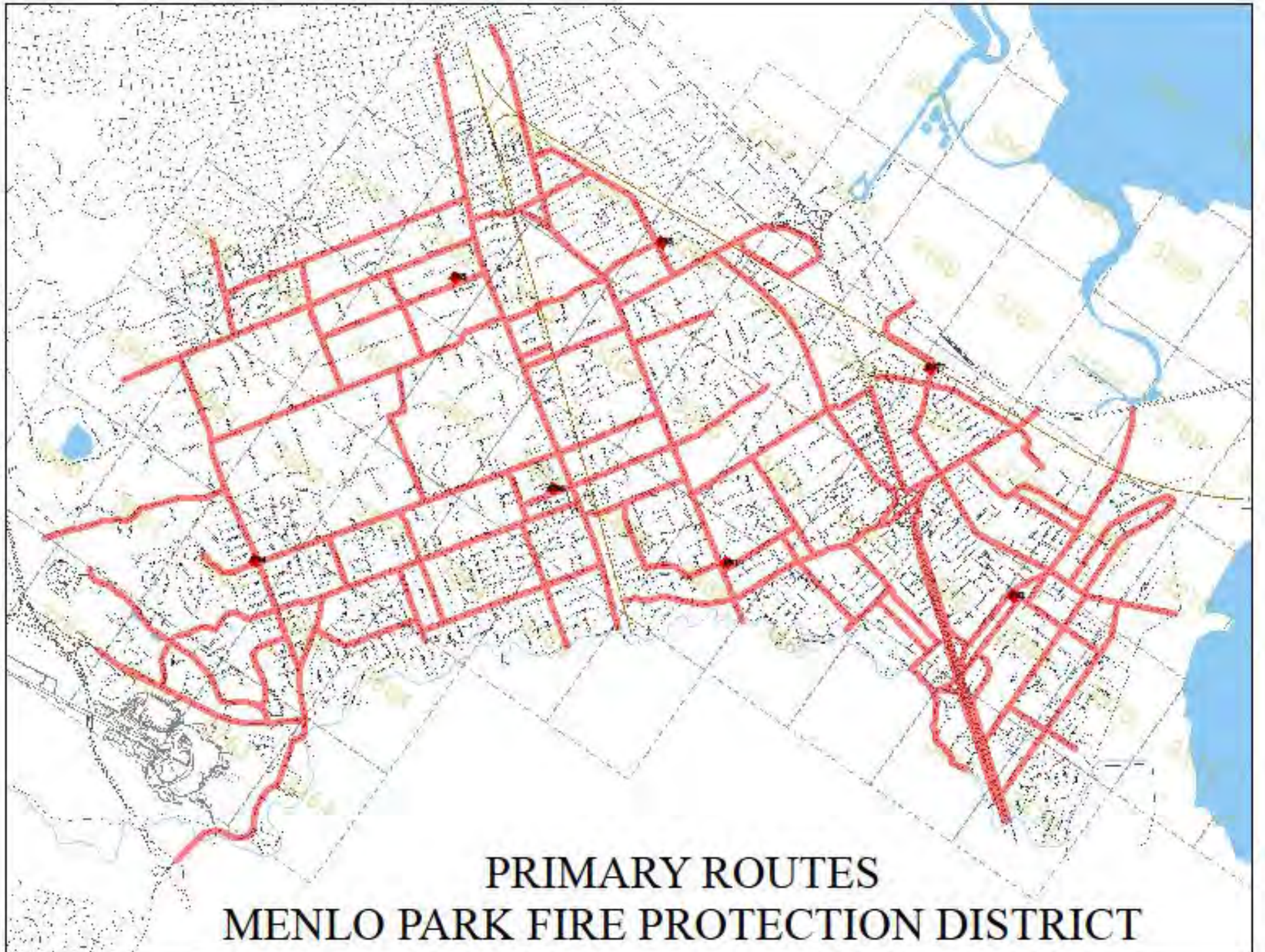
ABSTAIN:

\_\_\_\_\_  
Board President

ATTEST:

\_\_\_\_\_  
Michelle Radcliffe, Clerk of the Board







| <b>City</b>                         | <b>New Buildings</b>  | <b>Existing Buildigs</b>  |
|-------------------------------------|---|---|
| <b>San Mateo County</b>             |   |   |
| <b>Menlo Park Fire District</b>     |   |   |
| Menlo Park                          | ONLY Commerial Buildings over 5,000 sq ft, or any residential occupancy | When modification exceeds 50% of 1984 Tax Value                       |
| Atherton                            | All New Buildings over 1,000 sq ft or any residential occupancy         | When modification of any building exceeds 50% sq ft                   |
| East Palo Alto                      | All New Buildings over 1,000 sq ft or any residential occupancy         | When modification of any building exceeds 50% sq ft                   |
| San Mateo (County)                  | All New Buildings over 1,000 sq ft or any residential occupancy         | When modification exceeds 75% of market value                         |
| <b>Woodside Fire District</b>       |   |   |
| Woodside                            | All New Buildings over 1,000 sq ft or any residential occupancy         | When modification exceeds 75% of market value                         |
| Portola Valley                      | All New Buildings over 1,000 sq ft or any residential occupancy         | When modification exceeds 75% of market value                         |
| <b>City of Redwood City</b>         |   |   |
| Redwood City                        | All New Buildings over 3,000 sq ft or any residential occupancy         | When modification exceeds 1000 sq ft                                  |
| San Carlos                          | All New Buildings over 2,500 sq ft or any residential occupancy         | Modification to any building exceeding 2,500 sq ft                    |
| <b>Central County Fire District</b> |   |   |
| Burlingame                          | All New Buildings   | When modification exceeds 50%, 60% or 70% depending on building sq ft |
| Hillsborough                        | All New Buildings   | When modificatoin exceeds 1,000 sq ft                                 |
| <b>Half Moon Bay Fire District</b>  |   |   |
|                                     | All New Buildings over 1,000 sq ft or any residential occupancy         | When modification exceeds 75% of market value                         |
| <b>North County Fire District</b>   |   |   |
| Daly City                           | All New Buildings   | When modification exceeds 50% sq ft                                   |
| Pacifica                            | All New Buildings   | When modification exceeds 50% sq ft                                   |
| <b>City of Foster City</b>          |   |   |
|                                     | All New Buildings   | When modification exceeds 50% sq ft residential, 25% sq ft commerical |
| <b>City of San Mateo</b>            |   |   |
|                                     | All New Buildings   | When modification exceeds 5,000 sq ft of any size bldg                |
| <b>City of S. San Francisco</b>     |   |   |
|                                     | All New Buildings   | When modification excceds 50% sq ft residential, 25% commerical       |
| <b>Santa Clara County</b>           |   |   |
| City of Palo Alto                   | All New Buildings over 1,000 sq ft or any residential occupancy         | Any increase or remodel to a building 3,600 sq ft                     |
| City of Mountain View               | All New Buildings over 1,000 sq ft or any residential occupancy         | Any increase or remodel to a building 3,600 sq ft                     |

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## PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 18, 2014

Staff Report #: 14-195

Agenda Item #: I-1

**INFORMATIONAL ITEM:**            **Dedication of Hamilton Avenue between Willow Road and Chilco Street as a Memorial Corridor in the name of Dr. Hattie. L. Bostic**

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### **BACKGROUND**

Members of the Mount Olive Apostolic Church of God, community members and family members of the late Dr. Hattie. L. Bostic approached the City Council in mid 2014 with a request to honor Dr. Bostic. The Council was supportive of the change and directed Staff to investigate the process for honoring Dr. Bostic.

### **ANALYSIS**

The final design of the sign, the number of signs and final placement of the signs will be coordinated with the Menlo Park Traffic Division and Members of the Mount Olive Apostolic Church of God unless Staff is directed otherwise by Council.

The Church and family members of Dr. Bostic have shown support for the Memorial Corridor.

### **IMPACT ON CITY RESOURCES**

Sufficient funds are available in the operating budget designation for the City's signing and striping program for the installation of the signs and posts.

### **POLICY ISSUES**

This action does not represent a change to existing City policy.

### **ENVIRONMENTAL REVIEW**

This Council action is not subject to the current California Environmental Quality Act (CEQA) Guidelines.

### **ATTACHMENTS**

- A. Example Memorial Corridor Signage

Report prepared by:  
*Jesse T. Quirion*  
*Interim Public Works Director*

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*Dr. Hattie L. Bostic*

Memorial Corridor





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## **POLICE DEPARTMENT**

**Council Meeting Date: November 18, 2014**  
**Staff Report #: 14-190**

**Agenda Item #: I-2**

**INFORMATIONAL ITEM: Quarterly Review of Data Captured by Automated License Plate Readers (ALPR) for the Period Beginning July 1, 2014 through October 1, 2014**

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### **RECOMMENDATION**

Pursuant to Menlo Park Municipal Code, staff is required to present a quarterly review of the data captured from the Police Department's automated license plate readers.

### **BACKGROUND**

On September 24, 2013, the City Council approved the purchase and installation of mobile Automated License Plate Readers (ALPRs) mounted on three police vehicles.

At the May 13, 2014 City Council meeting, the Council approved Ordinance 1007 regarding the use of automated license plate readers.

It states, "Northern California Regional Information Center (NCRIC) will give a quarterly report to the Police Department which shall indicate the number of license plates captured by the ALPR in the City of Menlo Park, how many of those license plates were "hits" (on an active wanted list), the number of inquiries made by Menlo Park personnel along with the justifications for those inquiries, and information on any data retained beyond six months and the reasons for such retention."

### **ANALYSIS**

From July 1, 2014 through October 1, 2014, the ALPR's captured 263,430 license plates.

The data captured resulted in 141 "hits" that a captured license plate was currently on an active wanted list. The vast majority of the hits were subsequently deemed to be a "false read" after further review by the ALPR operator. One occupied stolen vehicle was recovered resulting in the arrest of the person operating the vehicle (Menlo Park Police Department Case #14-2946).

During the listed time period, Menlo Park Police personnel made three license plate inquiries into the database while training officers how to utilize the system and input the

appropriate tracking data. There were no inquiries of license plates made, other than the above training instances.

There was no captured license plate data retained beyond the six month limitation set forth in the municipal code.

### **IMPACT ON CITY RESOURCES**

There is no impact on city resources.

### **POLICY ISSUES**

This report is consistent with council direction to provide quarterly updates on ALPR information.

Report prepared by:  
*William A. Dixon*  
*Interim Police Commander*



## FINANCE DEPARTMENT

Council Meeting Date: November 18, 2014  
Staff Report #: 14-192

Agenda Item #: I-3

**INFORMATIONAL ITEM:** Quarterly Financial Review of General Fund Operations as of September 30, 2014

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### RECOMMENDATION

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

### BACKGROUND

In order to provide timely information to Council and the public, the City's Finance Department prepares a quarterly report on General Fund operations. The report provides a review of General Fund revenues and expenditures for the most recently completed quarter of the current fiscal year. These results are presented alongside results from the same time period for the previous year, with material differences being explained in the appropriate section of the staff report.

### ANALYSIS

#### Overview

The report included as Attachment A was developed to apprise Council of the year-to-date status of the General Fund. Information included in this staff report is intended to highlight some of the critical elements of Attachment A and supplement that information with explanations of significant differences between first quarter results from fiscal years 2014-15 and 2013-14.

It is important to note that the 2014-15 budget was restructured to reflect Finance, Human Resources, the City Manager's Office, the City Attorney's Office and the City Council as separate departments as opposed to one Administrative Services Department. Attachment A reflects this new structure for both 2014-15 and 2013-14.

Through the first quarter, there do not appear to be any significant deviations from historical revenue and expenditure patterns, and overall, the General Fund appears to be tracking as expected. The budget-to-actual comparisons shown reflect actual transactions of the first quarter of each year as compared to the adjusted budget as it stood on September 30<sup>th</sup> of each year. The one major budget revision that adjusts the adopted budget is the carry-over of expenditure commitments funded in the prior year's budget, also known as encumbrances. For fiscal year 2013-14, General Fund encumbrances from the prior year amounted to an additional \$388,033 for the

expenditure budget. In the current fiscal year, \$1,099,203 in commitments has been carried forward.

## Revenues

The table below shows a summary of first quarter budget-to-actual revenues for fiscal years 2014-15 and 2013-14:

|                                       | 2014-15<br>Adjusted<br>Budget<br>9/30/2014 | Actual<br>09/30/2014 | % of<br>Budget | 2013-14<br>Adopted<br>Budget<br>9/30/2013 | Actual<br>9/30/2013 | % of<br>Budget |
|---------------------------------------|--|----------------------|----------------|---|---------------------|----------------|
| Property Tax                          | \$14,698,775                               | \$108,043            | 0.74%          | \$13,955,000                              | \$100,342           | 0.72%          |
| Charges for Services                  | 8,212,908                                  | 2,201,520            | 26.81%         | 7,795,222                                 | 1,838,162           | 23.58%         |
| Sales Tax                             | 6,618,595                                  | 1,274,400            | 19.25%         | 6,331,400                                 | 848,665             | 13.40%         |
| Licenses and Permits                  | 4,880,128                                  | 1,331,512            | 27.28%         | 4,459,465                                 | 1,578,124           | 35.39%         |
| Transient Occupancy Tax               | 4,390,000                                  | 4,943                | 0.11%          | 3,743,000                                 | 0                   | 0.00%          |
| Franchise Fees                        | 1,863,110                                  | 85,230               | 4.57%          | 1,812,300                                 | 86,797              | 4.79%          |
| Fines & Forfeitures                   | 1,319,980                                  | 249,410              | 18.89%         | 1,319,980                                 | 257,395             | 19.50%         |
| Utility Users' Tax                    | 1,129,632                                  | 103,077              | 9.12%          | 1,184,620                                 | 116,480             | 9.83%          |
| Intergovernmental Revenue             | 716,268                                    | 177,479              | 24.78%         | 741,704                                   | 219,203             | 29.55%         |
| Rental Income                         | 368,936                                    | 28,628               | 7.76%          | 367,712                                   | 27,127              | 7.38%          |
| Interest Income                       | 346,068                                    | 425,021              | 122.81%        | 410,000                                   | 325,810             | 79.47%         |
| Operating Transfers In/ Other Revenue | 440,155                                    | 115,776              | 26.30%         | 429,444                                   | 883,364             | 205.70%        |
| Use of Assigned Fund Balance          | 1,865,713                                  | 56,434               | 3.02%          | 0   | 0                   | 0.00%          |
| <b>Total Revenues:</b>                | <b>\$46,850,268</b>                        | <b>\$6,161,473</b>   | <b>13.15%</b>  | <b>\$42,549,847</b>                       | <b>\$6,281,469</b>  | <b>14.76%</b>  |

Through the first quarter of fiscal year 2014-15, General Fund revenues are slightly below revenues received through the same time period last year. In total, the percentage of budgeted revenues actually received as of September 30<sup>th</sup> was 13.15% of budget for the current year, compared to 14.76% for the prior year. This variance is not a concern through the first quarter, as it is primarily the result of one-time occurrences. Two of the more notable one-time transactions impacting the variance include the revenue received last fiscal year from the Hamilton Avenue property sale, which is reflected in Operating Transfers In / Other Revenue category, and an increase in 2014-15 sales tax due to a payment received from the State of California for the Triple Flip shortfall that was experienced in 2012-13.

Further, because of the timing of when several of our major revenue sources are remitted to the City, first quarter results often do not reveal much information about what revenues will be by the end of the fiscal year. For example, only a small portion of property tax is remitted in the first quarter (supplemental and transfer taxes). Secured tax, the largest source of property tax, does not begin to be remitted until the second quarter. Similarly, transient occupancy tax (TOT) revenues are only remitted quarterly. Thus, July through September TOT is not due to the City until the end of October, so the City does not see any material revenue from this source until well into the second quarter.



For the other major revenue sources that are remitted on a timely basis such that a year-over-year comparison of first quarter results is applicable, a brief discussion of the variances is discussed below.

Charges for services are up 20% over the first quarter results from last fiscal year. Some of the increase was expected due to the fee activity in the Planning and Public Works Departments. However, this increase is also partially due to a timing issue related to when the City receives payment for the Successor Agency's administrative costs. Last year, this payment was received in December, but this fiscal year it was received in July.

License and permit revenues are down 15.6% over the first quarter results from last fiscal year. This decrease is driven by lower building permit revenue, mostly due to Facebook submitting payment for permits in 2013-14 for the development of Facebook West. This year-over-year reduction does not indicate a slowdown, however, as two major developments (Graystar and Greenheart) are expected to submit payment for permits in November/December, and as expected, single-family homes should begin the permit process after the first of the year.

While interest income appears to be up significantly in the first quarter, that amount does not reflect cash earned on the City's investment portfolio and instead is the annual first quarter adjustment to reverse prior year unrealized gains/losses required for fiscal year-end reporting. Specifically, this transaction reverses the unrealized loss that had to be booked to close out fiscal year 2013-14. Additional information on investment earnings on the City's portfolio will be included in future versions of this quarterly report, as well as in the quarterly investment report.

Intergovernmental revenue is tracking lower in comparison to last fiscal year primarily due timing issues related to when the City receives State and Federal grants for the Belle Haven Child Care Center.

Use of assigned fund balance in the amount of \$1,865,713 is a combination of \$766,510 that has assigned for development planning expenses and \$1,099,203 assigned for encumbrances that were budgeted in the prior year that will be expended in the current year. This total represents budgeted funds from 2013-14 that went unspent and closed to the General Fund's reserve balance, but were assigned for spending in the current fiscal year. Through the first quarter, only \$56,434 in encumbered funds from 2013-14 has been expended, and since this is the first year the use of assigned fund balance is being tracked in this manner, there is no comparison to the prior fiscal year.

As previously mentioned the operating transfers in/other revenue category is down significantly due to the City receiving its share of the sale proceeds (\$772,000) from the sale of the Hamilton Avenue property in 2013-14. Excluding this revenue, this category is tracking closely to the first quarter of the previous fiscal year.

## Expenditures

Through the first quarter, General Fund operating expenditures are up \$370,568, or 4.2% over the previous year. A year-over-year increase in total expenditures was budgeted, as the current year's operating budget as of the first quarter is 11.3% above the previous year's operating budget. In comparison to last fiscal year, expenditures are tracking slightly lower to budget this year (19.49% vs. 20.82%) through the first quarter. However, while total expenditures for the current year are 19.49% of budget (through 25% of the fiscal year), due to the lag in when payroll expenditures get incorporated into the City's general ledger, first quarter results shown in the table below only include payroll through mid-September. This is the case for both fiscal years, so the year-over-year comparison is still applicable.

|                            | 2014-15<br>Adjusted<br>Budget<br>09/30/2014 | Actual<br>09/30/2014 | % of<br>Budget | 2013-14<br>Adjusted<br>Budget<br>9/30/2013 | Actual<br>09/30/2013 | % of<br>Budget |
|----------------------------|---|----------------------|----------------|--|----------------------|----------------|
| Police                     | 15,423,292                                  | 3,262,564            | 21.15%         | 14,904,924                                 | 3,224,914            | 21.64%         |
| Community Services         | 7,809,695                                   | 1,680,252            | 21.51%         | 7,671,861                                  | 1,666,990            | 21.73%         |
| Public Works               | 7,062,343                                   | 1,270,194            | 17.99%         | 5,566,311                                  | 1,177,994            | 21.16%         |
| Community Development      | 5,572,308                                   | 548,037              | 9.84%          | 3,514,042                                  | 583,338              | 16.60%         |
| City Manager's Office      | 3,237,815                                   | 636,763              | 19.67%         | 1,938,506                                  | 366,152              | 18.89%         |
| Library                    | 2,268,284                                   | 572,129              | 25.22%         | 2,109,769                                  | 519,915              | 24.64%         |
| Finance                    | 1,571,824                                   | 293,260              | 18.66%         | 1,660,485                                  | 275,913              | 16.62%         |
| Human Resources            | 1,159,281                                   | 221,357              | 19.09%         | 943,541                                    | 176,150              | 18.67%         |
| City Council               | 440,318                                     | 79,069               | 17.96%         | 1,522,165                                  | 223,511              | 14.68%         |
| City Attorney              | 362,990                                     | 44,449               | 12.25%         | 349,169                                    | 46,029               | 13.18%         |
| Non-Departmental           | 2,648,200                                   | 662,050              | 25.00%         | 2,554,600                                  | 638,650              | 25.00%         |
| <b>Total Expenditures:</b> | <b>\$47,556,350</b>                         | <b>\$9,270,124</b>   | <b>19.49%</b>  | <b>\$42,735,373</b>                        | <b>\$8,899,556</b>   | <b>20.82%</b>  |

Through the first quarter, department operating expenditures are tracking to expectations. While the Library appears to be tracking higher than normal, which is due to an increase in shared cost with the Peninsula Library System, it expects to remain within its overall budgeted appropriation at this point.

## IMPACT ON CITY RESOURCES

There is no impact on City resources.

## POLICY ISSUES

The quarterly budget-to-actual report is presented to facilitate better understanding of General Fund operations and the overall state of the City's current fiscal affairs by the public and the Council.

## 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. Comparative General Fund Budget-to-Actual Report as of September 30, 2014

Report prepared by:

*Drew Corbett*

*Finance Director*

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**City of Menlo Park - General Fund  
Budget-to-Actual Report, FY 2014-15  
As of September 30, 2014**

**ATTACHMENT A**

| A   | B                             | C                            | D                                 | E                                 | (E-C)/C   | G                     | H                     | (H-G)/G         | G/C  | G/D                          | H/E                          |
|---|-------------------------------|------------------------------|-----------------------------------|-----------------------------------|---|-----------------------|-----------------------|-----------------|--|------------------------------|------------------------------|
|   | Adjusted Budget as of 6/30/14 | Un-Audited Actual FY 2013-14 | 2013-14 Adjusted Budget 9/30/2013 | 2014-15 Adjusted Budget 9/30/2014 | % Budget Change 9/30/14 to Un-Audited Actual FY 13-14 | Actual YTD 09/30/2013 | Actual YTD 09/30/2014 | % Actual Change | % of Actual YTD 9/30/2014 to Audited Actual FY 13-14 | % Actual-to-Budget 9/30/2013 | % Actual-to-Budget 9/30/2014 |
| Property Tax                                      | \$14,715,000                  | \$15,156,065                 | \$13,955,000                      | \$14,698,775                      | -3.02%  | \$100,342             | \$108,043             | 7.67%           | 0.66%  | 0.72%                        | 0.74%                        |
| Charges for Services                              | 7,595,222                     | 7,681,433                    | 7,795,222                         | 8,212,908                         | 6.92%   | 1,838,162             | 2,201,520             | 19.77%          | 23.93%   | 23.58%                       | 26.81%                       |
| Sales Tax   | 6,136,400                     | 6,444,292                    | 6,331,400                         | 6,618,595                         | 2.70%   | 848,665               | 1,274,400             | 50.17%          | 13.17%   | 13.40%                       | 19.25%                       |
| Licenses and Permits                              | 6,559,465                     | 5,782,225                    | 4,459,465                         | 4,880,128                         | -15.60%   | 1,578,124             | 1,331,512             | -15.63%         | 27.29%   | 35.39%                       | 27.28%                       |
| Transient Occupancy Tax                           | 4,100,000                     | 4,158,809                    | 3,743,000                         | 4,390,000                         | 5.56%   | 0                     | 4,943                 | #DIV/0!         | 0.00%  | 0.00%                        | 0.11%                        |
| Franchise Fees                                    | 1,812,300                     | 1,841,851                    | 1,812,300                         | 1,863,110                         | 1.15%   | 86,797                | 85,230                | -1.81%          | 4.71%  | 4.79%                        | 4.57%                        |
| Fines & Forfeitures                               | 1,149,980                     | 1,253,261                    | 1,319,980                         | 1,319,980                         | 5.32%   | 257,395               | 249,410               | -3.10%          | 20.54%   | 19.50%                       | 18.89%                       |
| Utility Users' Tax                                | 1,135,000                     | 1,157,653                    | 1,184,620                         | 1,129,632                         | -2.42%  | 116,480               | 103,077               | -11.51%         | 10.06%   | 9.83%                        | 9.12%                        |
| Intergovernmental Revenue                         | 841,717                       | 888,131                      | 741,704                           | 716,268                           | -19.35%   | 219,203               | 177,479               | -19.03%         | 24.68%   | 29.55%                       | 24.78%                       |
| Rental Income                                     | 367,712                       | 355,904                      | 367,712                           | 405,004                           | 13.80%  | 27,127                | 28,628                | 5.53%           | 7.62%  | 7.38%                        | 7.07%                        |
| Interest Income                                   | 260,000                       | 328,658                      | 410,000                           | 310,000                           | -5.68%  | 325,810               | 425,021               | 30.45%          | 99.13%   | 0.00%                        | 137.10%                      |
| Operating Transfers In/ Other Revenue             | 1,201,266                     | 1,237,838                    | 429,444                           | 440,155                           | -64.44%   | 883,364               | 115,776               | -86.89%         | 71.36%   | 205.70%                      | 26.30%                       |
| Use of Assigned Fund Balance                      | 0                             | 0                            | 0                                 | 1,865,713                         | 0.00%   | 0                     | 56,434                | 0.00%           | 0.00%  | 0.00%                        | 0.00%                        |
| <b>Total Revenues:</b>                            | <b>\$45,874,062</b>           | <b>\$46,286,120</b>          | <b>\$42,549,847</b>               | <b>\$46,850,268</b>               | <b>1.22%</b>  | <b>\$6,281,469</b>    | <b>\$6,161,473</b>    | <b>-1.91%</b>   | <b>13.57%</b>  | <b>14.76%</b>                | <b>13.15%</b>                |
| Police  | 15,065,189                    | 14,284,054                   | 14,904,924                        | 15,423,288                        | 7.98%   | 3,224,914             | 3,262,564             | 1.17%           | 22.58%   | 21.64%                       | 21.15%                       |
| Community Services                                | 7,720,025                     | 7,480,372                    | 7,671,861                         | 7,809,697                         | 4.40%   | 1,666,991             | 1,680,252             | 0.80%           | 22.28%   | 21.73%                       | 21.51%                       |
| Public Works                                      | 5,642,673                     | 5,183,204                    | 5,566,311                         | 7,062,344                         | 36.25%  | 1,177,994             | 1,270,194             | 7.83%           | 22.73%   | 21.16%                       | 17.99%                       |
| Community Development                             | 4,614,041                     | 3,765,303                    | 3,514,042                         | 5,572,308                         | 47.99%  | 583,338               | 548,037               | -6.05%          | 15.49%   | 16.60%                       | 9.84%                        |
| City Manager's Office                             | 1,938,508                     | 1,590,790                    | 1,938,508                         | 3,237,815                         | 103.54%   | 366,152               | 636,763               | 73.91%          | 23.02%   | 18.89%                       | 19.67%                       |
| Library   | 2,114,569                     | 2,046,773                    | 2,109,772                         | 2,268,285                         | 10.82%  | 519,915               | 572,129               | 10.04%          | 25.40%   | 24.64%                       | 25.22%                       |
| Finance   | 1,625,634                     | 1,478,364                    | 1,660,484                         | 1,571,824                         | 6.32%   | 275,910               | 293,260               | 6.29%           | 18.66%   | 16.62%                       | 18.66%                       |
| Human Resources                                   | 978,391                       | 876,428                      | 943,541                           | 1,159,281                         | 32.27%  | 176,151               | 221,357               | 25.66%          | 20.10%   | 18.67%                       | 19.09%                       |
| City Council                                      | 1,699,630                     | 1,032,141                    | 1,522,165                         | 440,318                           | -57.34%   | 223,512               | 79,069                | -64.62%         | 21.66%   | 14.68%                       | 17.96%                       |
| City Attorney's Office                            | 349,169                       | 380,496                      | 349,169                           | 362,990                           | -4.60%  | 46,029                | 44,449                | -3.43%          | 12.10%   | 13.18%                       | 12.25%                       |
| Operating Transfers Out                           | 2,554,600                     | 2,554,600                    | 2,554,600                         | 2,648,200                         | 3.66%   | 638,650               | 662,050               | 3.66%           | 25.00%   | 25.00%                       | 25.00%                       |
| <b>Total Expenditures:</b>                        | <b>\$44,302,429</b>           | <b>\$40,672,525</b>          | <b>\$42,735,377</b>               | <b>\$47,556,350</b>               | <b>16.93%</b>   | <b>\$8,899,556</b>    | <b>\$9,270,124</b>    | <b>4.16%</b>    | <b>21.88%</b>  | <b>20.82%</b>                | <b>19.49%</b>                |
| Preliminary addition/draw on General Fund Reserve | \$1,571,633                   | \$5,613,595                  | (\$185,530)                       | (\$706,082)                       |   | (\$2,618,087)         | (\$3,108,651)         |                 |  |                              |                              |



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## FINANCE DEPARTMENT

Council Meeting Date: November 18, 2014  
Staff Report #: 14-193

Agenda Item #: I-4

**INFORMATIONAL ITEM:**            **Review of the City's Investment Portfolio as of September 30, 2014**

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### RECOMMENDATION

This is an informational 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 September 30, 2014**

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 September was over \$92.1 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 \$36.3 million (39.5 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 \$55.8 million, \$17.1 million (18.5 percent) is invested in short-term Federal agency issues (U.S. Instrumentality), \$5 million (5.4 percent) in U.S. Treasury securities, \$26.7 million (29 percent) in medium-term corporate notes, and \$7 million (7.6 percent) in short-term commercial paper. All the mentioned securities are prudent short-term investments, since they generally bear a higher interest rate than LAIF, provide investment diversification and remain secure investment instruments.

At the end of September, the fair value (market value) of the City's securities was over \$967,000 less than the historical cost, which is referred to as an unrealized loss. 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. It is important to note that any unrealized loss or gain does not represent an actual cash transaction to the City, as the City generally holds securities to maturity to avoid market risk.

### **Current Market Conditions**

The U.S. economy continues to grow and saw a substantial increase during the second quarter. During the first quarter, the Commerce Department reported the GDP growth rate at a negative 2.1%, up from its estimate of a negative 2.9%. After the slowdown of the first quarter, the second quarter experienced a significant increase. The GDP growth rate during the second quarter was estimated at 4.6%, with a year-over-year growth rate of 2.6%. This significant increase was due to increased business investment, such as increased spending on structures and capital equipment. In addition, sales of durable goods such as automobiles and appliances grew at the fastest pace in almost five years. However, such increases are considered extraordinary, and it is anticipated that projected growth will cool to a more sustainable pace in the third and fourth quarters.

The FOMC met in July, September, and late October to reassess its current monetary policy. The committee members were encouraged by the recent improvements in the economy and continue the easing of fiscal restrictions. In September, the Committee continued the tapering of purchasing additional agency mortgage-backed securities down to a pace of \$10 billion per month for agency mortgage backed securities and \$15 billion per month for longer-term Treasury securities. During the October meeting, the Committee voted to end the asset purchasing policy by the end of the month. The federal funds rate is expected to remain at its current level of 0% to 0.25% for six or more months following the end of the asset purchasing program. However, if information indicates that there will be faster progress towards the Committee's 2% projected inflation longer-term goal, then increases in rates are likely to occur sooner than anticipated. Conversely, if progress proves to be slower than expected, any increases in the federal funds rate will occur later than anticipated. The FOMC meets again in December to begin its assessment of the impact of ending its quantitative easing policy.

### **Investment Yield**

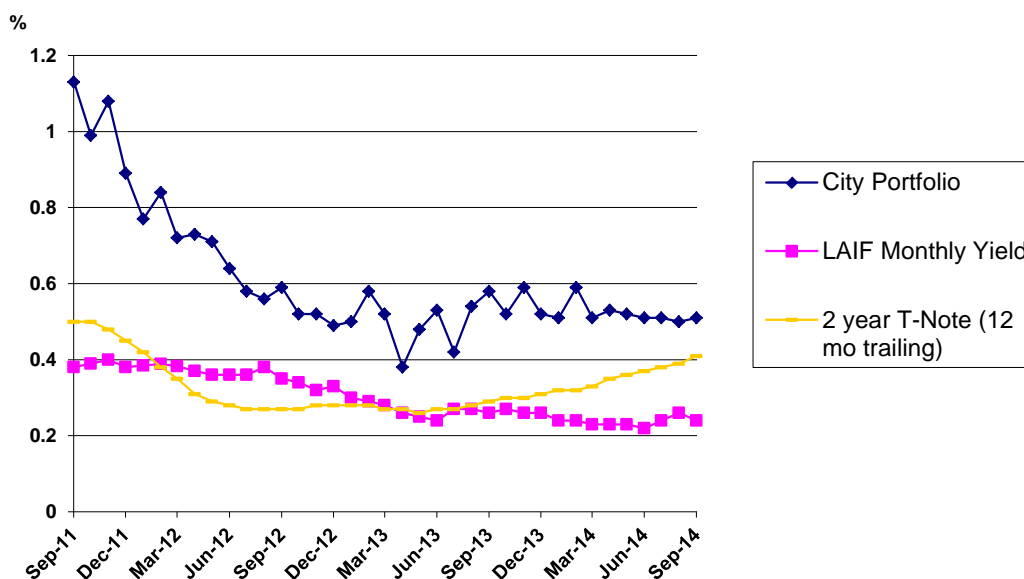
The annualized rate of return for the City's portfolio shown on the performance summary as of September 30, 2014, prepared by Cutwater, is 0.51 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.41 percent and the rate of return earned through LAIF over the past quarter of 0.24 percent.

Over the third quarter of 2014, investment yields generally saw little change for short-term bonds, increases for 2-year and 5-year securities and decreases for long-term bonds in support of the FOMC monetary policy. Over the past year, interest rates decreased for long-term securities while short-term securities increased. While investment opportunities in long-term Treasuries have improved compared to last year, they continue to be less attractive 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    | September 30, 2013 | June 30, 2014 | September 30, 2014 |
|---------|--------------------|---------------|--------------------|
| 3-month | 0.01               | 0.02          | 0.02               |
| 6-month | 0.03               | 0.06          | 0.03               |
| 2-year  | 0.32               | 0.46          | 0.57               |
| 5-year  | 1.38               | 1.63          | 1.76               |
| 10-year | 2.61               | 2.53          | 2.49               |
| 30-year | 3.69               | 3.36          | 3.20               |

As previously stated, almost 40 percent of the portfolio resides in the City’s LAIF account, yielding 0.24 percent for the quarter ending September 30, 2014. While LAIF is a good investment option for funds needed for liquidity, the City’s investment of excess funds in U.S. Treasury, agency, corporate notes and commercial paper is made in an effort to enhance yields, as evidenced by the chart below, which shows the difference between the yield on the City’s portfolio and the LAIF monthly yield.

**Comparative Rates of Return**



Fees paid to Cutwater (totaling \$11,121 for the quarter ended September 30, 2014) 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 Third Quarter**

Staff is continuing to purchase new investments as others are called or matured or as the City does not require as much liquidity. With the expectation that the federal funds rate will continue at its current level for well into 2015, depending on inflation factors, staff has been investing in some shorter-term securities, such as commercial paper or callable bonds that are anticipated to be called in the near term. Commercial paper is a good short-term investment with maturities ranging from one to nine months and yields greater than those available with LAIF and with the new regulations recently passed by the U.S. Securities and Exchange Commission, it is expected that the yields will increase. The reasoning for preferring short-term securities at this time is that when interest rates do rise, they will do so slowly. Therefore, many of these securities will mature at a time when interest rates are expected to be higher, which mitigates interest rate risk and puts the City's portfolio in position to take advantage of increased interest rates.

Investments that matured, were called, or purchased during the period of July 1, 2014 through September 30, 2014 are shown in the schedule below:

| <u>Date</u> | <u>Transaction</u> | <u>Description</u>  | <u>Term</u> | <u>% Yield</u> | <u>Principal</u> |
|-------------|--------------------|---------------------|-------------|----------------|------------------|
| 08/15/14    | Maturity           | T-Note              | 3.00 yrs    | 0.40           | \$1,000,000      |
| 08/15/14    | Purchased          | T-Note              | 2.25 yrs    | 0.61           | \$1,000,000      |
| 09/08/14    | Maturity           | FNMA                | 3.00 yrs    | 0.69           | \$1,500,000      |
| 09/16/14    | Maturity           | Barclays US Funding | 0.75 yrs    | 0.38           | \$2,500,000      |
| 09/16/14    | Purchased          | Barclays US Funding | 0.75 yrs    | 0.39           | \$2,500,000      |
| 09/19/14    | Call               | FHLB                | 0.75 yrs    | 0.99           | \$2,000,000      |
| 09/19/14    | Purchased          | FHLMC Callable      | 2.00 yrs    | 0.70           | \$1,500,000      |
| 09/22/14    | Purchased          | FHLB Callable       | 3.00 yrs    | 1.34           | \$2,000,000      |

The average number of days to maturity in the City's portfolio increased during the third quarter. The average number of days to maturity of the City's portfolio as of September 30, 2014 was 399 days as compared to 380 days as of June 30, 2014. The average life of securities in LAIF's portfolio as of September 30, 2014 was 232 days, which is indicative of LAIF's preference for liquidity.



## **Cash and Investments by Fund**

Overall, the City's investment portfolio decreased by over \$5.9 million in the third quarter of 2014. The schedule below lists the change in cash balance by fund type.

| <b>Fund/Fund Type</b>               | <b>Cash Balance<br/>as of 09/30/14</b> | <b>Cash Balance<br/>as of 06/30/14</b> | <b>Difference</b>  | <b>%<br/>Change</b> |
|-------------------------------------|--|--|--------------------|---------------------|
| General Fund                        | 24,563,791                             | 28,540,447                             | (3,976,656)        | -13.93%             |
| Bayfront Park Maintenance Fund      | 593,933                                | 620,202                                | (26,269)           | -4.24%              |
| Recreation -in-Lieu Fund            | 1,337,318                              | 1,391,984                              | (54,666)           | -3.93%              |
| Other Expendable Trust Funds        | 1,112,285                              | 1,210,854                              | (98,569)           | -8.14%              |
| Transportation Impact Fee Fund      | 4,005,479                              | 4,008,046                              | (2,567)            | -0.06%              |
| Garbage Service Fund                | 1,081,438                              | 1,003,514                              | 77,924             | 7.77%               |
| Parking Permit Fund                 | 3,269,398                              | 3,272,183                              | (2,785)            | -0.09%              |
| BMR Housing Fund                    | 6,961,039                              | 8,034,917                              | (1,073,878)        | -13.37%             |
| Measure A Funds                     | 619,172                                | 674,714                                | (55,542)           | -8.23%              |
| Storm Water Management Fund         | 277,756                                | 339,020                                | (61,264)           | -18.07%             |
| Successor Agency Funds              | 3,088,565                              | 3,106,811                              | (18,246)           | -0.59%              |
| Measure T Funds                     | 328,351                                | 290,063                                | 38,288             | 13.20%              |
| Other Special Revenue Funds         | 12,719,878                             | 11,985,735                             | 734,143            | 6.13%               |
| Capital Project Fund- General       | 13,315,775                             | 13,161,634                             | 154,141            | 1.17%               |
| Water Operating & Capital           | 14,855,734                             | 14,639,742                             | 215,992            | 1.48%               |
| Debt Service Fund                   | 602,611                                | 2,030,645                              | (1,428,034)        | -70.32%             |
| Internal Service Fund               | 3,349,069                              | 3,696,045                              | (346,976)          | -9.39%              |
| <b>Total Portfolio of all Funds</b> | <b>92,081,593</b>                      | <b>98,006,556</b>                      | <b>(5,924,963)</b> | <b>-6.05%</b>       |

Cash and investment holdings in the General Fund decreased due to normal operating expenditures for the first quarter of the fiscal year. A significant decrease in cash for the General Fund is normal during this time of the fiscal year because the General Fund's largest single source of revenue, property taxes, is not received until December. In the BMR Housing Fund, the cash balance decreased during the quarter due to the purchase of two BMR units, 1175 and 1177 Willow, for over \$1,092,000. The City's Debt Service Funds decreased due to the semi-annual principal and interest payments on the City's general obligation bonds, which were made in July. In Other Special Revenue Funds, the Construction Impact Fee Fund increased by \$500,000 from revenues related to new construction. The largest deposit was for over \$400,000 from Facebook. The decrease in the Internal Service Funds was due to the payment of annual insurance premiums for general liability and workers compensation insurance.

## **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 September 1, 2014 – September 30, 2014.

Report prepared by:  
*Geoffrey Buchheim*  
*Financial Services Manager*



## CITY OF MENLO PARK

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Report for the period September 1, 2014 - September 30, 2014

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

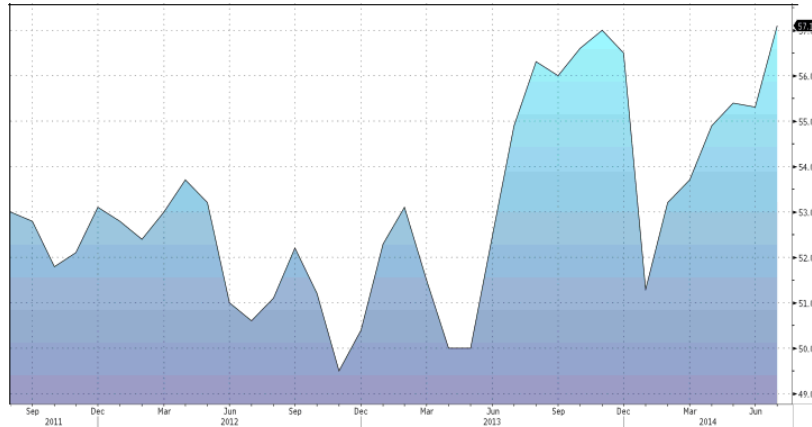
( This report was prepared on October 7, 2014 )

# Fixed Income Market Review

## September 30, 2014

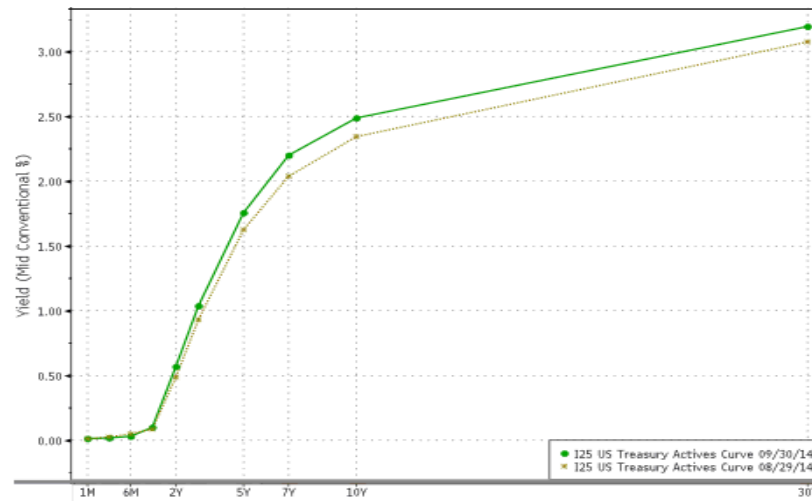
**ISM Manufacturing Index**  
8/2011 – 8/2014

**Chart 1**



**Treasury Yield Curves**  
8/31/2014 – 9/30/2014

**Chart 2**



**Economic Indicators & Monetary Policy** – Gross Domestic Product (GDP) for the second quarter of 2014 was revised upward to 4.6 percent, compared to the negative 2.1 percent growth reported for the first quarter of 2014. GDP is currently growing at a year-over-year rate of 2.6 percent. Household spending and business investment increased, helping push GDP upward. The August readings of the Institute for Supply Management’s indices also showed strong economic growth, as the manufacturing index increased to 59.0 from 57.1 (See Chart 1) and the non-manufacturing index increased to 59.6 from 58.7.

142,000 new jobs were added in August, the lowest number of new jobs since December, 2013. August’s less than expected job growth also marked the first month of fewer than 200,000 jobs in the past seven months. The unemployment rate, however, decreased to 6.1 percent from 6.2 percent as workers exited the labor force. The labor force participation rate also decreased 0.1 percent to 62.8 percent from 62.9 percent.

Inflation indicators once again were muted in August. The year-over-year Producer Price Indices including and excluding food and energy both grew at 1.8 percent, while the year-over-year Consumer Price Indices including and excluding food and energy both grew at 1.7 percent. The Personal Consumption Expenditures Index grew 1.5 percent on a year-over-year basis.

Rebounding from a negative 2.4 percent growth rate in July, new home sales increased by 18.0 percent on a month-over-month basis in August, to reach an annualized rate of 504,000, the highest annual rate since May, 2008. Existing home sales decreased by 1.8 percent in August, compared to a 2.4 percent increase in July.

As projected, the Federal Open Market Committee (FOMC) continued tapering its asset purchases by \$10 billion at the September 17 meeting. The FOMC will likely vote to end Quantitative Easing at the October 28 meeting. Interest rate normalization was also discussed at the most recent FOMC meeting with the committee saying that steps could be taken to begin normalizing the Fed funds target rate in 2015<sup>1</sup>.

**Yield Curve & Spreads** - At the end of August, the 3-month Treasury bill yielded 0.02 percent, the 6-month Treasury bill yielded 0.03 percent, the 2-year Treasury note yielded 0.57 percent, the 5-year Treasury note yielded 1.76 percent, the 10-year Treasury note yielded 2.49 percent, and the 30-year Treasury yielded 3.20 percent (See Chart 2).

**Additional Information**  
**September 30, 2014**

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/](http://www.adviserinfo.sec.gov/).

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<sup>1</sup> "Federal Reserve's Policy Normalization Plans", Federal Open Market Committee statement dated September 17, 2014.

The information contained in this presentation comes from public sources which Cutwater Asset Management believes to be reliable. All opinions expressed in this document are solely those of Cutwater. A list of sources used for this document is available upon request.



**City of Menlo Park  
Activity and Performance Summary  
for the period September 1, 2014 - September 30, 2014**

**Amortized Cost Basis Activity Summary**

|   |                       |
|---|-----------------------|
| <b>Beginning Amortized Cost Value</b>   | 93,520,415.75         |
| Additions                               |                       |
| Contributions                           | 0.00                  |
| Interest Received                       | 125,512.13            |
| Accrued Interest Sold                   | 0.00                  |
| Gain on Sales                           | 785.60                |
| <b>Total Additions</b>                  | <b>126,297.73</b>     |
| Deductions                              |                       |
| Withdrawals                             | 2,370,107.33          |
| Fees Paid                               | 3,669.85              |
| Accrued Interest Purchased              | 0.00                  |
| Loss on Sales                           | 0.00                  |
| <b>Total Deductions</b>                 | <b>(2,373,777.18)</b> |
| Accretion (Amortization) for the Period | (42,853.04)           |
| <b>Ending Amortized Cost Value</b>      | <b>91,230,083.26</b>  |
| Ending Fair Value                       | 91,113,915.96         |
| Unrealized Gain (Loss)                  | (116,167.30)          |

**Detail of Amortized Cost Basis Return**

|                             | Interest<br>Earned | Accretion<br>(Amortization) | Realized<br>Gain (Loss) | Total<br>Income  |
|-----------------------------|--------------------|-----------------------------|-------------------------|------------------|
| <b>Current Holdings</b>     |                    |                             |                         |                  |
| Cash and Equivalents        | 8,204.93           | 0.00                        | 0.00                    | 8,204.93         |
| Commercial Paper            | 0.00               | 1,520.83                    | 0.00                    | 1,520.83         |
| U.S. Treasury               | 3,884.10           | (611.49)                    | 0.00                    | 3,272.61         |
| U.S. Instrumentality        | 20,200.57          | (7,755.60)                  | 0.00                    | 12,444.97        |
| Corporate                   | 54,371.77          | (34,829.15)                 | 0.00                    | 19,542.62        |
| <b>Sales and Maturities</b> |                    |                             |                         |                  |
| Commercial Paper            | 0.00               | 385.42                      | 0.00                    | 385.42           |
| U.S. Instrumentality        | 937.50             | (1,563.05)                  | 785.60                  | 160.05           |
| <b>Total</b>                | <b>87,598.87</b>   | <b>(42,853.04)</b>          | <b>785.60</b>           | <b>45,531.43</b> |

**Annualized Comparative Rates of Return**

|                | Twelve<br>Month Trailing | Six<br>Month Trailing | One Month |
|----------------|--------------------------|-----------------------|-----------|
| Fed Funds      | 0.08 %                   | 0.09 %                | 0.09 %    |
| Overnight Repo | 0.07 %                   | 0.08 %                | 0.06 %    |
| 3 Month T-Bill | 0.03 %                   | 0.02 %                | 0.01 %    |
| 6 Month T-Bill | 0.05 %                   | 0.04 %                | 0.03 %    |
| 1 Year T-Note  | 0.11 %                   | 0.11 %                | 0.11 %    |
| 2 Year T-Note  | 0.41 %                   | 0.47 %                | 0.57 %    |
| 5 Year T-Note  | 1.60 %                   | 1.68 %                | 1.77 %    |

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

|   | Total Portfolio | Excl. Cash Eq. |
|---|-----------------|----------------|
| Interest Earned                             | 87,598.87       | 79,393.94      |
| Accretion (Amortization)                    | (42,853.04)     | (42,853.04)    |
| Realized Gain (Loss) on Sales               | <u>785.60</u>   | <u>785.60</u>  |
| Total Income on Portfolio                   | 45,531.43       | 37,326.50      |
| Average Daily Historical Cost               | 93,531,534.12   | 55,047,727.95  |
| Annualized Return                           | 0.59%           | 0.82%          |
| Annualized Return Net of Fees               | 0.54%           | 0.74%          |
| Annualized Return Year to Date Net of Fees  | 0.51%           | 0.72%          |
| Weighted Average Effective Maturity in Days | 399             | 658            |

**City of Menlo Park  
Activity and Performance Summary  
for the period September 1, 2014 - September 30, 2014**

**Fair Value Basis Activity Summary**

|                                     |              |                |
|-------------------------------------|--------------|----------------|
| <b>Beginning Fair Value</b>         |              | 93,486,990.37  |
| Additions                           |              |                |
| Contributions                       | 0.00         |                |
| Interest Received                   | 125,512.13   |                |
| Accrued Interest Sold               | 0.00         |                |
| <b>Total Additions</b>              |              | 125,512.13     |
| Deductions                          |              |                |
| Withdrawals                         | 2,370,107.33 |                |
| Fees Paid                           | 3,669.85     |                |
| Accrued Interest Purchased          | 0.00         |                |
| <b>Total Deductions</b>             |              | (2,373,777.18) |
| Change in Fair Value for the Period |              | (124,809.36)   |
| <b>Ending Fair Value</b>            |              | 91,113,915.96  |

**Detail of Fair Value Basis Return**

|                             | <b>Interest<br/>Earned</b> | <b>Change in<br/>Fair Value</b> | <b>Total<br/>Income</b> |
|-----------------------------|----------------------------|---------------------------------|-------------------------|
| <b>Current Holdings</b>     |                            |                                 |                         |
| Cash and Equivalents        | 8,204.93                   | 0.00                            | 8,204.93                |
| Commercial Paper            | 0.00                       | 1,609.56                        | 1,609.56                |
| U.S. Treasury               | 3,884.10                   | (9,298.00)                      | (5,413.90)              |
| U.S. Instrumentality        | 20,200.57                  | (41,911.72)                     | (21,711.15)             |
| Corporate                   | 54,371.77                  | (73,045.39)                     | (18,673.62)             |
| <b>Sales and Maturities</b> |                            |                                 |                         |
| Commercial Paper            | 0.00                       | 142.50                          | 142.50                  |
| U.S. Instrumentality        | 937.50                     | (2,306.31)                      | (1,368.81)              |
| <b>Total</b>                | <b>87,598.87</b>           | <b>(124,809.36)</b>             | <b>(37,210.49)</b>      |

**Annualized Comparative Rates of Return**

|                       | <b>Twelve<br/>Month Trailing</b> | <b>Six<br/>Month Trailing</b> | <b>One Month</b> |
|-----------------------|----------------------------------|-------------------------------|------------------|
| Fed Funds             | 0.08 %                           | 0.09 %                        | 0.09 %           |
| Overnight Repo        | 0.07 %                           | 0.08 %                        | 0.06 %           |
| 3 Month T-Bill        | 0.08 %                           | 0.05 %                        | 0.00 %           |
| 6 Month T-Bill        | 0.12 %                           | 0.11 %                        | 0.08 %           |
| 1 Year T-Note         | 0.26 %                           | 0.27 %                        | 0.23 %           |
| BAML 1-3 Yr Tsy Index | 0.50 %                           | 0.61 %                        | -0.68 %          |
| BAML 1-5 Yr Tsy Index | 0.64 %                           | 0.98 %                        | -2.17 %          |

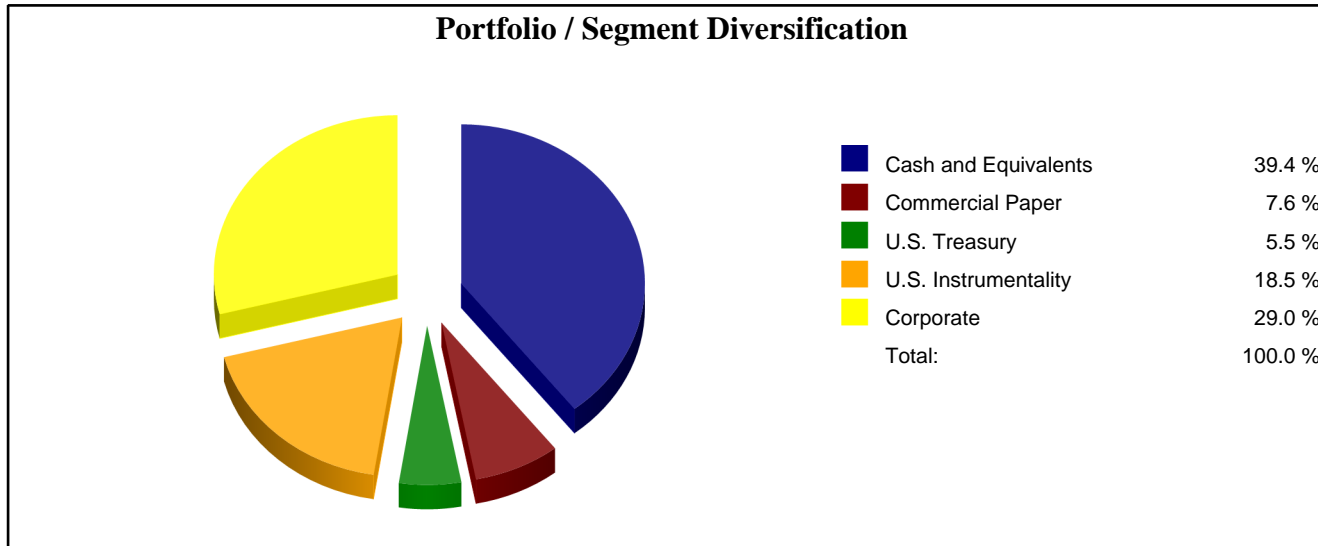
**Summary of Fair Value Basis Return for the Period**

|   | <b>Total Portfolio</b> | <b>Excl. Cash Eq.</b> |
|---|------------------------|-----------------------|
| Interest Earned                             | 87,598.87              | 79,393.94             |
| Change in Fair Value                        | <u>(124,809.36)</u>    | <u>(124,809.36)</u>   |
| Total Income on Portfolio                   | (37,210.49)            | (45,415.42)           |
| Average Daily Historical Cost               | 93,531,534.12          | 55,047,727.95         |
| Annualized Return                           | (0.48%)                | (1.00%)               |
| Annualized Return Net of Fees               | (0.53%)                | (1.08%)               |
| Annualized Return Year to Date Net of Fees  | 0.56%                  | 0.82%                 |
| Weighted Average Effective Maturity in Days | 399                    | 658                   |

**City of Menlo Park  
Recap of Securities Held  
September 30, 2014**

|                      | 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 | 36,300,327.00        | 36,300,327.00        | 36,300,327.00        | 0.00                   | 1                                      | 1  | 39.42               | 0.26                     | 0.00                                     |
| Commercial Paper     | 6,986,794.44         | 6,991,640.27         | 6,992,785.00         | 1,144.73               | 120                                    | 120  | 7.59                | 0.33                     | 0.00                                     |
| U.S. Treasury        | 5,030,859.38         | 5,015,458.43         | 5,014,961.00         | (497.43)               | 848                                    | 848  | 5.46                | 0.80                     | 2.29                                     |
| U.S. Instrumentality | 17,052,359.86        | 16,910,278.22        | 16,822,547.90        | (87,730.32)            | 980                                    | 980  | 18.52               | 0.95                     | 2.57                                     |
| Corporate            | 26,711,251.85        | 26,012,379.34        | 25,983,295.06        | (29,084.28)            | 560                                    | 558  | 29.01               | 0.87                     | 1.49                                     |
| <b>Total</b>         | <b>92,081,592.53</b> | <b>91,230,083.26</b> | <b>91,113,915.96</b> | <b>(116,167.30)</b>    | <b>400</b>                             | <b>399</b>                                 | <b>100.00</b>       | <b>0.60</b>              | <b>1.03</b>                              |

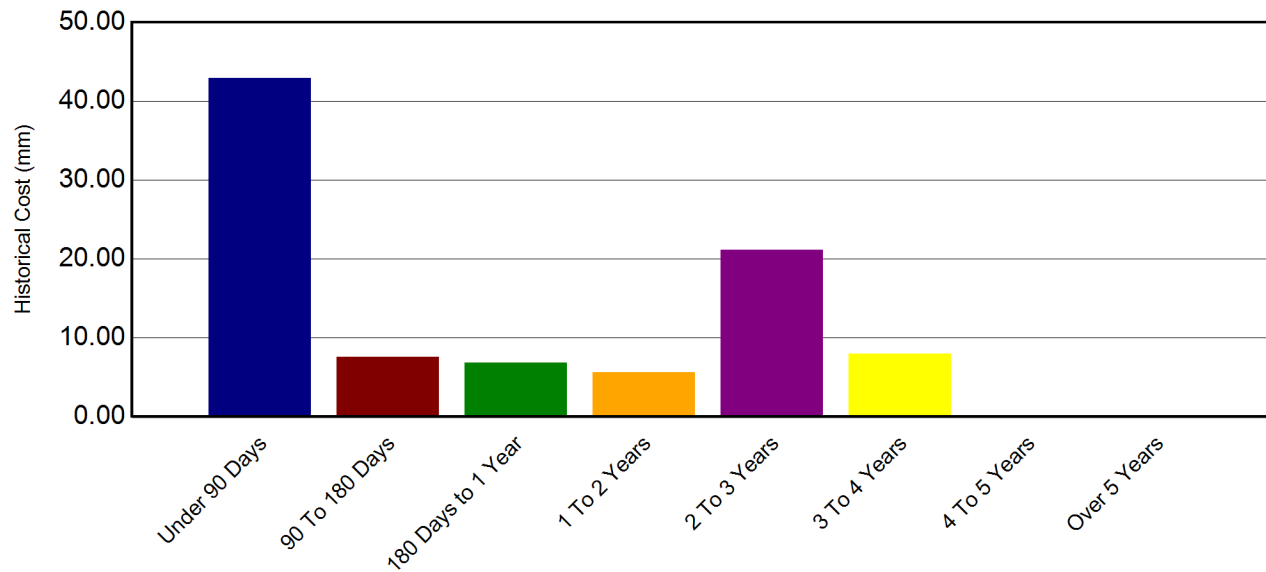
\* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Menlo Park  
Maturity Distribution of Securities Held  
September 30, 2014**

| Maturity           | Historical Cost      | Percent         |
|--------------------|----------------------|-----------------|
| Under 90 Days      | 42,916,994.50        | 46.61 %         |
| 90 To 180 Days     | 7,562,980.00         | 8.21 %          |
| 180 Days to 1 Year | 6,859,858.79         | 7.45 %          |
| 1 To 2 Years       | 5,653,158.75         | 6.14 %          |
| 2 To 3 Years       | 21,099,080.49        | 22.91 %         |
| 3 To 4 Years       | 7,989,520.00         | 8.68 %          |
| 4 To 5 Years       | 0.00                 | 0.00 %          |
| Over 5 Years       | 0.00                 | 0.00 %          |
|                    | <b>92,081,592.53</b> | <b>100.00 %</b> |

**Maturity Distribution**



**City of Menlo Park  
Securities Held  
September 30, 2014**

| CUSIP/<br>Description               | Purchase<br>Date | Rate/<br>Coupon | Maturity/<br>Call Date | Par Value/<br>Shares | Historical Cost/<br>Accrued Interest<br>Purchased | Amortized Cost/<br>Accretion<br>(Amortization) | Fair Value/<br>Change In Fair<br>Value | Unrealized<br>Gain<br>(Loss) | Interest<br>Received | Interest<br>Earned | Total<br>Accrued<br>Interest | %<br>Port<br>Cost | Yield |
|-------------------------------------|------------------|-----------------|------------------------|----------------------|---|--|--|------------------------------|----------------------|--------------------|------------------------------|-------------------|-------|
| <b><u>Cash and Equivalents</u></b>  |                  |                 |                        |                      |   |  |  |                              |                      |                    |                              |                   |       |
| LAIF - City 98-19-22                | 09/30/14         | 0.260V          |                        | 36,300,327.00        | 36,300,327.00                                     | 36,300,327.00                                  | 36,300,327.00                          | 0.00                         | 0.00                 | 8,204.93           | 24,320.20                    | 39.42             | 0.26  |
|                                     |                  |                 |                        |                      | 0.00  | 0.00   | 0.00                                   |                              |                      |                    |                              |                   |       |
| <b>TOTAL (Cash and Equivalents)</b> |                  |                 |                        | 36,300,327.00        | 36,300,327.00                                     | 36,300,327.00                                  | 36,300,327.00                          | 0.00                         | 0.00                 | 8,204.93           | 24,320.20                    | 39.42             |       |
|                                     |                  |                 |                        |                      | 0.00  | 0.00   | 0.00                                   |                              |                      |                    |                              |                   |       |
| <b><u>Commercial Paper</u></b>      |                  |                 |                        |                      |   |  |  |                              |                      |                    |                              |                   |       |
| 4497W1LH7                           | 06/03/14         | 0.000           | 11/17/14               | 2,500,000.00         | 2,496,520.83                                      | 2,499,020.83                                   | 2,499,487.50                           | 466.67                       | 0.00                 | 0.00               | 0.00                         | 2.71              | 0.30  |
| ING Funding                         |                  |                 |                        |                      | 0.00  | 625.00   | 505.00                                 |                              |                      |                    |                              |                   |       |
| 4497W1LH7                           | 06/06/14         | 0.000           | 11/17/14               | 2,000,000.00         | 1,997,266.67                                      | 1,999,216.67                                   | 1,999,590.00                           | 373.33                       | 0.00                 | 0.00               | 0.00                         | 2.17              | 0.30  |
| ING Funding                         |                  |                 |                        |                      | 0.00  | 500.00   | 404.00                                 |                              |                      |                    |                              |                   |       |
| 06737JT88                           | 09/16/14         | 0.000           | 06/08/15               | 2,500,000.00         | 2,493,006.94                                      | 2,493,402.77                                   | 2,493,707.50                           | 304.73                       | 0.00                 | 0.00               | 0.00                         | 2.71              | 0.39  |
| Barclays US Funding                 |                  |                 |                        |                      | 0.00  | 395.83   | 700.56                                 |                              |                      |                    |                              |                   |       |
| <b>TOTAL (Commercial Paper)</b>     |                  |                 |                        | 7,000,000.00         | 6,986,794.44                                      | 6,991,640.27                                   | 6,992,785.00                           | 1,144.73                     | 0.00                 | 0.00               | 0.00                         | 7.59              |       |
|                                     |                  |                 |                        |                      | 0.00  | 1,520.83                                       | 1,609.56                               |                              |                      |                    |                              |                   |       |
| <b><u>U.S. Treasury</u></b>         |                  |                 |                        |                      |   |  |  |                              |                      |                    |                              |                   |       |
| 912828QX1                           | 08/25/11         | 1.500           | 07/31/16               | 1,000,000.00         | 1,022,968.75                                      | 1,008,527.24                                   | 1,017,695.00                           | 9,167.76                     | 0.00                 | 1,222.82           | 2,527.17                     | 1.11              | 1.02  |
| T-Note                              |                  |                 |                        |                      | 0.00  | (382.39)                                       | (1,485.00)                             |                              |                      |                    |                              |                   |       |
| 912828WF3                           | 08/15/14         | 0.625           | 11/15/16               | 1,000,000.00         | 1,000,312.50                                      | 1,000,294.65                                   | 998,750.00                             | (1,544.65)                   | 0.00                 | 509.51             | 2,360.73                     | 1.09              | 0.61  |
| T-Note                              |                  |                 |                        |                      | 1,562.50  | (11.39)  | (1,328.00)                             |                              |                      |                    |                              |                   |       |
| 912828SJ0                           | 05/15/14         | 0.875           | 02/28/17               | 1,000,000.00         | 1,004,140.63                                      | 1,003,576.37                                   | 1,001,016.00                           | (2,560.37)                   | 0.00                 | 725.14             | 749.31                       | 1.09              | 0.72  |
| T-Note                              |                  |                 |                        |                      | 0.00  | (121.78)                                       | (2,109.00)                             |                              |                      |                    |                              |                   |       |
| 912828WH9                           | 06/05/14         | 0.875           | 05/15/17               | 2,000,000.00         | 2,003,437.50                                      | 2,003,060.17                                   | 1,997,500.00                           | (5,560.17)                   | 0.00                 | 1,426.63           | 6,610.05                     | 2.18              | 0.82  |
| T-Note                              |                  |                 |                        |                      | 998.64  | (95.93)  | (4,376.00)                             |                              |                      |                    |                              |                   |       |
| <b>TOTAL (U.S. Treasury)</b>        |                  |                 |                        | 5,000,000.00         | 5,030,859.38                                      | 5,015,458.43                                   | 5,014,961.00                           | (497.43)                     | 0.00                 | 3,884.10           | 12,247.26                    | 5.46              |       |
|                                     |                  |                 |                        |                      | 2,561.14  | (611.49)                                       | (9,298.00)                             |                              |                      |                    |                              |                   |       |
| <b><u>U.S. Instrumentality</u></b>  |                  |                 |                        |                      |   |  |  |                              |                      |                    |                              |                   |       |
| 3133XWNB1                           | 09/28/11         | 2.875           | 06/12/15               | 1,500,000.00         | 1,606,845.00                                      | 1,520,058.12                                   | 1,528,560.00                           | 8,501.88                     | 0.00                 | 3,593.75           | 13,057.29                    | 1.75              | 0.92  |
| FHLB                                |                  |                 |                        |                      | 0.00  | (2,369.06)                                     | (2,890.50)                             |                              |                      |                    |                              |                   |       |
| 3134G5HA6                           | Call             | 0.700           | 09/19/16               | 1,500,000.00         | 1,500,000.00                                      | 1,500,000.00                                   | 1,495,302.00                           | (4,698.00)                   | 0.00                 | 350.00             | 350.00                       | 1.63              | 0.70  |
| FHLMC                               |                  |                 | 12/19/14               |                      | 0.00  | 0.00   | (4,698.00)                             |                              |                      |                    |                              |                   |       |
| 31331XLG5                           | 06/06/14         | 4.875           | 01/17/17               | 1,000,000.00         | 1,107,670.00                                      | 1,094,492.81                                   | 1,092,028.00                           | (2,464.81)                   | 0.00                 | 4,062.50           | 10,020.83                    | 1.20              | 0.71  |
| FFCB                                |                  |                 |                        |                      | 0.00  | (3,378.77)                                     | (3,339.00)                             |                              |                      |                    |                              |                   |       |
| 3134G54B8                           | Call             | 0.900           | 02/15/17               | 1,000,000.00         | 1,000,000.00                                      | 1,000,000.00                                   | 996,866.00                             | (3,134.00)                   | 0.00                 | 750.00             | 3,400.00                     | 1.09              | 0.90  |
| FHLMC                               |                  |                 | 11/15/14               |                      | 0.00  | 0.00   | (1,571.00)                             |                              |                      |                    |                              |                   |       |



**City of Menlo Park  
Securities Held  
September 30, 2014**

| CUSIP/<br>Description               | Purchase<br>Date | Rate/<br>Coupon | Maturity/<br>Call Date | Par Value/<br>Shares | Historical Cost/<br>Accrued Interest<br>Purchased | Amortized Cost/<br>Accretion<br>(Amortization) | Fair Value/<br>Change In Fair<br>Value | Unrealized<br>Gain<br>(Loss) | Interest<br>Received | Interest<br>Earned | Total<br>Accrued<br>Interest | %<br>Port<br>Cost | Yield |
|-------------------------------------|------------------|-----------------|------------------------|----------------------|---|--|--|------------------------------|----------------------|--------------------|------------------------------|-------------------|-------|
| 3135G0VM2<br>FNMA                   | 04/03/13         | 0.750           | 03/14/17               | 1,000,000.00         | 1,000,700.00<br>0.00                              | 1,000,000.00<br>0.00                           | 995,196.00<br>(4,025.00)               | (4,804.00)                   | 3,750.00             | 625.00             | 354.17                       | 1.09              | 0.75  |
| 3128MBFA0<br>FHLMC                  | 01/23/13         | 6.000           | 04/01/17               | 780,529.99           | 830,044.86<br>0.00                                | 810,096.42<br>(971.52)                         | 816,709.90<br>(1,450.22)               | 6,613.48                     | 3,902.65             | 3,902.65           | 3,902.65                     | 0.90              | 2.31  |
| 3135G0PP2<br>FNMA                   | 04/18/13         | 1.000           | 09/20/17               | 2,000,000.00         | 2,005,000.00<br>0.00                              | 2,000,000.00<br>0.00                           | 1,986,420.00<br>(4,686.00)             | (13,580.00)                  | 10,000.00            | 1,666.67           | 611.11                       | 2.18              | 1.00  |
| 3130A2XY7<br>FHLB                   | Call<br>09/22/14 | 0.500V          | 09/22/17<br>12/22/14   | 2,000,000.00         | 1,997,500.00<br>0.00                              | 1,997,520.53<br>20.53                          | 1,996,402.00<br>(1,098.00)             | (1,118.53)                   | 0.00                 | 250.00             | 250.00                       | 2.17              | 1.34  |
| 3137EADN6<br>FHLMC                  | 01/22/13         | 0.750           | 01/12/18               | 2,000,000.00         | 1,984,380.00<br>0.00                              | 1,989,687.02<br>258.04                         | 1,961,244.00<br>(5,006.00)             | (28,443.02)                  | 0.00                 | 1,250.00           | 3,291.67                     | 2.16              | 0.91  |
| 3137EADN6<br>FHLMC                  | 02/15/13         | 0.750           | 01/12/18               | 2,000,000.00         | 1,980,960.00<br>0.00                              | 1,987,260.63<br>318.75                         | 1,961,244.00<br>(5,006.00)             | (26,016.63)                  | 0.00                 | 1,250.00           | 3,291.67                     | 2.15              | 0.95  |
| 3136G1KN8<br>FNMA                   | Call<br>05/03/13 | 1.500           | 04/24/18<br>04/24/15   | 2,000,000.00         | 2,039,260.00<br>0.00                              | 2,011,162.69<br>(1,633.57)                     | 1,992,576.00<br>(8,142.00)             | (18,586.69)                  | 0.00                 | 2,500.00           | 13,083.33                    | 2.21              | 0.50  |
| <b>TOTAL (U.S. Instrumentality)</b> |                  |                 |                        | 16,780,529.99        | 17,052,359.86<br>0.00                             | 16,910,278.22<br>(7,755.60)                    | 16,822,547.90<br>(41,911.72)           | (87,730.32)                  | 17,652.65            | 20,200.57          | 51,612.72                    | 18.52             |       |

**Corporate**

|                                  |          |        |          |              |                      |                             |                             |            |           |           |           |      |      |
|----------------------------------|----------|--------|----------|--------------|----------------------|-----------------------------|-----------------------------|------------|-----------|-----------|-----------|------|------|
| 94974BET3<br>Wells Fargo         | 10/22/12 | 3.750  | 10/01/14 | 2,000,000.00 | 2,122,880.00<br>0.00 | 2,000,000.00<br>(5,199.44)  | 2,000,000.00<br>(5,320.00)  | 0.00       | 0.00      | 6,250.00  | 37,500.00 | 2.31 | 0.56 |
| 084664AT8<br>Berkshire Hathaway  | 10/23/12 | 4.850  | 01/15/15 | 3,000,000.00 | 3,284,850.00<br>0.00 | 3,037,093.49<br>(10,498.16) | 3,038,826.00<br>(11,268.00) | 1,732.51   | 0.00      | 12,125.00 | 30,716.67 | 3.57 | 0.56 |
| 713448BX5<br>PEPSICO Inc         | 09/21/12 | 0.750  | 03/05/15 | 1,000,000.00 | 1,005,430.00<br>0.00 | 1,000,940.39<br>(182.01)    | 1,001,747.00<br>(711.00)    | 806.61     | 3,750.00  | 625.00    | 541.67    | 1.09 | 0.53 |
| 717081DA8<br>Pfizer Inc          | 04/22/13 | 5.350  | 03/15/15 | 3,000,000.00 | 3,272,700.00<br>0.00 | 3,065,022.40<br>(11,822.25) | 3,066,189.00<br>(11,529.00) | 1,166.60   | 80,250.00 | 13,375.00 | 7,133.33  | 3.55 | 0.53 |
| 36962G5Z3<br>GE Capital          | 10/02/12 | 1.625  | 07/02/15 | 1,013,000.00 | 1,032,236.87<br>0.00 | 1,018,255.14<br>(575.38)    | 1,022,665.03<br>(1,193.32)  | 4,409.89   | 0.00      | 1,371.77  | 4,069.59  | 1.12 | 0.92 |
| 36962G4P6<br>GE Capital          | 09/21/12 | 1.000V | 09/23/15 | 725,000.00   | 724,369.98<br>0.00   | 724,794.97<br>17.23         | 730,313.53<br>603.93        | 5,518.56   | 1,812.50  | 604.17    | 161.11    | 0.79 | 1.03 |
| 594918AG9<br>Microsoft           | 07/26/11 | 1.625  | 09/25/15 | 1,000,000.00 | 1,003,400.00<br>0.00 | 1,000,801.97<br>(67.02)     | 1,013,281.00<br>(449.00)    | 12,479.03  | 8,125.00  | 1,354.16  | 270.83    | 1.09 | 1.54 |
| 38259PAC6<br>Google              | 10/16/12 | 2.125  | 05/19/16 | 1,000,000.00 | 1,053,370.00<br>0.00 | 1,024,262.79<br>(1,221.28)  | 1,024,060.00<br>(2,761.00)  | (202.79)   | 0.00      | 1,770.84  | 7,791.67  | 1.14 | 0.62 |
| 459200GX3<br>IBM Corp            | 11/09/12 | 1.950  | 07/22/16 | 2,000,000.00 | 2,076,820.00<br>0.00 | 2,037,528.65<br>(1,705.84)  | 2,041,196.00<br>(6,428.00)  | 3,667.35   | 0.00      | 3,250.00  | 7,475.00  | 2.26 | 0.89 |
| 89233P5S1<br>Toyota Motor Credit | 04/15/14 | 2.050  | 01/12/17 | 1,000,000.00 | 1,031,090.00<br>0.00 | 1,025,851.51<br>(929.91)    | 1,022,618.00<br>(2,370.00)  | (3,233.51) | 0.00      | 1,708.33  | 4,498.61  | 1.12 | 0.90 |

**City of Menlo Park  
Securities Held  
September 30, 2014**

| CUSIP/<br>Description           | Purchase<br>Date | Rate/<br>Coupon | Maturity/<br>Call Date | Par Value/<br>Shares | Historical Cost/<br>Accrued Interest<br>Purchased | Amortized Cost/<br>Accretion<br>(Amortization) | Fair Value/<br>Change In Fair<br>Value | Unrealized<br>Gain<br>(Loss) | Interest<br>Received | Interest<br>Earned | Total<br>Accrued<br>Interest | %<br>Port<br>Cost | Yield |
|---------------------------------|------------------|-----------------|------------------------|----------------------|---|--|--|------------------------------|----------------------|--------------------|------------------------------|-------------------|-------|
| 084670BD9<br>Berkshire Hathaway | 02/02/12         | 1.900           | 01/31/17               | 1,500,000.00         | 1,528,050.00                                      | 1,513,110.49                                   | 1,528,815.00                           | 15,704.51                    | 0.00                 | 2,375.00           | 4,829.17                     | 1.66              | 1.51  |
|                                 |                  |                 |                        |                      | 0.00  | (461.10)                                       | (3,759.00)                             |                              |                      |                    |                              |                   |       |
| 459200HC8<br>IBM Corp           | 01/07/14         | 1.250           | 02/06/17               | 1,500,000.00         | 1,509,975.00                                      | 1,507,609.70                                   | 1,505,143.50                           | (2,466.20)                   | 0.00                 | 1,562.50           | 2,864.58                     | 1.64              | 1.03  |
|                                 |                  |                 |                        |                      | 0.00  | (265.77)                                       | (5,454.00)                             |                              |                      |                    |                              |                   |       |
| 36962G5W0<br>GE Capital         | 06/09/14         | 2.300           | 04/27/17               | 1,000,000.00         | 1,034,440.00                                      | 1,030,711.45                                   | 1,027,565.00                           | (3,146.45)                   | 0.00                 | 1,916.67           | 9,838.89                     | 1.12              | 1.08  |
|                                 |                  |                 |                        |                      | 2,683.33  | (981.20)                                       | (367.00)                               |                              |                      |                    |                              |                   |       |
| 91159HHD5<br>US Bancorp         | Call<br>06/04/14 | 1.650           | 05/15/17               | 2,000,000.00         | 2,032,160.00                                      | 2,028,501.26                                   | 2,018,330.00                           | (10,171.26)                  | 0.00                 | 2,750.00           | 12,466.67                    | 2.21              | 1.08  |
|                                 |                  |                 | 04/15/17               |                      | 1,741.67  | (922.37)                                       | (7,128.00)                             |                              |                      |                    |                              |                   |       |
| 88579YAE1<br>3M Company         | 12/19/12         | 1.000           | 06/26/17               | 2,000,000.00         | 2,014,560.00                                      | 2,008,815.42                                   | 1,991,566.00                           | (17,249.42)                  | 0.00                 | 1,666.67           | 5,277.78                     | 2.19              | 0.84  |
|                                 |                  |                 |                        |                      | 0.00  | (264.73)                                       | (5,160.00)                             |                              |                      |                    |                              |                   |       |
| 037833AJ9<br>Apple Inc          | 05/20/13         | 1.000           | 05/03/18               | 2,000,000.00         | 1,984,920.00                                      | 1,989,079.71                                   | 1,950,980.00                           | (38,099.71)                  | 0.00                 | 1,666.66           | 8,222.22                     | 2.16              | 1.16  |
|                                 |                  |                 |                        |                      | 0.00  | 250.08   | (9,752.00)                             |                              |                      |                    |                              |                   |       |
| <b>TOTAL (Corporate)</b>        |                  |                 |                        | <b>25,738,000.00</b> | <b>26,711,251.85</b>                              | <b>26,012,379.34</b>                           | <b>25,983,295.06</b>                   | <b>(29,084.28)</b>           | <b>93,937.50</b>     | <b>54,371.77</b>   | <b>143,657.79</b>            | <b>29.01</b>      |       |
|                                 |                  |                 |                        |                      | <b>4,425.00</b>                                   | <b>(34,829.15)</b>                             | <b>(73,045.39)</b>                     |                              |                      |                    |                              |                   |       |

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**GRAND TOTAL** **90,818,856.99** **92,081,592.53** **91,230,083.26** **91,113,915.96** **(116,167.30)** **111,590.15** **86,661.37** **231,837.97** **100.00**  
**6,986.14** **(41,675.41)** **(122,645.55)**

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

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2014**

| CUSIP                            | Type                 | Coupon | Maturity Date | Call Date  | S&P Rating | Moody Rating | Par Value / Shares | Historical Cost | % Portfolio Hist Cost | Market Value  | % Portfolio Mkt Value | Weighted Avg Mkt Dur (Yrs) |
|----------------------------------|----------------------|--------|---------------|------------|------------|--------------|--------------------|-----------------|-----------------------|---------------|-----------------------|----------------------------|
| <b><u>LAIF</u></b>               |                      |        |               |            |            |              |                    |                 |                       |               |                       |                            |
|                                  | Cash and Equivalents | 0.260  | 01/30/3100    |            | NR         | NR           | 36,300,327.00      | 36,300,327.00   | 39.42                 | 36,300,327.00 | 39.84                 | 0.00                       |
| <b>ISSUER TOTAL</b>              |                      |        |               |            |            |              | 36,300,327.00      | 36,300,327.00   | 39.42                 | 36,300,327.00 | 39.84                 | 0.00                       |
| <b><u>FHLMC</u></b>              |                      |        |               |            |            |              |                    |                 |                       |               |                       |                            |
| 3128MBFA0                        | U.S. Instrumentality | 6.000  | 04/01/2017    |            | AA+        | Aaa          | 780,529.99         | 830,044.86      | 0.90                  | 816,709.90    | 0.90                  | 1.31                       |
| 3134G5HA6                        | U.S. Instrumentality | 0.700  | 09/19/2016    | 12/19/2014 | AA+        | Aaa          | 1,500,000.00       | 1,500,000.00    | 1.63                  | 1,495,302.00  | 1.64                  | 1.95                       |
| 3134G54B8                        | U.S. Instrumentality | 0.900  | 02/15/2017    | 11/15/2014 | AA+        | Aaa          | 1,000,000.00       | 1,000,000.00    | 1.09                  | 996,866.00    | 1.09                  | 2.34                       |
| 3137EADN6                        | U.S. Instrumentality | 0.750  | 01/12/2018    |            | AA+        | Aaa          | 4,000,000.00       | 3,965,340.00    | 4.31                  | 3,922,488.00  | 4.31                  | 3.22                       |
| <b>ISSUER TOTAL</b>              |                      |        |               |            |            |              | 7,280,529.99       | 7,295,384.86    | 7.92                  | 7,231,365.90  | 7.94                  | 2.62                       |
| <b><u>T-Note</u></b>             |                      |        |               |            |            |              |                    |                 |                       |               |                       |                            |
| 912828QX1                        | U.S. Treasury        | 1.500  | 07/31/2016    |            | AA+        | Aaa          | 1,000,000.00       | 1,022,968.75    | 1.11                  | 1,017,695.00  | 1.12                  | 1.81                       |
| 912828WF3                        | U.S. Treasury        | 0.625  | 11/15/2016    |            | AA+        | Aaa          | 1,000,000.00       | 1,000,312.50    | 1.09                  | 998,750.00    | 1.10                  | 2.10                       |
| 912828SJ0                        | U.S. Treasury        | 0.875  | 02/28/2017    |            | AA+        | Aaa          | 1,000,000.00       | 1,004,140.63    | 1.09                  | 1,001,016.00  | 1.10                  | 2.39                       |
| 912828WH9                        | U.S. Treasury        | 0.875  | 05/15/2017    |            | AA+        | Aaa          | 2,000,000.00       | 2,003,437.50    | 2.18                  | 1,997,500.00  | 2.19                  | 2.58                       |
| <b>ISSUER TOTAL</b>              |                      |        |               |            |            |              | 5,000,000.00       | 5,030,859.38    | 5.46                  | 5,014,961.00  | 5.50                  | 2.29                       |
| <b><u>FNMA</u></b>               |                      |        |               |            |            |              |                    |                 |                       |               |                       |                            |
| 3135G0VM2                        | U.S. Instrumentality | 0.750  | 03/14/2017    |            | AA+        | Aaa          | 1,000,000.00       | 1,000,700.00    | 1.09                  | 995,196.00    | 1.09                  | 2.43                       |
| 3135G0PP2                        | U.S. Instrumentality | 1.000  | 09/20/2017    |            | AA+        | Aaa          | 2,000,000.00       | 2,005,000.00    | 2.18                  | 1,986,420.00  | 2.18                  | 2.92                       |
| 3136G1KN8                        | U.S. Instrumentality | 1.500  | 04/24/2018    | 04/24/2015 | AA+        | Aaa          | 2,000,000.00       | 2,039,260.00    | 2.21                  | 1,992,576.00  | 2.19                  | 3.44                       |
| <b>ISSUER TOTAL</b>              |                      |        |               |            |            |              | 5,000,000.00       | 5,044,960.00    | 5.48                  | 4,974,192.00  | 5.46                  | 3.03                       |
| <b><u>Berkshire Hathaway</u></b> |                      |        |               |            |            |              |                    |                 |                       |               |                       |                            |
| 084664AT8                        | Corporate            | 4.850  | 01/15/2015    |            | AA         | Aa2          | 3,000,000.00       | 3,284,850.00    | 3.57                  | 3,038,826.00  | 3.34                  | 0.29                       |
| 084670BD9                        | Corporate            | 1.900  | 01/31/2017    |            | AA         | Aa2          | 1,500,000.00       | 1,528,050.00    | 1.66                  | 1,528,815.00  | 1.68                  | 2.28                       |
| <b>ISSUER TOTAL</b>              |                      |        |               |            |            |              | 4,500,000.00       | 4,812,900.00    | 5.23                  | 4,567,641.00  | 5.01                  | 0.96                       |
| <b><u>ING Funding</u></b>        |                      |        |               |            |            |              |                    |                 |                       |               |                       |                            |
| 4497W1LH7                        | Commercial Paper     | 0.000  | 11/17/2014    |            | A-1        | P-1          | 4,500,000.00       | 4,493,787.50    | 4.88                  | 4,499,077.50  | 4.94                  | 0.00                       |
| <b>ISSUER TOTAL</b>              |                      |        |               |            |            |              | 4,500,000.00       | 4,493,787.50    | 4.88                  | 4,499,077.50  | 4.94                  | 0.00                       |

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2014**

| CUSIP                      | Type                 | Coupon | Maturity Date | Call Date  | S&P Rating | Moody Rating | Par Value / Shares | Historical Cost | % Portfolio Hist Cost | Market Value | % Portfolio Mkt Value | Weighted Avg Mkt Dur (Yrs) |
|----------------------------|----------------------|--------|---------------|------------|------------|--------------|--------------------|-----------------|-----------------------|--------------|-----------------------|----------------------------|
| <b>IBM Corp</b>            |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 459200GX3                  | Corporate            | 1.950  | 07/22/2016    |            | AA-        | Aa3          | 2,000,000.00       | 2,076,820.00    | 2.26                  | 2,041,196.00 | 2.24                  | 1.78                       |
| 459200HC8                  | Corporate            | 1.250  | 02/06/2017    |            | AA-        | Aa3          | 1,500,000.00       | 1,509,975.00    | 1.64                  | 1,505,143.50 | 1.65                  | 2.31                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 3,500,000.00       | 3,586,795.00    | 3.90                  | 3,546,339.50 | 3.89                  | 2.00                       |
| <b>FHLB</b>                |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 3133XWNB1                  | U.S. Instrumentality | 2.875  | 06/12/2015    |            | AA+        | Aaa          | 1,500,000.00       | 1,606,845.00    | 1.75                  | 1,528,560.00 | 1.68                  | 0.69                       |
| 3130A2XY7                  | U.S. Instrumentality | 0.500  | 09/22/2017    | 12/22/2014 | AA+        | Aaa          | 2,000,000.00       | 1,997,500.00    | 2.17                  | 1,996,402.00 | 2.19                  | 2.92                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 3,500,000.00       | 3,604,345.00    | 3.91                  | 3,524,962.00 | 3.87                  | 1.96                       |
| <b>Pfizer Inc</b>          |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 717081DA8                  | Corporate            | 5.350  | 03/15/2015    |            | AA         | A1           | 3,000,000.00       | 3,272,700.00    | 3.55                  | 3,066,189.00 | 3.37                  | 0.46                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 3,000,000.00       | 3,272,700.00    | 3.55                  | 3,066,189.00 | 3.37                  | 0.46                       |
| <b>GE Capital</b>          |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 36962G5Z3                  | Corporate            | 1.625  | 07/02/2015    |            | AA+        | A1           | 1,013,000.00       | 1,032,236.87    | 1.12                  | 1,022,665.03 | 1.12                  | 0.75                       |
| 36962G4P6                  | Corporate            | 1.000  | 09/23/2015    |            | AA+        | A1           | 725,000.00         | 724,369.98      | 0.79                  | 730,313.53   | 0.80                  | 0.98                       |
| 36962G5W0                  | Corporate            | 2.300  | 04/27/2017    |            | AA+        | A1           | 1,000,000.00       | 1,034,440.00    | 1.12                  | 1,027,565.00 | 1.13                  | 2.48                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 2,738,000.00       | 2,791,046.85    | 3.03                  | 2,780,543.56 | 3.05                  | 1.45                       |
| <b>Barclays US Funding</b> |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 06737JT88                  | Commercial Paper     | 0.000  | 06/08/2015    |            | A-1        | P-1          | 2,500,000.00       | 2,493,006.94    | 2.71                  | 2,493,707.50 | 2.74                  | 0.00                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 2,500,000.00       | 2,493,006.94    | 2.71                  | 2,493,707.50 | 2.74                  | 0.00                       |
| <b>US Bancorp</b>          |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 91159HHD5                  | Corporate            | 1.650  | 05/15/2017    | 04/15/2017 | A+         | A1           | 2,000,000.00       | 2,032,160.00    | 2.21                  | 2,018,330.00 | 2.22                  | 2.47                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 2,000,000.00       | 2,032,160.00    | 2.21                  | 2,018,330.00 | 2.22                  | 2.47                       |
| <b>Wells Fargo</b>         |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 94974BET3                  | Corporate            | 3.750  | 10/01/2014    |            | A+         | A2           | 2,000,000.00       | 2,122,880.00    | 2.31                  | 2,000,000.00 | 2.20                  | 0.00                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 2,000,000.00       | 2,122,880.00    | 2.31                  | 2,000,000.00 | 2.20                  | 0.00                       |
| <b>3M Company</b>          |                      |        |               |            |            |              |                    |                 |                       |              |                       |                            |
| 88579YAE1                  | Corporate            | 1.000  | 06/26/2017    |            | AA-        | Aa2          | 2,000,000.00       | 2,014,560.00    | 2.19                  | 1,991,566.00 | 2.19                  | 2.69                       |
| <b>ISSUER TOTAL</b>        |                      |        |               |            |            |              | 2,000,000.00       | 2,014,560.00    | 2.19                  | 1,991,566.00 | 2.19                  | 2.69                       |

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2014**

| CUSIP                             | Type                 | Coupon | Maturity Date | Call Date | S&P Rating | Moody Rating | Par Value / Shares   | Historical Cost      | % Portfolio Hist Cost | Market Value         | % Portfolio Mkt Value | Weighted Avg Mkt Dur (Yrs) |
|-----------------------------------|----------------------|--------|---------------|-----------|------------|--------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------------|
| <b><u>Apple Inc</u></b>           |                      |        |               |           |            |              |                      |                      |                       |                      |                       |                            |
| 037833AJ9                         | Corporate            | 1.000  | 05/03/2018    |           | AA+        | Aa1          | 2,000,000.00         | 1,984,920.00         | 2.16                  | 1,950,980.00         | 2.14                  | 3.49                       |
| <b>ISSUER TOTAL</b>               |                      |        |               |           |            |              | 2,000,000.00         | 1,984,920.00         | 2.16                  | 1,950,980.00         | 2.14                  | 3.49                       |
| <b><u>FFCB</u></b>                |                      |        |               |           |            |              |                      |                      |                       |                      |                       |                            |
| 31331XLG5                         | U.S. Instrumentality | 4.875  | 01/17/2017    |           | AA+        | Aaa          | 1,000,000.00         | 1,107,670.00         | 1.20                  | 1,092,028.00         | 1.20                  | 2.18                       |
| <b>ISSUER TOTAL</b>               |                      |        |               |           |            |              | 1,000,000.00         | 1,107,670.00         | 1.20                  | 1,092,028.00         | 1.20                  | 2.18                       |
| <b><u>Google</u></b>              |                      |        |               |           |            |              |                      |                      |                       |                      |                       |                            |
| 38259PAC6                         | Corporate            | 2.125  | 05/19/2016    |           | AA         | Aa2          | 1,000,000.00         | 1,053,370.00         | 1.14                  | 1,024,060.00         | 1.12                  | 1.60                       |
| <b>ISSUER TOTAL</b>               |                      |        |               |           |            |              | 1,000,000.00         | 1,053,370.00         | 1.14                  | 1,024,060.00         | 1.12                  | 1.60                       |
| <b><u>Toyota Motor Credit</u></b> |                      |        |               |           |            |              |                      |                      |                       |                      |                       |                            |
| 89233P5S1                         | Corporate            | 2.050  | 01/12/2017    |           | AA-        | Aa3          | 1,000,000.00         | 1,031,090.00         | 1.12                  | 1,022,618.00         | 1.12                  | 2.22                       |
| <b>ISSUER TOTAL</b>               |                      |        |               |           |            |              | 1,000,000.00         | 1,031,090.00         | 1.12                  | 1,022,618.00         | 1.12                  | 2.22                       |
| <b><u>Microsoft</u></b>           |                      |        |               |           |            |              |                      |                      |                       |                      |                       |                            |
| 594918AG9                         | Corporate            | 1.625  | 09/25/2015    |           | AAA        | Aaa          | 1,000,000.00         | 1,003,400.00         | 1.09                  | 1,013,281.00         | 1.11                  | 0.98                       |
| <b>ISSUER TOTAL</b>               |                      |        |               |           |            |              | 1,000,000.00         | 1,003,400.00         | 1.09                  | 1,013,281.00         | 1.11                  | 0.98                       |
| <b><u>PEPSICO Inc</u></b>         |                      |        |               |           |            |              |                      |                      |                       |                      |                       |                            |
| 713448BX5                         | Corporate            | 0.750  | 03/05/2015    |           | A-         | A1           | 1,000,000.00         | 1,005,430.00         | 1.09                  | 1,001,747.00         | 1.10                  | 0.43                       |
| <b>ISSUER TOTAL</b>               |                      |        |               |           |            |              | 1,000,000.00         | 1,005,430.00         | 1.09                  | 1,001,747.00         | 1.10                  | 0.43                       |
| <b>GRAND TOTAL</b>                |                      |        |               |           |            |              | <b>90,818,856.99</b> | <b>92,081,592.53</b> | <b>100.00</b>         | <b>91,113,915.96</b> | <b>100.00</b>         | <b>1.03</b>                |

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value



**City of Menlo Park  
Securities Purchased  
September 1, 2014 - September 30, 2014**

| CUSIP/Description                   | Purchase Date      | Rate/Coupon | Maturity/Call Date       | Par Value/Shares    | Unit Cost | Principal Cost      | Accrued Interest Purchased | Yield |
|-------------------------------------|--------------------|-------------|--------------------------|---------------------|-----------|---------------------|----------------------------|-------|
| <b><u>Cash and Equivalents</u></b>  |                    |             |                          |                     |           |                     |                            |       |
| LAIF - City 98-19-228               | 09/11/2014         | 0.260V      |                          | 1,100,000.00        | 100.000   | 1,100,000.00        | 0.00                       | 0.26  |
| <b>TOTAL (Cash and Equivalents)</b> |                    |             |                          | 1,100,000.00        |           | 1,100,000.00        | 0.00                       |       |
| <b><u>Commercial Paper</u></b>      |                    |             |                          |                     |           |                     |                            |       |
| 06737JT88<br>Barelays US Fun        | 09/16/2014         | 0.000       | 06/08/2015               | 2,500,000.00        | 99.720    | 2,493,006.94        | 0.00                       | 0.39  |
| <b>TOTAL (Commercial Paper)</b>     |                    |             |                          | 2,500,000.00        |           | 2,493,006.94        | 0.00                       |       |
| <b><u>U.S. Instrumentality</u></b>  |                    |             |                          |                     |           |                     |                            |       |
| 3134G5HA6<br>FHLMC                  | Call<br>09/19/2014 | 0.700       | 09/19/2016<br>12/19/2014 | 1,500,000.00        | 100.000   | 1,500,000.00        | 0.00                       | 0.70  |
| 3130A2XY7<br>FHLB                   | Call<br>09/22/2014 | 0.500V      | 09/22/2017<br>12/22/2014 | 2,000,000.00        | 99.875    | 1,997,500.00        | 0.00                       | 1.34  |
| <b>TOTAL (U.S. Instrumentality)</b> |                    |             |                          | 3,500,000.00        |           | 3,497,500.00        | 0.00                       |       |
| <b>GRAND TOTAL</b>                  |                    |             |                          | <b>7,100,000.00</b> |           | <b>7,090,506.94</b> | <b>0.00</b>                |       |

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

**City of Menlo Park**  
**Securities Sold and Matured**  
**September 1, 2014 - September 30, 2014**

| CUSIP/<br>Description               | Sale or<br>Maturity<br>Date | Rate/<br>Coupon | Maturity/<br>Call Date | Par Value/<br>Shares | Historical Cost     | Amortized Cost<br>at Sale or Maturity<br>/ Acct/ (Amort) | Sale/<br>Maturity<br>Price | Fair Value<br>at Sale or<br>Maturity / Chg.In<br>Fair Value | Realized<br>Gain<br>(Loss) | Accrued<br>Interest<br>Sold | Interest<br>Received | Interest<br>Earned | Yield |
|-------------------------------------|-----------------------------|-----------------|------------------------|----------------------|---------------------|--|----------------------------|---|----------------------------|-----------------------------|----------------------|--------------------|-------|
| <b><u>Cash and Equivalents</u></b>  |                             |                 |                        |                      |                     |  |                            |   |                            |                             |                      |                    |       |
| LAIF - City 98-19-228               | 09/23/2014                  | 0.260V          |                        | 2,000,000.00         | 2,000,000.00        | 2,000,000.00   | 100.00                     | 2,000,000.00  | 0.00                       | 0.00                        | 0.00                 | 0.00               | 0.26  |
|                                     |                             |                 |                        |                      |                     | 0.00   |                            | 0.00  |                            |                             |                      |                    |       |
| LAIF - City 98-19-228               | 09/26/2014                  | 0.260V          |                        | 1,300,000.00         | 1,300,000.00        | 1,300,000.00   | 100.00                     | 1,300,000.00  | 0.00                       | 0.00                        | 0.00                 | 0.00               | 0.26  |
|                                     |                             |                 |                        |                      |                     | 0.00   |                            | 0.00  |                            |                             |                      |                    |       |
| <b>TOTAL (Cash and Equivalents)</b> |                             |                 |                        | <b>3,300,000.00</b>  | <b>3,300,000.00</b> | <b>3,300,000.00</b>                                      |                            | <b>3,300,000.00</b>   | <b>0.00</b>                | <b>0.00</b>                 | <b>0.00</b>          | <b>0.00</b>        |       |
|                                     |                             |                 |                        |                      |                     | <b>0.00</b>  |                            | <b>0.00</b>   |                            |                             |                      |                    |       |
| <b><u>Commercial Paper</u></b>      |                             |                 |                        |                      |                     |  |                            |   |                            |                             |                      |                    |       |
| 06737JG1<br>Barclays US Fun         | 09/16/2014                  | 0.000           | 09/16/2014             | 2,500,000.00         | 2,493,062.50        | 2,500,000.00   | 100.00                     | 2,500,000.00  | 0.00                       | 0.00                        | 0.00                 | 0.00               | 0.38  |
|                                     |                             |                 |                        |                      |                     | 385.42   |                            | 142.50  |                            |                             |                      |                    |       |
| <b>TOTAL (Commercial Paper)</b>     |                             |                 |                        | <b>2,500,000.00</b>  | <b>2,493,062.50</b> | <b>2,500,000.00</b>                                      |                            | <b>2,500,000.00</b>   | <b>0.00</b>                | <b>0.00</b>                 | <b>0.00</b>          | <b>0.00</b>        |       |
|                                     |                             |                 |                        |                      |                     | <b>385.42</b>  |                            | <b>142.50</b>   |                            |                             |                      |                    |       |
| <b><u>U.S. Instrumentality</u></b>  |                             |                 |                        |                      |                     |  |                            |   |                            |                             |                      |                    |       |
| 3128MBFA0<br>FHLMC                  | 09/01/2014                  | 6.000           | 04/01/2017             | 34,396.99            | 36,579.05           | 34,396.99  | 100.00                     | 34,396.99   | 0.00                       | 0.00                        | 171.98               | 0.00               | 2.31  |
|                                     |                             |                 |                        |                      |                     | (1,345.77)   |                            | (1,658.31)  |                            |                             |                      |                    |       |
| 31398A3G5<br>FNMA                   | 09/08/2014                  | 1.500           | 09/08/2014             | 1,500,000.00         | 1,535,565.00        | 1,500,000.00   | 100.00                     | 1,500,000.00  | 0.00                       | 0.00                        | 11,250.00            | 437.50             | 0.69  |
|                                     |                             |                 |                        |                      |                     | (231.37)   |                            | (354.00)  |                            |                             |                      |                    |       |
| 3130A0GF1<br>FHLB                   | 09/19/2014                  | 1.100V          | 06/19/2017             | 2,000,000.00         | 1,999,000.00        | 1,999,214.40   | 100.00                     | 2,000,000.00  | 785.60                     | 0.00                        | 2,500.00             | 500.00             | 1.10  |
|                                     |                             |                 |                        |                      |                     | 14.09  |                            | (294.00)  |                            |                             |                      |                    |       |
| <b>TOTAL (U.S. Instrumentality)</b> |                             |                 |                        | <b>3,534,396.99</b>  | <b>3,571,144.05</b> | <b>3,533,611.39</b>                                      |                            | <b>3,534,396.99</b>   | <b>785.60</b>              | <b>0.00</b>                 | <b>13,921.98</b>     | <b>937.50</b>      |       |
|                                     |                             |                 |                        |                      |                     | <b>(1,563.05)</b>  |                            | <b>(2,306.31)</b>   |                            |                             |                      |                    |       |
| <b>GRAND TOTAL</b>                  |                             |                 |                        | <b>9,334,396.99</b>  | <b>9,364,206.55</b> | <b>9,333,611.39</b>                                      |                            | <b>9,334,396.99</b>   | <b>785.60</b>              | <b>0.00</b>                 | <b>13,921.98</b>     | <b>937.50</b>      |       |
|                                     |                             |                 |                        |                      |                     | <b>(1,177.63)</b>  |                            | <b>(2,163.81)</b>   |                            |                             |                      |                    |       |

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

**City of Menlo Park  
Transaction Report  
for the period September 1, 2014 - September 30, 2014**

| Date                            | CUSIP     | Transaction | Sec Type | Description          | Maturity   | PAR Value/Shares | Principal    | Interest  | Transaction Total   | Balance      |
|---------------------------------|-----------|-------------|----------|----------------------|------------|------------------|--------------|-----------|---------------------|--------------|
| 09/01/2014                      | 3128MBFA0 | Paydown     | INS      | FHLMC                | 04/01/2017 | 34,396.99        | 34,396.99    | 4,074.63  | 38,471.62           | 38,471.62    |
| 09/02/2014                      |           | Maturity    | CE       | Int Receivable       | 09/02/2014 | 4,375.00         | 4,375.00     | 0.00      | 4,375.00            | 42,846.62    |
| 09/05/2014                      | 713448BX5 | Interest    | COR      | PEPSICO Inc          | 03/05/2015 | 1,000,000.00     | 0.00         | 3,750.00  | 3,750.00            | 46,596.62    |
| 09/08/2014                      | 31398A3G5 | Interest    | INS      | FNMA                 | 09/08/2014 | 1,500,000.00     | 0.00         | 11,250.00 | 11,250.00           | 57,846.62    |
| 09/08/2014                      | 31398A3G5 | Maturity    | INS      | FNMA                 | 09/08/2014 | 1,500,000.00     | 1,500,000.00 | 0.00      | 1,500,000.00        | 1,557,846.62 |
| 09/11/2014                      |           | Bought      | CE       | LAIF - City 98-19-22 |            | 1,100,000.00     | 1,100,000.00 | 0.00      | (1,100,000.00)      | 457,846.62   |
| 09/14/2014                      | 3135G0VM2 | Interest    | INS      | FNMA                 | 03/14/2017 | 1,000,000.00     | 0.00         | 3,750.00  | 3,750.00            | 461,596.62   |
| 09/15/2014                      | 717081DA8 | Interest    | COR      | Pfizer Inc           | 03/15/2015 | 3,000,000.00     | 0.00         | 80,250.00 | 80,250.00           | 541,846.62   |
| 09/16/2014                      | 06737JJG1 | Maturity    | CP       | Barclays US Funding  | 09/16/2014 | 2,500,000.00     | 2,500,000.00 | 0.00      | 2,500,000.00        | 3,041,846.62 |
| 09/16/2014                      | 06737JT88 | Bought      | CP       | Barclays US Funding  | 06/08/2015 | 2,500,000.00     | 2,493,006.94 | 0.00      | (2,493,006.94)      | 548,839.68   |
| 09/19/2014                      | 3130A0GF1 | Interest    | INS      | FHLB                 | 06/19/2017 | 2,000,000.00     | 0.00         | 2,500.00  | 2,500.00            | 551,339.68   |
| 09/19/2014                      | 3130A0GF1 | Call        | INS      | FHLB                 | 06/19/2017 | 2,000,000.00     | 2,000,000.00 | 0.00      | 2,000,000.00        | 2,551,339.68 |
| 09/19/2014                      | 3134G5HA6 | Bought      | INS      | FHLMC                | 09/19/2016 | 1,500,000.00     | 1,500,000.00 | 0.00      | (1,500,000.00)      | 1,051,339.68 |
| 09/20/2014                      | 3135G0PP2 | Interest    | INS      | FNMA                 | 09/20/2017 | 2,000,000.00     | 0.00         | 10,000.00 | 10,000.00           | 1,061,339.68 |
| 09/22/2014                      | 3130A2XY7 | Bought      | INS      | FHLB                 | 09/22/2017 | 2,000,000.00     | 1,997,500.00 | 0.00      | (1,997,500.00)      | (936,160.32) |
| 09/23/2014                      |           | Sold        | CE       | LAIF - City 98-19-22 |            | 2,000,000.00     | 2,000,000.00 | 0.00      | 2,000,000.00        | 1,063,839.68 |
| 09/23/2014                      | 36962G4P6 | Interest    | COR      | GE Capital           | 09/23/2015 | 725,000.00       | 0.00         | 1,812.50  | 1,812.50            | 1,065,652.18 |
| 09/25/2014                      | 594918AG9 | Interest    | COR      | Microsoft            | 09/25/2015 | 1,000,000.00     | 0.00         | 8,125.00  | 8,125.00            | 1,073,777.18 |
| 09/26/2014                      |           | Sold        | CE       | LAIF - City 98-19-22 |            | 1,300,000.00     | 1,300,000.00 | 0.00      | 1,300,000.00        | 2,373,777.18 |
| <b>Portfolio Activity Total</b> |           |             |          |                      |            |                  |              |           | <b>2,373,777.18</b> |              |

|                           |                     |
|---------------------------|---------------------|
| <b>Net Contributions:</b> | <b>0.00</b>         |
| <b>Net Withdrawals:</b>   | <b>2,370,107.33</b> |

|                      |                 |
|----------------------|-----------------|
| <b>Fees Charged:</b> | <b>3,669.85</b> |
| <b>Fees Paid:</b>    | <b>3,669.85</b> |

**City of Menlo Park  
Securities Bid and Offer  
for the period 9/1/2014 - 9/30/2014**

| Trans | Settle     | Description         | Call Date | Broker | Par Value | Discount | Price   | YTM/YTC    | Competitive Bids   |
|-------|------------|---------------------|-----------|--------|-----------|----------|---------|------------|--|
| BUY   | 09/16/2014 | BCSFUN 0 06/08/2015 |           | RCP    | 2,500,000 | 0.380    | 99.720  | .38%       | UBS - HSBC CP 6/8/15 @ .26%<br>BAML - PRUDENT CP 6/10/15 @ .27%  |
| BUY   | 09/19/2014 | FHLMC .7 09/19/2016 | 12/19/14  | RBC    | 1,500,000 |          | 100.000 | .70%/.73%  | MS - T .875% 9/15/16 @ .55%<br>JPM - FHLB .50% 9/28/16 @ .60%    |
| BUY   | 09/22/2014 | FHLB .5 09/22/2017  | 12/22/14  | WELLS  | 2,000,000 |          | 99.875  | 1.34%/.63% | MS - FHLB .20% 9/18/15 @ .21%<br>BAML - FHLB .45% 9/21/15 @ .22% |

**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 |
|------------|-------------------|-----------|-------------|--------|---------------|----------------|--------------|--------------|-----------|-------------------|
| 10/01/2014 | Maturity          | 94974BET3 | Wells Fargo | 3.750  | 10/01/2014    |                | 2,000,000.00 | 2,000,000.00 | 37,500.00 | 2,037,500.00      |
| 10/15/2014 | Estimated Paydown | 3128MBFA0 | FHLMC       | 6.000  | 04/01/2017    |                | 780,529.99   | 32,434.56    | 3,902.65  | 36,337.21         |
| 10/24/2014 | Interest          | 3136G1KN8 | FNMA        | 1.500  | 04/24/2018    | 04/24/2015     | 2,000,000.00 | 0.00         | 15,000.00 | 15,000.00         |
| 10/27/2014 | Interest          | 36962G5W0 | GE Capital  | 2.300  | 04/27/2017    |                | 1,000,000.00 | 0.00         | 11,500.00 | 11,500.00         |
| 11/03/2014 | Interest          | 037833AJ9 | Apple Inc   | 1.000  | 05/03/2018    |                | 2,000,000.00 | 0.00         | 10,000.00 | 10,000.00         |

# END OF REPORTS



**New York Office**  
113 King Street  
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For any questions concerning this report please contact accounting either by phone or email to [camreports@cutwater.com](mailto:camreports@cutwater.com).



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