



SPECIAL AND REGULAR MEETING AGENDA

Date: 8/25/2015
Time: 6:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

6:00 p.m. Closed Session (Administration Building, 1st Floor Conference Room)

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

CL1. Closed Session pursuant to Government Code Section §54957.6 to confer with labor negotiators regarding labor negotiations with Service Employees International Union (SEIU), American Federation of State, County and Municipal Employees (AFSCME) and Police Officers' Association (POA)

Attendees: City Manager Alex McIntyre, City Attorney Bill McClure, Human Resources Director Gina Donnelly, Interim Finance Director Clay Curtin, Labor Counsel Charles Sakai

CL2. Closed Session pursuant to Government Code Section §54946.8 to meet with real property negotiators, City Attorney Bill McClure and City Manager Alex McIntyre, regarding potential sale of real property commonly known as 1467 Chilco Street, Menlo Park, to the Menlo Park Fire Protection District, including but not limited to instructions regarding sales price and other terms of sale

Attendees: City Manager Alex McIntyre, City Attorney Bill McClure

7:00 p.m. Regular Session

Call To Order

Roll Call – Carlton, Cline, Keith, Mueller, Ohtaki

A. Study Session

A1. Provide direction on the El Camino Real Corridor Study ([Staff Report #15-134-CC](#))

B. Presentations and Proclamations

B1. Presentation by Bill Chiang of PG&E regarding community pipeline safety initiative involving tree removal and restoration

C. Public Comment

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

other than to provide general information.

D. Consent Calendar

- D1. Adopt a resolution of the Successor Agency to the Community Development Agency of the City of Menlo Park confirming approval of the issuance of bonds, approving the preliminary and final official statements, and approving other official actions required with respect to the issuance of the refunding bonds ([Staff Report #15-129-CC](#))
- D2. Adopt a resolution approving the revised investment policy for the City and the former Community Development Agency of Menlo Park ([Staff Report #15-130-CC](#))
- D3. Authorize the City Manager to enter into an agreement with Bay Area Water Supply and Conservation Agency (BAWSCA) not to exceed \$80,000 to provide direct rebates to residents and businesses for the Lawn Be Gone program ([Staff Report #15-141-CC](#))
- D4. Authorize the City Manager to execute agreements with the Peninsula Corridor Joint Powers Board for the operations and funding of the City's Shuttle Program for Fiscal Year 2015-2016 ([Staff Report #15-138-CC](#))
- D5. Award a construction contract to W. Bradley Electric, Inc. (WBE) for the Willow Road Traffic Signal Modification Project in the amount of \$229,490 and appropriate \$18,760 from the Traffic Impact Fee Fund balance and authorize a total construction contract budget of \$283,913 ([Staff report #15-137-CC](#))
- D6. Approve the response to the San Mateo County Grand Jury Report "Flooding Ahead: Planning for Sea Level Rise" ([Staff Report #15-133-CC](#))
- D7. Approve a resolution authorizing the annual destruction of obsolete records ([Staff Report #15-139-CC](#))
- D8. Approve a resolution updating the City's Conflict of Interest Code ([Staff Report #15-135-CC](#))
- D9. Authorize the City Manager to approve a contract with Cardinals Rules in an amount not to exceed \$66,588.50 for youth and adult sports officials for FY 2015-16 ([Staff Report #15-136-CC](#))
- D10. Approve minutes for the Council meetings of June 2, June 23 and July 21, 2015 ([Attachment](#))

E. Regular Business

- E1. Authorize the City Manager to approve revisions of the Integrated Pest Management (IPM) Policy, enter into a contract not to exceed \$86,000 to provide a one year herbicide-free parks pilot upon approval of the City Attorney, and release a Request for Proposal (RFP) for converting all City maintained parks into herbicide-free zones ([Staff Report #15-132-CC](#))

F. City Manager's Report

G. Informational Items

- G1. Quarterly review of General Fund operations as of June 30, 2015 ([Staff Report #15-142-CC](#))
- G2. Review of the City's investment portfolio as of June 30, 2015 ([Staff Report #15-131-CC](#))

G3. Pilot program to waive permit fees for block parties ([Staff Report #15-140-CC](#))

H. Councilmember Reports

I. Adjournment

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

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

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

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STAFF REPORT



City Council

Meeting Date: 8/25/2015
Staff Report Number: 15-134-CC

Study Session: Provide Direction on the El Camino Real Corridor Study

Recommendation

Staff requests that the City Council provide direction and feedback on the El Camino Real Corridor Study Report.

Policy Issues

El Camino Real is a major transportation corridor in the region, carrying approximately 30,000 - 45,000 daily vehicles, buses, and serving local business and school traffic. It is a historic asset for the region, but also a barrier to east-west travel in Menlo Park, and an opportunity for the City to define the desired vision for the corridor. As part of the 2013-2014 Capital Improvement Plan (CIP), the Council directed staff to prepare the El Camino Real Corridor Study to provide alternatives for potential modifications to El Camino Real consistent with the City's General Plan Circulation Element and El Camino Real/Downtown Specific Plan. Staff is asking for Council direction on the following:

- Provide feedback on the El Camino Real Corridor Study Report (**Attachment A**)
- Identify any outstanding questions, information or analysis needs

Background

Project Definition and Purpose

The El Camino Real Lane Reconfiguration Study was approved as part of the City's (CIP) for Fiscal Year (FY) 2013-2014. A related project, the El Camino Real/Ravenswood Avenue Northbound Right-Turn Lane Design, was also included in the City's CIP for FY 2013-2014 and 2014-2015, and therefore these two projects have been combined into one study/preliminary design. For simplicity, these projects were renamed the El Camino Real Corridor Study (Corridor Study).

The Corridor Study builds on the El Camino Real/Downtown Specific Plan (Specific Plan) to develop consensus around a conceptual design for El Camino Real. Following adoption of the Specific Plan in 2012, several outstanding questions remained about how El Camino Real would best serve the Menlo Park community and its travel needs, including concerns as described below:

- Occurrence of congested conditions and delay to motorists, transit vehicles, and emergency vehicles during peak commute hours;
- Occurrence of a bottleneck for vehicular traffic in the northbound direction, where El Camino Real, Sand Hill Road, and Alma Street (six total lanes) feed traffic to El Camino Real, which drops from three to

two lanes at Ravenswood Avenue-Menlo Avenue;

- Ability to serve local traffic and connect local businesses, including provision of on-street parking;
- Safety of motorists, bicyclists, and pedestrians traveling along and across El Camino Real;
- Presents a barrier to vehicle, bicycle, and pedestrian traffic attempting to cross El Camino Real;
- Prevalence of motorists making u-turns at Cambridge Avenue
- Comfort of bicyclists traveling on El Camino Real, and bicyclists' need to access local destinations in the corridor; and
- Designation of El Camino Real as a Class II bike lane/minimum Class III bike route facility in the Specific Plan.

The purpose of the study was to identify potential alternatives to modify El Camino Real to better meet the community's needs and evaluate each of the proposed alternatives against a set of criteria including impact on traffic congestion, travel time, safety, aesthetics, parking, and multi-modal access.

Corridor Study Scope

The Request for Proposals (RFP) for this project was approved by Council on October 15, 2013. The RFP summarized the goals, objectives, and expectations for the Corridor Study, including a set of givens adopted by the Council that provide a framework for the Corridor Study:

- Infrastructure and streetscape modifications to El Camino Real between Sand Hill Road and Encinal Avenue will be evaluated as part of this study and, as necessary for connectivity, side-street approaches to El Camino Real within this area. Modifications to side-streets will be considered between the western side of the Caltrain tracks and the eastern side of Curtis Street-Hoover Street-Alto Lane.
- All proposed modifications should be consistent with the El Camino Real/Downtown Specific Plan.
- Only surface improvements will be considered (i.e., grade separation, such as tunneling, is prohibitively expensive for purposes of this study).
- Impacts (both beneficial and adverse) to all modes of travel will be considered in this study.
- It is expected that Caltrans will continue ownership of El Camino Real in the reasonably foreseeable future; thus, ultimate design and implementation of modifications to El Camino Real will need to meet Caltrans requirements and standards. Caltrans representatives will be invited to participate as interested stakeholders as part of this process.

A contract was awarded by the Council to a team led by Whitlock & Weinberger Transportation Consultants (W-Trans) on January 28, 2014, after reviewing proposals from three consultant teams. The W-Trans team was unanimously recommended by a panel, including City staff representing the Public Works and Community Development departments, and two appointed members from each of the Transportation and Bicycle Commissions. The scope of work for the Corridor Study included:

1. Community Engagement
2. Data Collection and Review
3. Identify Performance Metrics
4. Analyze Existing Conditions
5. Develop Travel Demand Forecasts
6. Future No Project Analysis
7. Alternatives Analysis

8. Prepare Report
9. Conduct Environmental Review
10. Conduct Engineering Design of El Camino Real/Ravenswood Avenue Modifications

The consultant team has generally completed tasks 1 through 8, culminating in the Corridor Study Report included in Attachment A. Tasks 9 and 10 will be completed following the Council's review of the Corridor Study Report.

Analysis

Corridor Study Development

Following contract award, City staff and the consultant team initiated the Corridor Study by hosting a community workshop on April 30, 2014 to provide ideas for the vision of how El Camino Real can best serve the Menlo Park community. During the workshop, attendees provided feedback on key issues and concerns and identified problem areas that the Corridor Study should address. This information was used to develop an online survey tool to gauge participants' perceptions and priorities on a variety of transportation issues and sought participants' reactions to ideas for potential improvements along the corridor. The survey was open from June 16 through September 12, 2014, and also available to be completed during the second community workshop on October 2, 2014. A total of 316 responses were received.

Most participants identified traveling on El Camino Real using a variety of travel modes (driving, bicycling, and walking) and to access shopping and local businesses. Traffic and safety were two of the key concerns that participants identified in the survey. Participants' preferences for potential changes were also ranked, with the top priority improvements identified as follows:

1. Enhanced pedestrian safety and crossings – 81% support
2. Inclusion of bike lanes on El Camino Real – 72% support
3. More bike parking closer to downtown – 70% support
4. More landscaping along El Camino Real – 66% support
5. Timing traffic signals to favor continuous north-south flow on El Camino Real – 65% support

A detailed summary of the survey is available in Attachment A (Chapter 2: Community Engagement; and Appendix A: Community Survey Report).

The input gathered as part of the survey was used directly to inform the development of three proposed alternatives to modify El Camino Real. Elements of potential alternatives were presented in the second community workshop on October 2, 2014 for feedback along with an interactive exercise where participants could design their own El Camino Real and submit a proposal to the consultant team. Following the second workshop, the consultant team packaged the feedback into three conceptual alternatives, which were presented to the Bicycle and Transportation Commissions for feedback in November 2014.

Corridor Alternatives

The Corridor Study identifies three potential alternatives to modify the El Camino Real corridor according to the feedback gathered in the early stages of the project, plus a No Project (no change) option. These alternatives are briefly summarized as follows:

- No Project: Existing travel lanes, traffic controls, pedestrian crossings remain with no changes.
- Alternative 1: Continuous Three Lanes. Adds a third vehicle travel lane in each direction between Live Oak Avenue and Valparaiso Avenue/Glenwood Avenue by removing on-street parking.
- Alternative 2: Buffered Bicycle Lanes. Adds a bicycle lane with painted buffer area in each direction by removing on-street parking.
- Alternative 3: Separated Bicycle Facility. Adds a physically separated bicycle lane in each direction by removing on-street parking and modifying right-turn lanes at selected intersections.

The Corridor Study provides a detailed evaluation of each of these alternatives according to travel demand, vehicle travel time, pedestrian safety and comfort, bicycle safety and comfort, aesthetics and parking. Table 1 below summarizes the potential benefits and impacts of each alternative. One-page summaries of each of the alternatives and key findings are included in **Attachment B**.

El Camino Real/Ravenswood Avenue Alternatives

Additionally, three options for modifications at the El Camino Real/Ravenswood Avenue-Menlo Avenue intersection were identified based on the El Camino Real/Downtown Specific Plan. These modifications were paired with the proposed corridor alternatives:

- No Project: No change.
- Alternative 1: Continuous Three Lanes. Adds a northbound through-lane on El Camino Real approaching Ravenswood Avenue by relocating the existing right-turn lane and sidewalk farther east. This new through lane would continue as the proposed third vehicle lane north to Valparaiso Avenue/Glenwood Avenue.
- Alternative 2: Buffered Bicycle Lanes. Adds a northbound through-lane and bicycle lane on El Camino Real approaching Ravenswood Avenue by relocating the existing right-turn lane and sidewalk farther east. This new through lane would drop at the Santa Cruz Avenue intersection, where a right-turn only lane is provided. Through traffic would need to merge left to the existing through lane to continue straight.
- Alternative 3: Separated Bicycle Facility. Adds a northbound bicycle lane on El Camino Real approaching Ravenswood Avenue by relocating the sidewalk farther east. No changes to vehicle lanes are proposed.

Each of these potential modifications at Ravenswood Avenue may result in impacts to the trees at the corner of El Camino Real/Ravenswood Avenue. HortScience, a consulting firm with licensed arborists providing tree assessments and preservation recommendations, reviewed the potential alternatives and identified potential tree impacts from each. Table 1 below summarizes the potential tree impacts.

Attachment C includes the detailed arborist report.

Table 1: Alternatives Analysis Summary				
	No Project	Alternative 1	Alternative 2	Alternative 3
Alternative Description	No change	Add 3 rd lane between Live Oak and Valparaiso by removing on-street parking	Add bike lanes by removing on-street parking	Add separated bike lane by removing on-street parking
Ravenswood Alternative Description	No change	Add 3 rd northbound through lane, widen to relocate existing right-turn and sidewalk	Add 3 rd northbound through lane and bike lane, widen to relocate existing right-turn and sidewalk	Add bike lane, widen to relocate sidewalk
Travel Demand	All scenarios assume build out of approved and pending projects, and Downtown Specific Plan.	47% to 64% increase in traffic volume north of Ravenswood. 14-16% increase in traffic volume south of Ravenswood	No change from No Project.	1% to 4% decrease in traffic volumes north and south of Ravenswood.
Travel Time	Free flow travel time at 35 mph would be 2.3 minutes. No Project 4.8 to 5.2 minutes.	Northbound 6.7 to 6.9 minutes Southbound 5.7 to 7.5 minutes	Northbound 4.5 to 5.5 minutes Southbound 4.8 to 6.0 minutes	Northbound 4.7 to 5.8 minutes Southbound 5.1 to 6.9 minutes
Intersection Delay	2 intersections operate below City standard	3 intersections operate below City standard	1 intersection operates below City standard	2 intersections operate below City standard
Pedestrian Safety and Comfort	Influenced by width of crossings, adequate time to cross, experience	Decreases compared to No Project since eliminating parking removes the separation between traffic and pedestrians on sidewalks and crossings are lengthened with more lanes to cross	Improved over No Project since bike lane provides separation between traffic and pedestrians on sidewalk and crossings are shortened	Improved over No Project since bike lane provides separation between traffic and pedestrians on sidewalk and crossings are shortened.
Bicycle Safety and Comfort	Influenced by traffic volumes, speeds, provision of facilities, truck traffic	Decreases compared to No Project since traffic closer to bicyclists with additional lane and increased volume. Enhanced parallel	Improved over No Project since designated facility improves visibility of bikes, removing parking eliminates	Improved over No Project since designated facility improves visibility of bikes, physical separation between

		routes would improve conditions overall, but not for those with destinations on El Camino	conflicts with door zone	bikes and vehicles, and removing parking eliminates conflicts with door zone
Aesthetics and Tree Impacts	No change	May remove 7 street and up to 6 heritage trees at Ravenswood Avenue	May remove 7 street and up to 11 heritage trees at Ravenswood Avenue	May remove 7 street and up to 3 heritage trees at Ravenswood Avenue
Parking	No changes to on-street parking (156 spaces total)	Removes 88 spaces (north of Roble)	Removes 156 spaces (north and south of Roble)	Removes 156 spaces (north and south of Roble)

Commission Review and Recommendations

The Bicycle, Transportation and Planning Commissions reviewed the Draft Report at their meetings in March and April 2015 to provide feedback and selected a preferred alternative. The Commissions’ feedback was taken and incorporated into a Final Report, released on August 3, 2015 on the project website. Key modifications included in the Final Report include an updated format to improve readability with enhanced graphics and photos to illustrate the proposed concepts; more detail on the proposed alternatives; more analysis and detail on the potential bicycle routes off of El Camino Real potential (parallel routes); expanded discussion of a time-of-day restricted travel lane; a summary of when buffered bicycle lanes, separated bicycle facilities, and enhanced intersection designs are appropriate, and an expanded discussion of travel demand and neighborhood cut-through traffic.

The Bicycle and Planning Commissions voted to recommend Alternative 2, Buffered Bicycle Lanes, but with elimination of the additional through lane at Ravenswood Avenue to preserve heritage trees that may be impacted by the modification. The Transportation Commission voted to recommend Alternative 3, Separated Bicycle Facility. Meeting minutes from each Commission meeting are provided in **Attachment D**.

Next Steps

Following Council feedback on the Corridor Study and identification of any additional analysis needs, staff will develop a scope of work and schedule to accomplish the additional tasks requested, and schedule the Corridor Study to come before the Council to adopt the Corridor Study and select a preferred alternative to move into environmental review and design.

Impact on City Resources

The cost and staff time for the El Camino Real Corridor Study were budgeted in the City’s Capital Improvement Program for FY 2013-2014 and 2014-2015. No additional funds are currently being requested to complete the Study.



Environmental Review

Construction of any of the proposed alternatives would require environmental review required under the California Environmental Quality Act (CEQA). Following City Council identification of a preferred alternative, the appropriate level of environmental review will be determined.

Public Notice

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

Attachments

- A. Hyperlink: [El Camino Corridor Study and Appendices](#)
- B. Summary of Alternatives and Key Findings
- C. Tree Assessment Report
- D. Bicycle, Planning and Transportation Commission Meeting Minutes

Report prepared by:

Nicole H. Nagaya, P.E., Transportation Manager

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STAFF REPORT

City Council

Meeting Date:

8/25/2015

Staff Report Number:

15-134-CC

Study Session:

Provide Direction on the El Camino Real Corridor Study

Attachment A - El Camino Corridor Study and Appendices

Hyperlink: <http://menlopark.org/DocumentCenter/View/7882>

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Alternative 1 – Continuous Three Lanes

This alternative includes the addition of a third travel lane in each direction between Encinal Avenue and Roble Avenue, where there are currently two through lanes in each direction. The additional through lane would be created by removing all on-street parking north of Roble Avenue and conversion of the existing right-turn lanes into shared through/right-turn lanes. A northbound right-turn lane approaching Ravenswood Avenue would remain as part of the corridor concept plan.

No corridor-wide bicycle improvements are made on El Camino Real. Pedestrian improvements would include adding crosswalks on El Camino Real at five signalized intersections where there currently are none.



Alternative 1 – looking southbound towards El Camino Real/Santa Cruz Avenue intersection



Alternative 1 – looking southbound at El Camino Real/Santa Cruz Avenue intersection

■ Traffic Conditions

Greatest increase in traffic volumes, longest travel time

- Approximately 64% (a.m. peak) to 47% (p.m. peak) more traffic demand in the El Camino corridor north of Ravenswood Avenue with the expansion of capacity
- Increase in capacity attracts through traffic from other parallel routes such as Middlefield Road, Highway 101 and some neighborhood streets; resulting traffic levels on neighborhood streets are anticipated to vary (i.e., some streets increase, others decrease) as travel patterns shift
- With the added capacity and traffic volumes, travel time increases over the No Project condition during both the a.m. and p.m. peak
- Average Travel Time: 5.7 to 7.5 minutes

■ Bicyclist Comfort and Safety

No continuous facilities; enhanced parallel routes

- Conditions would worsen for cyclists on El Camino Real, with vehicle traffic traveling closer, and no protected or continuous path
- Enhanced facilities on parallel routes would improve conditions for cyclists overall

■ Pedestrian Comfort and Safety

Decreased comfort compared to No Project

- Loss of physical separation between vehicle travel lane and sidewalk
- Opportunities to add crosswalks at intersections where they are currently missing, e.g. Ravenswood Avenue
- Lengthened pedestrian exposure with added traffic lanes

■ Parking

Least impact to street parking of all alternatives

- North of Roble Avenue: 88 spaces removed
- South of Roble Avenue: No spaces removed



Alternative 2 – Buffered Bike Lanes

In this alternative, bike lanes would be added on El Camino Real in both directions between Sand Hill Road and Encinal Avenue. Because of the higher traffic volumes, higher travel speeds and exposure to truck traffic on El Camino Real, professional best practices suggest buffered bike lanes over conventional bicycle lanes in this type of situation. The bike lanes would be a minimum of five-feet standard with additional buffering from the vehicle travelway by an approximate three-foot wide painted section on most sections of the corridor. The additional bike lanes and buffering would be achieved by eliminating on-street parking along the majority of the corridor. No vehicle lanes would be removed under this alternative.

Narrow pedestrian bulbouts could be added at some intersections where there are no right-turn lanes, and at intersections south of Roble Avenue. Other pedestrian improvements would include additional crossings of El Camino Real at five locations where there currently are none.



Alternative 2 – looking southbound towards El Camino Real/Santa Cruz Avenue intersection



Alternative 2 – looking southbound at El Camino Real/Santa Cruz Avenue intersection

■ Traffic Conditions

Minimal change in traffic volumes, shortest travel time

- No change compared to 2035 No Project, because minimal new travel lanes are added to attract drivers from other roadways
- Average travel time: 4.5 to 6.0 minutes

■ Bicyclist Comfort and Safety

Significant improvements to conditions for cyclists

- Separation between the cyclists and vehicles
- Removal of on-street parking would eliminate bicycle conflicts with “door zone”
- Removal of parking would increase visibility for cyclists of potential conflicts
- Motorists may be more aware of cyclists with dedicated space
- Bike lane could be painted green in conflict zones such as intersections and driveways
- Estimated to increase bicycle travel approximately 4 times that of existing levels

■ Pedestrian Comfort and Safety

Increased comfort, with slight decrease in crossing distance

- Bike lane separates pedestrians from vehicle traffic
- Decreases pedestrian exposure to traffic in crosswalks by decreasing crossing distance

■ Parking

Street parking on El Camino Real is removed

- North of Roble Avenue: 88 spaces removed
- South of Roble Avenue: 68 spaces removed



Alternative 3 – Separated Bicycle Facility

The alternative would provide a physically separated bicycle facility on El Camino Real in both directions between Sand Hill Road and Encinal Avenue. Each of the five to six-foot wide one-way bike lanes would be separated from vehicle traffic with three-foot wide raised curbs or planters on most sections of the corridor. The facility would be created by eliminating on-street parking and modifying existing right-turn lanes through the majority of the corridor. The existing six through lane section, south of Live Oak Avenue, would remain.

The separated bike facility would include bicycle crossings provided adjacent to crosswalks along the corridor. Some intersections could accommodate bicyclists crossing parallel to pedestrians, and separate from vehicle traffic. While traditional pedestrian bulbouts are not included, crossing distances would be shortened with provision of the separated bicycle facility and the protected intersection design.



Alternative 3 – looking southbound towards El Camino Real/Santa Cruz Avenue intersection



Alternative 3 – looking southbound at El Camino Real/Santa Cruz Avenue intersection

■ Traffic Conditions

Minimal change in traffic volumes; shorter travel time

- No new travel lanes are added to attract drivers from other roadways
- Slightly less traffic volume projected than 2035 No Project
- Average Travel Time: 4.7 to 6.9 minutes

■ Bicyclist Comfort and Safety

Most optimum conditions for cyclists

- Separation between the cyclists and vehicles
- Removal of on-street parking would eliminate bicycle conflicts with “door zone”
- Removal of parking would increase visibility for cyclists of potential conflicts
- Motorists would be even more aware of cyclists with the dedicated space
- Bike lane could be painted green in conflict zones where crossing driveways
- Intersection design would provide the most physical protection vs. vehicles
- Estimated to increase bicycle travel approximately 7-8 times that of existing levels

■ Pedestrian Comfort and Safety

Most potential improvement to pedestrian experience

- Bike facility physically separates pedestrians from vehicle traffic
- Decreases pedestrian exposure to traffic in crosswalks by decreasing crossing distance
- More room for landscaping

■ Parking

Street parking on El Camino Real is removed

- North of Roble Avenue: 88 spaces removed
- South of Roble Avenue: 68 spaces removed

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City of Menlo Park

Tree Report
Intersection Improvements
El Camino Real at Ravenswood Avenue

Prepared for:
City of Menlo Park
Department of Public Works
701 Laurel Street
Menlo Park CA 94025

Prepared by:
HortScience, Inc.
325 Ray Street
Pleasanton, CA 94566

July 2015



Tree Report
Intersection Improvements
El Camino Real at Ravenswood Avenue
Menlo Park CA

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Attachments

Tree Assessment Form

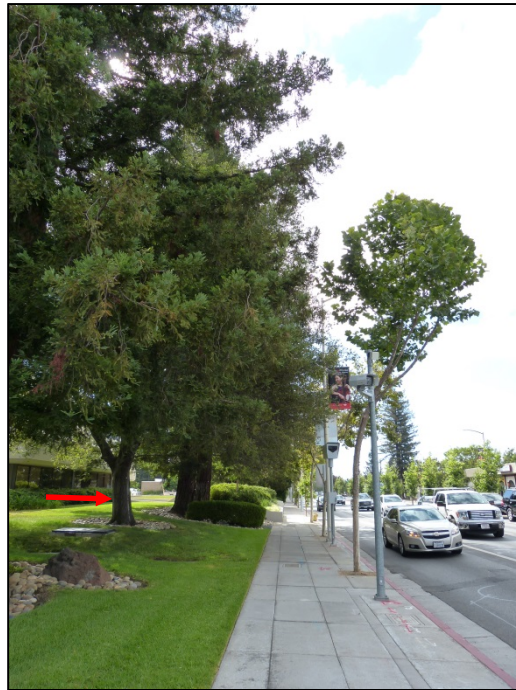
Tree Location Map

Introduction and Overview

The City of Menlo Park is planning to improve a section of El Camino Real in the area of Ravenswood Avenue. The City of Menlo Park requested that HortScience, Inc. prepare a **Tree Report** for 13 trees that could be impacted by the project (Photo 1). This report provides the following information:

1. An assessment of the health and structural condition of the 13 trees.
2. An assessment of the impacts of constructing the proposed project alternatives on the trees.
3. Recommendations for action.
4. Guidelines for tree preservation during the design, construction and maintenance phases of development.

Photo 1. Looking south along El Camino Real near Ravenswood Avenue. Coast live oak #285 is in the left center (red arrow).



Assessment Methods

Trees were assessed in July 2015. The assessment was limited to 13 trees identified by the City of Menlo Park. All were located at 1000 El Camino Real, site of the Menlo Park Office Center. The assessment procedure consisted of the following steps:

1. Identify the tree to genus and species.
2. Attach a numerically coded metal tag to the trunk of each tree.
3. Measure the trunk diameter at a point 54" above grade.
4. Determine if any trees met the City of Menlo Park's criteria for Heritage status.
5. Evaluate the health and structural condition using a scale of 0 – 5 where 0 = dead, 1 = poor and 5 = excellent condition.
6. Measure the distance of the edge of the tree trunk to the face of curb.
7. Comment on presence of defects in structure, insects or diseases and other aspects of development.
8. Assess the tree's suitability for preservation as low, moderate or high.

Results of the assessment are located in the ***Tree Assessment Form*** (see **Attachments**).

Description of Trees

Among the 13 trees were 9 coast redwoods (*Sequoia sempervirens*) and 4 coast live oak (*Quercus agrifolia*). All trees had been planted as part of landscape development at the Menlo Park Office Center. Although both species are native to the Menlo Park area, none of the trees appeared to be indigenous to the site.

Coast live oaks #275, 276 and 277 were located at the south end of the Office Center (Photo 2). All three trees had been pruned many times to remove interior branches and foliage and reduce overall tree size. As a result, the trees had something of a sheared appearance.

Photo 2. Looking east across El Camino at coast live oaks #275 (right), 276 and 277 (left).



Trees #275 and 276 were adjacent to one another in a small planting area south of the driveway. Both were in good condition with dense canopies of foliage and the form and structure that is typical of the species. Tree #277 was on the north side of the driveway. The trunk was bowed, i.e., curved to the north but overall form was typical. The canopy was much thinner than that of #275 and 276. There was pronounced witch's broom development throughout the canopy. These distorted and discolored shoots reduced the overall appeal of the tree. These oaks ranged from 15' (#275) to 25' (276, 277) from the face of curb.

Coast redwoods #278 – 281 formed a row (Photo 3). This planting condition affected tree development. Trunk diameters ranged from 33" to 39". The two end trees, #278 and 281, were larger in diameter and in excellent condition. Both had somewhat one-sided crowns to the south or north as a result of competition with the interior trees. Trees #279 and 280 were in good condition. Their crowns were flattened to the east and west. Surface and large buttress roots were present. Trees were 28' to 32' from the face of curb.



Photo 3. Looking north along El Camino Real at coast redwoods #278 (right) to #281 (left).

Coast redwoods #282 – 284 also formed a small group (Photo 4). The two end trees (#282, 284) were in excellent condition although somewhat one-sided in form. Trunk diameters were 37" and 36" respectively. The interior tree was 33" and in good condition with a form that was somewhat flat to the east and west. Surface and large buttress roots were present. Trees were 22' to 25' from the face of curb.



Photo 4. Coast redwoods #282 (right), 283 (center) and 284 (left). Note large utility vaults.

A number of utility vaults were located near the trees, between the trunks and the curb (Photo 4). For example, a telephone vault was 8' from the trunk of #283 while a PG&E vault was 4' from the trunk of #284.

Coast redwoods #286 and 287 were at the north end of the landscape near Ravenswood Avenue (Photo 5). Trees were relatively close together. Both were in excellent condition. Tree #286 was 43" in diameter while #287 was 35". Redwood #286 was 24' from the face of curb; #287 was 33'.



Photo 5. Coast redwoods #286 (right) and 287 (left).

Coast live oak #285 was located between coast redwoods #284 and 286. It was 26" in diameter. The main trunk divided into 3 stems at 7'. The crown was somewhat vase-shaped as it had been lifted and tipped back by pruning. Overall development was also constrained by competition with the nearby redwoods. Tree condition was fair and the canopy was somewhat thin.

Photo 6. Looking east at coast live oak #285.

The City of Menlo Park defines a Heritage trees as having a trunk diameter of 15" or greater; for native oaks, 10" or greater. Using the City's criteria, I determined that all 13 trees had Heritage status.



Description of individual trees is found on the enclosed ***Tree Assessment Form***. Both are included as **Attachments**.

Suitability for Preservation

Trees that are preserved on development sites must be carefully selected to make sure that they may survive development impacts, adapt to a new environment and perform well in the landscape. Our goal is to identify trees that have the potential for long-term health, structural stability and longevity. Evaluation of suitability for preservation considers several factors:

- **Tree health**
Healthy, vigorous trees are better able to tolerate impacts such as root injury, demolition of existing structures, changes in soil grade and moisture, and soil compaction than are non-vigorous trees.
- **Structural integrity**
Trees with significant amounts of wood decay and other structural defects that cannot be corrected are likely to fail. Such trees should not be preserved in areas where damage to people or property is likely.
- **Species response**
There is a wide variation in the response of individual species to construction impacts and changes in the environment. In our experience, for example, both coast redwood and coast live oak are tolerant of site disturbance.
- **Tree age and longevity**
Old trees, while having significant emotional and aesthetic appeal, have limited physiological capacity to adjust to an altered environment. Young trees are better able to generate new tissue and respond to change.
- **Species invasiveness**
Species which spread across a site and displace desired vegetation are not always appropriate for retention. This is particularly true when indigenous species are displaced. The California Invasive Plant Inventory Database (<http://www.cal-ipc.org/paf>) lists species identified as invasive by the California Invasive Plant Council. Neither coast live oak nor coast redwoods has identified as having being invasive.

Tree condition (health and structure) is the starting point for assessing suitability for preservation. In addition, suitability for preservation considers species response to impacts and invasiveness.

Each tree was rated for suitability for preservation based upon its age, health, structural condition and ability to safely coexist within a development environment (Table 1).

Table 1. Tree suitability for preservation. Intersection improvements. El Camino Real at Ravenswood Avenue. Menlo Park CA.

High	Trees in good condition that have the potential for longevity at the site. Coast redwoods #278, 281, 282, 284, 286 and 287 were rated as having high suitability for preservation.
Moderate	Trees in fair health and/or possessing structural defects that may be abated with treatment. Trees in this category require more intense management and monitoring, and may have shorter life-spans than those in the "high" category. Coast live oaks #275, 276, 277, 285 and coast redwoods #279, 280, 283 were rated as having moderate suitability for preservation.
Low	Trees in poor health or possessing significant defects in structure that cannot be abated with treatment. These trees can be expected to decline regardless of management. The species or individual tree may possess either characteristics that are undesirable in landscape settings or be unsuited for use areas. No (0) trees were rated as having low suitability for preservation.

We consider trees with high suitability for preservation to be the best candidates for preservation. We do not recommend retention of trees with low suitability for preservation in areas where people or property will be present. Retention of trees with moderate suitability for preservation depends upon the intensity of proposed site changes.

Evaluation of Impacts and Recommendations for Action

Appropriate tree retention develops a practical match among proposed project plans, the location and intensity of construction activities, and the quality and health of trees. The tree assessment was the reference points for tree condition and quality. Impacts from the proposed project were assessed using the site plan prepared by the City of Menlo Park. Plans were illustrative in nature indicating how various project alternatives would change the existing street alignment. Additional project documents were reviewed at <http://www.menlopark.org/806/Project-Documents>.

Four project alternatives are being considered:

0. Retain existing condition (No project).
1. Continuous 6 lanes of traffic. Adds a new vehicle lane, approximately 12' wide.
2. Buffered bike lanes. Adds new vehicle and bike lanes, approximately 18' wide.
3. Separated bike facility. Adds a protected bicycle lane, approximately 9' wide.

With proposed widening in each of the alternatives, the existing sidewalk must be replaced. For purposes of this report, I've assumed the new sidewalk would be 8' wide, maintaining the width of the existing sidewalk.

Impacts to trees will occur in a variety of ways. First, demolition of existing improvements such as buildings and infrastructure could directly damage tree roots and crowns. As significantly, grading and other construction activities may also damage trees, through both direct mechanical injury and indirectly by altering drainage.

All three alternatives would enlarge the road section and replace the sidewalk. The primary impact to trees would be to construct new improvements close to the trunk. While both coast live oak and coast redwood are tolerant of root severance, there is a limit. Root severance would occur on only one side of the tree with the area between tree and building remaining in place. Secondary impacts would be associated with grade change as the trees at a higher elevation than the roadway and sidewalk. Another impact involves the removal of existing infrastructure such as the utility vaults and entry planter.

For each option, I estimated how close the improvements plus new 8' sidewalk would be to the edge of each tree trunk (Table 3). For example, the trunk of coast live oak #275 is currently 15' from the face of curb. Adding a new 12' wide traffic lane and replacing the 8' sidewalk (alternative #1) would locate the tree 5' inside the new sidewalk. In contrast, coast redwood #287 is 33' from the face of curb. Alternative #1 would result in this tree being 13' from the edge of the new curb.

Using the above approach, I recommend proposed action for each of the trees under each alternative. Given the excellent species response to root severance and the good to excellent tree condition, this group of trees can be expected to survive impacts that would typically be beyond the tolerance of most trees. My recommendations for action for each alternative are:

0. Retain existing condition (No project). Preserve all 13 trees.
1. Continuous 6 lanes of traffic. Remove 4 trees (#275, 283, 284, 286) and preserve 9.
2. Buffered bike lanes. Remove 10 trees (#275, 276, 277, 280 – 286) and preserve 3 trees.
3. Separated bike facility. Remove tree #275 and preserve 12 trees.

In each of the 3 alternatives, one or more trees are noted as "preserve?" In these cases, a final decision about retention should be made after an alternative is selected and improvements are staked in the field.

Table 2. Assessment of impacts and proposed action. Intersection Improvements. El Camino Real at Ravenswood Avenue Menlo Park CA.

Tree No.	Species	Trunk Diameter (in.)	Condition 1=poor 5=excellent	Existing	Tree Trunk to Edge of New Improvements (ft.)					
					Continuous 6 lanes Vehicle (12') + sidewalk (8')	Proposed action	Buffered bike lane Vehicle (12') + bike (6') + sidewalk (8')	Proposed action	Separated bicycle facility Bike (9') + sidewalk (8')	Proposed action
275	Coast live oak	18	4	15	-5	Remove	-9	Remove	-2	Remove
276	Coast live oak	23	4	25	5	Preserve	1	Remove	8	Preserve
277	Coast live oak	24	3	25	5	Preserve	1	Remove	8	Preserve
278	Coast redwood	39	5	29	9	Preserve	5	Preserve?	22	Preserve
279	Coast redwood	36	4	32	12	Preserve	7	Preserve	15	Preserve
280	Coast redwood	33	4	28	8	Preserve	4	Remove	11	Preserve
281	Coast redwood	38	5	28	8	Preserve	4	Remove	11	Preserve
282	Coast redwood	37	5	25	5	Preserve?	1	Remove	8	Preserve
283	Coast redwood	33	4	22	2	Remove	-2	Remove	5	Preserve?
284	Coast redwood	36	5	23	3	Remove	-1	Remove	6	Preserve?
285	Coast live oak	26	3	26	6	Preserve?	2	Remove	9	Preserve
286	Coast redwood	46	5	24	4	Remove	0	Remove	7	Preserve
287	Coast redwood	35	5	33	13	Preserve	9	Preserve	16	Preserve

Tree Preservation Guidelines

The following are recommendations for design and construction phases that will assist in successful tree preservation.

Design recommendations

1. Establish the horizontal and vertical elevation of the trunk of all trees. Include trunk locations and tree tag numbers on all plans.
2. Design grading plans to employ block walls to match grades rather than cutting into the existing slope.
3. Establish a **TREE PROTECTION ZONE** around each tree to be preserved. For design purposes, the **TREE PROTECTION ZONE** shall be 1' behind the edge of new sidewalk and 25' in all other directions. No grading, excavation, construction or storage of materials shall occur within that zone.
4. Install protection around all trees to be preserved. No entry is permitted into a tree protection zone without permission of the project superintendent.
5. Design a temporary irrigation system for use during demolition and construction. Design should prohibit trenching within the **TREE PROTECTION ZONE**.

Pre-construction and demolition treatments and recommendations

1. The demolition contractor shall meet with the Consulting Arborist before beginning work to discuss work procedures and tree protection.
2. Trees to be preserved may require pruning to provide adequate clearance from construction activities and improve tree structure. All pruning shall be performed by a licensed State of California contractor possessing the C61 classification license and the D49 specification. All pruning shall adhere to the latest editions of the American National Standards Institute Z133 and A300 standards.

Tree protection during construction

1. Prior to beginning work, the contractors working in the vicinity of trees to be preserved are required to meet with the Consulting Arborist at the site to review all work procedures, access routes, storage areas and tree protection measures.
2. Any grading, construction, demolition or other work that is expected to encounter tree roots should be monitored by the Consulting Arborist.
3. If injury should occur to any tree during construction, it should be evaluated as soon as possible by the Consulting Arborist so that appropriate treatments can be applied.
4. Fences will be erected to protect trees to be preserved. Fences are to remain until all site work has been completed. Fences may not be relocated or removed without permission of the project superintendent.
5. Construction trailers, traffic and storage areas must remain outside fenced areas at all times.
6. No materials, equipment, spoil, waste or wash-out water may be deposited, stored, or parked within the **TREE PROTECTION ZONE** (fenced area).

7. Any additional tree pruning needed for clearance during construction must be performed by a qualified arborist and not by construction personnel.
8. Any roots damaged during grading or construction shall be exposed to sound tissue and cut cleanly with a saw.

HortScience, Inc.



James R. Clark, Ph.D.
Certified Arborist WE-0846
Registered Consulting Arborist #357

ATTACHMENTS

Tree Assessment Form

Tree Location Map

Tree Assessment

El Camino near Ravenswood
Menlo Park CA
July 2015



TREE No.	SPECIES	TRUNK DIAMETER (in.)	HERITAGE TREE?	CONDITION 1=poor 5=excellent	SUITABILITY for PRESERVATION	TRUNK to FACE of CURB (ft.)	COMMENTS
275	Coast live oak	18	Yes	4	Moderate	15	Partly corrected lean & one-sided to W.; small crown due to pruning; codominant trunks @ 7' with included bark; codominant again @ 8'; dense canopy; oak moth; canopy extends to curb, 8' above ground.
276	Coast live oak	23	Yes	4	Moderate	25	3½' from driveway curb; multiple attachments @ 6'; closed wound on lower trunk on S.; small rounded crown due to pruning; dense canopy; oak moth.
277	Coast live oak	24	Yes	3	Moderate	25	3' from driveway curb; codominant @ 5' with included bark; codominant again; interior branches removed; extensive witches brooming on new growth; bowed N. from base.
278	Coast redwood	39	Yes	5	High	29	Good form & structure: one-side to S.
279	Coast redwood	36	Yes	4	Moderate	32	Interior; flat form to E./W.; otherwise good; large buttress roots.
280	Coast redwood	33	Yes	4	Moderate	28	Interior; flat form to E./W.; otherwise good.
281	Coast redwood	38	Yes	5	High	28	Adj. to planter; good form & structure; one-sided to N.; large buttress roots; canopy extends to edge of sidewalk.
282	Coast redwood	37	Yes	5	High	25	Adj. to planter; good form & structure; one-sided to S.; large surface roots.
283	Coast redwood	33	Yes	4	Moderate	22	Interior; flat form to E./W.; otherwise good; PacTel vault 8' from trunk on W.
284	Coast redwood	36	Yes	5	High	23	Good form & structure: one-side to N.; large surface roots; 4' to PG&E vault on W.

Tree Assessment

El Camino near Ravenswood
 Menlo Park CA
 July 2015



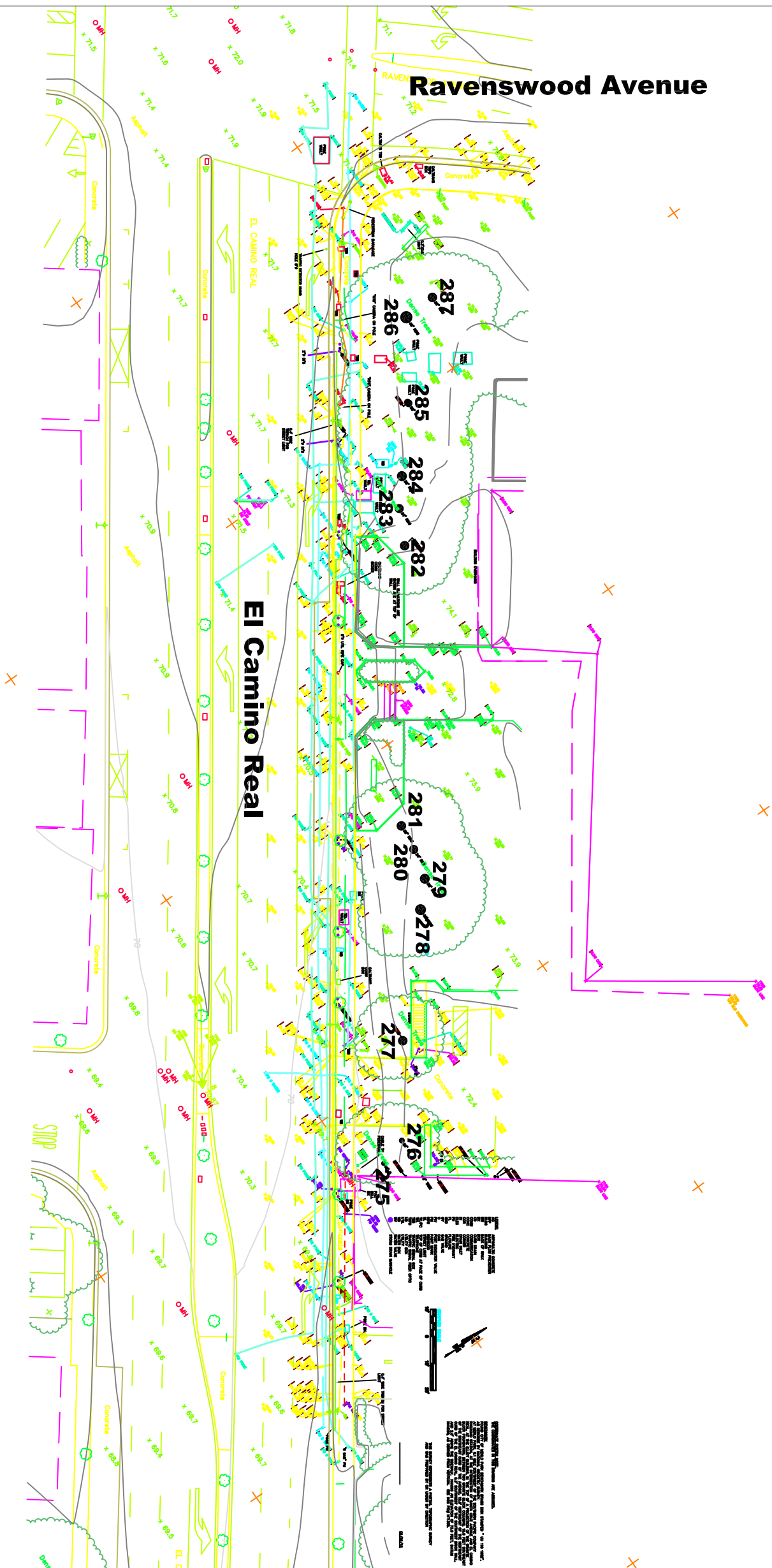
TREE No.	SPECIES	TRUNK DIAMETER (in.)	HERITAGE TREE?	CONDITION 1=poor 5=excellent	SUITABILITY for PRESERVATION	TRUNK to FACE of CURB (ft.)	COMMENTS
285	Coast live oak	26	Yes	3	Moderate	26	Multiple attachments @ 7'; 3 stems; smaller crown due to pruning; suppressed by redwoods on N. & S.; thin canopy; 7' to PG&E vault on N.
286	Coast redwood	46	Yes	5	High	24	Good form & structure: one-sided to SW.
287	Coast redwood	35	Yes	5	High	33	Good form & structure; one-sided to NE.

Prepared for:
City of Menlo Park
Menlo Park, CA

July 2015

No Scale

Notes:
Base map provided by:
BKF Engineers
Redwood City, CA
Numbered tree locations
are approximate.



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BICYCLE COMMISSION MINUTES

Regular Meeting
Monday, March 09, 2015 at 7:00 PM
Civic Center Administration Building
City Council Conference Room
701 Laurel Street, Menlo Park, CA 94025

The meeting was called to order by Chair W. Kirsch at 7:04 p.m.

ROLL CALL:

Present: F. Berghout, W. Kirsch (Chair), L. Lee, J. Weiner, M. Zumstein (arrived at 7:06pm)
Absent: W. McKiernan, C. Welton (Vice Chair)
Staff: N. Nagaya, K. Choy

A. PUBLIC COMMENT (Limited to 30 minutes)

Resident Robert Cronin suggested the addition of sharrows (shared-lane markings) to northbound Ravenswood Ave. between Noel Dr. and Alma St. There is a dedicated bike lane on Ravenswood that ends at Noel Dr. Cronin pointed out that bikers are suddenly in a lane that is too narrow to share side-by-side, which are the “usual conditions for a sharrows.”

B. REGULAR BUSINESS

B1. Approve February 9, 2015 Regular Meeting Minutes and March 2, 2015 Special Meeting Minutes

ACTION: Motion and second (Kirsch/Berghout) to approve minutes as written passes 5-0-0-2 (McKiernan, Welton absent).

B2. Provide Recommendation to the City Council for a Preferred Alternative for El Camino Real Corridor Study

Transportation Manager N. Nagaya reviewed history of project and how it came out of the 2012 Downtown Specific Plan. She also discussed community engagement process of 3 community workshops, and that community input on 3 alternatives was solicited in the last meeting.

Consultant Steve Weinberger from WTrans, representing the consulting team, gave a presentation on the alternatives. The first was the status quo (to do nothing). The other three alternatives remove on-street parking. Alternative 1 adds car lanes for six total lanes. Alternative 2 adds buffered bike lanes with a 3-foot painted, striped buffer.

Alternative 3 adds a separated bike lane, with a raised curb between the bicycle lane and car lane. Weinberger said that Alternative 1 would result in increased traffic due to “induced demand”—45 percent more traffic by 2035—while the other two would not. Alternative 1 would also increase travel time for northbound cars by 17 percent.

Commissioner Kirsch stated that Alternative 3 was ideal but that Alternative 2 was the politically expedient way to get bike lanes on ECR.

Commissioner Lee stated that driving on ECR was too hazardous for bicyclists and particularly for families without a protective barrier.

The following public comments were received:

Beth Bostwick stated that she had initially voted in favor of Alternative 1 since the potential for conflicts between cyclists and drivers was too great to have cyclists on such a high-traffic road. She also stated that she didn’t know that traffic would get worse with extra lanes and that was a very important piece of information.

Peter Bostwick stated that there was a need for people to travel from Redwood City to Palo Alto, but that he didn’t see ECR as a place to ride your bike.

Steve Schmidt stated that he had been riding ECR for 35 years and felt it was ok. He favored Alternative 2 and stated that it was better since cyclists didn’t have to deal with the crescent islands in Alternative 3 or parked cars. He also pointed out that other parallel routes to ECR had unprotected intersections.

Bob Page stated that he had been biking from Woodside to USGS for 40 years by bike, and that he would feel more comfortable bicycling on ECR with buffered bike lanes. He was not in favor of the crescent islands in Alternative 3 because of the opportunities for collisions between cyclists and pedestrians.

Robert Cronin stated that there were problems with protected bike lanes at intersections, when cars needed to turn right and bicyclists were going straight. He was not in favor of protected bike lanes, feeling that a bicycle on the other side of a barrier was less likely to be noticed.

Kristen Keith stated that Mountain View was going forward with a plan to put buffered bike lanes on ECR.

ACTION: Motion and second (Kirsch/Weiner) to recommend Alternative 2 with the modification of removing the additional through lane on northbound ECR before Ravenswood Ave. and moving the bike lane to the inside of the right-most lane, passes 3-(Kirsch, Berghout, Weiner) 1-(Lee, dissenting) 1-(Zumstein, abstaining) 2-(McKiernan, Welton absent).

B3. Consider Creation of Subcommittee on Social Media & Marketing and Appoint

Subcommittee Members

ACTION: Continued to next meeting.

B4. Discuss Commission Interest in Hosting a Bike Menlo Park Street Event in May

ACTION: Continued to next meeting.

C. REPORTS AND ANNOUNCEMENTS

C1. Update from the El Camino Real Subcommittee (Kirsch/Lee)

ACTION: Continued to next meeting.

C2. Update from the General Plan Advisory Committee (Zumstein)

ACTION: Continued to next meeting.

C3. Chair's Report

ACTION: Continued to next meeting.

D. INFORMATION ITEMS

D1. Summary of Recently Completed Bicycle Projects

ACTION: Continued to next meeting.

D2. Update on Upcoming Grant-Funded Bicycle Projects

ACTION: Continued to next meeting.

D3. Commission Attendance Report

ACTION: Continued to next meeting.

E. ADJOURNMENT – 9:10 p.m.

Prepared by: L. Lee



TRANSPORTATION COMMISSION MINUTES

Regular Meeting
Wednesday, March 11, 2015
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

The meeting was called to order by Acting Chair P. Mazzara at approximately 7:08 p.m.

ROLL CALL:

Present: P. Huang, A. Levin, M. Meyer, M. Shiu, P. Mazzara (Acting Chair), J. Wetzel
Absent: B. Walser
Staff: R. Baile, N. Nagaya

A. PUBLIC COMMENT (Limited to 30 minutes)

None.

B. REGULAR BUSINESS

B1. Approve Minutes from the Regular Meeting of February 11, 2015

ACTION: Motion made by M. Meyer and seconded by P. Huang to approve the minutes from the regular meeting of February 11, 2015 passed, 5-0-1, with P. Mazzara abstaining, with no modification or amendment.

B2. Provide Recommendation to the City Council for a Preferred Alternative for El Camino Real Corridor Study

S. Weinberger of W-Trans, the City's consultant for this project, provided a Power Point presentation. The following was the outline of his presentation:

- Study Objectives and Overview
- Existing Conditions and Survey Results
- Proposed Alternatives
 - No Project (Do Nothing)
 - Alternative no. 1 - Continuous Six Lanes
 - Alternative no. 2 - Buffered Bike Lanes
 - Alternative no. 3 – Separated Bike Facility
- Alternatives Analysis
- Feedback and Identify a Preferred Alternative

The following members of the public spoke regarding this item:

Steve Schmidt, Menlo Park resident, indicated that his personal preference was alternative no. 2 primarily because there is some concern with how the islands are going to work on Santa Cruz Avenue and El Camino Real but that the clear choice is between alternative nos. 2 and 3.

ACTION: Motion by M. Meyer and seconded by A. Levin to approve Alternative No. 3 as the preferred alternative, unanimously passed, 6-0. When reporting this motion to Council, staff will include the feedback that the commission provided to staff regarding this item.

Comments from B. Walser regarding this item are attached (Attachment).

C. REPORTS AND ANNOUNCEMENTS

1. Update from the Downtown Businesses, Menlo Park Signage, and Branding Project Subcommittee (Meyer/Walser)

None.

2. Update from the Subcommittee on Potential Revisions of the Neighborhood Traffic Management Program (NTMP) (Shiu/Walser)

M. Shiu stated that at the last meeting they intended to submit a copy of the report that the Transportation Commission approved to the General Plan subcommittee because it contains a list of items that need to be included in the study.

3. Update from the High School Project Subcommittee Regarding Transportation Related Challenges (Mazzara/Huang)

The subcommittee is on the cusp of reaching out to the middle schools.

4. Update on the El Camino Real Traffic Study Subcommittee (Levin/Mazzara)

Transportation Manager N. Nagaya stated that they would make a similar presentation to the Planning Commission at its March 23 meeting and, based on recommendations from the Transportation, Bicycle, and Planning Commissions and feedback from the community, compile a final report and release it in mid-April. Staff would then take the options to the City Council in early May.

5. Update on the General Plan Transportation Issues Subcommittee (Levin/Meyer)

A. Levin reported that B. Walser has been working with staff to get the Transportation Commission to meet and review the General Plan Transportation Content - the tentative date is June 10. Once that is accomplished, staff will work with the subcommittee to meet beforehand to prepare some recommendations before the full commission.

6. Impacts and Opportunities of Electric Vehicles Subcommittee (Meyer/Wetzel)
None.

D. INFORMATION ITEMS

D1. Update on the Facebook Trip Cap Monitoring

Staff R. Baile indicated that Facebook is currently using the Sensys vehicle detection technology to monitor the trips at its East Campus and that staff is satisfied with the accuracy of the reported trips. Based on the reported trips, Facebook is currently generating trips at its East Campus that are below the following thresholds:

AM Peak Hours (7-9 AM): 2,600 trips; PM Peak Hours (4-6 PM): 2,600 trips
Daily: 15,000 trips

As examples, staff R. Baile provided the following trip reports and presented to the commission:

Friday, March 6, 2015:

AM Peak Hours: 1,650 trips; PM Peak Hours: 2,000 trips: Daily: 11,975 trips

Tuesday, March 10, 2015:

AM Peak Hours: 1,750 trips; PM Peak Hours: 1,600 trips: Daily: 12,050 trips

Facebook will also be using the Sensys vehicle detection technology to monitor the trips at its West Campus.

D2. Update on Transportation Projects

Staff R. Baile provided updates on the following projects:

- Willow Road (between Middlefield Road and Hamilton Avenue) Signal Modification Project – Staff is still waiting for Authorization to Proceed with Construction from Caltrans.
- Sand Hill Road (between Oak Avenue and NB I-280 off ramp) Traffic Signal Interconnect Adaptive Project – Consultant has submitted its 65% complete Plans, Specifications, & Estimates for review.

D3. Update on the City's Neighborhood Traffic Management Program

None.

E. ADJOURNMENT – 9:30 P.M.

Prepared by: Rene Baile, P.E.



PLANNING COMMISSION DRAFT MINUTES

Regular Meeting
April 6, 2015 at 7:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:01 p.m.

ROLL CALL – Bressler, Combs, Eiref (Chair), Ferrick, Kadvany, Onken (Vice Chair), Strehl

INTRODUCTION OF STAFF – Michele Morris, Assistant Planner; Nicole Nagaya, Transportation Manager; Kyle Perata, Associate Planner; Thomas Rogers, Senior Planner

A. REPORTS AND ANNOUNCEMENTS

A1. Update on Pending Planning Items

- a. Housing Element Annual Report – City Council – March 24, 2015

Senior Planner Rogers said the Housing Element Annual Report was reviewed and approved by the City Council on March 24, 2015.

- b. ConnectMenlo (General Plan Update)
 - i. GPAC #6 (March 25, 2015)
 - ii. Joint CC/PC Meeting (March 31, 2015)

Senior Planner Rogers said the primary result of the joint City Council and Planning Commission meeting on March 31, 2015 was to conduct more outreach on the General Plan Update. He said at the April 14 City Council meeting, there would be an information item on the next steps and revised dates. He noted the ConnectMenlo survey period was extended.

- c. Planning Commission Appointments – City Council – April 14, 2015

Senior Planner Rogers said that the Planning Commission appointments had been moved to the City Council's May 5 agenda.

B. PUBLIC COMMENTS #1 (Limited to 30 minutes)

There were none.

C. CONSENT

Commissioner Onken said he had to recuse himself from the consideration of C2.

C1. Approval of minutes from the March 9, 2015 Planning Commission meeting ([Attachment](#))

Commission Action: M/S Strehl/Onken to approve the minutes from the March 9, 2015 Planning Commission meeting.

Motion carried 7-0.

C2. Architectural Control/Denise Forbes/138 Stone Pine Lane: Request for architectural control for exterior modifications including enclosing the existing second floor balcony to enlarge the existing kitchen by approximately 120 square feet, building a new third floor balcony, and a vertical planting trellis located on the front elevation of a townhouse located in the R-3 (Apartment) zoning district. ([Attachment](#)) ***Continued from the meeting of March 23, 2015.***

Commission Action: M/S (consensus) to approve as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
3. Approve the use permit subject to the following ***standard*** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by William Maston Architect & Associates, consisting of six (6) plan sheets, dated received March 17, 2015, and approved by the Planning Commission on March 23, 2015 except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all Sanitary District, Menlo Park Fire Protection District, San Mateo County Health Department, and utility companies' regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.

- d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.

Motion carried 6-0 with Commissioner Onken recused.

D. PUBLIC HEARING

D1. Use Permit/Jack McCarthy/1295 Middle Avenue: Request for a use permit to demolish an existing one-story residence, pool and shed, then construct a new two-story single-family residence on a substandard lot with regard to lot width located in the R-1-S (Single-Family Suburban Residential) zoning district. ([Attachment](#))

Staff Comment: Planner Morris said two additional emails were received and distributed to the Commission. She said one email was from the property owners of 3 Hermosa Place, who had questions about the plan, the hedge and the deck. She said the other email was from the next door neighbor who had concerns about their tree's roots safety with the proposed construction.

Public Comment: Mr. Jack McCarthy, project designer, said the existing home would be demolished and the pool removed. He said the home design was a two-story in a Craftsman style. He said he met with the neighbor this evening whose concern was their large tree and protection of its roots during construction. He said there was a distance of 17 feet from the tree to the new house. He said they would also have an arborist review the situation. He said regarding the other email received that property owner had not been able to meet with them this evening. He said in response to that neighbor that they were fine leaving the hedge and fencing as it was, and they would use down lights for the master bedroom deck and across the back of the home.

Commissioner Onken asked about landscape screening. Mr. McCarthy said they had not discussed it yet but they would do additional screening. Commissioner Onken said that this home would be the only two-story home on its side of the street. Mr. McCarthy said to minimize the effect that the house would have a roof element and dormer on the front façade. He said there were two-story homes across the street and nearby. Commissioner Onken noted the garage was very much in the front. Mr. McCarthy explained the design strategy noting the lot was 60-feet wide. He said they would use landscape screening to soften the appearance of the front-facing garage.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Kadvany said he agreed with Commissioner Onken about the obtrusiveness of the garage, which he thought marred an otherwise nice design. He said separating the garage doors was a help and he appreciated the board and batten siding and cedar shingles.

Commissioner Onken said it was an approvable project but he thought the Commission should have been given a more definitive screening plan as it was a tall house in a row of bungalows. He said the materials were good and he did not think the deck in the back was an issue. He said he would like a condition for an acceptable landscape plan.

Commissioner Combs said he thought the project was approvable and was not adverse to some requirement for a landscape plan. He said he had also noted that this project was the only two-story on that side of the street. He said there was not a definitive neighborhood character however as the homes in the surrounding area were set back and screened with shrubs.

Chair Eiref said he liked the home design and thought landscape screening would be desirable.

Responding to the Commission, Senior Planner Rogers suggested adding a specific condition related to submitting a landscape plan to provide screening for neighbors and the public right-of-way, prior to the issuance of the building permit and subject to planning staff review and approval.

Commissioner Onken moved to approve the project as recommended in the staff report to include a condition for a landscape plan for screening prior to issuance of the building permit subject to staff review and approval. Commissioner Strehl seconded the motion.

Commission Action: M/S Onken/Strehl to approve as recommended in the staff report with the following modification.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Jack McCarthy Designer, Inc., consisting of 10 plan sheets, dated received March 30, 2015, and approved by the Planning Commission on April 6, 2015 except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants shall comply with all Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.

- d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
- f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.
- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

4. Approve the use permit subject to the following project-specific conditions:

- a. Simultaneous with the submittal of a complete building permit application, applicant shall submit a landscaping plan which includes landscaping that addresses privacy screening, subject to the review and approval of the Planning Division.**

Motion carried 7-0.

D2. Use Permit Revision/Intersect ENT/1555 Adams Drive: Request for a revision to a use permit, previously approved in June 2012, to modify the types and quantities of hazardous materials used and stored at the site for the research and development (R&D) and production of medical technologies for use in treating ear, nose, and throat patients, within an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the building. ([Attachment](#))

Staff Comment: Planner Perata said staff had no additional comments.

Public Comment: Mr. John Tarlton, Tarlton Properties, introduced Mr. Daniel Castro of Intersect ENT.

Mr. Daniel Castro, Vice President of Operations, Manufacturing and Engineering, Intersect ENT, said the company develops, manufactures and distributes medical devices for the treatment of ear, nose and throat conditions. He said their products have been used in over 50,000 patients and have helped them recover from chronic sinus surgery. He said in 2012 when they first applied for their use permit there had been 80 employees. He said there were now over 240 people and they planned to continue to grow. He said the use permit revision being requested would allow them to increase their manufacturing and expand their development into new products and new tests, the latter currently being done out of state.

Commissioner Strehl asked about notification to East Palo Alto residents and other neighbors of this proposed use permit revision. Planner Perata said for hazardous materials applications that the City sends notices to all properties within a quarter mile of the subject property, and in this instance, notice was sent to a number of East Palo Alto residents.

Commissioner Kadwany asked about the scale of the request. Mr. Castro said their sales and manufacturing had increased. He said part of the request also related to some processes changes they had not anticipated including additional cleaning steps to insure cleanliness of their products. He said they use and dispose of IV solvents which they had not anticipated in 2012 when they applied for the use permit. He said they were using the same solvents but more of them. He said they were relocating some of the points of storage and pickup.

Chair Eiref closed the public hearing.

Commission Action: M/S Onken/Eiref to approve as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans provided by DES Architects/Engineers, consisting of six plan sheets, dated received March 19, 2015, and approved by the Planning Commission on April 6, 2015 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all sanitary district, Menlo Park Fire Protection District, San Mateo County Environmental Health Division, and utility companies regulations and submit the appropriate permit applications that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - e. If there is an increase in the quantity of hazardous materials on the project site, a change in the location of the storage of the hazardous materials, or the use of additional hazardous materials after this use permit is granted, the applicant shall apply for a revision to the use permit.
 - f. Any citation or notification of violation by the Menlo Park Fire Protection District, San Mateo County Environmental Health Services Division, West Bay Sanitary

District, Menlo Park Building Division or other agency having responsibility to assure public health and safety for the use of hazardous materials will be grounds for considering revocation of the use permit.

- g. If the business discontinues operations at the premises, the use permit for hazardous materials shall expire unless a new business submits a new hazardous materials business plan to the Planning Division for review by the applicable agencies to determine whether the new hazardous materials business plan is in substantial compliance with the use permit.

Motion carried 7-0.

D3. Use Permit Revision/John Tarlton for O'Brien Drive Portfolio, LLC/1035 O'Brien Drive: Request for a use permit revision to convert a mixed-use office/research and development (R&D) and manufacturing building to a predominately R&D use to allow for an existing tenant, Avalanche Biotechnologies, to expand to the entire building located in the M-2 (General Industrial) zoning district. The previous (2012) use permit approval limited the office/R&D square footage to 14,432 square feet (40 percent of the building). At this time, the applicant is proposing to modify the uses within the building to increase the square footage devoted to wet-lab R&D and supporting office uses. The building's land use would be generally considered R&D, but would contain ancillary manufacturing, warehouse, and office uses. The proposed project includes a request to modify the types and quantities of hazardous materials used and stored at the site. The Planning Commission approved a hazardous materials use permit in April 2014. All hazardous materials would be used and stored within the building. As part of the project, the applicant is requesting a use-based parking reduction based on the specific tenant operations and its Transportation Demand Management (TDM) plan, which is intended to reduce the potential increase in trips from the site. A total of 103 parking spaces would be provided, where 120 parking spaces would be required by the M-2 square-footage-based parking requirements. In addition, the applicant is requesting approval of a Below Market Rate (BMR) In-Lieu Fee Agreement for this project. ([Attachment](#))

Staff Comment: Planner Perata said staff had no additions to the written report.

Public Comment: Mr. John Tarlton, O'Brien Drive Portfolio, said that Avalanche was another of their star tenants. He said the company was looking for expansion of their conditional use permit related to hazardous materials associated with their increased area and operations. He said there was also a change in how they would use the building and the implementation of a Transportation Demand Management (TDM) plan. He noted in response to Chair Eiref's question that their company's TDM program was applied building by building.

Mr. Hans Hull, Vice President of Operations at Avalanche, said the company went public last summer and a clinical trial readout would happen this summer on their lead product. He said their expansion was to use the full building for research and development. He said part of the expansion was the TDM plan, and noted that living in San Francisco he uses the shuttle provided by the property managers from the train to the work place.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Onken said that there was a new TDM plan which was a plus, and moved to approve as recommended in the staff report. Commissioner Kadwany seconded the motion.

Commission Action: M/S Onken/Kadvany to approve as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 32 (Section 15332, "In-Fill Development Projects") of the current California Environmental Quality Act (CEQA) Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans provided by DES Architects/Engineers, consisting of 10 plan sheets, dated received March 25, 2015, and approved by the Planning Commission on April 6, 2015 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all sanitary district, Menlo Park Fire Protection District, San Mateo County Environmental Health Division, and utility companies regulations and submit the appropriate permit applications that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. If there is an increase in the quantity of hazardous materials on the project site, a change in the location of the storage of the hazardous materials, or the use of additional hazardous materials after this use permit is granted, the applicant shall apply for a revision to the use permit.
 - e. Any citation or notification of violation by the Menlo Park Fire Protection District, San Mateo County Environmental Health Services Division, West Bay Sanitary District, Menlo Park Building Division or other agency having responsibility to assure public health and safety for the use of hazardous materials will be grounds for considering revocation of the use permit.
 - f. If the business discontinues operations at the premises, the use permit for hazardous materials shall expire unless a new business submits a new hazardous materials business plan to the Planning Division for review by the applicable agencies to determine whether the new hazardous materials business plan is in substantial compliance with the use permit.

4. Approve the use permit subject to the following **project-specific** conditions:
 - a. The property owner shall retain a qualified transportation consulting firm to monitor the trips to and from the project site one year from commencement of operations within the subject building and shall submit a memorandum/report to the City reporting on the results of such monitoring for review by the City to determine the effectiveness of the TDM plan (Attachment D). This report shall be submitted annually to the City subject to review by the Planning and Transportation Divisions.
 - b. Prior to or concurrent with the submittal of a complete building permit application, the applicant shall execute the review to the Below Market Rate (BMR) Housing In Lieu Fee Agreement. Prior to building permit issuance, the applicant shall pay the in lieu fee of approximately \$149,897.60 in accordance with the BMR Housing Agreement (as of July 1, 2014). The BMR fee rate is subject to change annually on July 1 and the final fee will be calculated at the time of fee payment.

Motion carried 7-0.

E. STUDY SESSION

- E1. El Camino Corridor Study:** Status update and opportunity to provide comments and recommendation to the City Council on potential alternatives for El Camino Real within Menlo Park. ([Attachment](#)) ***Continued from the meeting of March 23, 2015.***

Ms. Nicole Nagaya, City Transportation Manager, said the purpose of the El Camino Corridor Study was to focus on the transportation elements of El Camino Real and how it could better serve the community. She said the process was twofold and evaluated the function and vision of El Camino Real and improvements around Ravenswood Avenue as mitigation measures outlined in the Specific Plan.

Mr. Mark Spencer, principal with W-Trans, said the study objectives given to them were for safety and traffic improvement for El Camino Real using a multi-modal approach. He said the given parameters were to stay within the existing right-of-way, keep the medians, look at things from a curb to curb basis, consider surface improvements only, and improvements on the northbound El Camino Real approach to Ravenswood Avenue. He reviewed the public engagement process to date and presented information on daily traffic volumes along El Camino Real. He noted two strong contingents, one of which wanted El Camino Real for motor vehicles and measures to improve traffic flow and the other which wanted to calm the route for safer use by bicyclists and pedestrians. He said the survey asked for the most and least desirable changes. He said the top desirable change was enhanced pedestrian safety in crossing, bicycle lanes along El Camino Real, more bicycle parking close to downtown, more landscaping, perhaps buffers, and timing of traffic signals. He said an undesirable change was more convenient parking along El Camino Real, which became an important decision point in looking at alternatives. He said both higher and lower traffic speeds along El Camino Real were undesirable. He said through lanes along El Camino Real were also undesirable.

Mr. Spencer said there were three alternatives being proposed in addition to a “do nothing” alternative including 1) continuous six lanes along El Camino Real between Sand Hill Road and Encinal Avenue, 2) buffered bicycle lanes, and 3) completely separated bicycle facility with a higher level of protection. He provided visual information on the proposed alternatives in comparison to current conditions.

Replying to an inquiry from Chair Eiref, Ms. Nagaya said there was an increasingly diverse body of research related to the “if you build it, they will come” phenomenon. She said whether a freeway lane, a bike lane, or full out bike network were built that the use would build to fit the capacity. She said New York City has done before and after use counts of protected bicycle lanes.

Mr. Spencer said travel time remained fairly constant throughout all of the alternatives. He reviewed other factors of the three alternatives considered in transportation planning. He said at the last community workshops they had attendees compare alternatives to the others. He said on street parking particularly for alternatives two and three seemed to be viewed as a negative. He said aesthetics was a factor and the number of trees to be removed to provide another right turn lane onto Ravenswood Avenue was a point of discussion. He said most points of comparison were split other than general support that the level of transit was adequate. He said based on the input they did a ranking and a weighted average and found that Alternative 2 probably came out the same or slightly better than Alternative 3.

Mr. Spencer said regarding next steps that they were reviewing the feedback from various workshops, the online rankings that people provided, preparing the draft report for City staff, and making presentations. He said the goal for the discussion this evening was to give City Council a preferred concept. He said from that they would prepare full design plans, environmental analysis and higher level cost estimates.

Ms. Nagaya said letters had been received from the Menlo Park School District and the Menlo Park Fire District and were on the dais for the Commission’s review. She said the Fire District preferred Alternative 1 with three continuous lanes north- and south-bound. She said the School District did not indicate a favored alternative and expressed a desire for improved crossings of El Camino Real and improved intersections for children walking or biking to school.

Chair Eiref said in Table 6 that there was not much difference in travel time but it seemed that Alternative 1 had a remarkably greater impact on travel time being a 17% difference. Mr. Spencer said the 17% difference was from 4.1 minutes to 4.8 minutes, which would not be extremely perceptible to someone driving the corridor. Ms. Nagaya said whatever the alternative even when adding capacity there did not seem to be much improvement in travel time.

Chair Eiref asked about through traffic and local traffic. Ms. Nagaya said in 2010 for Specific Plan the study indicated there was 40% local and 60% regional traffic. Chair Eiref said his original perception was that greater capacity would be better but found the information in the models in the report indicated otherwise. Mr. Spencer said local and regional models were calibrated against existing conditions and regarding the absolute numbers there was justification but no absolute certainty they were correct. He said the difference in volume between the alternatives was good representation as everything else held true. Ms. Nagaya said the C/CAG

VTA model being used to project travel demand was the most sophisticated tool available in San Mateo County.

Chair Eiref said there were five very large projects coming forward in the next few years, and asked if the “do nothing” assumed those projects. Mr. Spencer said the projects assumed and currently approved in the build out of the City’s Specific and General Plan and the County’s General Plan, and the ABAG forecast were built into these models. Replying to Chair Eiref, Mr. Spencer said the 1300 and 500 El Camino Real projects were not approved and SRI was in a holding pattern. He said within the model there was a forecast of growth that could be any and all of those projects. He noted that this question came up often during the public workshops.

Commissioner Bressler asked about bus rapid transit and dedicated lanes and if that could be forced upon the City at a later date. Ms. Nagaya said they have been coordinating with SamTrans whose representative was at the City’s last workshop. She said SamTrans just finished a bus rapid transit study in San Mateo County and they were not going to pursue dedicated lanes in Menlo Park. She said SamTrans could not unilaterally make changes but would need City and Caltrans approval.

Commissioner Bressler asked if their models would say the same relative story whether there was a lot of growth or not as much growth. Mr. Spencer said that was affirmative. He said they would continue to have growth and congestion on El Camino Real. He said this project was not so much a pressure relief valve but recognition that congestion as it comes would have to be dealt with and that they could do better accommodating other modes of traffic and getting people downtown. Ms. Nagaya said the land use assumptions were the same in all the options.

Commissioner Combs asked if Mr. Spencer knew of a community that started with Alternative 2, saw an increase in bicycle traffic volume and then moved to a more built out infrastructure for bicycles. Mr. Spencer said they see a more phased approach. He said San Jose started with some green lanes in some areas, measured traffic and were now moving toward buffered bicycle lanes. Commissioner Combs asked about the suitability of El Camino Real for bicycle lanes. Mr. Spencer said that it certainly was viable. He said there was a wide range of comfort levels that different bicyclists have related to road type and other factors such as speed. He said the biggest question was how to get bicyclists and pedestrians across El Camino Real.

Ms. Nagaya said the City of Mountain View was developing an El Camino Corridor Specific Plan. She said staff understands that they were proposing buffered painted bicycle lanes. She said Atherton was discussing narrowing El Camino Real to two lanes but were waiting until Menlo Park finished its study. She said the City of Redwood City was looking at some turn lanes and median closures. She said the City of San Mateo just finished a Sustainable Streets Plan and through that process identified raised bicycle lanes as the preferred option.

Commissioner Strehl asked what the City of Palo Alto was doing for the El Camino Real corridor. Ms. Nagaya said she did not think they were pursuing bicycle routes on El Camino Real, noting the very good bicycle route they have parallel to El Camino Real on Bryant Street. She said El Camino Real south of Sand Hill Road had higher traffic volume approaching University Avenue. Commissioner Strehl said she was surprised the study did not look at the Bryant Street bicycle route. She asked if they had looked at other alternatives parallel to El Camino Real for bicycle routes. Ms. Nagaya noted that there were three options prepared in

the study for bicycling off El Camino Real that could be combined with the El Camino Real option of three continuous traffic lanes in both directions. She said one from San Mateo Drive to Wallea Drive would use the San Mateo bicycle bridge that leads from Stanford West running north/south along San Mateo and Wallea Drives. She said the second option would start at San Mateo Drive and zigzag over to downtown. She said the third option would start at Alma and the Palo Alto Avenue bicycle bridge that tied into Alma Street and over to the future Garwood extension as part of the 1300 El Camino Real project if developed. She said they did not look at the Willow Place bicycle bridge as a tie-in but could noting they had tried to do routes that were parallel and closest to El Camino Real.

Commissioner Strehl said it appeared that Alternative 1 for three continuous traffic lanes would increase traffic on El Camino Real and reduce traffic on Middlefield Road. Mr. Spencer said that was correct but not at a one to one correlation. Commissioner Strehl asked about cut through traffic. Mr. Spencer said that Alternative 1 would keep more of the traffic on El Camino Real and cause less of a traffic diversion to neighborhood streets. He said with Alternatives 2 and 3 the models showed roughly the same number of vehicles on Allied Arts streets. He said there was the potential to reduce neighborhood cut through traffic and ways to manage cut through traffic with traffic calming measures. Commissioner Strehl asked about Caltrans' involvement in this planning process. Ms. Nagaya said they have kept Caltrans apprised during the process of the different options. She said one of the Council directives was that any adopted alignments or improvements should be consistent with Caltrans design guidelines. Commissioner Strehl asked if Caltrans would look at emergency vehicle and emergency access as part of their approval. Ms. Nagaya said that was part of the City's and Caltrans' processes.

Commissioner Strehl confirmed with Mr. Spencer that about 250 of the survey respondents were from Menlo Park, and that it was a self-selective survey and not random. She asked if there was a test to limit responses to one per household. Ms. Nagaya said the survey tool used was the same as that used for the General Plan Update process. She said respondents could register or respond anonymously. She said more than one response could occur per household. She said the numbers they were seeing from any IP address were not egregious but ranged from two to four responses. Commissioner Strehl asked the number of people that participated in the three workshops. Ms. Nagaya said generally there were 30 to 65 people with the first one in 2014 being the least well attended. She said they had 405 respondents for the last online survey in which people could rank and choose alternatives.

Commissioner Strehl said they did not look at alternatives for bicycle lanes on Alma or Laurel Streets. Ms. Nagaya said they had done some preliminary analysis but the draft report would further enhance the evaluation.

Commissioner Onken asked if there were any changes into the curb cut into private property through any of the alternatives. Mr. Spencer said they were assuming existing driveways and accesses would remain. Ms. Nagaya said the only change to curb would be at the northbound approach to Ravenswood where there was widening to move the right lane toward the railroad tracks. Commissioner Onken said it did not appear there was objection from business owners who have parking along El Camino Real for it to be removed. Mr. Spencer said it was important to keep getting the information out to the business owners through the Chamber of Commerce and mailers to individual property owners and registered business owners.

Commissioner Ferrick said one of the principles of the Specific Plan was creating east-west connectivity and the primary artery for that was the approach to the Menlo Avenue and the Ravenswood Avenue intersection. She said it appeared that none of the three alternatives levels of service were as good as the existing condition for that intersection. Ms. Nagaya said the queue length summary was looking at the approaches on El Camino Real to a particular intersection. She said the existing configuration at Ravenswood was maintained with Alternative 3. She said with Alternatives 1 and 2 there was an additional through lane but no right turn lanes were being removed. She said the improvement in queue length in Alternative 2 related to no project north of Ravenswood Avenue having 3,100 vehicles moving through the corridor in peak hours. She said under Alternative 1 that increased significantly as more traffic would be pulled into El Camino Real because of the greater capacity. She said they did not see a spike in volume under Alternative 2 with an additional right turn lane at Ravenswood Avenue. Commissioner Ferrick asked if the improvements at Ravenswood Avenue might be combined with other alternatives. Ms. Nagaya said they paired the improvements at Ravenswood Avenue fairly independently as part of Alternative 2 but those could be done with Alternative 3 or not at all. She said ideally they would like the Commission's preference as to the alternatives and perhaps look at the Ravenswood Avenue improvements separately.

Commissioner Kadvany asked about buffered bicycle lanes and accessing driveways. Ms. Nagaya showed graphics demonstrating the different forms of painting and buffered bicycle lanes. Commissioner Kadvany said all of the options included completing the intersections and asked if east-west crossing was a separable item. Mr. Spencer said one of the items to pursue was to complete all four crosswalks at each intersection to provide enhanced crossing of El Camino Real in particular with respect to school travel. Commissioner Kadvany asked if the additional right turn lane at Ravenswood Avenue was required in all of the alternatives or if it could be separated from Alternatives 2 and 3. He asked what the benefits were from the extra through lane. Ms. Nagaya said the third through lane was in the Specific Plan as mitigation but was not a requirement. She said it was assumed in Alternative 1. She showed an Alternative 2 graphic with the northbound approach to Ravenswood Drive and a third through lane continuing across the intersection, which would then trap as a right turn lane approaching Santa Cruz Avenue. Commissioner Kadvany asked if the significant redwood tree at the corner of Ravenswood Avenue and El Camino Real would be removed under any of the alternatives. Ms. Nagaya said the trees in front of the Cornerstone building were shown in green in the graphic. She said all three alternatives had some widening and the City Arborist's preliminary review of Alternatives 1 and 2 indicated that all of the redwood trees there would need removal noting there was underground parking under the Cornerstone building, which further inhibited root health.

Commissioner Kadvany said southbound El Camino Real nearing Sand Hill Road was a constrained point for bicycle routes noting the narrow sidewalks there. Ms. Nagaya said putting in a full bike lane would require reconstruction of the bridge. She said widening sidewalks was not part of this study plan. She said sidewalks would occur through development under the Specific Plan.

Commissioner Kadvany asked about the u-turn movement at Cambridge Avenue from northbound to southbound on El Camino Real and if there was a City policy about that. Mr. Spencer said the u-turns exist and its use was high at different times. He said they were assuming no change in functionality for any of the three alternatives. He said restricting u-turns could have unexpected impacts. Ms. Nagaya said they looked at the City's General Plan

adopted in 1994 which did not have a policy specifically around Cambridge Avenue but also predated the connection to Sand Hill Road. She said they considered reactions drivers would take if that u-turn was eliminated, which might have drivers taking several left turns to get back to southbound El Camino Real. She said that might be more impactful to traffic than the u-turn was.

Chief Harold Schapelhouman, Menlo Park Fire District, referred to the letter sent by the District Board noting it was not just specifically related to El Camino Real but also relevant to the ConnectMenlo and Willow Road studies. He said the District has been responding since 2008 to planning efforts with their concerns of impacts to their provision of emergency services but those had not been included with the community goals during the Specific Plan development. He said this study does not include emergency vehicle response and routes, noting El Camino Real is an emergency service route. He said it also does not include El Camino Real as the emergency route to Stanford Hospital, the area's nearest trauma center. He said it also did not consider reciprocal emergency aid agreements that they have with Palo Alto. He said the District supported Alternative 1. He said he thought Alternative 3 would lead to more bicycle and vehicular collisions. He said there were other bicycle routes to get between Palo Alto and Menlo Park. He said El Camino Real was the least desirable route for a bicyclist. He said the discussion should be how to create a bicycle network that did not use busy streets.

Mr. Bill Kirsch, Chair of the Bicycle Commission, said he drives a car and uses a bicycle to do most of his trips around town. He said parallel routes were good for those wanting to get through the town. He said he wanted to access businesses around town and a parallel route on Alma Street would not provide that access for him. He said that was why the Bicycle Commission voted unanimously for Alternative 2 to put buffered bicycle lanes on El Camino Real with the modification of not adding the additional right turn lane off Ravenswood as they thought that would make El Camino Real even more dangerous to cross and would mean removal of redwoods. He said the Transportation Commission voted unanimously for Alternative 3 with separated bicycle lanes. He said he would like the City to get away from the idea of dealing with traffic congestion by adding more lanes. He recommended providing room and access for people who choose bicycles or walking.

Mr. Mark O'Brien, Menlo Park, noted his 40-year career as an arborist and urged further study of the 11 heritage trees before any action was taken to remove them as he strongly believed that all or most of the trees could be preserved. He said they were an important asset now and potentially for hundreds of years into the future. He said he found a report of work done by Caltrans eighteen months ago on a section of Hwy. 101 that was slightly rerouted and widened creating similar impacts to a grove of redwood trees similar to what their heritage trees could experience. He said an independent risk assessment contractor with a track record in this type of high profile projects should be hired before the important trees were removed. He mentioned the contractor that was used for the Seminary Oaks development.

Mr. Henry Riggs, Menlo Park, said he had reservations about this study, how its surveys were conducted, and the conclusion that nine to eleven heritage trees would have to be removed. He said the issue in crossing El Camino Real on bike or foot was not the time allowed for crossing but the two full minute light cycles for traffic to pass by. He asked for the ratio of bicyclists that commute daily versus bus, carpool and train users. He said Facebook, which to his knowledge has the most bicyclist commuters, only has 3% of its employees who bicycle to work. He said the consultants' measurements were not necessarily valid. He said there was no magical cure

for 40,000 vehicles traveling through Menlo Park on El Camino Real daily. He said if El Camino Real worked better for vehicular traffic as residents have requested for nearly two decades it would pull traffic off Middlefield Road and adjacent streets. He said the interest of a few could be well served on a safer bicycle route away from major two-minute intersections, active retail and commercial driveways. He said this bicycle route was already defined in the Specific Plan and required to be done as part of the Greenheart project approval. He said as considered under the Specific Plan, the City in 2018 would have more commerce and more residents, and the question was whether the City would be ready.

Mr. Don Araki, the Tree Specialists, said he was Henry Riggs requested that he look at the heritage trees on the corner of Ravenswood Drive and El Camino Real. He said a possible alternative would be to route the sidewalk in back of the trees as that was City property to allow for more roadway. He said the other alternative would be removal of a few trees closest to the roadway.

Mr. Steve Schmidt, Menlo Park, said in November they concluded a fairly contentious political exercise and the voters decided they wanted to honor the City's Specific Plan. He said that Plan included making the downtown area more pedestrian-friendly, walkable, bikeable and with a more human scale. He said the six-lane alternative would not honor Menlo Park and would degrade the pedestrian experience on El Camino Real. He said they needed to think about what was wanted for Menlo Park. He said if it was more bicycles and a better pedestrian experience that was desired they needed to build an infrastructure friendly to bicycles and pedestrians.

The Commission briefly recessed at 10:10 p.m.

Chair Eiref reconvened the meeting at 10:14 p.m.

Commission Comment: Chair Eiref said his mindset originally had been that the City needed capacity and to get cars through the City. He said the model indicated additional capacity would likely increase congestion. He said he was not now in favor of six lanes. He agreed with Chief Schapelhouman and others that safety was important. He said that he was looking at some version of Alternatives 2 and 3.

Commissioner Ferrick said she wanted them to look to the future and not make things worse. She said the Fire District's concerns were valid. She said studies showed a really protected bike lane could build capacity to use it. She said she saw Alternative 2 as a way to start. She said she was worried about removing the right turn lane at Ravenswood Avenue but also concerned with removing heritage trees. She said Ravenswood was a linchpin for east-west connectivity. She said her concern was if there were fewer cars on El Camino Real if that meant the traffic was using neighborhood streets. She said she liked the idea of Alternative 3 but felt more comfortable with Alternative 2.

Commissioner Kadwany said he shared concerns with implementation but felt the City had delayed improving the infrastructure for bicyclists and pedestrians, and action was needed. He said he was concerned with the driveway cutouts. He thought the buffer in Alternative 2 might be better than the physical dividers in Alternative 3, which would require traffic stopping. He said four-way pedestrian crossings along El Camino Real have been in the General Plan since 1994.

He said there was an equity issue to provide routes for citizens for whom bicycles were the needed mode of transit.

Responding to a question from Chair Eiref, Ms. Nagaya said only Alternative 2 had parking elimination. She said under Alternative 3 with the buffered bike lane option that the only change in capacity was the turn pockets. She said bulb outs which require elimination of the right turn pocket were discussed during the Specific Plan analysis and whether they would have any capacity impacts or cause additional queuing delay. She said Alternative 3 as defined did not include bulb outs but had protected intersection treatments with median islands that vehicles would have to turn around giving more refuge to bicyclists. She said one of the display boards showed a lane removal but there was no lane removal proposed. She said the graphic would be corrected.

Commissioner Onken said he bicycles every evening from the train station to Stone Pine Lane where he lives along El Camino Real. He said accidents were not from cars speeding by you on the left but from cars turning into you or car doors opening into you from the right. He said Alternative 3 did not do anything about that except remove parked cars. He said he would support Alternative 2. He said he thought Alternative 3 would make bicycling too tempting for novices and that was unsafe. He said Alternative 2 would provide a bit more of a buffer, more of a feel of a sidewalk, and support emergency vehicle passage since cars could move into the buffer space to allow their passage.

Commissioner Bressler said he also supported Alternative 2 and that more attention needed to be given to curb cuts, and that the bicycle safety had not been thought through enough. He suggested there should be more radical solutions to separate bicyclists and cars.

Commissioner Combs said he was against Alternative 1. He said generally he was in favor of building out bicycle infrastructure. He said Palo Alto used Bryant Street, which was not a main artery, for their bicycle route. He said he could support Alternative 2.

Commissioner Strehl said she would like to have some estimation of costs as there were many transportation needs in the City and some were very costly. She said she would have liked the study to look at more alternatives for dedicated bicycle lanes other than El Camino Real that would be safer for bicyclists and motorists. She said she could not support any alternative that would remove any of the heritage trees at Ravenswood Avenue. She said she thought the study was biased and that the Council wanted to look at friendlier environments for bicyclists and pedestrians and not necessarily on El Camino Real. She said she could support Alternative 2 as it would provide a test to see if bicycling was viable for El Camino Real and the bicycling community. She said emergency vehicles were very important and providing access for them was critical. She said she would like the option to convert back if it was not being used by bicyclists.

Commissioner Kadvany said the heritage trees provided a beautiful gateway to the City. He moved to make road and bridge improvements to enhance east-west connectivity. Chair Eiref noted it seemed there was general support of Alternative 2. Commissioner Kadvany moved to recommend adoption of Alternative 2 as the preferred alternative and the preservation of the heritage trees on the corner of El Camino Real at Ravenswood Avenue. He said he would like improved safety measures for the San Francisquito Bridge and Ravenswood intersection.

Ms. Nagaya said the City Council approved two capital projects, the El Camino Real Lane Configuration Study and the El Camino Real Ravenswood Right Turn Lane Design and Construction, which spurred the El Camino Corridor Study. She said they currently have in the consultant's contract and budget the ability to do the full design of whatever option was chosen for Ravenswood Avenue and do the construction as well depending on the option chosen.

Chair Eiref said the motion so far was to recommend Alternative 2, preserve the heritage trees on the corner of El Camino Real at Ravenswood Avenue, and improve safety at the bridge and Ravenswood.

Commissioner Strehl asked if the bridge was in Menlo Park or Palo Alto. Ms. Nagaya said it was in both.

Commissioner Kadvany said the City should think more creatively about alternative routes for bicyclists. He said they also wanted to insure best safety design for driveway curb cuts and crossings.

Chair Eiref said they could add a comment for the City Council to thoroughly explore options for parallel bike routes behind development on the east side of El Camino Real.

Responding to an inquiry from the Chair, Ms. Nagaya said the motion included a preference for Alternative 2, with preserving the heritage trees the highest priority, and insuring the best possible safety outcomes including driveway curb cuts and intersection crossings, at the San Francisquito Creek Bridge and Ravenswood Avenue, and thoroughly explore options for a bike lane or path behind the properties along the east side of El Camino Real.

Commissioner Onken said he thought adding the language about a bicycle path behind the properties was unnecessary. Commissioner Ferrick said she thought that was not needed to be added in at this time. Consensus was to separate the motions.

Commission Action: M/S Kadvany/Strehl to recommend that the Council adopt Alternative 2 (Buffered Bike Lanes) as the preferred alternative, but with preservation of the heritage trees on the corner of El Camino Real at Ravenswood Avenue, as well as ensuring the best possible safety outcomes, including appropriate design of the intersections, driveway curb cuts, San Francisquito Creek Bridge, and Ravenswood Avenue.

Motion carried 7-0.

Commissioner Strehl said she did not fully support Alternative 2 but seconded the motion because of the late hour.

Commission Action: M/S Eiref/Kadvany to recommend to the Council to also thoroughly explore the possibility of a shared-use pathway at the rear of proposed developments on El Camino Real.

Motion carried 5-2 with Commissioners Onken and Strehl in opposition.

Commissioner Ferrick noted that the latter motion was meant as an additional recommendation to the Council and was not intended to replace the initial motion.

F. REGULAR BUSINESS

There was none.

G. COMMISSION BUSINESS

There was none.

H. INFORMATION ITEMS

There were none.

ADJOURNMENT

The meeting adjourned at 11:10 p.m.

Staff Liaison: Senior Planner Thomas Rogers

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on May 4, 2015



PLANNING COMMISSION MINUTES

Regular Meeting
April 20, 2015 at 7:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:01 p.m.

ROLL CALL – Bressler, Combs (absent), Eiref (Chair), Ferrick, Kadvany, Onken (Vice Chair), Strehl

INTRODUCTION OF STAFF – Michele Morris, Assistant Planner; Nicole Nagaya, Transportation Manager; Stephen O’Connell, Contract Planner; Thomas Rogers, Senior Planner; Corinna Sandmeier, Associate Planner

A. REPORTS AND ANNOUNCEMENTS

A1. Update on Pending Planning Items

- a. ConnectMenlo (General Plan Update) – Schedule Update – City Council - April 14, 2015

Senior Planner Rogers said the City Council at its April 14 meeting considered an extended timeline for the General Plan Update to allow for more outreach, particularly to the Belle Haven neighborhood.

- b. Public Benefit Study Session – City Council – April 14, 2015

Senior Planner Rogers said also at their April 14 meeting, the Council conducted a study session on public benefit in general and specific to zoning districts. He said the consultant provided a presentation on what other cities have been doing and what the current model was in Menlo Park.

- c. Planning Commission Appointments – City Council – May 5, 2015

Senior Planner Rogers noted that the Council would make three Planning Commission appointments at its May 5 meeting, noting that Commissioner Onken had reapplied.

Senior Planner Rogers said that there would be annual commissioner training and appreciation event on May 12 with training from 4 to 6 p.m. and a reception afterwards.

B. PUBLIC COMMENTS #1 (Limited to 30 minutes)

There was none.

C. CONSENT

- C1.** Approval of minutes from the March 23, 2015 Planning Commission meeting ([Attachment](#))

Chair Eiref noted he was absent from the March 23 meeting. Commissioner Strehl indicated she was also absent. Chair Eiref continued the minutes until the next meeting.

Commission Action: Minutes continued.

D. PUBLIC HEARING

D1. Use Permit Revision/Kpish Goyal/957 Rose Avenue: Request for a use permit revision to add an approximately 1,457 square foot basement to previously approved two-story, single-family residence on a substandard lot with regard to lot width and lot area in the R-1-U (Single-Family Urban Residential) zoning district. The previous use permit was approved by the Planning Commission on August 18, 2014. ([Attachment](#))

Staff Comment: Contract Planner O'Connell said there were no additions to the staff report.

Public Comment: Mr. Kpish Goyal, applicant, said their project for a two-story, single-story residence had been approved by the Planning Commission on August 18, 2014. He said that he and his wife had reconsidered their project to provide more space for their immediate and extended family, and were now requesting a basement addition.

Commissioner Strehl asked if the original design was the same. Mr. Goyal said everything was the same except for one light well that would require decreasing the size of the bathroom for the first floor bedroom to accommodate.

Commissioner Onken said the arborist report was confusing regarding the heritage oak as it both said the tree would be safe during construction and to remove the tree. Contract Planner O'Connell said the arborist had two recommendations and that was to keep the tree or to remove it.

Mr. Goyal said the oak tree was on the adjacent property and a branch extended into his property. He said the arborist said one option was to remove the tree or the other option was to take preservation efforts to protect the tree, which was what they were intending.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Onken said the excavation for a basement might impact the tree roots. He confirmed with Contract Planner O'Connell that the basement excavation would require stitch piling in front of the oak tree and to follow the arborist's instructions for basement construction to protect the oak tree. He moved to approve the project revision. Commissioner Strehl seconded the motion.

Commission Action: M/S Onken/Strehl to approve the item as recommended in the staff report with the following modification.

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") of the current CEQA Guidelines.

2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Chris Spaulding Architect, consisting of ten plan sheets, dated received March 30, 2015 and approved by the Planning Commission on April 20, 2015, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants shall comply with all Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
 - c. Prior to building permit issuance; the applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
 - e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
 - f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.
 - g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

Motion carried 6-0 with Commissioner Combs absent.

D2. Use Permit/Malika Junaid/1121 Carlton Avenue: Request for a use permit to allow construction of a second story on an existing single-story, single-family residence on a substandard lot with regard to lot width and area, in the R-1-U (Single-Family Urban Residential) zoning district. The proposal, which includes expansion of the existing first floor, would exceed 50 percent of the existing floor area and is considered equivalent to a new structure. ([Attachment](#))

Staff Comment: Planner Sandmeier said there were no changes or additions to the staff report.

Public Comment: Ms. Pushpinder Lubana, property owner, introduced her fiancée Mr. Nathan Henderson, and said they were planning a revision to her home to allow for a merger of their two families including three children and aging parents.

Mr. Nathan Henderson said that in starting this project they reached out to their neighbors, sent out flyers with basic project drawings, and invited neighbors to review the plans. He said their rear neighbors had concerns with construction noise and asked them to observe City codes for construction. He said they assured them they would.

Ms. Malika Junaid, project applicant, said she was the architect for the project. She said the addition was done to create more privacy for the master bedroom and more separate and private rooms for the other age groups in the merged family.

Chair Eiref closed the public hearing.

Commission Comment: Commissioner Onken said the design was only a partial second story, which was appreciated. He said also the design controlled side facing windows, which could be a problem. He said the project was a good design and a nice addition to the neighborhood. He moved to approve as recommended in the staff report. Commissioner Eiref seconded the motion.

Commission Action: M/S Onken/Eiref to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") of the current CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by M-Designs Architects, consisting of 14 plan sheets, dated received March 26, 2015, and approved by the Planning Commission on April 20, 2015, except as modified by the conditions contained herein, subject to review and approval by the Planning Division.
 - b. Prior to building permit issuance, the applicants shall comply with all Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicants shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval by the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened

by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.

- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
- f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.
- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

Motion carried 6-0 with Commissioner Combs absent.

D3. Use Permit/Matt Nejasmich/629 Harvard Avenue: Request to demolish two existing single-story, single-family residences and construct one new two-story, single-family residence and one new single-story, single-family residence on a substandard lot with regard to lot width in the R-2 (Low Density Apartment) zoning district. The following three heritage trees are proposed for removal: a 16-inch tulip, a 28-inch silver maple, and a 58-inch Monterey pine. ***Continued to a future meeting.***

E. REGULAR BUSINESS

E1. Architectural Control/Eric Peterson/718 Oak Grove Avenue: Request for architectural control to modify the exterior of an existing three-story mixed-use building in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The changes include repairing the existing stucco finish, replacing existing decorative trim and materials with new neutral-colored cast stone banding and stone cladding, adding new non-structural columns, new cornice and window trim at the roof parapet and along the front elevation and select portions of the side elevation windows, new metal balcony railings, and a new double entry front door. ([Attachment](#))

Staff Comment: Planner Morris noted a correction to the first paragraph of the proposal in the last sentence of the paragraph: “.....and a new double entry front door.” to remove the word “double” before “entry front door”.

Public Comment: Mr. Eric Peterson, applicant, said he was an architect and senior associate with Pacific Peninsula Architecture, and the proposal was to modernize the subject building’s exterior. He said that there was a color and materials board for their review.

Chair Eiref closed the public hearing.

Commission Comment: Chair Eiref said the building was already nice looking and thought the proposed improvements would work well. Commissioner Kadvany confirmed with the applicant that his company had done a new building with stone work next to the Fire District. He noted

that this stone work was more continuous in its application and an improvement over the stone wrap around look application on the other building.

Commission Action: M/S Eiref/Ferrick to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The development is consistent with the El Camino Real/Downtown Specific Plan. The exterior changes would comply with relevant design standards and guidelines for commercial ground floor windows and the building entry would remain oriented to the public street.
3. Approve the architectural control request subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Pacific Peninsula Architecture, Inc., dated received April 1, 2015, consisting of twenty plan sheets and approved by the Planning Commission on April 20, 2015 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and that cannot be placed underground. The plan shall show exact locations of all meters, back flow

prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.

- e. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.

Motion carried 6-0 with Commissioner Combs absent.

F. COMMISSION BUSINESS

F1. El Camino Corridor Study: Potential reconsideration of Planning Commission recommendation from April 6, 2015 meeting. ([Attachment](#))

Staff Comment: Senior Planner Rogers said the Commission had received comments on their group email about its April 6 recommendation on the El Camino Real Corridor study. He noted that some of those who had made comments were present this evening. He said under Roberts Rules of Order that decisions and recommendations could be reconsidered if a commissioner that voted with the majority made the motion to reconsider. He said the Commission's vote on the recommendation at the April 6 meeting was unanimous so any of the Commissioners could vote to reconsider. He said that Commissioner Kadwany had requested reconsideration in writing.

Commission Action: M/S Kadwany/Strehl to reconsider the previous Planning Commission recommendation.

Motion carried 6-0 with Commissioner Combs absent.

Commissioner Kadwany said he had received emails with strong opinions from those who wanted the six-lane option and others, including a prominent bicyclist, who said Alternative 2 was not a good idea without greater protection for cyclists. He said if they decided to do bike lanes it did not have to choose Alternative 2 exactly as presented. He questioned whether the City has a vision of what it wanted for El Camino Real, noting it was auto centric, and people were asking for more than a California highway. He said for those who supported bike lanes that there had to be more emphasis on safe design and that might require stricter speed limits on El Camino Real. He said the Specific Plan recommended Class 2 Bicycle Lanes. He said the General Plan has some parameters about speed on El Camino Real and perhaps those have to be reexamined. He said that at the last meeting Commissioner Onken commented about narrow sidewalks and there was no incentive for property owners to redevelop and widen sidewalks. He said they needed to look at that too within the design of El Camino Real. He said they also had not discussed doing pilot implementations and perhaps they could do pilots for intersection changes, for instance, striping and intersection timing, and perhaps those could be separate from lane changes. He said there was a perception that El Camino Real was different when considering safety but speed limits were greater on sections of Sand Hill Road and Willow Road in places. He said the Urban Street Guidelines by the National Association of Transportation Officials looks at multi-modal issues in design and have a concept of design speed for the roadway. He said their approach was what speed was appropriate for what the designers were trying to accomplish. He suggested the Council familiarize themselves with concepts of design speed, design vehicles, what the vehicles and the conditions were in other

times of the day beside peak traffic times. He said there were bicyclists currently using El Camino Real and either it should be made safer for them or bicycling should not be allowed.

Commissioner Strehl asked if the Specific Plan recommended Class 2 Bicycle Lane for El Camino Real or offered it as a suggestion. Senior Planner Rogers said the original draft Specific Plan carried over the Bicycle Plan recommendation which was for a Class 3 bicycle route. He said when the Specific Plan was reviewed, the Bicycle Commission made a recommendation to the City Council that the City pursue a Class 2 Bicycle Lane on El Camino Real. He said in the final negotiations with the public, the Council set the Class 2 Bicycle Lane as the goal of the Plan but acknowledged constraints such as parking and right-of-way could dictate that Class 3 would be the outcome in the short-term. He said the Specific Plan stated that Class 2 Bicycle Lane was the long-term objective, but that Class 3 minimum could be permitted in the near term.

Public Comment: Ms. Shirley Chu, Sharon Heights, asked the Commission to reconsider its recommendation to add a bicycle lane on El Camino Real. She said she liked the intention to get people out of cars and reduce carbon emission but El Camino Real was not the place for bicycle riding noting traffic there included cars, buses, trucks, 92-year old drivers, and aggressive drivers. She said it was not a safe place for bicyclists, and if they had to add a bicycle lane they needed to design for more protection for bicyclists.

Mr. Richard Li, Sharon Heights, said a bicyclist choosing to ride recreationally would choose Sand Hill Road or Foothill Expressway as although traffic moved much faster on those roads, there was more visibility and less cross traffic. He said very few people use El Camino to ride bikes noting its one-mile length through Menlo Park has an estimated 60 curb cuts, or about one every 90 feet. He said he had heard that the Greenheart and Stanford projects would add a bike lane parallel to El Camino Real which he thought was better.

Ms. Lee Duboc, Menlo Park, noted that people had difficulty getting onto the survey link and that they felt they were unable to express their thoughts. She said some people did not want their names to be made public. She thanked the Commission for reconsidering the recommendation for the El Camino Real corridor. She said that more consideration had to be given to the study.

Ms. Mickie Winkler, Menlo Park, said she was a veteran biker and implored the Commission to change their recommendation to the City Council. She said she would like the Council to work on safe bicycle routes before establishing a bicycle path on El Camino Real. She said with all the curb cuts and intersections, she did not think there was anything that could be done to make El Camino Real safe for bicyclists. She said alternative bicycle routes had been neglected and that the alternatives shown on page 9 did not include some good options such as the end of Willow Place bike bridge that nearly connects to the bike boulevard in Palo Alto. She said there was a bike path that crosses the creek at Alma Street and closely connects to the bike boulevard in Palo Alto. She said there were County bicycle maps that show more alternatives than what was in the Commission's packet. She said El Camino Real was unsafe for bicyclists and there were alternatives to be pursued

Chief Harold Schapelhouman, Menlo Park Fire District, said he was pleased they were reconsidering the recommendation. He said his letter which they just received this evening listed reasons why the Fire District thought this was something that needed to be tabled or looked at as part of the General Plan circulation element. He said the study never

acknowledged the designated emergency routes for the Fire District, noting that El Camino Real was one of those. He said it made no mention that Stanford Hospital was a primary medical emergency facility and Class 1 trauma center. He said no one really looked at the emergency aid agreements among the District, Palo Alto and Redwood City. He said he spoke with the County's ambulance service and they were completely unaware of this study. He said this item should be tabled and research should be done on alternatives for bicycle routes.

Mr. Rex Ianson, Menlo Park resident and member of the Menlo Park Fire Protection District Board, said the Commission should take a look at a comprehensive bicycle plan. He said he was a bicyclist who would not use El Camino Real.

Mr. Peter Carpenter said he also was on the Menlo Park Fire Protection District Board but was not representing the Board. He said he previously served on the Planning Commission for the City of Palo Alto, and that during his tenure they rewrote the General Plan. He said the two things he learned was that a General Plan update was a challenge to do but once it was done it provided a framework to make decisions in a structured and reasonable way. He said the state law on general plans had changed to require that the circulation element include the complete street perspective, and part of that language was very clear about having City bike routes. He said if there was an updated circulation element to the City's General Plan the conversation being held tonight would be much easier. He said that this bicycle lane goal was mentioned in the Specific Plan was to a large degree irrelevant as General Plan required you go to the outermost geographical boundaries. He suggested the Commission recommend tabling the action, finish the General Plan circulation element update, and then start looking at specific issues.

Mr. Henry Riggs, Menlo Park, thanked the Commission for reconsidering this item. He said he did not think the Commission and Council could subtract the core transportation analysis of the EIR prepared for the Specific Plan. He said following the Specific Plan, the Planning Commission was careful to edit the formatted, prewritten Complete Streets Agreement put forward by the County for all cities to sign under the threat of losing transportation funding. He said the Commission edited that agreement to insure the City would not be required to put bicycle lanes on El Camino Real and defined a safe bike route instead. He said if bicyclists were encouraged to use El Camino Real, the City might be inviting an undesired conflict. He asked the Commission to use their inner best judgment and allow El Camino Real to safely serve the population of Menlo Park.

Ms. Honor Huntington, Menlo Park, said she had served on the Budget Advisory Committee, and has tried to avoid partisan politics in Menlo Park. She said she was pleased they were reconsidering the item. She said she went to one of the study sessions and found it was flawed. She said they did not look at impacts on other streets and intersections such as Middle Avenue. She said the Commission should not put a stamp of approval on this study at all, and suggested they table the item and ask for more information. She said if there were recommendations that the City should try experimental things in increments.

Mr. Robert Cronin, Menlo Park, said it was important to make El Camino Real a complete street not just for cars but also for people so that it would accommodate bicyclists safely. He said he supported the idea of buffered bicycle lanes and if it was done in Menlo Park then it would be done on El Camino Real by Palo Alto, Atherton, and Redwood City.

Ms. Adina Levin, Menlo Park, Transportation Commission, said she was representing herself. She thanked the Commission for considering this item at their last meeting and urged them to maintain the recommendation they made at that time. She said considering the counter-intuitive results that were mentioned that often when more traffic lanes were added that attracted more drivers resulting in traffic slowing down. She said consultants found that keeping traffic lanes and adding a bicycle lane would improve traffic flow. She said alternative bicycle routes had been mentioned. She said in the survey it was asked what people use El Camino Real for whether they were drivers or bicyclists. She said alternative routes might help bicyclists get to Palo Alto or Redwood City but not the use of El Camino Real to run ordinary errands locally. She said regarding the idea that young or older people might be encouraged to ride their bicycles on El Camino Real if there was a bike lane that judgment calls were made all the time by parents about where it was safe for their children ride. She said it was important to improve safety for pedestrians and bicyclists along El Camino Real.

Ms. Cindy Wilson, Menlo Park Bicycle Commission, said she liked the Commission's recommendation that they made at their last meeting. She said the only way to mitigate transportation was to enable other modes of transportation. She said people already ride bicycles on El Camino Real. She said the City has a duty to improve safety for those users. She said the City needed to coordinate with neighboring jurisdictions and prepare a holistic plan to get people out of their cars and ride bicycles or walk. She said improvements on the corridor would also help east-west circulation. She said having a buffered space for bicyclists would create a much different retail experience noting in other areas it improved retail experience.

Chair Eiref closed public comment period.

Commission Comment: Chair Eiref asked which of the alternatives would remove traffic capacity from El Camino Real. Transportation Manager Nagaya said there were currently three lanes in each direction on El Camino Real south of Robles and two lanes north of Robles. She said 10 or more years prior there had been three lanes in both directions. She said one option was to not reduce the number of lanes. She said Alternative 3 proposed a slight change to the right hand turn pocket at core downtown intersections: Santa Cruz, Oak Grove, Glenwood and Valparaiso Avenues. She said where there were dedicated turn pockets currently that could potentially be removed, which would have very small capacity reduction. She said no through lane removals were proposed.

Recognized by the Chair, Mr. Dana Hendrickson, *Re-Imagine Menlo Park* website editor, said whether lanes were added or removed did not address the fundamental issue of whether traffic could get through the existing lanes. He said with 60 turnoffs on El Camino Real and the addition of bicycles, drivers would have to wait until the bicyclists clear the bike lane to go into any of the retail establishments along the corridor and that would impact traffic flow.

Chair Eiref said regarding the model and data there had been comments that the model could not be trusted. He said whether one was a resident or not what mattered was how long it took to get from one end to the other of town. He asked if there was data to support the model. Transportation Manager Nagaya said a two-step process was used to derive the study results. She said first was an estimate of travel demand. She said they needed to know how to get from land use projections to travel demand projections. She said they used the countywide model that was both maintained for Santa Clara and San Mateo Counties in detail and spans the nine-county Bay Area region. She said the Metropolitan Transportation Commission maintains this

model. She said they look at the land use projections assumed to occur in all the different cities in the region, including in Menlo Park, any projects that were either approved or expected to occur on a regional scale in any of the included nine counties. She said that tool was used to estimate how much traffic and how much travel demand would occur both under the existing conditions as well as in future years. She said here they were looking at 2035 build out of the region. She said that provided the demand side of the equation and that model was calibrated both regionally and locally to give assurance that when a change was made it was reasonably predicting the relative differences between different alternatives and that was how they were using it. She said it tells them relative between different alternatives what they could expect in terms of changes across those options. She said once they have the travel demand projections they moved into an operational model so those volume estimates were plugged into a micro-simulation model that broke down the individual user experience. She said it looked at individual vehicles, individual pedestrians, and individual buses and estimates the amount of delay interaction that occurs between them and accounts for those different variables as part of the interaction. She said it was not the same type of analysis they do for every traffic stud. She said El Camino Real was unique and when it was brought up in the Specific Plan previously there were many questions around how it could operate within different scenarios. She said they specifically included that type of modeling in this study, which was why the cost was higher than a study in which they didn't use those types of tools. She said it was much more sophisticated and would help them understand the dynamics both between different users on the street and the interaction in the region of how different options interacted, and to really understand the land use traffic interaction as well.

Commissioner Strehl asked if any lanes would be removed south of Robles to put in a bicycle lane. Transportation Manager Nagaya said that on street parking spaces would be eliminated to allow for a bicycle lane with a painted buffer or the protected separated curb, and lanes might be narrowed but not removed. Commissioner Strehl asked if their projects included the estimated 3,500 cars expected from a large development on El Camino Real. Transportation Manager Nagaya said that the land use projections built into that first countywide model do include build out of everything within the Specific Plan area and account for those additional uses as well as regional growth outside of Menlo Park. Commissioner Strehl asked where those vehicles would go. Transportation Manager Nagaya said that was why they wanted to use the countywide model so they could look at both the impacts to potential parallel routes as well as to shift modes. Commissioner Strehl asked with more constrained lanes and more cars whether more cars would go through the neighborhoods. Transportation Manager Nagaya said what they were proposing was not to provide any more confinement to El Camino Real. She said the traffic that could come as result of development proposals could do different things. She said in the model they saw a mode shift that either existing traffic or future traffic chooses a different mode based on the competitive travel time of taking transit, riding a bicycle, walking or whatever their transit choices were. She said the other place they would go were parallel routes and that could be Middlefield Road or Alameda de las Pulgas, Hwy. 101 or Hwy. 280. She said for trips destined for other places in Menlo Park there could be other parallel streets that were more local serving such as Laurel Street or University. Commissioner Strehl said potentially those cars would go through neighborhood streets. Transportation Manager Nagaya said potentially but giving people options was an advantage. She said the more networks people have to move around the City gave them a better ability to make choices to see what works and enables them to move around the City best. Commissioner Strehl said it was indicated that increasing the through lanes to six lanes increased vehicle demand. She asked if the study showed where those cars were coming from, for example from Middlefield Road, the

neighborhoods or Alameda de las Pulgas. Transportation Manager Nagaya said that was part of the investigation. She said in the summary report a summary showed the change on Middlefield Road. She said based on the Commission's questions at the May 6 meeting, the consultant was directed to expand that analysis and make sure they thoroughly addressed the question before moving this forward to the City Council. Commissioner Strehl asked if they had the results of the last survey. Transportation Manager Nagaya said they did and would have the results published in next few weeks. She said they had 406 responses to the second survey. She said at this point the Alternatives 2 and 3 for a buffered bike lane or protected bike lane outranked Alternative 1 for the continuous three lanes.

Commissioner Strehl said she had discussed her concerns with Transportation Manager Nagaya that the Planning Commission's original packet had not included the letters received and more thorough analysis of the outcome of the study sessions as that was important data for a commission to have.

Commissioner Bressler said this was a deeply political issue and he was not in favor of adding more lanes to El Camino Real to support traffic from large developments. He said there was technology not being used and capacity would be added through different transit options. He said expanding El Camino Real to three continuous lanes both ways did not lend itself to a friendly street face. He said Alternative 2 involved some striping and adding some lanes; there were no bulb outs and could be reversed without too much expense if it proved not to work.

Commissioner Onken said there had been mention of a countywide dedicated bus lane on El Camino Real but that was not considered in this study. Transportation Manager Nagaya said the City had been communicating and coordinating with SamTrans. She said that agency has studies underway to improve transit on El Camino Real, one of which was to create a dedicated bus lane. She said the City understands that SamTrans does not consider Menlo Park to have the ridership and interest to justify a dedicated bus lane on its portion of El Camino Real. She said as the City only has three lanes on El Camino Real in the downtown today that dedicating one of those to transit would be potentially more problematic than cities that have wider cross sections. She said they included transit questions with the survey as well as bus improvement options in the workshops, which got very little public support. She said they did not see a dedicated bus lane alternative as SamTrans was not pursuing it within Menlo Park and residents' feedback did not support that type of improvement.

Commissioner Onken said that this consideration might be better done within the broader perspective of the General Plan circulation element update and in the context of everything that was occurring on El Camino Real. He said he felt the overriding concern was that this study was being done out of context.

Chair Eiref said he felt the matter was becoming a referendum on bicycles and their safety on El Camino Real. He said the study was intended to provide feedback to the City Council on El Camino Real as a transportation corridor. He said the three alternatives resulted in options for bicycles but he did not think it was intended to be a study on bicycle circulation. He asked about the origin of the work and the intention.

Transportation Manager Nagaya said the Specific Plan treated El Camino Real in particular as it related to circulation. She said coming out of the Specific Plan there was disagreement and two entrenched schools of thought on what the vision should be for El Camino Real. She said part of

that was related to bicycles and part of it was related to congestion traffic patterns through the corridor, the pedestrian experience, and how that related to potential economics in the retail experience along the corridor. She said all of those questions related to transportation were summed up and scoped out in the Capital Improvement Program as the El Camino Real Lane Reconfiguration Study as well as the design work specifically for the Ravenswood intersection.

Commissioner Kadwany said in reference to questions about the validity of the model used that he had become familiar with the induced demand concept a number of years ago. He said it was a very well known concept and very standard in the transportation world. He said if they had so many bicyclists using a bicycle lane along El Camino Real that cars and emergency access was blocked they would deal with it. He said he agreed in not adding more capacity noting Sand Hill Road traffic slowdown at peak times. He said whatever they did, there were already bicyclists on El Camino Real. He said they should take responsibility to improve El Camino Real appearance and safety.

Commissioner Ferrick said they were making a recommendation on a preferred alternative. She said in essence they were generally indicating an aspiration to have some buffered bicycle lanes and to protect the trees on the Cornerstone property. She said the chart from the staff report provided a rating of changes to traffic and those were generally neutral whatever the alternative. She said it showed that Alternative 2 the Commission chose to recommend last time would improve the experience for bicycles and pedestrians, was neutral on transit, and would improve aesthetic opportunities as opposed to six continuous lanes that actually would make all those elements worse. She said she would support the separated bicycle facility if it was feasible but she understood the Fire District's valid concern to not create obstacles and gridlock, and also did not want the City to invest in rigid infrastructure that might not work. She said based on the ratings that Alternative 2 seemed the logical and preferred choice as it would improve traffic flow on El Camino Real. She said they did not know what Greenheart or Stanford would propose as part of their projects' development, but she was comfortable with their recommendation to the Council for bicycle lanes.

Chair Eiref said he thought the spirit of reconsidering this item was to be creative and consider different ways, and not be prescriptive so that their recommendations were exactly any one of the alternatives. He said he supported mixing and matching. He said he did not know if they needed to amend their motion to get that message to Council. He said to some degree he heard support for a "do-nothing" option or do something and make it safer for bicyclists from speakers. He said whatever alternative he did not want to slow down traffic on El Camino Real and the table in the report indicated that adding capacity slowed down traffic. He said they have wasted space on El Camino Real noting the expanse across from the Stanford Park Hotel. He said he looked at bicycle lane improvements occurring in New York City. He said one idea was to create two lanes side by side rather than on opposite sides. He said if there was more space on one side of El Camino Real than the other they could consider such a doubling up of lanes for bicyclists. He said regarding safety that people were in charge of their own decision where they would ride bicycles. He said it was cheap to put paint on the street and they could experiment, noting in New York City they got paint from a federal program.

Commissioner Bressler said the large developments along El Camino Real should fund improvements and that the City should not be sacrificed to provide continuous three lanes in each direction.

Commissioner Onken said there was visioning to consider and accommodation, and that he was much more interested in a vision for El Camino Real. He said that buffered bike lanes would not work to make bicyclists' use of El Camino Real safer. He said they should do this study and put it back into the context of the circulation element in their General Plan Update, and that he was open to all of the possibilities. He noted that no business owners had expressed opposition to the on street parking being eliminated. He said he would prefer sidewalks and trees in the area where the on street parking was proposed for removal. He said he would like to amend their original motion to recommend Alternative 2 to include that the Council not act upon the Alternative but fold it into the General Plan update circulation element.

Chair Eiref asked staff about the General Plan Update and the circulation element. Senior Planner Rogers said the General Plan Update was proceeding with a land use focus on the M2 area. He said the circulation element would be looked at citywide. Transportation Manager Nagaya said the circulation element was citywide. She said several of the public speakers brought up the 2008 Complete Streets Act. She said that law required that the next update to the circulation element had to really address complete streets principles. She said they were underway in data gathering and analysis for that update but there were many steps to take before getting to a completed circulation element.

Commissioner Strehl said she did not think any of the alternatives improved the pedestrian experience. She said when they considered this item previously she had indicated she was not happy with the report, but had seconded the motion for Alternative 2. She said in supporting reconsideration she was not interested in mixing and matching their recommendation. She said they had heard from a number of people, whom she felt had thought through their comments thoroughly. She said they did not really know what the Greenheart and Stanford projects would do and she did not think they should do anything for bicyclists along El Camino Real until they knew. She said she had been with representatives from nearby cities over the weekend and had not heard anything from them about plans for bicycle lanes along El Camino Real. She moved to table and rescind their previously made recommendation, and to keep changes to El Camino Real open for more study and information.

Commissioner Ferrick said it was anticipated that retail would increase based on the Specific Plan and the early previews of the kind of projects they had seen over the last few years. She said that could actually make retail successful and having bike lanes there made a lot of sense in making the pedestrian experience that much nicer even if the sidewalk was slightly restricted in certain parts.

Commissioner Kadvanly said the Council should get the best cases for redesigning El Camino Real with goals of safety, enhancement of the business corridor and general experience, and consideration of various tradeoffs such as having or not having future capacity. He said at a certain point there were costs and costs might be in cars or dollars. He said he thought the Council needed something new, a creative vision as to how to make this corridor work.

Chair Eiref said he recalled mention there was a budget to do something particularly for the intersection at Ravenswood. He said they might need to push it out for General Plan circulation element consideration, and perhaps they wanted to recommend doing something in the future.

Commissioner Ferrick said the bicycle lanes had been in the Specific Plan for years and she did not think another level of study was needed for them. Commissioner Strehl said it was a goal or aspiration of the Plan. Commissioner Kadwany said it was a recommendation along with other recommendations on page F12 of the Plan. Transportation Manager Nagaya said that was correct. She said the map on page F11 showed all the recommended bike lanes in the vicinity and El Camino Real was shown as a future Class 2/minimum Class 3 bicycle path. She said since then there had been studies that indicated that Class 3 was not a good treatment for a road such as El Camino Real. She said the separated bicycle lane was not a known treatment at the time of the Specific Plan. She said the Plan did analysis on keeping parking and adding bike lanes. She said in a lot of cases they have the width to maintain parking and add four to five foot bicycle lanes without removing travel lanes except the need to treat right turn pockets. She said however parked cars were a safety hazard for bicyclists and they did not think it a good recommendation to put the two together in a tight span of 12 to 13 feet.

Commissioner Onken said in their recommendation last time they were saying that a protected bike lane with separated curb was not preferred for reasons of luring people into the bicycle lane with a false sense of safety that should not be there and issues of emergency vehicles and reducing the capacity of El Camino Real. He said they also did not recommend increasing lanes. He said regarding the motion on the table he would suggest amending it to indicate a preference for those options but not as a formal recommendation. Commissioner Strehl said her motion was to table the recommendation and since she did not hear support, she would withdraw her motion. She recommended that the Council do some inexpensive experiments to see how options would work such as was suggested with putting traffic cones to get some empirical information.

Chair Eiref said he felt they were supporting their previous recommendation.

Commissioner Strehl said she was withdrawing her support for Alternative 2. She said before they did anything along El Camino Real for bicyclists that they needed to have a discussion on the circulation element of the General Plan and the El Camino Real projects, which she expected would move forward in some months.

Commissioner Ferrick said she was happy when she heard this item was put back on the agenda for greater discussion. She said they did not want to slow down traffic on El Camino Real and Alternative 2 did not do that. She said it would also vastly improve the bicyclist and pedestrian experience along El Camino Real. She said the data really mattered as it helped to make the best recommendation. She said she agreed with Commissioner Strehl about the upcoming development projects. She said she did not think the Alternative 2 recommendation would be implemented before the discussions for those projects occurred. She moved to recommend Alternative 2 as the preferred alternative including preserving the trees on the Cornerstone property. Chair Eiref seconded the motion.

Transportation Manager Nagaya asked if her motion also included the previous motion's bullets to include preservation of the heritage trees on the corner of El Camino Real at Ravenswood Avenue, as well as ensuring the best possible safety outcomes, including appropriate design of the intersections, driveway curb cuts, San Francisquito Creek Bridge, and Ravenswood Avenue.

Commissioner Ferrick said she did not think they should put in a lot of different things and was glad to confirm that Alternative 2 would not eliminate traffic lanes. She said also Alternative 2

was the best public safety option as it had the ability to give cars space when emergency vehicles.

Commissioner Onken said he would abstain as he thought this should be considered in the wider context of the General Plan circulation element update.

Commissioner Bressler said he would support as there were already people on El Camino Real bicycling and this would improve safety.

Chair Eiref said that there had been time and money already spent and he did not like the idea of extending the discussion.

Commissioner Ferrick said she chose Alternative 2 as it addressed public safety concerns.

Transportation Manager Nagaya said that whatever alternative was recommended there would be multiple steps to design the plan and implement.

Commission Action: M/S Ferrick/Eiref to recommend the following.

The Commission recommends that the Council adopt Alternative 2 (Buffered Bike Lanes) as the preferred alternative, but with preservation of the heritage trees on the corner of El Camino Real at Ravenswood Avenue and El Camino Real.

Motion carried 4-1 with Commissioner Strehl opposed, Commissioner Onken abstaining, and Commissioner Combs absent.

G. STUDY SESSION

There was none.

H. INFORMATION ITEMS

There were none.

ADJOURNMENT

The meeting adjourned at 9:59 p.m.

Staff Liaison: Thomas Rogers, Senior Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on May 18, 2015

**STAFF REPORT****City Council**

Meeting Date: 8/25/2015
Staff Report Number: 15-129-CC

Consent Calendar: **Adopt a Resolution of the Successor Agency to the Community Development Agency of the City of Menlo Park Confirming Approval of the Issuance of Bonds, Approving the Preliminary and Final Official Statements, and Approving Other Official Actions Required with Respect to the Issuance of the Refunding Bonds**

Recommendation

Staff recommends the City Council, acting in its capacity as Successor Agency to the Community Development Agency, adopt a resolution confirming the approval of the issuance of bonds, approving the preliminary and final official statements, and approving other official actions required with respect to the issuance of the refunding bonds. This resolution is included as Attachment A to this report.

Policy Issues

The refinancing of bonded debt in order to reduce debt service costs and reduce risk is consistent with City fiscal policy.

Background

Over the past several months, City staff has been pursuing the refunding of the debt of the Community Development Agency for the purpose of reducing overall debt service costs and reducing the risk associated with having a letter of credit, variable rate debt, and a counter-party involved in the transaction. On July 21, 2015, the City Council, acting in its capacity as Successor Agency, adopted a resolution (#6283; staff report 15-115) that authorized the following actions:

- Approved the issuance of refunding bonds in order to refund the outstanding bonds of the Community Development Agency;
- Approved the execution and delivery of an indenture of trust related to the refunding of the outstanding bonds;
- Approved the execution and delivery of irrevocable refunding instructions related to the bonds being refunded;
- Requested Oversight Board approval of the issuance of the refunding bonds;
- Requested certain determinations by the Oversight Board; and
- Provided for other matters related to the refinancing.

On July 30th, the Oversight Board met and adopted a resolution (#15-003) approving the issuance of the refunding bonds. Once that approval was secured, City staff, per redevelopment agency dissolution law,

sent the approved Oversight Board resolution and other relevant documents to the California Department of Finance for review. The Department of Finance has 60 days to review the proposed refunding and determine if it will be approved. City staff also sent out the required subordination letters to impacted taxing entities that have “pass-through” agreements with the Community Development Agency. These pass-through agreements provide for specified payments of former tax increment to these agencies; however, these payments are subordinate to the debt service, which means that if there is not enough property tax revenue generated in the project area to pay the debt service and make the pass-through payments, the debt service gets paid first and the pass-through payments are deferred until sufficient funds are available. This has not been an issue to date, as property tax revenues have been sufficient to cover debt service and the pass-through payments. This refinancing will lower debt service costs, providing even greater assurance that pass-through payments will be able to be paid. Thus, staff does not expect any issues from the agencies currently receiving pass-through payments in accepting the continuation of the subordination of pass-through payments to the debt service. This process can take up to 45 days and runs concurrently with the review by the Department of Finance.

Analysis

The next step in this process is for the Council, acting in its capacity as Successor Agency to the Community Development Agency, to adopt a resolution confirming the issuance of the bonds, approving the preliminary and final official statements, and approving other official actions required with respect to the issuance of the bonds. The preliminary official statement is included as Attachment B to this report.

The official statement is a disclosure document that contains important information about a bond’s characteristics such as the yield, maturity, credit quality, and risk factors. The preliminary official statement included with this staff report is nearly final, with the only information not included being the assessed valuation of the project area for fiscal year 2015-16. As of the writing of this report, that information had yet to be released from the County of San Mateo Controller’s Office, although it is expected to be available very soon. To keep the process moving and make efficient use of the Successor Agency’s time, the resolution being proposed for adoption has the Successor Agency approving the preliminary official statement and then authorizing the Mayor, City Manager, or Finance Director (who are considered “Authorized Officers”) to execute and deliver the final official statement on behalf of the Successor Agency.

This resolution also allows the Authorized Officers, as well as the City Attorney, to take any actions necessary on behalf of the Successor Agency in order to consummate the sale, issuance, and delivery of the refunding bonds to the original purchaser. These actions are standard administrative actions related to a bond transaction, and utilizing Authorized Officers to execute these actions is customary.

Impact on City Resources

The most recent financial scenarios indicate net present value savings from between \$960,000 to \$1,600,000 from this refinancing depending on the process used to satisfy the reserve requirement. These savings would be realized over the life of the debt, which runs through 2031. Lower debt service costs for Community Development Agency debt results in a greater amount of former tax increment being available for distribution to all of the impacted taxing entities. Savings estimates will fluctuate based on market conditions and will be updated occasionally between now and when the refunding occurs.

Environmental Review

Environmental review is not required.

Public Notice

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

Attachments

- A. Resolution
- B. Preliminary Official Statement

Report prepared by:
Drew Corbett, Finance Director

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RESOLUTION NO.

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF
MENLO PARK CONFIRMING THE ISSUANCE OF 2015 TAX
ALLOCATION REFUNDING BONDS AND APPROVING
PRELIMINARY AND FINAL OFFICIAL STATEMENTS**

WHEREAS, the Community Development Agency of the City of Menlo Park (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law"); and

WHEREAS, a redevelopment plan for the redevelopment project area designated the "Las Pulgas Community Development Project" in the City of Menlo Park, California (the "Redevelopment Project") were adopted in compliance with all requirements of the Law; and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, and the City of Menlo Park (the "City") has become the successor entity to the Former Agency (the "Successor Agency"); and

WHEREAS, prior to dissolution of the Former Agency, the Former Agency issued its Las Pulgas Community Development Project Tax Allocation Refunding Bonds, Series 2006 in the initial aggregate principal amount of \$72,430,000 (the "Prior Bonds") in order to refund the Former Agency's Las Pulgas Community Development Project Tax Allocation Refunding Bonds, Series 1996, and the Former Agency's Las Pulgas Community Development Project Tax Allocation Bonds, Series 2000; and

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484" and, collectively, as further amended, the "Dissolution Act"), resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency; and

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters"); and

WHEREAS, Section 34177.5 also authorizes the refunding, pursuant to the Refunding Law, of existing obligations to avoid debt service spikes subject to the conditions set forth in Section 34177.5(a)(2); and

WHEREAS, the Successor Agency determined that it will achieve debt service savings on the Prior Bonds in compliance with the Savings Parameters as evidenced by the analysis prepared by its Financial Advisor, Public Financial Management, Inc. describing potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the refunding of the Prior Bonds (the "Debt Service Savings Analysis"); and

WHEREAS, the Successor Agency has determined that the potential debt service savings evidenced by the Debt Service Savings Analysis and the avoidance of debt service spikes can be achieved by refunding the Prior Bonds through the issuance, as authorized by Section 34177.5(f), by the Successor Agency of its Successor Agency to the Community Development Agency of the City of Menlo Park 2015 Series A Tax Allocation Refunding Bonds (Las Pulgas Community Development Project) (the "Refunding Bonds") pursuant to the Redevelopment Law, the Refunding Law and the form of an Indenture of Trust approved by the Successor Agency pursuant to the Resolution No. 6283, adopted July 21, 2015 (the "Resolution of Issuance"), which has been approved by the Oversight Board and submitted to the Department of Finance for approval in accordance with Section 34177.5(f); and

WHEREAS, the Agency has determined to sell the Refunding Bonds to Morgan Stanley & Co. LLC (the "Original Purchaser") pursuant to a Bond Purchase Agreement between the Successor Agency and the Original Purchaser (the "Bond Purchase Agreement"), the form of which was approved in the Resolution of Issuance; and

WHEREAS, the Successor Agency has caused to be prepared a form of Official Statement describing the Refunding Bonds and containing material information relating to the Refunding Bonds, the preliminary form of which is on file with the Secretary; and

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Bond Purchase Agreement and the Official Statement and wishes at this time to approve the foregoing as in the public interests of the Successor Agency and applicable taxing entities;

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Community Development Agency of the City of Menlo Park, as follows:

1. Confirmation of Approval of Issuance of the Bonds. The Successor Agency hereby confirms its actions in the Resolution of Issuance authorizing and approving the issuance of the Refunding Bonds pursuant to the Indenture and under the Redevelopment Law and the Refunding Law. The Refunding Bonds shall not be issued unless and until the State of California Department of Finance has approved the issuance.

2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement describing the Refunding Bonds, in substantially the form on file with the Successor Agency. Each of the Mayor, the City Manager or the Finance Director, on behalf of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Original Purchaser a certificate with respect to the information set forth therein and to deliver to the Original Purchaser a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement. Distribution of the preliminary Official Statement by the Original Purchaser is hereby approved, and, prior to the distribution of the preliminary Official Statement, either Authorized Officer is authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The executed final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds.

3. Official Actions. All actions heretofore taken by the officers and agents of the Successor Agency with respect to the issuance of the Refunding Bonds are hereby approved, confirmed and ratified. The Authorized Officers, the City Attorney as general counsel of the Successor Agency, the Secretary and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, including requisitions for the payment of costs of issuance of the Refunding Bonds, agreements, including agreements in customary form providing for the investment of the proceeds of the Refunding Bonds, notices, consents, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the Refunding Bonds to the Original Purchaser.

4. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

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 by the Successor Agency to the Community Development Agency of the City of Menlo Park at a meeting thereof held on the twenty-fifth day of August, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOFF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fifth day of August, 2015.

Pamela Aguilar
City Clerk

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**STAFF REPORT****City Council**

Meeting Date: 8/25/2015
Staff Report Number: 15-130-CC

Consent Calendar: **Adopt a Resolution Approving the Revised Investment Policy for the City and the Former Community Development Agency of Menlo Park**

Recommendation

Staff recommends the City Council adopt a resolution approving the revised investment policy for the City and the former Community Development Agency of Menlo Park.

Policy Issues

The investment policy provides guidelines for investing City and former Agency funds in accordance with State of California Government Code Section 53601 et seq. Annual adoption of the policy enables periodic review and revision of the policy. The proposed action is to adopt a revised investment policy. The proposed revisions are reflected in the red-lined policy, which is attached to this report.

This report is typically reviewed by the Finance and Audit Committee prior to being brought forward for City Council approval. However, due to the departure of the Finance Director, the timing of the meetings of the Finance and Audit Committee, and the nature of the changes proposed to the policy, staff is instead bringing this report directly to the City Council and requesting approval at this point in an attempt to ease the transition for the Interim Finance Director.

Background

The investment of funds by a California local agency, including the types of securities in which an agency may invest, is governed by the California Government Code. The law requires that the legislative body of each agency adopt an investment policy, which may add further limitations than those established by the State. In addition, an agency's investment policy must be reviewed annually, and any changes must be adopted at a public meeting. The City of Menlo Park has had such a policy in place since 1990. The investment policy was last reviewed and updated by the City Council on August 19, 2014.

Annual adoption of the City's investment policy provides an opportunity to regularly review the policy to ensure its consistency with the overall objectives of safety, liquidity, and yield, as well as its relevance to current law and economic trends. Early in each fiscal year, the City's investment advisor (Cutwater Asset Management) reviews the policy to ensure it is kept up to date and in compliance with applicable State statutes. Cutwater also makes recommendations for strategic changes to the investment policy to position the City's portfolio to maximize yield while maintaining safety and liquidity.

The annual review of the City's investment policy provides the opportunity to make modifications to reflect changes in the investment environment. The types of modifications will vary but are often focused on providing greater diversification to maintain a safe and liquid investment portfolio. Further, the annual

review is also a good time to clarify certain terms, remove ambiguity in the policy language, and better reflect changes in current market trading technologies.

Analysis

Changes to the investment policy recommended at this time are minor and consist of adding language in the broker/dealer section (page 7) and updating the name of the bank credit rating service provider (page 7). The change to the broker/dealer language allows the investment advisory firm to utilize its list of broker/dealers, which will expand the pool of eligible broker/dealers and help ensure the most competitive pricing is achieved on each transaction.

The City's investment portfolio returned 0.64% in 2014-15, which reflects the continued lack of return on highly-safe investments. It is not expected that investment yields will increase materially in the near future, and as such, staff expects the City to continue to see minimal returns on its investment portfolio. With that said, staff will continue to work with Cutwater to refine its investment strategy to improve its return without compromising its top investment objectives of safety and liquidity.

Impact on City Resources

Adoption of the City's investment policy with the recommended changes would not result in any impact on City resources.

Environmental Review

Environmental review is not required.

Public Notice

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

Attachments

- A. Current Investment Policy with Revisions
- B. Resolution (Exhibit A – Proposed Investment Policy)

Report prepared by:
Drew Corbett, Finance Director

City of Menlo Park

Investment Policy

The City of Menlo Park (the “City”), incorporated in 1927, is located between San Francisco and Oakland on the North, and San Jose on the South. The City is governed by a City Council (the “Council”) of five members elected at-large.

The Council has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the unexpended funds of the City. All such investments will be made in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on the ~~19th of August 2014~~ 25th of August, 2015. It replaces any previous investment policy or investment procedures of the City.

SCOPE

The provisions of this Policy shall apply to all financial assets of the City and the Community Development Agency of Menlo Park as accounted for in the City’s Comprehensive Annual Financial Report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds on a monthly basis.

OBJECTIVES

The City’s funds shall be invested in accordance with all applicable municipal codes and resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

The management responsibility for the City's investment program is delegated annually by the Council to the Chief Financial Officer (the "CFO") pursuant to California Government Code Section 53607. The City's Director of Finance serves as the CFO. In the absence of the CFO, the Financial Services Manager is authorized to conduct investment transactions. The CFO may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The CFO shall maintain a list of persons authorized to transact securities business for the City. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The CFO shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The CFO and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any business interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City. In addition, the City Manager, the Assistant City Manager and the Finance Director shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that, pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds.

Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy or past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City's attorney, the CFO will present a recommended course of action to the Council for approval.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency debentures, federal agency mortgage-backed securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement.
3. Federal Instrumentality (government-sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.

4. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least "A" or the equivalent by a nationally recognized statistical ratings organization (NRSRO), at the time of purchase.
5. Negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Investment Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or the equivalent by a NRSRO at the time of purchase.
6. Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal and State Obligations:
 - A. Municipal bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
8. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3)

have debt other than commercial paper, if any, that is rated at least "A" or the equivalent or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least "A-1" or the equivalent or higher by a NRSRO.

9. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least "A" or the equivalent by a NRSRO at the time of purchase.
10. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by the U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items #1 through #3 above, with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The CFO shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
12. Money Market Funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least "AAA" or the equivalent by at least two NRSROs.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities and transactions be strictly interpreted. Any deviation from this list must be preapproved by resolution of the City Council.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

Securities shall not exceed the following maximum limits as a percentage of the total portfolio:

Type of Security	Maximum Percentage of the Total Portfolio
U.S. Treasury Obligations	100%
Federal Agency Securities†	100%†
Federal Instrumentality Securities†	100%†
Repurchase Agreements	100%
Local Government Investment Pools	100%
Aggregate amount of Certificates of Deposit, Negotiable and Non-Negotiable*	25%
Aggregate amount of Prime Commercial Paper*	25%
Aggregate amount of Money Market Funds*	20%
Aggregate amount of Municipal Bonds*	30%
Aggregate amount of Eligible Banker's Acceptances*	15%
Aggregate amount of Medium-Term Notes*	30%

† No more than 20% of the City's total portfolio shall be invested in mortgage-backed securities.

*No more than 5% of the City's total portfolio shall be invested in any one issuer/financial institution and/or its affiliates.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement unless the Council has, by resolution, granted authority to make such an investment at least three months prior to the date of

investment. The sole maturity distribution range shall be from zero to five years from the date of trade settlement.

SELECTION OF BROKER/DEALERS

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be ~~recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a primary dealer within its holding company structure and must be~~ licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

The City may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. The list of approved firms shall be provided to the City on an annual basis or upon request.

In the event that an external investment advisory firm is not used in the process of recommending a particular transaction, Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent broker/dealer Information Request form.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, the CFO will then document quotations for comparable or alternative securities.

SELECTION OF BANKS AND SAVINGS BANKS

The CFO shall maintain a list of authorized banks and savings banks that are approved to provide banking services for the City. To be eligible to provide banking services, a financial institution shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and must be a member of the FDIC. The City shall utilize ~~Thomson—Reuters~~ SNL Financial Bank Insight ratings to perform credit analyses on banks seeking authorization. The analysis shall include a composite rating and individual ratings of liquidity, asset quality, profitability and capital adequacy. Annually, the CFO shall review the most recent credit rating analysis reports performed for each approved bank. Banks that in the judgment of the CFO no longer offer adequate safety to the City shall be removed from the City's list of authorized banks. Banks failing to meet the criteria outlined above, or in the judgment of the CFO no longer offer adequate safety to the City, will be removed from the list. The CFO shall maintain a file of the most recent

credit rating analysis reports performed for each approved bank. Credit analysis shall be performed on a semi-annual basis.

SAFEKEEPING AND CUSTODY

The CFO shall select one or more financial institutions to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The CFO shall maintain a file of the credit rating analysis reports performed semi-annually for each approved financial institution. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, or its Depository Trust Company (DTC) participant account.

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

PORTFOLIO REVIEW AND REPORTING

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the Finance Director shall notify the City Manager

and/or Designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

Quarterly, the CFO shall submit to the Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
5. A statement of the ability to meet expenditure requirements for six months, as well as an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council annually. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Any amendments to the Policy shall be reviewed by the City's Finance/Audit Committee prior to being forwarded to the City Council for approval.

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RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK ADOPTING EXHIBIT A AS THE REVISED INVESTMENT
POLICY FOR THE CITY AND FORMER COMMUNITY
DEVELOPMENT AGENCY TO BECOME EFFECTIVE IMMEDIATELY**

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 does hereby adopt Exhibit A as the revised investment policy for the City and former Community Development Agency to become effective immediately.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-fifth day of August, 2015 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 on this twenty-fifth day of August, 2015.

Pamela Aguilar
City Clerk

City of Menlo Park

Investment Policy

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The Council has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the unexpended funds of the City. All such investments will be made in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on the 25th of August, 2015. It replaces any previous investment policy or investment procedures of the City.

SCOPE

The provisions of this Policy shall apply to all financial assets of the City and the Community Development Agency of Menlo Park as accounted for in the City’s Comprehensive Annual Financial Report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds on a monthly basis.

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The CFO shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

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The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

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The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency debentures, federal agency mortgage-backed securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement.
3. Federal Instrumentality (government-sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.

4. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least "A" or the equivalent by a nationally recognized statistical ratings organization (NRSRO), at the time of purchase.
5. Negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Investment Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or the equivalent by a NRSRO at the time of purchase.
6. Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal and State Obligations:
 - A. Municipal bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated at least "A", or the equivalent, by a NRSRO at the time of purchase.
8. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3)

have debt other than commercial paper, if any, that is rated at least "A" or the equivalent or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least "A-1" or the equivalent or higher by a NRSRO.

9. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least "A" or the equivalent by a NRSRO at the time of purchase.
10. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by the U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items #1 through #3 above, with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The CFO shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
12. Money Market Funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least "AAA" or the equivalent by at least two NRSROs.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities and transactions be strictly interpreted. Any deviation from this list must be preapproved by resolution of the City Council.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

Securities shall not exceed the following maximum limits as a percentage of the total portfolio:

Type of Security	Maximum Percentage of the Total Portfolio
U.S. Treasury Obligations	100%
Federal Agency Securities†	100%†
Federal Instrumentality Securities†	100%†
Repurchase Agreements	100%
Local Government Investment Pools	100%
Aggregate amount of Certificates of Deposit, Negotiable and Non-Negotiable*	25%
Aggregate amount of Prime Commercial Paper*	25%
Aggregate amount of Money Market Funds*	20%
Aggregate amount of Municipal Bonds*	30%
Aggregate amount of Eligible Banker's Acceptances*	15%
Aggregate amount of Medium-Term Notes*	30%

† No more than 20% of the City's total portfolio shall be invested in mortgage-backed securities.

*No more than 5% of the City's total portfolio shall be invested in any one issuer/financial institution and/or its affiliates.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement unless the Council has, by resolution, granted authority to make such an investment at least three months prior to the date of

investment. The sole maturity distribution range shall be from zero to five years from the date of trade settlement.

SELECTION OF BROKER/DEALERS

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

The City may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. The list of approved firms shall be provided to the City on an annual basis or upon request.

In the event that an external investment advisory firm is not used in the process of recommending a particular transaction, each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form, which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent broker/dealer Information Request form.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, the CFO will then document quotations for comparable or alternative securities.

SELECTION OF BANKS AND SAVINGS BANKS

The CFO shall maintain a list of authorized banks and savings banks that are approved to provide banking services for the City. To be eligible to provide banking services, a financial institution shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and must be a member of the FDIC. The City shall utilize SNL Financial Bank Insight ratings to perform credit analyses on banks seeking authorization. The analysis shall include a composite rating and individual ratings of liquidity, asset quality, profitability and capital adequacy. Annually, the CFO shall review the most recent credit rating analysis reports performed for each approved bank. Banks that in the judgment of the CFO no longer offer adequate safety to the City shall be removed from the City's list of authorized banks. Banks failing to meet the criteria outlined above, or in the judgment of the CFO no longer offer adequate safety to the City, will be removed from the list. The CFO shall maintain a file of the most recent credit rating analysis reports performed for each approved bank. Credit analysis shall be performed on a semi-annual basis.

SAFEKEEPING AND CUSTODY

The CFO shall select one or more financial institutions to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The CFO shall maintain a file of the credit rating analysis reports performed semi-annually for each approved financial institution. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, or its Depository Trust Company (DTC) participant account.

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

PORTFOLIO REVIEW AND REPORTING

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the Finance Director shall notify the City Manager

and/or Designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

Quarterly, the CFO shall submit to the Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
5. A statement of the ability to meet expenditure requirements for six months, as well as an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council annually. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Any amendments to the Policy shall be reviewed by the City's Finance/Audit Committee prior to being forwarded to the City Council for approval.



STAFF REPORT

City Council
Meeting Date: 8/25/2015
Staff Report Number: 15-141-CC

Consent Calendar: **Authorize the City Manager to enter into an agreement with Bay Area Water Supply and Conservation Agency (BAWSCA) not to exceed \$80,000 to provide direct rebates to residents and businesses for the Lawn Be Gone program**

Recommendation

Staff recommends that the City Council authorizes the City Manager to sign the attached agreement with Bay Area Water Supply and Conservation Agency (BAWSCA) not to exceed \$80,000.

Policy Issues

A total of \$80,000 has been approved by City Council in FY 15-16 for Lawn Be Gone rebates. The City Manager’s signature authority is limited to \$50,000. Therefore, City Council approval is requested to allow the City Manager to sign the attached agreement with BAWSCA for the budgeted amount. This action is consistent with the approved FY 15-16 budget and previous staff reports to the City Council.

Background

Each year BAWSCA asks member jurisdictions to sign agreements committing the amount of funding they will provide for Lawn Be Gone rebates. The approved FY 15-16 budget includes \$80,000 in funding for Lawn Be Gone rebates, and no new funding is being requested. The attached agreement shows that the City will provide up to \$80,000 in Lawn Be Gone rebates. The City allocates up to \$2.00 per square foot, for a total of \$40,000 for residential Lawn Be Gone and \$40,000 for commercial Lawn Be Gone rebates, as discussed in City Council report # 14-194 on November 18, 2014.

Analysis

Individual rebates are paid by the City directly to participating residents and businesses, after they have passed pre- and post-project inspections and submitted receipts for the landscaping work performed. On average, each individual rebate awarded is less than \$40,000. For FY 2014-15, the City of Menlo Park reviewed and approved a total of 14 Lawn Be Gone applications, resulting in an estimated additional 1,247,556 gallons saved annually (10 residential projects resulting in 439,032 gallons saved, and 4 commercial projects resulting in 808,524 gallons saved).

Impact on City Resources

There are no additional City resources required. Budget and staff time for the Lawn Be Gone program

have previously been approved by the City Council.

Environmental Review

No environmental review is required for this project.

Public Notice

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

Attachments

A. BAWSCA Lawn Be Gone Agreement

Report prepared by:

Heather Abrams, Environmental Services Manager

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY**APPLICATION TO PARTICIPATE IN THE LAWN BE GONE! REBATE PROGRAM
FOR JULY 1, 2015 THRU JUNE 30, 2016**

The Bay Area Water Supply and Conservation Agency (BAWSCA) administers a rebate program for the replacement of turf with water-efficient landscaping. The Lawn be Gone! Rebate Program (Program) will offer a rebate to customers of **\$1.00 to \$4.00 per square foot** of turf replaced, depending on the rebate amount provided by the Participating Agency. For the FY 2015-16, there will be no cap on the maximum rebate amount; however each application is subject to participating agency pre-approval and funding availability. Participation in this Program provides BAWSCA members a way to offer their customers an incentive, to reduce their outdoor water use.

The Program will run from July 1, 2015 through June 30, 2016. This Program will be administered by BAWSCA, but participating member agencies will conduct all pre- and post- inspections, process payments for all rebate applications, and issue all rebates in-house. Below is an outline of the respective roles of BAWSCA and the participating member agencies under this Program.

BAWSCA's Role:

1. Overall Program management and coordination.
2. Coordination of Program material development and production and distribution of Program materials to participating agencies.
3. Receipt of customer applications for BAWSCA service area, entering specific data into an online database system, and distribution of applications to appropriate member agencies.
4. Maintain online database of Program-wide data with tracking and reporting by agency.
5. Regional promotion of Program, including website development and hosting.
6. Conduct Proposition 84 grant administration, reporting and disbursement.

Participating Agency's Role:

1. Agreement to all Program rules and conditions of this application (Program rules are attached).
2. Local promotion of Program, including distribution of Program materials within service area including to residential and non-residential customers and local nurseries.
3. In-house rebate processing (pay rebates, issue problem and denial letters, respond to all Program-related customer service calls forwarded by BAWSCA).
4. Submission of Program data to BAWSCA via the online database on a regular basis, and as needed to support the Proposition 84 grant administration.
5. Any field services such as pre- and post-installation inspections (at agency discretion).

This Program is eligible to receive funds as part of the BAWSCA Proposition 84 grant award. The grant will reimburse participating agencies up to \$0.75 per square foot rebated, as tracked in the BAWSCA on-line rebate processing system. Grant funds are limited and are available on a first come first serve basis. The actual reimbursement timeline and final amount will be dependent on BAWSCA's receipt of funds from the State.

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

**APPLICATION TO PARTICIPATE IN THE LAWN BE GONE! REBATE PROGRAM
FOR JULY 1, 2015 THRU JUNE 30, 2016**

Members who wish to participate in this Program for July 1, 2015 – June 30, 2016 should fill out the information below and sign this application and return it to BAWSCA, attention Andree Johnson, no later than June 10, 2015.

- 1. NAME OF AGENCY: City of Menlo Park
- 2. ADDRESS: 701 Laurel St. Menlo Park, CA 94025
- 3. CONTACT PERSON: Vanessa Marcadejas
- 4. PHONE: (650) 330-6768 5. FAX: () _____
- 6. E-MAIL: vamarcodejas@menlopark.org
- 7. MAXIMUM AGENCY BUDGET (7/1/15-6/30/16): \$ 80,000
- 8. REBATE AMOUNT: \$1.00 per sq. ft. \$2.00 per sq. ft. \$4.00 per sq. ft.
- 9. CUSTOMER CLASS ELIGIBLE FOR REBATE: RSF RMF CII
- 10. Please indicate whether your agency will issue rebate check or credit to water service account: _____
- 11. Please indicate which marketing materials and how many your agency would like:
 - 100 Lawn Be Gone! Brochure and Application (Hard Copy)
 - 100 Lawn Be Gone! Postcard (Hard Copy)
 - _____ Lawn Be Gone! Signage (Sign to put in converted yards) → city already has in stock

By submitting this application, the agency agrees to all Program rules and conditions of this application, agrees to fulfill the participating agency role as defined above, and agrees to cooperate with BAWSCA generally in administering the Program. Participating member agencies can expect to pay a proportional share of BAWSCA staff time for Program administration, estimated at \$20.00 per rebate. Agency also agrees to pay printing and associated shipping costs for the Program materials including the applications and/or postcards, as well as BAWSCA's costs to administer the Lawn Be Gone! portion of the Proposition 84 grant, estimated at up to a maximum total cost of \$10,000. Each agency's share of these costs will be allocated pro rata based on either the number of materials requested in item #10 of this application, or the number of rebates issued by the agency that are eligible for grant reimbursement. An additional assessment for each participating agency's share of the online rebate system hosting and administration costs may also apply; agency will be notified of any such costs before these costs are incurred. A list of all Program rules accompanies this application (see attached). If a change in administration of the Program is necessary that would incur additional expense, BAWSCA will inform participating agencies before proceeding.

[Signature of authorized representative] Date: 6/10/15

Name: _____ Title: _____
[Please print]

ATTACHMENT 1: BAWSCA LAWN BE GONE! PROGRAM RULES

The following Terms and Conditions apply to the BAWSCA Lawn Be Gone! Program:

I. Program Eligibility

- A. **Eligible Applicants:** The Program is available to customers (Applicants) who (1) purchase water from a participating BAWSCA Member Agency, (2) have a distinct meter to allow for evaluation of water savings, and (3) have an account in good standing.
- B. **Current Lawn Condition:** Lawn areas to be converted must be maintained and in healthy condition, and be irrigated by a sprinkler system in good working condition. The lawn area must be irrigated with water from the potable water system (i.e., not with private wells or recycled water).
- C. **Current Lawn Size:** A minimum of 200 square feet of lawn must be converted. Smaller projects will be considered if they eliminate 100% of the front, or publically-visible lawn, on the Applicant's property.
- D. **Pre-Conversion Site Inspection Requirement:** The Program Rebate Application must be submitted to BAWSCA and the Applicant must participate in a Pre-Conversion Site Inspection conducted by, or on behalf of, the participating BAWSCA Member Agency. Lawn removals or conversions that are initiated prior to a Pre-Conversion Site Inspection and the receipt of a Notice to Proceed from a participating BAWSCA Member Agency will not be eligible for this Program.
- E. **Drought Restrictions:** Due to ongoing drought conditions, the Lawn Be Gone! Program will not permit plant installations during the dry season (July 1st to October 15th) in 2015. Notice to Proceed for Program Rebate Applications submitted during the dry season will specify that planting may only be completed after October 15, 2015. Customers will have four (4) months to complete projects from the Notice to Proceed date. Only plants purchased after October 15th will be eligible for the rebate. During the dry season, Pre-Conservation Site Inspections will be conducted and customers will receive a Notice to Proceed specifying the date when plant installation may commence. **Customers are encouraged to submit Program Rebate Applications on or before the dry season and to stop irrigation and/or complete sheet mulching upon receipt of Notice to Proceed.**

II. Landscaping Requirements for Converted Areas

- A. **Fifty Percent (50%) Plant Cover Rule:** The converted area must include a sufficient number of plants to ensure at least 50% of the converted area is covered with plants, when fully grown. Plants outside the converted area are not considered in the plant coverage calculation even if they are adjacent to, or overhanging into, the converted area.
- B. **Plant Type Restrictions:** Plants installed in the converted area must be listed on the BAWSCA-Approved Plant List, or otherwise demonstrated to be low-water use. Applicants are encouraged to use native, non-invasive plants. For a copy of the BAWSCA-Approved Plant List please visit www.BAWSCA.com.
- C. **Impermeable Surfaces:** Impermeable surfaces, such as concrete, that do not allow water to penetrate into the ground, are not allowed in the converted area. Permeable hardscape is allowed, however, the 50% Plant Cover Rule still applies to the entire converted area. For clarification as to what qualifies as permeable hardscape, please visit www.BAWSCA.com.
- D. **Artificial Turf:** Rebates will not be provided for artificial turf that is installed within the converted area.
- E. **Mulch Requirements:** All planting areas within the converted area must have a minimum of three (3) inches of mulch. Please note that if a weed barrier is used below the mulch, it must be permeable to air and water.
- F. **Efficient Irrigation System Requirements:** An irrigation system is not required in the converted area. An existing sprinkler irrigation system in the converted area must be removed, capped in place, or converted to a low volume drip. A new irrigation system installed in the converted area must be low volume drip, equipped with proper backflow prevention, a rainfall shutoff valve, a pressure regulator, filter and pressure compensating emitters. The irrigation system in the converted area must be in good working order, and free of leaks and malfunctions. If only part of a lawn area is converted, the converted area must be irrigated on a separate valve

from the remaining lawn. The sprinkler system for the remaining lawn must be modified to only irrigate the remaining lawn area and may not spray onto the converted area.

III. Terms of the Rebate

- **Rebate Term:** Lawn Conversion Projects must be completed within four (4) months following receipt of the "Notice to Proceed" from the participating BAWSCA Member Agency. Because the goal of this program is to achieve significant and lasting water savings, the converted area must remain converted for at least three (3) years following receipt of the rebate. An Applicant may be charged for some, or all, of the rebate amount at the discretion of the participating BAWSCA Member Agency if the Applicant does not maintain the converted area in conversion. Notwithstanding the foregoing, this requirement is void upon transfer of ownership.
- **Rebate Amount:** The rebate amount is one dollar (\$1.00) to four dollars (\$4.00) per square foot of lawn converted (see Attachment A for participating BAWSCA Member Agencies and associated rebate amounts offered). The rebate amount is limited to actual costs incurred in completing the Lawn Conversion Project for plants, irrigation equipment, and other direct costs. There is no maximum rebate; however, each application is subject to participating agency pre-approval and availability of funds. Once a Lawn Conversion Project has been completed and approved, rebates will be issued to the Applicant. Rebates may be issued in the form of a check or a credit on the Applicant's water account.
- **Pre-Conversion Site Inspection:** Customers interested in participating in the Program must first submit an application to BAWSCA, including their proposed plant list for the converted area. The participating BAWSCA Member Agency will then, at the agency's discretion, accept that application and conduct a Pre-Conversion Site Inspection of the Applicant's site to measure the proposed conversion area and verify that the Applicant's proposed Lawn Conversion Project meets the Terms and Conditions. If the Applicant is approved, the participating BAWSCA Member Agency will issue a Notice to Proceed.
- **Post-Conversion Site Inspection:** The Applicant is responsible for notifying the participating BAWSCA Member Agency that the Lawn Conversion Project is complete and for scheduling a Post-Conversion Site Inspection. The participating BAWSCA Member Agency will then conduct the Post-Conversion Site Inspection to verify Program compliance. During the Post-Conversion Site Inspection Applicants are required to provide the following documents:
 - Final list of plants used in the Lawn Conversion Project.
 - Copy of receipts for plants, irrigation equipment, and other direct costs for the Lawn Conversion Project. Note that the rebate will not cover costs associated with labor and equipment rental.

If the Lawn Conversion Project fails the Post-Conversion Site Inspection, the Applicant will be given thirty (30) days, or the remainder of the four (4) month period, whichever is greater, to make the Lawn Conversion Project consistent with the Program Terms and Conditions. Once the Lawn Conversion Project has passed the Post-Conversion Site Inspection, the rebate will be issued to the Applicant. Rebates may be issued in the form of a check or a credit on the Applicant's water account.

- **Photography:** Photographs and/or video recordings may be taken of the Lawn Conversion Projects by BAWSCA and/or participating BAWSCA Member Agency staff as part of both the Pre- and Post-Conversion Site Inspections. Photographs and/or video recordings will only be taken of areas already visible from a public walkway. By accepting the rebate, the Applicant shall release to BAWSCA and the participating BAWSCA Member Agency, its agents, and employees all rights to exhibit those media in print and electronic form for any purpose in the normal course of business without compensation. The Applicant waives any rights, claims, or interests to control the likeness or identification used in whatever media used. The Applicant's personal identity shall not be published in any form other than the Applicant's address.
- **Additional Responsibilities of the Applicant:** BAWSCA and the participating Member Agencies enforce only the Terms and Conditions of this agreement. The Applicant is solely responsible for complying with any and all laws, regulations, policies, conditions, covenants and restrictions that may apply, and for any and all liabilities arising out of a Lawn Conversion Project. Applicants must comply with all local permitting requirements, and with all state and local laws relating to landscape maintenance and compliance with stormwater regulations.
- **Additional Requirements:**
 - Rebates for landscapes in new construction do not qualify.

- Agency may require that an Applicant also have an Indoor Water Audit as part of pre-conversion site inspection.
- All rebates are subject to availability of funds.
- Rebates may take up to ten weeks to process.
- If you need your original receipt(s) returned, please enclose a self-addressed, stamped envelope with your application.
- Applicant certifies, per the signature of the property owner, that necessary permissions have been obtained from the property owner, if applicant is not the owner.

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STAFF REPORT

City Council
Meeting Date: 8/25/2015
Staff Report Number: 15-138-CC

Consent Calendar: **Authorize the City Manager to Execute Agreements with the Peninsula Corridor Joint Powers Board for the Operations and Funding of the City’s Shuttle Program for Fiscal Year 2015-2016**

Recommendation

Staff recommends that the City Council authorize the City Manager to execute agreements with the Peninsula Corridor Joint Powers Board (JPB) for the operations and funding of the City’s Shuttle Program for Fiscal Year 2015-2016.

Policy Issues

This project is in line with several policies in the 1994 General Plan Circulation and Transportation Element. These policies seek to promote the use of public transit and to promote the use of alternatives to the single-occupant automobile.

Background

The City of Menlo Park manages an extensive shuttle program that provides alternative transportation service to many residents, employees, and visitors, serving over 80,000 riders annually. The program is primarily funded by generous grants provided by the City/County Association of Governments of San Mateo County (C/CAG), the JPB, and the Metropolitan Transportation Commission (MTC), via the San Mateo County Transit District. These funds are typically made available following the successful completion of a competitive application process, an executed agreement between parties, and a demonstrated adherence to the agreement details.

Analysis

The Marsh Road, Willow Road, Midday and Shoppers’ services are funded through a variety of funding sources, including grants from C/CAG, the JPB, and Lifeline funds. The allocation of all awarded grant fund amounts for Fiscal Year 2015-16 are shown in the following table.

Funding Source	Total	Budget Allocation by Shuttle for FY 2015-16			
		Midday	Marsh	Willow	Shoppers’
C/CAG grant	469,304	142,907	133,249	136,339	56,809
MTC “Lifeline”	85,280	85,280	-	-	-
JPB grant	71,154	-	34,930	36,224	-
Total:	625,738	228,187	168,179	172,563	56,809

Impact on City Resources

The total cost of the Shuttle Program for fiscal year 2015-2016 is expected to be \$625,738. As shown in the preceding table, the Shuttle Program will be funded by the awarded grants following execution of the funding agreements.

Environmental Review

This proposed action is categorically exempt under the current California Environmental Quality Act Guidelines as this is a service already operated by the City.

Public Notice

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

Attachments

- A. Agreement between Peninsula Corridor Joint Power Board and City of Menlo Park for Menlo Park Willow Road Caltrain Shuttle
- B. Agreement between Peninsula Corridor Joint Power Board and City of Menlo Park for Menlo Park Marsh Road Caltrain Shuttle
- C. Agreement between Peninsula Corridor Joint Power Board and City of Menlo Park for Menlo Park Midday Shuttle
- D. Agreement between Peninsula Corridor Joint Power Board and City of Menlo Park for Menlo Park Shopper Caltrain Shuttle

Report prepared by:
Jessica Almanza, Transportation Engineering Assistant

Report reviewed by:
Nicole H. Nagaya, P.E., Transportation Manager

Amendment No. 1**To****RAIL SHUTTLE BUS SERVICE ADMINISTRATION AGREEMENT BETWEEN
PENINSULA CORRIDOR JOINT POWERS BOARD AND CITY OF MENLO PARK
FOR WILLOW ROAD CALTRAIN SHUTTLE**

THIS AMENDMENT modifies the Rail Shuttle Bus Service Administration Agreement (“Agreement”), which was effective November 24, 2014, by and between the Peninsula Corridor Joint Powers Board (“JPB”) and City of Menlo Park (“Lead Organization”).

The JPB and the Lead Organization entered into the Agreement, whereby the Lead Organization participates in the JPB shuttle bus services program; and

The Agreement is set to expire on June 30, 2015; and

The Parties desires to extend the Agreement for a one year period; and

The Parties desire to amend the Agreement in accordance with the terms and conditions of this First Amendment.

NOW THEREFORE, IT IS AGREED to amend the Agreement as follows:

1. Section 2 of the Agreement, Lead Organization, is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, the Lead Organization shall provide the projected minimum Seventy-Six point Three percent (76.3%) financial share.

2. Section 3 of the Agreement, Shuttle Service Vendor, is amended by replacing the following language as the first paragraph:

JPB shall make available to Lead Organization the above described Shuttle Service operated by the JPB's Shuttle Provider (“Vendor”) in full accordance with the terms and conditions of the contract between the JPB and the Vendor. The Lead Organization will have daily management responsibilities for the Shuttle.

3. Section 4 of the Agreement, Term, is amended by adding the following language as the second paragraph:

Effective _____, 2015, the term of the Agreement shall be extended for 12 months commencing July 1, 2015 and ending June 30, 2016.

4. Section 5 of the Agreement, Maximum Contribution; Payment, is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, the JPB's maximum contribution (which includes contributions from all other funding agencies involved, if any) for Shuttle Service shall not exceed Twenty-Six Thousand Five Hundred Twenty Dollars (\$26,520) or Twenty-Three point Seven percent (23.7%) of the estimated total operating costs for the Shuttle Service as determined by the JPB, **whichever is less**.

5. Section 6 of the Agreement, Lead Organization's Payment is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, Lead Organization shall pay Seventy-Six point Three percent (76.3%) of the total actual costs of operating the Shuttle Service. Lead Organization's share shall equal Eighty-Five Thousand Three Hundred Thirty Dollars (\$85,330), subject to a final adjustment.

6. Section 15 of the Agreement, Liaison is amended by adding the following language after the Lead Organization's Liaison information:

When the primary Lead Organization's Liaison is unavailable, a secondary contact shall be:

Lead Organization's 2nd Liaison:

TBD
TBD Position
() TBD Phone
TBD email

7. Effective July 1, 2015, the following Exhibits have been deleted and replaced by revised Exhibits:

EXHIBIT B SCHEDULE OF SHUTTLE SERVICE
EXHIBIT C MARKETING PROGRAM
EXHIBIT D FUNDING BENCHMARKS
EXHIBIT F INDEMNITY INCLUSION

Except for those changes expressly specified in this First Amendment, all other provisions, requirements, conditions, and sections of the underlying Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the date first written above with the intent to be legally bound.

PENINSULA CORRIDOR JOINT
POWERS BOARD

CITY OF MENLO PARK

By: _____

By: _____

Name: _____

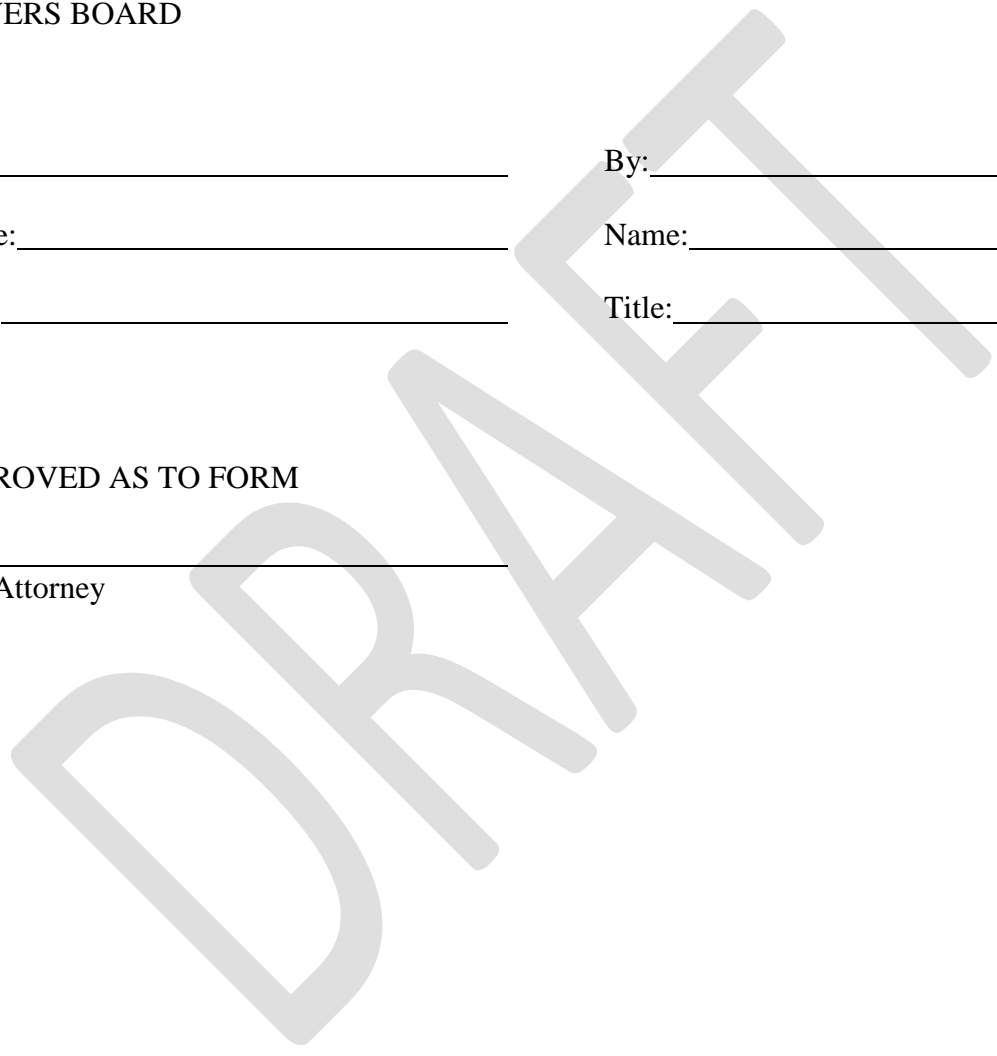
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Title: _____

APPROVED AS TO FORM

JPB Attorney



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Amendment No. 1**To****RAIL SHUTTLE BUS SERVICE ADMINISTRATION AGREEMENT BETWEEN
PENINSULA CORRIDOR JOINT POWERS BOARD AND THE CITY OF MENLO
PARK FOR MARSH ROAD CALTRAIN SHUTTLE**

THIS AMENDMENT modifies the Rail Shuttle Bus Service Administration Agreement (“Agreement”), which was effective November 24, 2014, by and between the Peninsula Corridor Joint Powers Board (“JPB”) and City of Menlo Park (“Lead Organization”).

The JPB and the Lead Organization entered into the Agreement, whereby the Lead Organization participates in the JPB shuttle bus services program; and

The Agreement is set to expire on June 30, 2015; and

The Parties desires to extend the Agreement for a one year period; and

The Parties desire to amend the Agreement in accordance with the terms and conditions of this First Amendment.

NOW THEREFORE, IT IS AGREED to amend the Agreement as follows:

1. Section 2 of the Agreement, Lead Organization, is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, the Lead Organization shall provide the projected minimum Seventy-Five point Eight percent (75.8%) financial share.

2. Section 3 of the Agreement, Shuttle Service Vendor, is amended by replacing the following language as the first paragraph:

JPB shall make available to Lead Organization the above described Shuttle Service operated by the JPB's Shuttle Provider (“Vendor”) in full accordance with the terms and conditions of the contract between the JPB and the Vendor. The Lead Organization will have daily management responsibilities for the Shuttle.

3. Section 4 of the Agreement, Term, is amended by adding the following language as the second paragraph:

Effective _____, 2015, the term of the Agreement shall be extended for 12 months commencing July 1, 2015 and ending June 30, 2016.

4. Section 5 of the Agreement, Maximum Contribution; Payment, is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, the JPB's maximum contribution (which includes contributions from all other funding agencies involved, if any) for Shuttle Service shall not exceed Thirty-Two Thousand Three Hundred Thirty Dollars (\$32,330) or Twenty-Four point Two percent (24.2%) of the estimated total operating costs for the Shuttle Service as determined by the JPB, **whichever is less**.

5. Section 6 of the Agreement, Lead Organization's Payment is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, Lead Organization shall pay Seventy-Five point Eight percent (75.8%) of the total actual costs of operating the Shuttle Service. Lead Organization's share shall equal One Hundred One Thousand Two Hundred Seventy Dollars (\$101,270), subject to a final adjustment.

6. Section 15 of the Agreement, Liaison is amended by adding the following language after the Lead Organization's Liaison information:

When the primary Lead Organization's Liaison is unavailable, a secondary contact shall be:

Lead Organization's 2nd Liaison:

TBD
TBD Position
() TBD Phone
TBD email

7. Effective July 1, 2015, the following Exhibits have been deleted and replaced by revised Exhibits:

EXHIBIT B SCHEDULE OF SHUTTLE SERVICE
EXHIBIT C MARKETING PROGRAM
EXHIBIT D FUNDING BENCHMARKS
EXHIBIT F INDEMNITY INCLUSION

Except for those changes expressly specified in this First Amendment, all other provisions, requirements, conditions, and sections of the underlying Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the date first written above with the intent to be legally bound.

PENINSULA CORRIDOR JOINT
POWERS BOARD

CITY OF MENLO PARK

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPROVED AS TO FORM

JPB Attorney

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Amendment No. 1

To

**RAIL SHUTTLE BUS SERVICE ADMINISTRATION AGREEMENT BETWEEN
PENINSULA CORRIDOR JOINT POWERS BOARD AND CITY OF MENLO PARK
FOR MENLO PARK MIDDAY SHUTTLE**

THIS AMENDMENT modifies the Rail Shuttle Bus Service Administration Agreement (“Agreement”), which was effective November 24, 2014, by and between the Peninsula Corridor Joint Powers Board (“JPB”) and City of Menlo Park (“Lead Organization”).

The JPB and the Lead Organization entered into the Agreement, whereby the Lead Organization participates in the JPB shuttle bus services program; and

The Agreement is set to expire on June 30, 2015; and

The Parties desires to extend the Agreement for a one year period; and

The Parties desire to amend the Agreement in accordance with the terms and conditions of this First Amendment.

NOW THEREFORE, IT IS AGREED to amend the Agreement as follows:

1. Section 3 of the Agreement, Shuttle Service Vendor, is amended by replacing the following language as the first paragraph:

JPB shall make available to Lead Organization the above described Shuttle Service operated by the JPB's Shuttle Provider (“Vendor”) in full accordance with the terms and conditions of the contract between the JPB and the Vendor. The Lead Organization will have daily management responsibilities for the Shuttle.

2. Section 4 of the Agreement, Term, is amended by adding the following language as the second paragraph:

Effective _____, 2015, the term of the Agreement shall be extended for 12 months commencing July 1, 2015 and ending June 30, 2016.

3. Section 5 of the Agreement, Maximum Contribution; Payment, is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, the JPB's maximum contribution (which includes contributions from all other funding agencies involved, if any) for Shuttle Service shall not exceed Zero Dollars (\$0.00), which is Zero percent (0.0%) of the estimated total operating costs for the Shuttle Service as determined by the JPB.

4. Section 6 of the Agreement, Lead Organization's Payment is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, Lead Organization shall pay One Hundred point Zero percent (100.0%) of the total actual costs of operating the Shuttle Service. Lead Organization's share shall equal Two Hundred Nine Thousand Nine Hundred Forty Dollars (\$209,940), subject to a final adjustment.

5. Section 15 of the Agreement, Liaison is amended by adding the following language after the Lead Organization's Liaison information:

When the primary Lead Organization's Liaison is unavailable, a secondary contact shall be:

Lead Organization's 2nd Liaison:

TBD
TBD Position
() TBD Phone
TBD email

6. Effective July 1, 2015, the following Exhibits have been deleted and replaced by revised Exhibits:

EXHIBIT F INDEMNITY INCLUSION

Except for those changes expressly specified in this First Amendment, all other provisions, requirements, conditions, and sections of the underlying Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the date first written above with the intent to be legally bound.

PENINSULA CORRIDOR JOINT
POWERS BOARD

CITY OF MENLO PARK

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPROVED AS TO FORM

JPB Attorney

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Amendment No. 1**To****RAIL SHUTTLE BUS SERVICE ADMINISTRATION AGREEMENT BETWEEN
PENINSULA CORRIDOR JOINT POWERS BOARD AND CITY OF MENLO PARK
FOR MENLO PARK SHOPPER SHUTTLE**

THIS AMENDMENT modifies the Rail Shuttle Bus Service Administration Agreement (“Agreement”), which was effective November 24, 2014, by and between the Peninsula Corridor Joint Powers Board (“JPB”) and City of Menlo Park (“Lead Organization”).

The JPB and the Lead Organization entered into the Agreement, whereby the Lead Organization participates in the JPB shuttle bus services program; and

The Agreement is set to expire on June 30, 2015; and

The Parties desires to extend the Agreement for a one year period; and

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NOW THEREFORE, IT IS AGREED to amend the Agreement as follows:

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3. Section 5 of the Agreement, Maximum Contribution; Payment, is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, the JPB's maximum contribution (which includes contributions from all other funding agencies involved, if any) for Shuttle Service shall not exceed Zero Dollars (\$0.00), which is Zero percent (0.0%) of the estimated total operating costs for the Shuttle Service as determined by the JPB.

4. Section 6 of the Agreement, Lead Organization's Payment is amended by adding the following language as the second paragraph:

During the 12 month extension of the Agreement, commencing July 1, 2015 and ending June 30, 2016, Lead Organization shall pay One Hundred point Zero percent (100.0%) of the total actual costs of operating the Shuttle Service. Lead Organization's share shall equal Fifty-Eight Thousand Seven Hundred Seventy Dollars (\$58,770), subject to a final adjustment.

5. Section 15 of the Agreement, Liaison is amended by adding the following language after the Lead Organization's Liaison information:

When the primary Lead Organization's Liaison is unavailable, a secondary contact shall be:

Lead Organization's 2nd Liaison:

TBD
TBD Position
() TBD Phone
TBD email

6. Effective July 1, 2015, the following Exhibits have been deleted and replaced by revised Exhibits:

EXHIBIT F INDEMNITY INCLUSION

Except for those changes expressly specified in this First Amendment, all other provisions, requirements, conditions, and sections of the underlying Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the date first written above with the intent to be legally bound.

PENINSULA CORRIDOR JOINT
POWERS BOARD

CITY OF MENLO PARK

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPROVED AS TO FORM

JPB Attorney

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STAFF REPORT

City Council

Meeting Date: 8/25/2015
Staff Report Number: 15-137-CC

Consent Calendar: **Award a Construction Contract to W. Bradley Electric, Inc. (WBE) for the Willow Road Traffic Signal Modification Project in the Amount of \$229,490 and Appropriate \$18,760 from the Traffic Impact Fee Fund Balance and Authorize a Total Construction Contract Budget of \$283,913**

Recommendation

Staff recommends that the City Council award a construction contract to W. Bradley Electric, Inc. (WBE) for the Willow Road Traffic Signal Modification Project in the amount of \$229,490 and appropriate \$18,760 from the Traffic Impact Fee Fund balance and authorize a total construction contract budget of \$283,913.

Policy Issues

Award of contract exceeds staff authorization. This project is consistent with several policies in the 1994 General Plan Circulation and Transportation Element. These policies seek to maintain a circulation system using the Roadway Classification System that provide for the safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes.

Background

In 2005, the City of Menlo Park submitted a funding application via Congresswoman Anna Eshoo's office to the United States Committee on Transportation, Subcommittee on Transportation and Infrastructure to provide for the modification of nine (9) traffic signal systems on Willow Road between Middlefield Road and Hamilton Avenue, upgrading the existing traffic signal system hardware and software to allow access and use of an Adaptive Traffic Coordination System, in the amount of \$1.3 million.

Subsequently, 426 projects were authorized under SAFETEA-LU, including the above mentioned Menlo Park project. However, SAFETEA-LU authorized only the amount of \$240,000 for the Menlo Park project. The funds allocated under SAFETEA-LU are available until expended or rescinded by legislation. The Federal share for SAFETEA-LU High Project Priority project is 80%. The local agency is responsible for the 20% non-Federal match and any additional funds necessary to fully fund the project.

Due to the limited number of outside funding opportunities to obtain the unfunded balance of the project costs and competition from other jurisdictions for these few outside funding sources, staff was unable to acquire additional funding to construct the project and consequently, the project was placed on hold until 2014. The recent traffic signal modification and signal interconnect projects on Willow Road between Middlefield Road and Bayfront Expressway including the C/CAG Smart Corridor Project, U.S. Department of Veterans Affairs (VA) Hospital Entry/Willow Road Reconfiguration Project, and Facebook Project Mitigation Measures had considerably reduced the scope of work for the original project. Staff identified

the remaining unfinished work to be completed on Willow Road at the intersections with Gilbert Avenue and Coleman Avenue, to include upgrading the traffic signal controller and electrical equipment and software. Staff completed the project design and released a request for contractor bids on July 17, 2015.

Analysis

On August 11, 2015, six bids were submitted and opened for the Willow Road Traffic Signal Modification Project. The lowest bidder for the project, W. Bradley Electric, Inc. (WBE) submitted a bid in the amount of \$229,490. Attachment A provides the bid summary. Staff has work with W. Bradley Electric, Inc. (WBE) on previous traffic signal modification projects and is satisfied with its past performance.

Impact on City Resources

The construction contract budget for the Willow Road Traffic Signal Modification Project consists of the following:

	Amount
Construction contract	\$229,490
Contingency (15%)	\$34,423
Inspection, Contract Administration Costs	\$20,000
Total Construction Contract Budget	\$283,913
Available funds	\$265,153
Additional appropriation requested	\$18,760

There are sufficient funds in the Traffic Impact Fee Fund Balance to cover the additional funds needed. The amount of \$202,400 will be reimbursed to the City through the SAFETEA-LU federal funding grant.

Environmental Review

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

Public Notice

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

Attachments

- A. Bid Summary

Report prepared by:
Rene C. Baile, Transportation Engineer



BID SUMMARY

Willow Road Traffic Signal Modification

Bid Opening: Tuesday, August 11, 2015 at 2:00 PM

Apparent Low Bidder

	COMPANY	BID
1	W. Bradley Electric, Inc. (WBE)	\$229,490
2	Mike Brown Electric	\$233,932
3	St. Francis Electric, Inc.	\$239,305
4	Bear Electrical Solutions, Inc.	\$246,650
5	Tennyson Electric, Inc.	\$293,806
6	Columbia Electric	\$308,824

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**STAFF REPORT****City Council**

Meeting Date: 8/25/2015
Staff Report Number: 15-133-CC

Consent Calendar: **Approve the Response to the San Mateo County Grand Jury Report: “Flooding Ahead: Planning for Sea Level Rise”**

Recommendation

Staff recommends that the City Council approve and sign the attached response to the San Mateo County Grand Jury report, “Flooding Ahead: Planning for Sea Level Rise” dated June 4, 2015.

Policy Issues

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

Background

The San Mateo County Grand Jury filed a report on June 4, 2015 on investigation of the risks associated with Sea Level Rise (SLR) (Attachment B). The report identifies the vulnerability posed to the County and its 20 cities and the potential financial impact that would result from SLR. The report recommends that the County and its cities take on a coordinated approach to address and prepare for the risks posed to people, infrastructure, and property. The attached letter has been written as a response to the Grand Jury findings and recommendations (Attachment A).

The Grand Jury report contains twelve findings and seven recommendations. Comments responding to the Findings and Recommendations are required to be submitted to the Honorable Judge Susan I. Etezadi no later than September 3, 2015. The City’s response must be approved by the City Council at a public meeting.

Analysis

In response to the Grand Jury report, the City states its general agreement with the report’s findings regarding the risks associated with SLR. The City agrees that a countywide coordinated approach is needed to address the potential impact to people, infrastructure, and property. Addressing SLR should be undertaken by an organization that represents all of the jurisdictions in the County. Its focus should include storm related flooding, tidal action, and SLR. This analysis is generally consistent with the responses to the Grand Jury report from those of other cities and agencies within the County of San Mateo.

Impact on City Resources

Approving and submitting a response to the Grand Jury report has no direct impact on City resources.

Environmental Review

No environmental assessment is required.

Public Notice

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

Attachments

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

Report prepared by:
Azalea Mitch, Senior Civil Engineer



August 25, 2015

Honorable Susan I. Etezadi
 Judge of the Superior Court
 c/o Charlene Kresevich
 Hall of Justice
 400 County Center, 2nd Floor
 Redwood City, CA 94063-1655

RE: Grand Jury Report: “Flooding Ahead: Planning for Sea Level Rise”

Dear Judge Etezadi:

The City Council of the City of Menlo Park (City) voted at its public meeting on August 25, 2015 to authorize this response to the San Mateo County (SMC) Civil Grand Jury Report “Flooding Ahead: Planning for Sea Level Rise” released on June 4, 2015.

Responses to Findings

F1. SMC is at severe risk for flooding due to the gradual rise in sea level, projected at up to 65 inches (167 centimeters) by the year 2100. Catastrophic SLR of nearly 15 feet is a possibility this century.

Response: *The City agrees that the County of San Mateo is at risk of flooding due to sea level rise (SLR). While studies of the California coastline indicate a potential increase of up to 65 inches in SLR, estimates of catastrophic levels vary significantly. As a member agency of the San Francisquito Creek Joint Powers Authority (SFCJPA), the City is participating in the SAFER Bay project. The SAFER Bay project will evaluate infrastructure alternatives to protect Menlo Park, East Palo Alto, and Palo Alto against extreme tides and Sea Level Rise.*

F2. SLR is a threat countywide, including the upland areas. All residents depend on public infrastructure, especially wastewater treatment plants. Also, a significant portion of the countywide property tax base is within the area threatened by SLR.

Response: *The City agrees that SLR is a threat countywide and that if nothing is done, major infrastructure will be affected.*

F3. Although many local officials are now familiar with and concerned about the threat of SLR, there is inadequate public awareness of SLR’s potential impacts on this county.

Response: *The City is familiar and concerned about the threat of SLR. Through the SAFER Bay project, the SFCJPA has conducted public forums to increase public awareness of SLR to the City’s residents.*

F4. Levees including their financing, are currently the responsibility of each individual city or special agency with jurisdiction along streams, bay, and coast (the County is responsible for unincorporated areas).

Response: *The City agrees.*

F5. Flood risk is based on topography, not political boundaries. The safety of properties in one jurisdiction often depends on levee projects undertaken by another jurisdiction.

Response: *The City agrees that flood risk is based on topography, not jurisdictional boundaries. A multi-jurisdictional approach to SLR, such as that undertaken by the SAFER Bay project which includes the Cities of Menlo Park, Palo Alto and East Palo Alto, addresses these regional challenges.*

F6. Currently, no countywide agency exists to provide planning, facilitate coordination among jurisdictions, or to assist with securing funding for existing flood control projects. The same is true for future SLR-related projects.

Response: *The City agrees.*

F7. To the Grand Jury's knowledge, no local jurisdiction has adopted SLR projections or maps for specific local land use planning purposes. No consistent SLR projection has been adopted countywide by the County and cities.

Response: *The City agrees.*

F8. There is a recognized need for a countywide approach to SLR planning and coordination among jurisdictions.

Response: *The City agrees.*

F9. Several city managers and others interviewed did not support having a new countywide organization assume direct control of levee projects at this time.

Response: *The City supports a coordinated approach to SLR and believes in the development of a countywide organization to lead this effort.*

F10. The County and cities can address SLR in their General Plans and Climate Action Plans, can map the threat, and can adopt relevant policies.

Response: *The City agrees. The City is in the process of updating its General Plan Land Use Element, which will address sea level rise and complement existing policies in the Safety Element.*

F11. Many actions to address SLR are within the authority of regional, State, and federal agencies.

Response: *The City partially agrees. Cities and other local agencies can also take action to address SLR.*

F12. By acting now, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, and by using land use planning measures to mitigate future exposure to SLR.

Response: *The City agrees.*

Responses to Recommendations

R1. The County, each city in the county and relevant local special agencies should conduct a public education effort to increase awareness of SLR and its potential effects on this county.

Response: *The City has been in the process of implementing this recommendation through the SFCJPA / SAFER Bay Project. The impacts of SLR will continue to be discussed at the SFCJPA's public meetings.*

R2. The County, each city in the county and relevant local special agencies should identify a single organization, such as a new joint powers authority or an expanded SMC Flood Control District, to undertake countywide SLR planning. It should be structured to undertake countywide SLR planning. It should be structured to ensure that:

- The organization is countywide in scope
- The organization is able to focus on SLR
- Both the County and cities (and possibly relevant local agencies) are able to participate in the organization's decision making
- The organization is sustainably funded

Response: *This recommendation has not been implemented. The City agrees that SLR planning should be undertaken by a single organization that represents the County and the cities. While the focus of this report focuses on expanding the role of the SMC Flood Control District or the creation of a new joint powers authority, the City / County Association of Governments (C/CAG) should also be considered as an organization capable of undertaking SLR planning. C/CAG currently manages other countywide programs that include stormwater, environmental quality, and climate protection. The new agency undertaking SLR should be represented by all of the jurisdictions in the County.*

R3. The organization's responsibilities should include:

- Adopt consistent SLR projections for use in levee planning countywide
- Conduct and/or evaluate vulnerability assessments

- Provide a forum for inter-jurisdictional coordination and exchange of information related to SLR
- Undertake grant applications for SLR-related planning and projects
- Facilitate raising funds on a countywide basis for SLR-related projects, to be passed through to agencies with direct responsibility for project construction
- Monitor actual SLR over time and any changes in SLR projections, based upon the latest federal, State, or regional government reports and scientific studies
- Through the CEQA environmental review process, comment on major new developments proposed in the SLR floodplain
- Advocate on behalf of the member jurisdictions with federal, State, and regional agencies regarding SLR issues
- Assist the County and cities in public awareness efforts, as described in R1

Response: *This recommendation has not been implemented. The City believes that these responsibilities are reasonable. However, we recommend that planning for SLR also include other mitigation measures, not just the creation of levees. In addition, the organization should be responsible for assessing flooding related to both SLR and coastal surge, fluvial, and surface conditions.*

R4. The County, cities and two relevant local agencies (SFCJPA and SMC Flood Control District) should consider expanding the role of the organization beyond SLR to include planning and coordination of efforts to address existing flooding problems along the Bay, coast, and creeks that are subject to tidal action. It may be cost-effective to integrate SLR protection with other levee-improvement programs.

The County and cities may also consider expanding the role of the new organization to include potentially compatible functions such as the National Pollution Discharge Elimination System (NPDES), currently managed by C/CAG, and the new (2014) State requirements for local sustainable groundwater planning.

Response: *This recommendation has not been implemented. The City agrees that the organization should include planning for SLR in addition to flooding related to coastal surge, fluvial, and surface conditions. Such an approach would allow for the organization to assess protection measures that are comprehensive in nature. However, the addition of other functions, such as those related to groundwater planning, requires further analysis. The City believes that the integration of other functions into the organization should be discussed and evaluated with the County, cities, and relevant local agencies.*

R5. The organization – its administration, staffing, and program expenses-should be funded on a sustainable basis by:

- Member contributions
- Contributions solicited from parties threatened by SLR, including corporations and agencies that operate public facilities, such as wastewater treatment plants
- Grants solicited from available potential sources such as the California Climate Resilience Account

- Reducing administrative costs by contracting for services with the County or another agency

Response: *This recommendation has not been implemented. The City agrees that the organization should be funded on a sustainable basis.*

R6. The County and each city should amend its General Plan, as needed, to address the risk for SLR. The Safety Element should include a map of any areas vulnerable to SLR, as determined by measurements in the countywide Vulnerability Assessment (R3). Further, it should identify policies that apply to areas threatened by SLR.

Response: *This recommendation has not been implemented. The City is in the process of updating its General Plan Land Use Element, which will address sea level rise and complement existing policies in the Safety Element. The Safety Element includes a map of areas vulnerable to SLR. In addition, the City has approved a five year strategy to reduce Green House Gas (GHG) emissions through its Climate Action Plan (CAP). As part of the CAP, the City is in the process of installing photovoltaic systems for two City facilities as well as electric vehicle charging stations. Energy efficiency improvements are also in the process of being implemented at City Hall which will reduce the building's cooling and heating load and energy consumption. The CAP's five year strategy will reduce GHGs, which are the likely cause of increased climate temperature and accelerated SLR.*

R7. The County, cities, and relevant local special agencies, through their representatives on regional agencies, membership in state associations, lobbyists, and elected State and federal legislators, should pursue SLR-related issues with government bodies outside SMC.

Response: *The City has been in the process of implementing this recommendation and will continue to do so.*

Sincerely,

Catherine Carlton
Mayor

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Hall of Justice and Records
400 County Center
Redwood City, CA 94063-1655

JOHN C. FITTON
COURT EXECUTIVE OFFICER
CLERK & JURY COMMISSIONER

(650) 261-5066
FAX (650) 261-5147
www.sanmateocourt.org

RECEIVED

JUN 09 2015

June 4, 2015

City Council
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Re: Grand Jury Report: "Flooding Ahead: Planning for Sea Level Rise"

Dear Councilmembers:

The 2014-2015 Grand Jury filed a report on June 4, 2015 which contains findings and recommendations pertaining to your agency. Your agency must submit comments, within 90 days, to the Hon. Susan I. Etezadi. Your agency's response is due no later than September 3, 2015. **Please note that the response should indicate that it was approved by your governing body at a public meeting.**

For all findings, your responding agency shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

Additionally, as to each Grand Jury recommendation, your responding agency shall report one of the following actions:

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

Please submit your responses in all of the following ways:

1. Responses to be placed on file with the Clerk of the Court by the Court Executive Office.
 - Prepare original on your agency's letterhead, indicate the date of the public meeting that your governing body approved the response address and mail to Judge Etezadi.

Hon. Susan I. Etezadi
Judge of the Superior Court
c/o Charlene Kresevich
Hall of Justice
400 County Center; 2nd Floor
Redwood City, CA 94063-1655.

2. Responses to be placed at the Grand Jury website.
 - Copy response and send by e-mail to: grandjury@sanmateocourt.org. (Insert agency name if it is not indicated at the top of your response.)
3. Responses to be placed with the clerk of your agency.
 - File a copy of the response directly with the clerk of your agency. Do not send this copy to the Court.

For up to 45 days after the end of the term, the foreperson and the foreperson's designees are available to clarify the recommendations of the report. To reach the foreperson, please call the Grand Jury Clerk at (650) 261-5066.

If you have any questions regarding these procedures, please do not hesitate to contact Paul Okada, Chief Deputy County Counsel, at (650) 363-4761.

Very truly yours,



John C. Fitton
Court Executive Officer

JCF:ck
Enclosure

cc: Hon. Susan I. Etezadi
Paul Okada

Information Copy: City Manager

June 4, 2015

A typographical error was discovered following the distribution of advance copies of the report entitled "Flooding Ahead: Planning for Sea Level Rise."

The first bullet point at the top of Page 6 should reference 6 wastewater treatment plants, not 5. Those six wastewater treatment plants are listed with greater detail on Page 7.



FLOODING AHEAD: PLANNING FOR SEA LEVEL RISE

ISSUE

What actions can the County of San Mateo, and the 20 cities and two relevant local special agencies within the county, take now to plan for sea level rise?

SUMMARY

San Mateo County is at severe risk for sea level rise (SLR) over the period 2015-2100. The County, and the 20 cities and two relevant local special agencies within the county,¹ do not have a coordinated approach to address *existing* problems related to flooding and are not prepared for the added challenge of SLR. This investigation documents the countywide risk that SLR poses to people, property, and critical infrastructure. For example, wastewater treatment plants are highly vulnerable to SLR and this vulnerability presents significant problems for all cities, not just those along the coast and bay.

This Grand Jury report discusses ways to get organized to plan for SLR, as well as alternative sources of funding for SLR-related projects. Based on this investigation, the Grand Jury recommends that a single organization undertake SLR planning on a countywide basis. This report also examines ways to address SLR as part of local land use planning and recommends including SLR-related policies in local General Plans. It also recommends implementation of a coordinated program to raise public awareness of SLR, particularly as to how it may impact this county. Finally, the report highlights the need for effective and coordinated advocacy at the regional, State, and federal levels.

The Grand Jury strongly urges action *now* to undertake countywide planning for SLR. By acting now, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, such as those that may be triggered by new FEMA flood hazard maps. By acting now, San Mateo County jurisdictions may apply land use planning measures to mitigate future exposure to SLR. Finally, by acting now to address SLR, San Mateo County can also address the lack of coordination among jurisdictions that is evident in existing flood prevention efforts. Notably, this lack of coordination places the county at a severe disadvantage when applying for federal or State monies for flood protection.

GLOSSARY

County of San Mateo or **County**: County government under the Board of Supervisors

San Mateo County or **SMC**, or **county**: the geographic entity. Local governments and residents collectively.

¹ The two relevant special agencies with responsibilities for flood prevention are the County Flood Control District and the San Francisquito Creek Joint Powers Authority.

Levees: includes levees, horizontal levees, walls, dikes, and similar structures designed to prevent flooding along the coast, bay shoreline, and along creeks subject to tidal flows

Local officials: elected and appointed officials and staff of the County, cities, and special agencies within the county, interviewed by the jury

CEQA: California Environmental Quality Act. A law governing the environmental review process, including the preparation of environmental impact reports, to be used by local governments when considering proposed new developments.

JPA: Joint Powers Authority. A separate government agency created by its member agencies (such as cities and counties), typically with officials from the member agencies on its governing board. JPAs are formed for specific purposes and to exercise powers commonly held by the member agencies. For example, two or more cities may form a JPA to manage a common government function, such as fire protection for their jurisdictions, where it is more cost-effective to act together than separately.

Specific Agencies

BCDC: San Francisco Bay Conservation and Development Commission. A State agency with permit authority over new development along the San Francisco Bay shoreline. BCDC requires an SLR risk assessment for any new development within its jurisdiction. It published the report *Living with a Rising Bay: Vulnerability and Adaptation in San Francisco Bay and on Its Shoreline* (2011).

C/CAG: City/County Association of Governments of San Mateo County. A JPA formed by the County of San Mateo and all 20 cities within the county for various purposes including, for example, oversight of a regional transportation Congestion Management Program.

CCC: California Coastal Commission. A State agency with permit authority over new development along the coast. CCC requires an SLR risk assessment for new development within its jurisdiction.

CEC: California Energy Commission. A State agency responsible for energy policy and planning, including research. It published the reports *The Impacts of Sea Level Rise on the San Francisco Bay* (2012) and *Climate Change Scenarios and Sea Level Rise Estimates for California* (2009).

CO-CAT: Coastal and Ocean Working Group of the California Climate Action Team. A working group of senior staff from 17 State agencies with ocean and coastal resource management responsibilities. It issued the *State of California Sea-Level Rise Guidance Document* (2013) for use by State agencies as part of their assessments and decisions.

FEMA: Federal Emergency Management Administration. A federal agency whose responsibilities include preparing Flood Insurance Rate Maps that depict areas subject to

inundation by a “100-year storm.”² At present, FEMA does not map flood hazards based on anticipated future sea levels.

NRC: National Research Council. An operating arm of the National Academy of Sciences and the National Academy of Engineering, a private nonprofit institution. It published the report *Sea Level Rise for the Coasts of California, Oregon and Washington: Past, Present and Future* (2012).

SCC: State Coastal Conservancy. A State agency that purchases, protects, restores, and enhances coastal resources. Currently supports preparation of local coastal plans and vulnerability assessments in San Mateo County that address SLR.

BACKGROUND

San Mateo County (SMC) residents are at severe risk for flooding due to projected sea level rise (SLR) over the period 2015-2100. In fact, SLR is already occurring. Measurements at the San Francisco Tide Station at the Golden Gate show eight inches of SLR between 1897 and 2006, consistent with figures from around the world.³

The precise amount and rate of SLR are unknown, but State agencies have consistently advised that seas are rising at “accelerating rates,” and project SLR ranging up to 65 inches (167 centimeters) by the year 2100.⁴ One scientist advised SMC officials of the possibility of even greater SLR, nearly 15 feet, during this century.⁵

² A “100-year-storm” is used to define a rainfall event that statistically has a one percent chance of occurring in any given year. However, it is not the storm that will occur once every 100 years. Rather, it is the rainfall totals that have a one percent chance of being equaled or exceeded each year.

³ Matthew Heberger et al. (Pacific Institute) 2012, *The Impacts of Sea Level Rise on the San Francisco Bay*, California Energy Commission (CEC) Publication No. CEC-500-2012-014, pp. 2-3; and San Francisco Bay Conservation and Development Commission (BCDC), *Living with a Rising Bay: Vulnerability and Adaptation in San Francisco Bay and on Its Shoreline*, Staff Report, October 6, 2011, p. 18.

⁴ In 2008, Governor Schwarzenegger issued an executive order requiring State agencies to prepare SLR scenarios for the years 2050 and 2100 to “assess project vulnerability, reduce expected risks, and increase resilience to sea level rise.” In response, the Coastal and Ocean Working Group of the California Climate Action Team (CO-CAT), representing 17 State agencies, proposed interim SLR projections for the year 2100 ranging from 31 to 69 inches, grouped into “low,” “medium,” and “high” models (based on a 2009 CEC study). For some planning purposes, agencies such as BCDC focused on 55 inches of SLR, the average projection in the “high” model. However, CO-CAT urged agencies to “select SLR values based on agency and context-specific considerations of risk tolerance and adaptive capacity.” (See BCDC, *Living with a Rising Bay*, pp. 9, 20-22.) In 2012, the National Research Council (NRC) issued a report *Sea Level Rise for the Coasts of California, Oregon and Washington: Past, Present and Future*. The report projects SLR ranging from about 16 inches to 65 inches (42 to 167 centimeters) by the year 2100. The NRC report was commissioned by California, Oregon, and Washington State agencies, by the National Oceanic and Atmospheric Administration (NOAA), the U.S. Army Corps of Engineers, and the U.S. Geological Survey. CO-CAT now considers the NRC report to be the “best available science” on SLR for this state, but allows State agencies to use the projections “in a flexible manner” in their assessments or decisions. (See CO-CAT, *Sea-Level Rise Guidance Document*, March 2013, p. 1, and California Coastal Commission (CCC), *Draft Sea Level Rise Policy Guidance*, October 14, 2013, p. 4.)

⁵ John Englander, Conference Speech at Jackie Speier, Rich Gordon, and Dave Pine, “Meeting the Challenge of Sea Level Rise in San Mateo County,” December 9, 2013, College of San Mateo Theatre, San Mateo, CA.

Scientists have identified the major sources of SLR: an increase in water temperature causing expansion of the oceans, plus the addition of water from melting glaciers.⁶ Based on scientific studies, State agencies warn that additional SLR is now *inevitable*.⁷

Most discussions of SLR focus on the cause (climate change) and means of prevention (such as reducing carbon emissions). This Grand Jury report is not about preventing SLR, but rather about *adaptation* to SLR. Adaptation includes measures such as constructing or modifying levees, elevating structures, restoring wetlands, or abandoning low-lying areas.

This report addresses SLR that is projected to gradually increase through the year 2100. Although this may seem to stretch far into the future, it is within the lifespan of younger residents and the useful life of many existing buildings and infrastructure. Substantial areas of the county are *already* within existing FEMA flood insurance rate maps. Unless better protected, these areas could feel the first impact of SLR at any time.

Over the last 20 years, there have been incidents of severe flooding in SMC. In December 2014, low-lying basins and levee over-topping were contributing factors when a moderate “five-year”⁸ storm left hundreds of residents homeless.⁹ If the County, cities, and two relevant local special agencies are struggling to address *existing* flood conditions, how will they handle worse conditions in the future?¹⁰

METHODOLOGY

Documents

See Bibliography for a detailed list:

- Federal, State, and regional agency reports
- Consultant studies prepared for government agencies

⁶ The risk is not just SLR alone, that is, a slow rise in sea level until one day the levees are topped. For one thing, SLR can undermine the integrity of existing levees. Even more, the risk lies in the *combination* of SLR, plus the yearly high tides (“king” tides), plus a 100-year storm that causes a storm surge and wave action in the Bay, plus heavy rainwater runoff in creeks. Other factors that influence the risk of flooding due to SLR include changes in land elevation due to earthquakes, and the subsidence, or sinking, of land such as that caused by excess pumping of groundwater. See BCDC, *Living with a Rising Bay*, p. 4; and see Schaaf & Wheeler, Consulting Civil Engineers, *Climate Change Impacts for San Mateo, California*, February 2, 2009, pp. 4-10 (report commissioned by the City of San Mateo).

⁷ “Perhaps the most notable finding from the IPCC is that the effect of GHG emissions will continue long after emissions are reduced. The IPCC projects that global temperature will continue rising for a few centuries before stabilizing. Sea level rise from thermal expansion will continue for centuries to millennia. Sea level rise from ice-sheet melting will continue for several millennia.” BCDC, *Living with a Rising Bay*, p. 9.

⁸ A five-year storm statistically is a storm whose magnitude has a 20% chance of occurrence each year.

⁹ Angela Swartz, “Cleanup Begins: Some Still Can’t Return to Homes Damaged from Storm, CSM Shelter Available,” *San Mateo Daily Journal*, December 16, 2014; a 45-year flood in 1998 that damaged about 1,700 properties was a factor that led to the creation of the San Francisquito Creek JPA. See <http://sfcjpa.org/web/about/agency-overview/>.

¹⁰ The two relevant local special agencies with responsibilities for flood prevention are the San Mateo County Flood Control District and the San Francisquito Creek Joint Powers Authority.

- Information from government websites
- City and county planning documents
- Newspaper articles
- Videos of two conferences on SLR held in San Mateo County

Site Tours

Silicon Valley Clean Water wastewater treatment plant (Redwood Shores)

Interviews

In conducting this investigation, the jury interviewed 14 individuals including two elected officials; four city managers or assistant city managers; four executive directors, general managers, or assistant general managers of three joint powers authorities; and four County of San Mateo appointed officials.

DISCUSSION

San Mateo County's Exposure to Sea Level Rise

As noted earlier, State agencies project SLR within a range of up to 65 inches by 2100. A 2012 report, prepared by the Pacific Institute for the California Energy Commission (CEC), documents the potential impacts on areas around San Francisco Bay of sea level rise of 16 inches by 2050 and 55 inches by 2100.¹¹

The results of the CEC study are startling. Of all the counties in California, SMC is by far the most exposed to SLR, in terms of both the residents and economic value at risk. Assuming 55 inches of SLR, the replacement value of buildings and contents at risk of flooding along the bay is estimated to exceed \$23 billion, while that along the coast is valued at \$910 million (land value is not included in these figures).¹² This is about one-quarter of the statewide total and nearly 40% of the Bay Area total. The dollar figure only hints at the threat to the people and structures within SMC due to SLR:

- 120,000 residents at risk of losing their homes to flooding (also nearly one-quarter of the statewide and 40 percent of the Bay Area totals)¹³
- 110,000 employees at job locations at risk

¹¹ Heberger et al., *The Impacts of Sea Level Rise*, pp. 6-21. As noted in the discussion in footnote 4 of this Grand Jury report, 55 inches is the average of "high" model projections. Thus, it represents a close-to-worst-case scenario (excluding catastrophic SLR discussed elsewhere in this report).

¹² SCC, "San Mateo County Shoreline Vulnerability Assessment," Staff Recommendation, January 29, 2015, p. 2. Valuation of coastal property at risk was not included in the Heberger et al. report but was provided by the Pacific Institute.

¹³ Pacific Institute, "Thematic Maps." <http://www.pacinst.org/publications/sea-level-rise-thematic-maps/>. Based upon 2010 U.S. Census data, the website updates the 110,000 population figure for SMC that was included in Heberger et al.

- 6 wastewater treatment plants at risk
- 1 power plant at risk
- 72 miles of highways at risk
- 420 miles of roads at risk
- 10 miles of railroads at risk
- 78 EPA-regulated hazardous material sites at risk
- 75% of existing wetlands at risk of being “unviable”

The Grand Jury reviewed SLR flood maps prepared by the Pacific Institute, which show the impact of 55 inches of SLR.¹⁴ These maps are included in the Appendix. All of Foster City and substantial areas of Redwood City and San Mateo could be inundated. Serious flooding could also occur in East Palo Alto, Menlo Park, San Carlos, Belmont, Burlingame, Millbrae, San Bruno, and South San Francisco.

The 55-inch SLR flood zone covers important commercial centers including part of South San Francisco’s biotech industrial area, the hotels along Burlingame’s shoreline, numerous shopping areas, business parks, and recreational spaces. Within this floodplain are the headquarters of Visa International in Foster City, Franklin Templeton Investments in San Mateo, Oracle in Redwood Shores, and Facebook in Menlo Park.

Fifty-five inches of SLR waters would flood San Francisco International Airport and the County’s Half Moon Bay and San Carlos Airports. Other County facilities at risk include the new jail under construction and the Government Center, both in Redwood City. The Caltrain line in San Mateo, Burlingame, and Millbrae is threatened. The Port of Redwood City and marinas operated by the County Harbor District at Pillar Point on the coast and at Oyster Point in South San Francisco could be flooded.

The new Kaiser Foundation hospital in Redwood City, the Kaiser Foundation medical office building in San Mateo, the new Palo Alto Medical Foundation medical office building in San Carlos, and the Stanford Health Care medical office buildings in Redwood City are all within the 55-inch SLR flood zone.

On the coast, parts of Half Moon Bay and Pescadero could be flooded. In Pacifica, the potential for SLR has “very serious implications . . . areas of the Sharp Park Golf Course, the Rockaway Beach district, and the West Linda Mar and West Sharp Park neighborhoods could be inundated.”¹⁵ Further, “coastal erosion processes that have caused damage along the high bluffs of Pacifica’s northern neighborhoods would very likely increase in magnitude . . . while there

¹⁴ Pacific Institute, “Impacts of Sea Level Rise on the California Coast.”
http://www2.pacinst.org/reports/sea_level_rise/gmap.html.

¹⁵ Dyett & Bhatia (consultants), *City of Pacifica Draft General Plan*, March 2014, pp. 7-8.

could be new risks of erosion along the length of Pacifica’s coastline in areas that are not currently exposed to wave action erosion. . . .”¹⁶

Countywide Impact—Tax Revenue

Although no exact figure has been calculated, it is evident that the impacts identified above would also have a severe effect on tax revenues from a variety of sources. In particular, a reduction in property tax revenue from SLR flood zones would affect all taxing entities in the county. This might affect the provision of County and city services throughout the county.

Countywide Impact—Wastewater Treatment Plants

The impact of SLR is not limited to jurisdictions touching the ocean or bay. Inundation of wastewater treatment plants would pose severe countywide environmental and health threats. Since sewer systems rely on gravity, treatment plants are often located at sea level, with outflow of treated wastewater into the bay or ocean. The CEC report identified the following plants in SMC as vulnerable with 55 inches of SLR:¹⁷

- Mid-Coast Sewer Authority (includes the city of Half Moon Bay)
- City of Millbrae
- San Francisco International Airport
- City of San Mateo (includes the city of Foster City and part of the town of Hillsborough)
- South Bayside System Authority (now Silicon Valley Clean Water) (includes the cities and towns of Atherton, Belmont, East Palo Alto, Menlo Park, Portola Valley, Redwood City, San Carlos, and Woodside)
- South San Francisco/San Bruno (includes the town of Colma)

In addition to the threat of flooding, it is likely that these plants, and others that pump their treated water into the bay or ocean, will also need to install stronger pumps in order to deal with the increased water pressure at depths that will have increased due to SLR.¹⁸

The State CO-CAT advises that shoreline wastewater treatment plants with no space to relocate inland have “low adaptive capacity and high potential impacts from flooding.” For such facilities, preparing for a higher projected SLR would be prudent.¹⁹

The Grand Jury toured the largest treatment plant, located in Redwood Shores, operated by Silicon Valley Clean Water. It serves 200,000 south county residents. At the plant, key

¹⁶ Ibid.

¹⁷ Heberger et al., *The Impacts of Sea Level Rise*, p. 16. Note also that the City of Brisbane is served by the Southeast Water Quality Control treatment facility in San Francisco, which also appears to be vulnerable to SLR.

¹⁸ Source: Interview.

¹⁹ CO-CAT, *Sea-Level Rise Guidance*, pp. 3-4.

components have been elevated to protect against possible levee failure. However, this does not take into account SLR. Also, staff noted that the treatment plant receives wastewater from four pumping stations, all of which are in the SLR flood plain.²⁰

Catastrophic Sea Level Rise

A 2013 *National Geographic Magazine* article described potential SLR of 212 feet, over many centuries.²¹ In a presentation to SMC officials, oceanographer John Englander said that a 10-foot rise over just 10-15 years is possible this century if two west Antarctic glaciers break loose into the ocean.²² This would be *in addition to* the SLR already projected by State agencies. This Grand Jury report looks at the local planning required for up to about 55 inches of SLR. At this level, SLR impacts SMC to a much greater extent than other Bay Area counties, and it makes sense to look at this county separately. However, SLR on the order of 15 feet or more would severely impact the entire Bay Area and planning may need to be addressed primarily at the regional level.

SLR Is a Countywide Issue

A key question is whether SLR should be viewed as a *countywide* threat or only as a risk to areas threatened with *actual inundation*. The answer to this question has important implications for how the problem is addressed—and who pays for it.

Currently, flood control, whether along creeks or shorelines, is the responsibility of each city, as cities have responsibility for public safety and for land use. In fact, exposure to SLR is partly the result of land use decisions by cities to develop tidal wetlands and other low-lying areas.

However, as detailed above, the impact of SLR will fall on *all* county residents. In particular, the exposure of wastewater treatment plants and the loss of countywide tax revenue are serious countywide threats.

Public Awareness of the Threat

Developing a plan to adapt to SLR will require broad support among elected officials and other government policymakers and, most importantly, the general public. This, in turn, requires greater public awareness of the issue.

Two forums on SLR sponsored by Congresswoman Jackie Speier, Assemblyman Rich Gordon, and Supervisor Dave Pine have served to educate many local elected officials and government

²⁰ Source: Interview.

²¹ Tim Folger and George Steinmetz, “Rising Seas: How They Are Changing Our Coastlines,” *National Geographic*, September 2013.

²² John Englander, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise”; see also Will Travis (former Executive Director of BCDC), Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” Travis noted that at some point higher levees may not be viable and suggested that we may need to look at the Dutch model of “living with water”; see also Larry Goldzband (Executive Director of BCDC), Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” He noted the possibility of addressing SLR at the Golden Gate, rather than along the entire length of the bay shoreline.

staff.²³ However, as one city manager noted, continuing education is necessary as elected officials rotate off their councils.

Moreover, despite some press coverage of the two forums, it appears that the public at large is not well informed on the issue. At present, the Grand Jury is not aware of any on-going educational efforts by local governments to inform county residents about SLR, particularly as it may impact SMC.

Preparing for SLR

Existing Flood Protection in San Mateo County

Cities and two special local agencies are responsible for construction and maintenance of levees within their jurisdictions.²⁴ Often, they pay the entire cost of levee projects. They work closely with various regional, State, and federal permitting agencies to meet design standards, both for the structures themselves and the adjacent shoreline environment.²⁵

Presently, there is a chain of levees along the bay. Each link in the chain is the responsibility of a different city or special agency. However, flood risk is based on topography, not political boundaries. Thus, the safety of properties in any given city often depends on levee projects undertaken by its neighboring cities. The public is protected only so long as the “weakest link” in the chain of levees is able to meet the threat. Officials interviewed by the Grand Jury identified a number of existing “weak links.”

Currently, no countywide agency has oversight of the levees as a whole. No agency provides countywide planning, coordinates cities’ construction and maintenance efforts, or assists with grant applications related to *existing* flood problems, much less preparing for SLR. Cities do not contribute money to pay for projects outside their jurisdiction, even though their own residents may benefit.

The San Mateo County Flood Control District is “countywide” on paper but its tax base is limited by the California Water Code to certain “subzones,” which were specified prior to the voters’ adoption in 1978 of Proposition 13. The District’s revenue stream is small and limited to funding flood control along the Colma, San Bruno, and San Francisquito Creeks. The District has no staff of its own, contracting with the County’s Public Works Department on an as-needed basis for necessary staffing.

²³Jackie Speier, Rich Gordon, and Dave Pine, “Meeting the Challenge of Sea Level Rise in San Mateo County,” College of San Mateo, December 9, 2013, and “Planning for Sea Level Rise in San Mateo County,” Foster City City Hall, June 27, 2014.

²⁴ The cities of East Palo Alto and Menlo Park, the San Mateo County Flood Control District, the city of Palo Alto and the Santa Clara Valley Water District have formed the San Francisquito Creek Joint Powers Authority to address flooding, enhanced ecosystems and recreation along that creek in both San Mateo and Santa Clara Counties. The San Mateo County Flood Control District also has responsibility for flood control along Colma and San Bruno Creeks.

²⁵ Other agencies may be involved in particular situations. For instance, Caltrans is responsible for protecting State highways and airport owners may be responsible for protecting certain airports. (Source: Interviews.)

Current Efforts in San Mateo County to Plan for SLR²⁶

The County has taken the lead in trying to jump-start the process of planning for SLR. Along with working groups of elected officials, city staff, and special district personnel, the County has commenced (a) conducting a vulnerability assessment, (b) exploring options for a countywide governance organization to address flood control and SLR, and (c) identifying sources of funding. In January 2015, the County's Office of Sustainability received a grant from the State Coastal Conservancy (SCC) to jointly manage an SLR vulnerability assessment for SMC. The study will cover the entire bayside and the coast from Half Moon Bay north.²⁷ While there is currently no guarantee, staff is confident that the Office of Sustainability will continue working on SLR beyond the period of the grant.

Characteristics of a Possible Organization to Address SLR Planning

Almost every local official interviewed by the Grand Jury acknowledged the need for greater coordination among jurisdictions to address SLR. Each person was asked about options for "getting organized" to address SLR. Some of the characteristics identified by many of those interviewed include:

- The organization should be countywide, including upland and coastal communities.
- The cities should participate in decision-making by the organization.
- The organization should have a *focus* on SLR and have a staff with expertise in the subject.
- The organization must be sustainably funded.

Interviewees also identified a number of existing needs related to planning for SLR that should be met:

- Identify consistent SLR-related projections and flood control project standards for all jurisdictions
- Help coordinate jurisdictions regarding SLR-related flood control projects and seek a commitment by jurisdictions to implement projects in a timely fashion

²⁶ Other important SLR-related efforts in SMC include the "SFO/San Bruno Creek/Colma Creek Resilience Study," a joint effort of the airport, affected cities, and the County to assess SLR impacts in the vicinity of San Francisco International Airport (Brendan P. Bartholomew, "Peninsula Sea-Level Study to Focus on Flood Threats Surrounding SFO," *San Francisco Examiner*, February 13, 2014). The San Francisquito Creek JPA is undertaking two SLR-related projects: the SAFER Bay project will protect property within the cities of East Palo Alto and Menlo Park from Bay 100-year tides with up to three feet of SLR and enhance and create Bay marshes; and the San Francisco Bay to Highway 101 project along San Francisquito Creek that will protect the tidally influenced areas of East Palo Alto and Palo Alto from a 100-year creek flow coincident with an extreme tide and 26 inches of SLR (<http://sfcjpa.org/projects>). In addition, the SCC is funding Local Coastal Plan updates for Half Moon Bay and Pacifica that will address adaptation to SLR (SCC, "San Mateo County Shoreline Vulnerability Assessment" RFP, February 18, 2015).

²⁷ SCC, "San Mateo County Shoreline Vulnerability Assessment," Staff Recommendation, January 29, 2015.

- Assist with grant applications (State and federal agencies prefer to provide grants to projects that demonstrate a multi-jurisdictional approach)
- Seek to broaden the revenue sources for SLR projects

However, several city managers and others questioned whether the cities are ready for a new organization to assume direct control of levees, since such an organization might impinge on city authority regarding public safety, land use, and use of eminent domain.

Organizational Options

The Grand Jury discussed the following organizational options for SLR planning with the interviewees:

- Expanding the role of the County Flood Control District (SMCFCD) and/or the County Office of Sustainability
- Creating a new independent special district with an elected board (such as the Santa Clara Valley Water District)
- Expanding the role of the City/County Association of Governments (C/CAG)
- Creating a new joint powers authority (JPA) with an appointed board of elected officials from the cities and County (and possibly relevant special agencies)

The County option (first bullet point) offers advantages. As an existing agency, the Flood Control District would not need to be created anew (although legislative action would be required to expand its role). Its existing jurisdiction extends countywide, at least on paper. County staff already has expertise in matters relating to flood control. Although separate, the SMC Office of Sustainability is also developing staff with knowledge about SLR. The relevant functions of the Office of Sustainability and County's Public Works Department (which staffs the County Flood Control District) could easily be coordinated or merged. Both the Flood Control District and the Office of Sustainability are responsible to the County Board of Supervisors. Therefore, a way would need to be found to ensure that cities may participate in decision-making. Given its other responsibilities, some interviewees were also concerned that the County Board of Supervisors might not be able to give SLR the focus it requires.

In the case of an independent special district with its own elected board (second bullet point), neither the cities nor the County Board of Supervisors would have decision-making authority. It is not a near-term option, since it would require voter approval, hiring of staff and acquisition of office space, among other things. The Grand Jury's investigation also suggests that the creation of a new district would be an expensive choice, particularly if the district's responsibilities are limited to SLR planning. An independent special district might be a more appropriate option if responsibilities included actual levee construction and maintenance.

The Grand Jury inquired as to whether C/CAG, which already has committees on several environmental subjects, could expand its role to include planning for SLR. However, local officials felt that C/CAG is strongly focused on congestion management and does not have

expertise in SLR/flood control. C/CAG staff has not proposed to the agency's Board of Directors that the agency take on SLR.²⁸

Creating a new JPA (fourth bullet point) would allow the cities (and County) to have a voice. A JPA for SLR could hire staff with expertise in the field and, as a single-purpose agency, could stay focused on SLR. One negative factor is the need to create a brand new governmental structure and the added expense to do so. However, it is possible that the JPA could contract for administrative services and staffing with another agency, such as the County. A second concern expressed by local officials is the need to structure the JPA so that a membership that includes the County, 20 cities, and possibly other relevant local agencies does not become unwieldy.

Based on this analysis, the Grand Jury concludes that, under current circumstances, there is no perfect choice for an organization to undertake countywide SLR planning. However, it appears that either enlarging the role of the County Flood Control District or creating a new JPA would be viable options. What is critical is that a coordinated countywide approach be agreed upon soon.

Funding of an Organization to Plan for SLR

The costs of an organization that only focuses on *planning-type* functions such as coordinating local jurisdictions, conducting studies, developing standards and timelines, and preparing grant applications would be much less than the cost of actual construction of levees. It could be funded by member contributions, grants, and contributions from industry and wastewater treatment agencies. This would be similar to the general fund revenues that C/CAG currently collects from member contributions and grants.

Funding of Projects to Protect against SLR

At the Grand Jury's first interview, a local official posed the following question regarding SLR: "how are we going to pay for it?" Levee construction is extremely expensive. Projects recently completed or proposed in the county, just to address existing needs, have run into the tens of millions of dollars.²⁹

Current Funding for Levee Protection in San Mateo County

Currently, funding for levee projects comes mainly from local general funds or capital improvement funds, plus, in some cases, an assessment on property owners who directly benefit from such projects. Where relatively few properties are involved, the assessment per parcel can be prohibitive.

²⁸ Source: Interview.

²⁹ For example, in 2012 the City of San Mateo completed \$22.7 million in levee improvements to protect 8,000 properties and faces raising another \$22.35 million for levee improvements to protect 1,500 properties that remain in FEMA flood insurance rate maps (Larry Patterson, Conference Speech at Speier, Gordon, and Pine, "Meeting the Challenge of Sea Level Rise"). The San Francisquito Creek JPA has secured State and local funding for its \$37.5 million project for the portion of that creek between the Bay and Highway 101 (Gennady Sheyner, "San Francisquito Creek Project Sees Breakthrough after Permit Stall," *Palo Alto Online*, November 3, 2014, and interview).

The cost of flood insurance to property owners is also expensive. As a result, cities focus on projects that remove residents from FEMA flood zones (which determine the need for insurance). Savings on insurance helps offset the cost of a property assessment.

Potential Countywide Sources of Funding for SLR Projects

City general funds and assessments on properties that directly benefit may also be used for SLR-related projects. However, since SLR has countywide impacts, spreading part of the cost countywide appears justified. Some potential sources of countywide revenue include:³⁰

- Wastewater agencies may impose fees on customers within their service area to help pay for levee projects that protect wastewater treatment plants and pumping stations threatened by SLR.
- Officials interviewed doubt that, at present, SLR levee projects could secure the 66.7% voter approval required under Proposition 218 for a special tax (i.e., a tax imposed to raise revenue for a specific purpose). However, this could be a source of funds in the future, when the threat of SLR becomes more evident.
- The County and cities may raise funds through general taxes, such as County Measure A (2012), which require approval of a simple majority of voters, and distribute a *portion* of such revenues to protect against SLR, so long as the measure does not include a specific commitment to fund SLR projects.
- C/CAG used the simple majority voter threshold to win approval for County Measure M (2010), a vehicle registration fee used for a variety of transportation projects and for mitigation of transportation-related stormwater pollution.³¹ Any organization, such as the County Flood Control District or a new JPA, that addresses SLR and other related issues such as groundwater management and water pollution, might be able to use a similar approach.
- State law (SB 628, 2014) allows for the formation of Enhanced Infrastructure Financing Districts within cities and counties with the authority to issue bonds, with 55% voter approval, for purposes such as “flood control levees and dams, retention basins, and drainage channels.”³² In certain circumstances, such districts may be formed within SMC jurisdictions to serve as a source of funding for SLR projects.
- Contributions may be solicited from business parks or agencies responsible for facilities such as airports or highways that are within SLR flood plains. For example, the Facebook headquarters campus in Menlo Park will benefit from the San Francisquito Creek JPA’s SAFER project, and the company has contributed \$275,000 toward its design and EIR.³³
- Mitigation fees may be imposed on new developments in areas subject to SLR.

³⁰ Source: Interview.

³¹ C/CAG, Funding-Local/Measure M. <http://ccag.ca.gov/funding/measure-m/>.

³² California Legislative Information, SB-678 Enhanced Infrastructure Financing Districts.

³³ Renee Batti, “Stemming the Tide,” *Almanac: The Hometown Newspaper for Menlo Park, Atherton, Portola Valley and Woodside*, March 10, 2014, and interview source.

Potential Regional, State, and Federal Sources of Funding for SLR Projects

To date, local cities have received little federal or State funding for levee projects.³⁴ Several officials advised that granting agencies typically prefer projects that show multi-jurisdictional cooperation, placing the local government entities in San Mateo County at a significant competitive disadvantage in securing such funds. However, even for a multi-jurisdictional project, grants are highly competitive. SLR-related projects face a further difficulty if the granting agency does not yet recognize the risk of SLR. Finally, since SMC is by far the county most vulnerable to SLR, it may be difficult to find other counties with similar needs with which to collaborate on a regional basis. However, there is one new source of funding:

- The State of California’s Climate Resilience Account, created in 2014, is a source of grant funding directed specifically at SLR. Although only \$2.5 million has been allocated statewide in the first year, it may be enlarged in the future.

Reducing Costs by Integrating SLR-Related Projects with Other Levee Projects

Given that the amount and rate of SLR are uncertain, local officials may be reluctant to spend large amounts of money for projects that may never be needed. Possible cost-saving options that cities and relevant special agencies may examine on a case-by-case basis include:³⁵

- Integrating SLR-related protection with existing planned or proposed levee projects³⁶
- Developing SLR-related projects in stages, with specific “triggers” required before undertaking each stage of construction

In order to take advantage of these cost-saving options, however, SLR planning should begin now. For instance, a FEMA representative has advised county officials that new FEMA flood hazard maps will be forthcoming in the near future. These maps will reflect a new higher calculation of bay wave action during storms. This new calculation, which is independent of any SLR effect, may trigger the need for new levee projects to keep properties in SMC from being subject to flood insurance requirements. Incorporating consideration of future SLR in these new projects may result in cost-savings later.³⁷

SLR Is a Land Use Issue

Levee projects are a common solution to SLR. However, they may not be feasible everywhere, due to financial, environmental, or technical reasons. If the risk of flooding due to SLR cannot be completely eliminated, the County and cities will need to examine land use measures to help mitigate the threat of SLR.³⁸ Possible land use measures include the following:

³⁴ Notably, San Francisquito Creek JPA has received an \$8 million State Water Resources Board grant for a multi-jurisdictional project. (Source: Interview.)

³⁵ Craig Conner, U.S. Army Corps of Engineers, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” These suggestions were supported by local officials interviewed by the Grand Jury.

³⁶ The San Francisquito Creek JPA’s San Francisco Bay to Highway 101 flood protection project will address, in combination, a 100-year creek flow coincident with an extreme tide and 26 inches of SLR. (Source: Interview.)

³⁷ Kathleen Schaefer, FEMA, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.”

³⁸ Flood control levees themselves are local land uses, sometimes offering public trails, and vista points, and other recreational options.

- Jurisdictions can include adaptation to SLR in the Safety Element of their General Plans. While not required by State Guidelines,³⁹ several cities in the county do mention SLR in their Safety Elements and/or Climate Action Plans.⁴⁰
- Jurisdictions may restrict new development or types of land use in areas subject to SLR.
- Jurisdictions may use building codes to mitigate SLR flood risk. For instance, they could require habitable areas and key building equipment be placed above flood level.
- Jurisdictions may identify areas suitable for environmental resource protection and habitat enhancement, in light of the threat of SLR.
- Jurisdictions may need to identify certain areas to be abandoned to SLR.
- Jurisdictions may impose SLR mitigation fees as a condition of approval on major residential or commercial projects in undeveloped areas subject to future SLR.
- Jurisdictions may use the CEQA environmental review process to ensure that exposure to SLR is considered, and mitigation measures identified, when major residential or commercial projects are proposed within a SLR flood plain.

Actions Needed at the Regional, State, and Federal Levels

While focused on SMC, this investigation points to the need for action on SLR at other levels of government. The County, cities, and relevant local special districts, through their representation at regional agencies, memberships in state associations, lobbyists, and elected State and federal legislators, could advocate on our behalf. Some examples include:

- Federal agencies, such as the U.S. Army Corps of Engineers, do not currently recognize SLR in their flood control mapping and/or funding.⁴¹
- Federal and State funding is extremely limited for all stages of adaptation to SLR: studies, planning, and actual levee projects.

³⁹ California Governor's Office of Planning and Research, *State of California General Plan Guidelines*, 2003.

⁴⁰ The City of Pacifica's draft Safety Element has a particularly comprehensive discussion related to SLR. However, the City will wait for "an adequate model with sufficient local detail" to project specific impacts of SLR (see Dyett & Bhatia, *City of Pacifica Draft General Plan*, March 2014, pp. 8-11 – 8-16). The City of San Carlos approved a *Climate Action Plan* (CAP) as a component of the City's General Plan update. The CAP includes a BCDC map of the city showing SLR of 16 and 55 inches. The City's approach to SLR is to cooperate with regional agencies, such as BCDC. (See City of San Carlos, *Climate Action Plan*, October 12, 2009, pp. 2, 87-91.) The City of San Mateo commissioned a report that includes a description of the potential effects of SLR on that city and has appended the report to the City's General Plan. However, the General Plan states that "considering that there is no definitive estimate and that sea level rise will occur slowly over time, the City will continue to address FEMA's current certification standards" (see *City of San Mateo 2030 General Plan*, 2010, pp. VII-6 and Appendix V, Schaaf & Wheeler, *Climate Change Impacts for San Mateo, California*).

⁴¹ This may change. "In accord with the Biggert-Water Flood Insurance Reform Act of 2012, FEMA is to establish a Technical Mapping Advisory Council that will provide recommendations to FEMA on flood hazard mapping guidelines— including . . . the impacts of sea level rise. . . . FEMA will be required to incorporate future risk assessment in accordance with the recommendations of the Council." (See FEMA, <http://www.fema.gov/coastal-frequently-asked-questions#CoastalFloodHazardMappingQuestions>, pp. 10-11.)

- With just \$2.5 million in this year’s budget for statewide use, funding of the California Climate Resilience Account, dedicated to SLR, is inadequate.
- California General Plan Guidelines (2003), prepared by the Governor’s Office of Planning and Research, do not require that SLR be addressed in the Safety Element or elsewhere in local general plans.
- Regional agencies, such as BCDC, could provide a forum for discussing SLR, including alternatives for addressing catastrophic SLR greater than 10 feet.

While these and other actions at the regional, State, and federal levels are important, it must be emphasized that San Mateo County cannot afford to wait for planning and resources to appear from outside the county. They may never come.

FINDINGS

- F1. SMC is at severe risk for flooding due to the gradual rise in sea level, projected at up to 65 inches (167 centimeters) by the year 2100. Catastrophic SLR of nearly 15 feet is a possibility this century.
- F2. SLR is a threat *countywide*, including the upland areas. All residents depend on public infrastructure, especially wastewater treatment plants. Also, a significant portion of the countywide property tax base is within the area threatened by SLR.
- F3. Although many local officials are now familiar with and concerned about the threat of SLR, there is inadequate public awareness of SLR’s potential impacts on this county.
- F4. Levees, including their financing, are currently the responsibility of each individual city or special agency with jurisdiction along streams, bay, and coast (the County is responsible for unincorporated areas).
- F5. Flood risk is based on topography, not political boundaries. The safety of properties in one jurisdiction often depends on levee projects undertaken by another jurisdiction.
- F6. Currently, no countywide agency exists to provide planning, facilitate coordination among jurisdictions, or to assist with securing funding for *existing* flood control projects. The same is true for future SLR-related projects.
- F7. To the Grand Jury’s knowledge, no local jurisdiction has adopted SLR projections or maps for specific local land use planning purposes.⁴² No consistent SLR projection has been adopted countywide by the County and cities.
- F8. There is a recognized need for a countywide approach to SLR planning and coordination among jurisdictions.
- F9. Several city managers and others interviewed did not support having a new countywide organization assume direct control of levee projects at this time.
- F10. The County and cities can address SLR in their General Plans and Climate Action Plans, can map the threat, and can adopt relevant policies.

⁴² See discussion of SLR planning in several San Mateo County cities in footnote 39.

- F11. Many actions to address SLR are within the authority of regional, State, and federal agencies.
- F12. By acting *now*, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, and by using land use planning measures to mitigate future exposure to SLR.

RECOMMENDATIONS

The Grand Jury recommends increased public education about SLR:

- R1. The County, each city in the county and relevant local special agencies⁴³ should conduct a public education effort to increase awareness of SLR and its potential effects on this county.

The Grand Jury recommends identifying a single organization to undertake SLR planning:

- R2. The County, each city in the county and relevant local special agencies⁴⁴ should identify a single organization, such as a new joint powers authority or an expanded SMC Flood Control District, to undertake countywide SLR planning. It should be structured to ensure that:

- The organization is countywide in scope
- The organization is able to *focus* on SLR
- Both the County and cities (and possibly relevant local agencies) are able to participate in the organization's decision-making⁴⁵
- The organization is sustainably funded

- R3. The organization's responsibilities should include:

- Adopt consistent SLR projections for use in levee planning countywide
- Conduct and/or evaluate vulnerability assessments⁴⁶
- Provide a forum for inter-jurisdictional coordination and exchange of information related to SLR
- Undertake grant applications for SLR-related planning and projects
- Facilitate raising funds on a countywide basis for SLR-related projects, to be passed through to agencies with direct responsibility for project construction

⁴³ San Mateo County Flood Control District and San Francisquito Creek Joint Powers Authority.

⁴⁴ Ibid.

⁴⁵ The organization could also create a technical advisory committee with representatives of departments responsible for levee construction and management, as well as representatives of public facilities at risk, such as airports and wastewater treatment plants.

⁴⁶ A vulnerability assessment could (a) inventory areas at risk for SLR (commercial, residential, public facilities, and infrastructure), (b) determine the adequacy of existing levee protection, and (c) identify and prioritize the projects that will be needed to adapt to SLR.

- Monitor actual SLR over time and any changes in SLR projections, based upon the latest federal, State, or regional government reports and scientific studies
 - Through the CEQA environmental review process, comment on major new developments proposed in the SLR floodplain
 - Advocate on behalf of the member jurisdictions with federal, State, and regional agencies regarding SLR issues
 - Assist the County and cities in public awareness efforts, as described in R1
- R4. The County, cities and two relevant local special agencies⁴⁷ should consider expanding the role of the organization beyond SLR to include planning and coordination of efforts to address *existing* flooding problems along the Bay, coast, and creeks that are subject to tidal action. It may be cost-effective to integrate SLR protection with other levee-improvement programs.
- The County and cities may also consider expanding the role of the new organization to include potentially compatible functions such as the National Pollution Discharge Elimination System (NPDES), currently managed by C/CAG, and the new (2014) State requirements for local sustainable groundwater planning.
- R5. The organization—its administration, staffing, and program expenses—should be funded on a sustainable basis by:
- Member contributions
 - Contributions solicited from parties threatened by SLR, including corporations and agencies that operate public facilities such as wastewater treatment plants
 - Grants solicited from available potential sources such as the California Climate Resilience Account
 - Reducing administrative costs by contracting for services with the County or another agency

The Grand Jury recommends that SLR be addressed in local land use planning:

- R6. The County and each city should amend its General Plan, as needed, to address the risk for SLR. The Safety Element⁴⁸ should include a map of any areas vulnerable to SLR, as determined by measurements in the countywide Vulnerability Assessment [R3]. Further, it should identify policies that apply to areas threatened by SLR.

⁴⁷ San Mateo County Flood Control District and San Francisquito Creek Joint Powers Authority.

⁴⁸ As an alternative, the City of San Carlos has addressed SLR in its Climate Action Plan (CAP). The City states that the CAP was developed as a “component of the 2009 General Plan update . . . a legally defensible approach to ensuring that the Climate Action Plan is implemented” (see City of San Carlos, *Climate Action Plan*, 2009, p. 2).

The Grand Jury recommends that local governments champion SLR issues before regional, State, and federal governments and agencies:

R7. The County, cities, and relevant local special agencies, through their representatives on regional agencies, membership in state associations, lobbyists, and elected State and federal legislators, should pursue SLR-related issues with government bodies outside SMC.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the Grand Jury requests responses as follows:

From the following governing bodies:

Responses to recommendations R1, R2, R3, R4, R5, R6, and R7 are requested from:

- The County of San Mateo Board of Supervisors
- The City and Town Councils of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside

Reponses to recommendations R1, R2, R3, R4, R5, and R7 are requested from:

- The Board of Directors of the San Francisquito Creek Joint Powers Authority

Response to recommendation R4 is requested from:

- The Board of Directors of the City/County Association of Governments of San Mateo County

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

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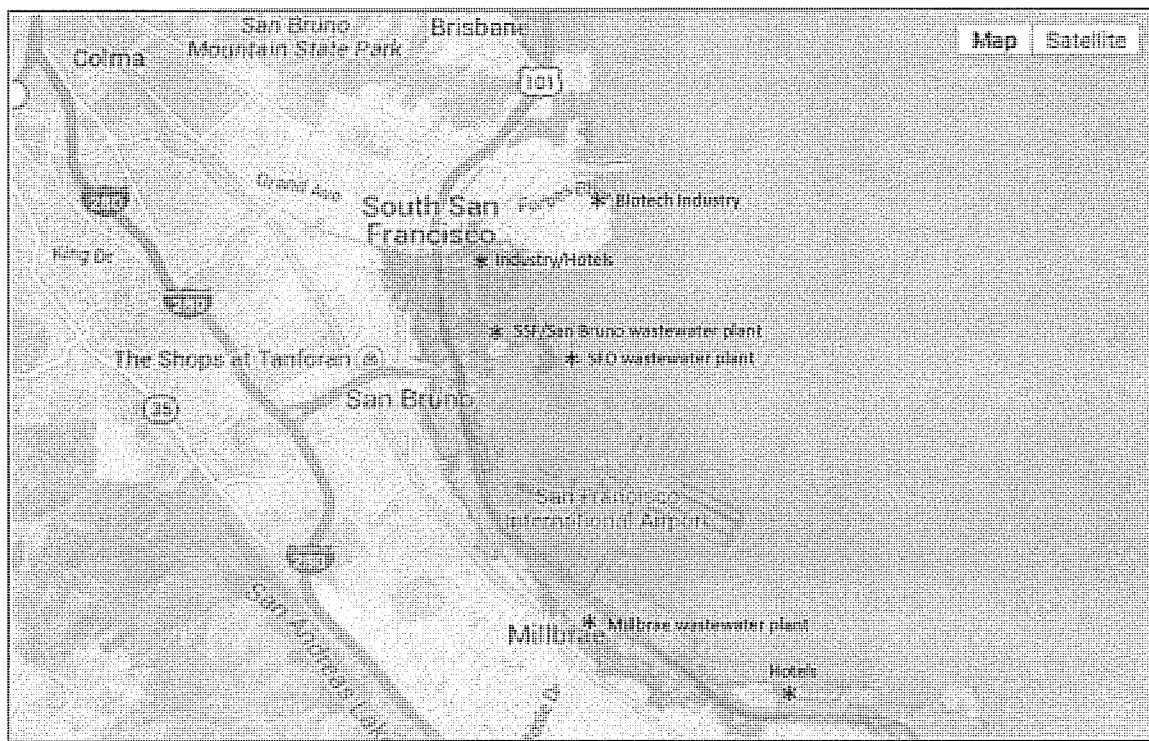
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APPENDIX



Sea level rise inundation maps for selected areas of San Mateo County are presented below. The turquoise-colored zones represent the “current area at risk” to flooding during a 100-year storm, without consideration of existing flood protection levees. The magenta-colored zones represent the area at risk during a 100-year storm with 1.4 meters of SLR (140 centimeters or about 55 inches). The green-colored zones represent areas at risk of erosion from 1.4 meters of SLR, but are not clearly distinguishable at the scale used in this Appendix. These maps were prepared by the Pacific Institute, with specific infrastructure and major government and commercial facilities identified by the Grand Jury with an * symbol.

SAN FRANCISCO INTERNATIONAL AIRPORT AND VICINITY




Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
Modified by the Grand Jury to show facilities at risk

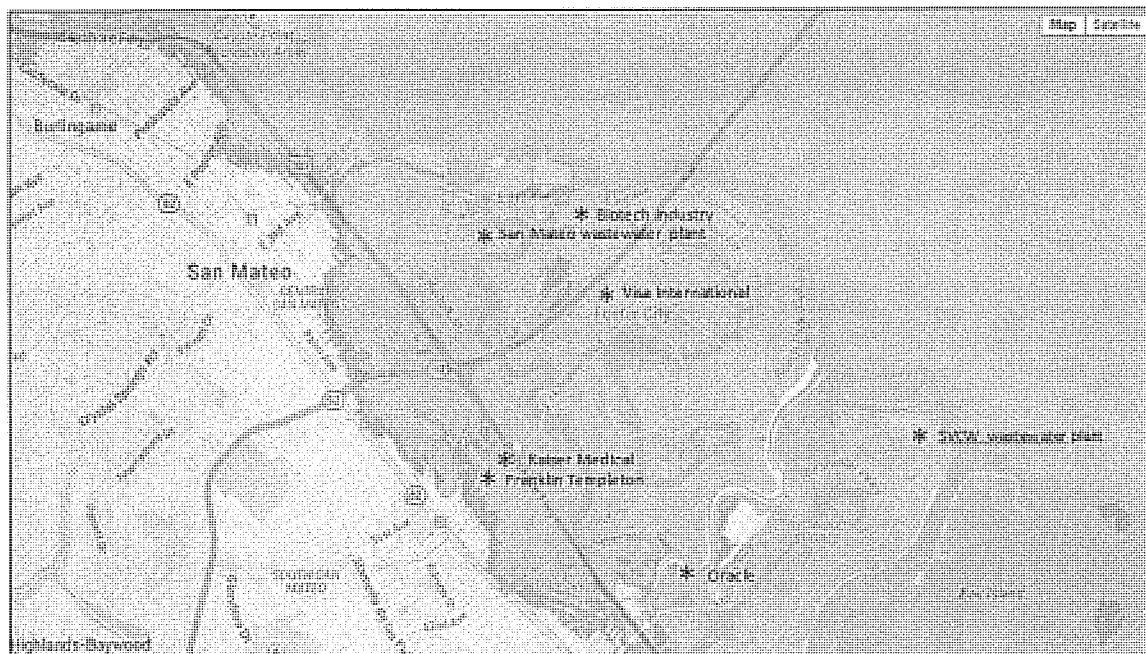
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-  Current area at risk
-  Area at risk with a 1.4 meter sea-level rise

Erosion



-  Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

SAN MATEO AND VICINITY




Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
Modified by the Grand Jury to show facilities at risk

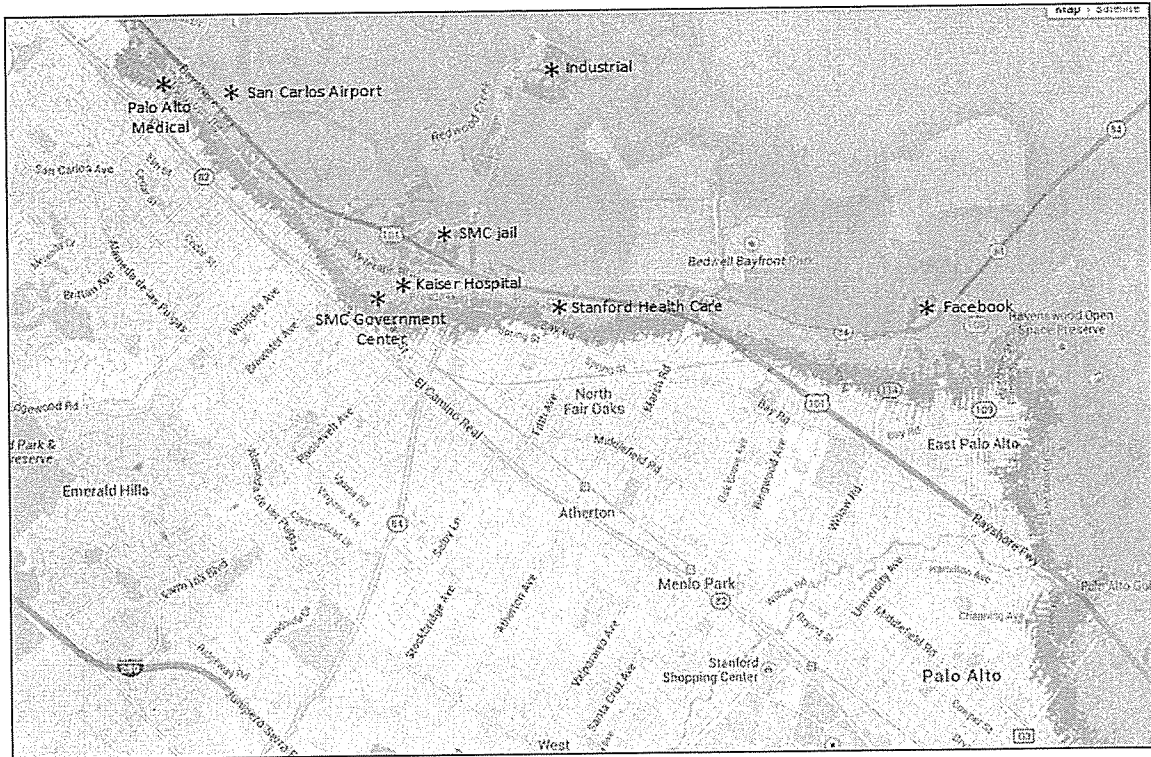
Area at risk from a 100-year coastal flood event

-  Current area at risk
-  Area at risk with a 1.4 meter sea-level rise

Erosion

-  Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

REDWOOD CITY AND VICINITY



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
Modified by the Grand Jury to show facilities at risk

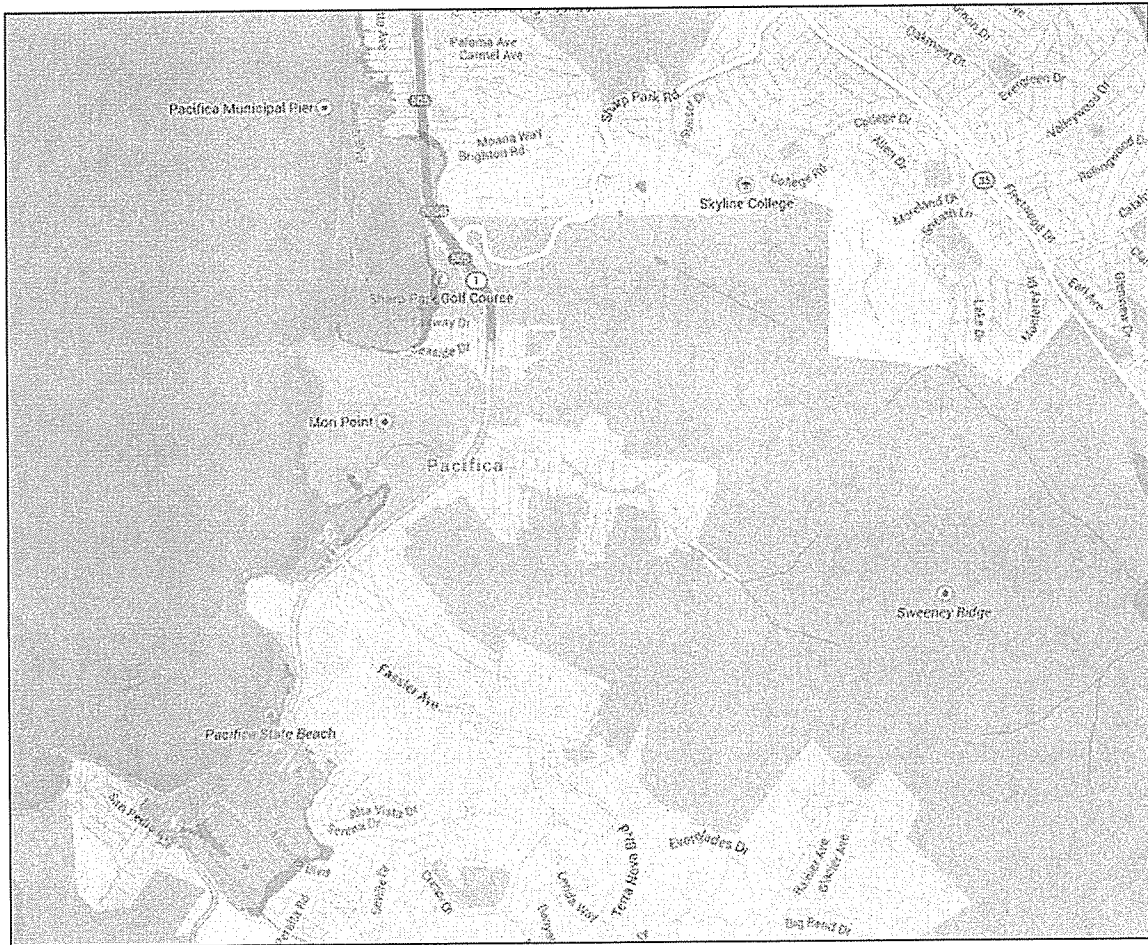
Area at risk from a 100-year coastal flood event

- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

PACIFICA



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"

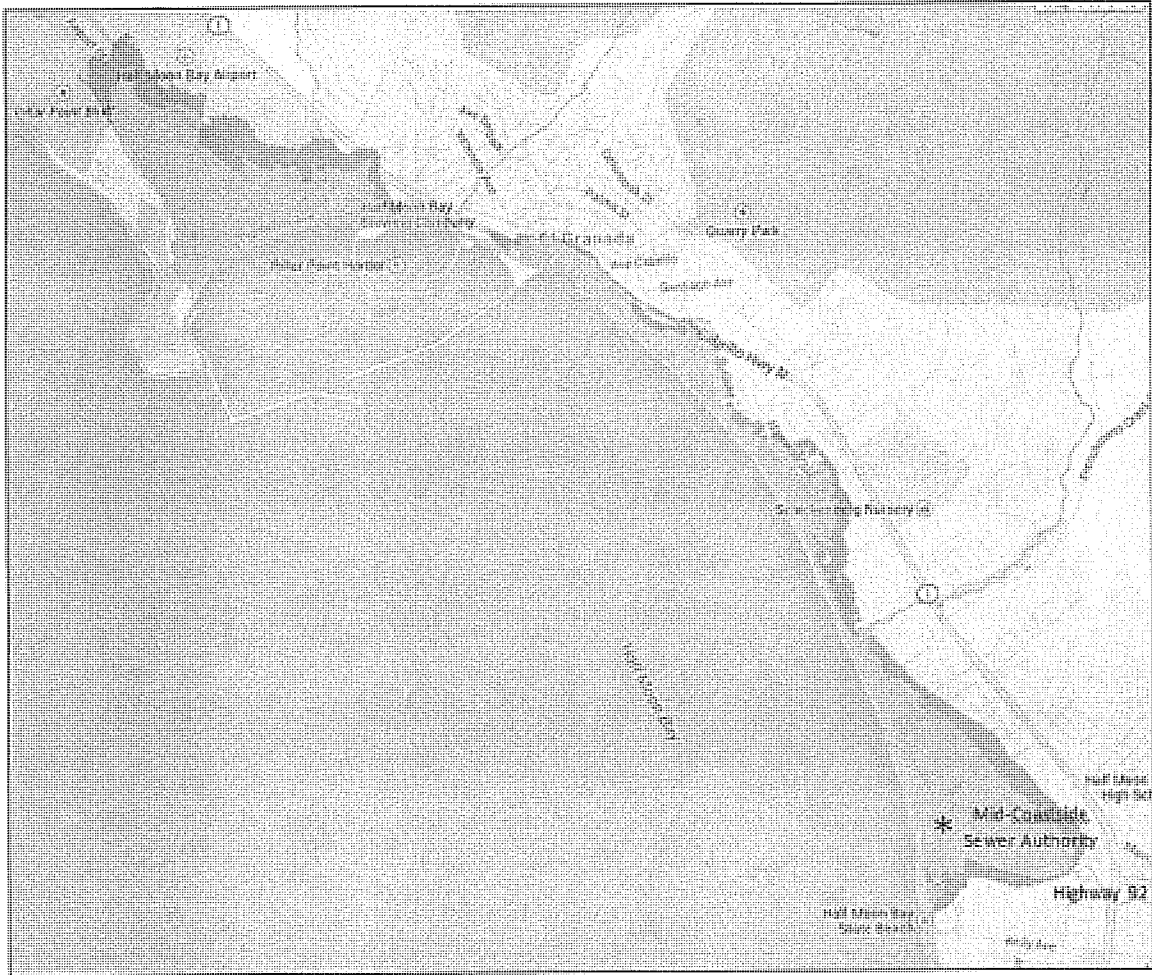
Area at risk from a 100-year coastal flood event

- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

HALF MOON BAY



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
 Modified by the Grand Jury to show facility at risk

Area at risk from a 100-year coastal flood event

- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

Issued: June 4, 2015

**STAFF REPORT****City Council**

Meeting Date: 8/25/2015
Staff Report Number: 15-139-CC

Consent Calendar: **Approve a Resolution Authorizing the Annual Destruction of Obsolete Records**

Recommendation

Staff recommends approval of a resolution authorizing the disposal of obsolete City records for the following departments: Community Services, Human Resources, and the Police Department, as specified in Exhibits A-C to the proposed Resolution (Attachment A).

Policy Issues

The proposed action is consistent with the City's current policy and adopted Records Retention Schedule. Menlo Park's policy requires an additional level of approval by the City Council, unlike other cities in San Mateo County. To streamline the process, staff will bring forward at a future meeting a policy update requesting authority be designated to the City Manager and City Attorney to grant administrative approval for the disposal process.

In the past, Council has expressed interest and has asked staff to look into electronic storage options. The recently approved Information Technology Strategic Plan will encompass a review of the organization's document imaging and archiving technology and will include a look at electronic storage options.

Background

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

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

Analysis

The California legislature has established guidelines, resources and support for retention of records by local governments. One of the resources referred to by the State Archives Division of the Secretary of State's Office regarding this practice is the California City Clerks Association's 1998 list of common local government records and recommended retention periods. In 2002, the State Archives Division prepared its own version of this list. Menlo Park's Records Retention Schedule is largely based on these documents.

A properly completed Records Retention Schedule provides an agency with the legal authority to dispose of records entrusted in its care. It certifies the life, care and disposition of all agency records. Disposition

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

Exhibits A-D list the documents that exceed the timeframe for retention according to Government Code sections 34090 and 34090.6 and Menlo Park Municipal Code section 2.54.

Impact on City Resources

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

Environmental Review

This item does not require environmental review.

Public Notice

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

Attachments

A. Resolution with Exhibits A-C

Report prepared by:
Pamela Aguilar, City Clerk

RESOLUTION NO.

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

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

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

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

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

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

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-fifth day of August, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fifth day of August, 2015.

Pamela Aguilar
City Clerk

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EXHIBIT A

COMMUNITY SERVICES DEPARTMENT

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

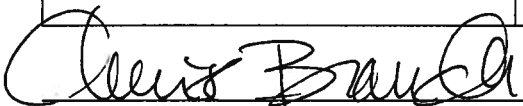
Date: 8/6/2015

Page: 1

Department: Community Service
Department

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

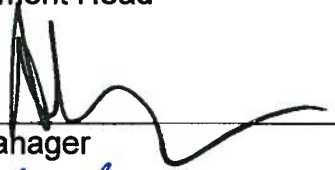
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Children's File / DRDP	CSD/ BHCDC- Box 1	FY: 2009-2010	5 Years
Children's File / DRDP	CSD / BHCDCD – Box 2	FY: 2009-2010	5 Years
Attendance/ Quarterly Report/ Food Contracts	CSD / BHCDC – Box 3	FY: 2009-2010	5 Years



 Department Head

8.6.15


 Date



 City Manager

8/12/15

 Date



 City Attorney

8-12-15

 Date



 City Clerk for Council

8.13.15

 Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

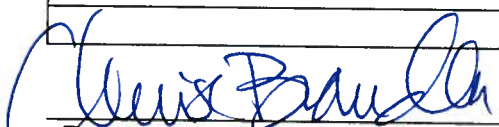
Date: 06/18/2015

Page: 1 of 1

Department: CSD Gymnastics

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

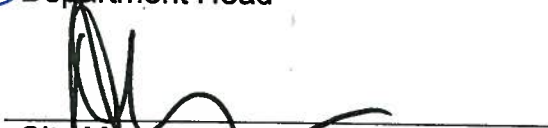
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Gymnastics class Attendance Sheets	#1	1/1/2009-12/31/2009	5 years
Gymnastics Registration Forms	#1	Letters A-R 1/1/09 - 12/31/09	5 years
Gymnastics Registration Forms	#2	Letters S-Z 1/1/09-12/31/09	5 years
Waivers for gymnastics classes	#2	1/1/09-12/31/09	5 years
Waivers for gymnastics birthday parties	#2	1/1/09-12/31/09	5 years



 Department Head

6/22/15


 Date



 City Manager

8/22/15

 Date



 City Attorney

8/12/15

 Date



 City Clerk for Council

8.13.15

 Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: 8/5/15

Page: 1

Department: CSD/MCC

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

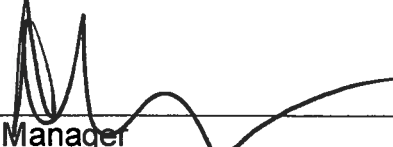
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Kids Files	CSD/MCC Box 1	1/2010-12/2010	5 years
Kids Files	CSD/MCC Box 1	1/2010-12/2010	5 years
Sign in and out Sheets	CSD/MCC Box 1	5/2012-12/2012	2 years
Sign in and out Sheets	CSD/MCC Box 1	1/2013-12/2013	2 years
Sign in and out Sheets	CSD/MCC Box 1	1/2013-12/2013	2 years



 Department Head

8/10/15

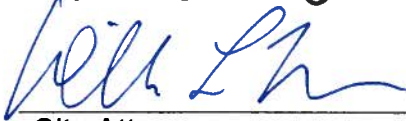
 Date



 City Manager

8/12/15

 Date



 City Attorney

8-12-15

 Date



 City Clerk for Council

8.11.15

 Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS


Date: 08/13/15

Page: 1

Department: CSD-Recreation
(OHCC)

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

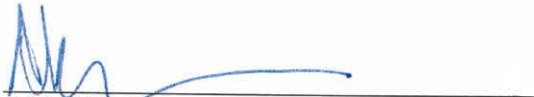
Record Title	Container	Dates	Retention
Cal Card Information Summer Budget Information Copies of Time Cards	CSD-OHCC -Container-1 CSD-OHCC-Container-2	2010-2012	When no longer needed
Sign In Sheet for Summer Training Surveys Events	CSD-OHCC-Container-2 CSD-OHCC-Container-2	2010 2010	2 years When no longer needed 2 years
2 ND Harvest Database/Paperwork	CSD-OHCC-Container-1	2011-2012	4 years 2 nd Harvest



Department Head

8/13/15


Date



City Manager

8/13/15

Date



City Attorney

8/19/15

Date



City Clerk For Council

8.20.15

Date

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

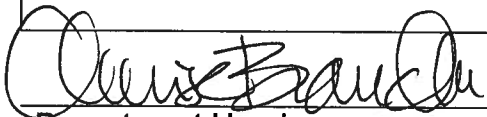
Date: 8/7/15

Page: 1

Department: CSD/Rec

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

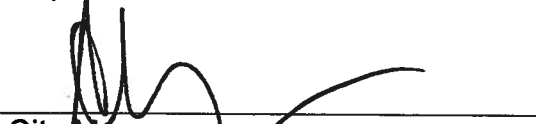
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Instructor Contracts	CSD/REC01	2006-2009	5 yrs.



 Department Head

8/10/15


 Date



 City Manager

8/12/15

 Date



 City Attorney

8-12-15

 Date



 City Clerk for Council

8.13.15

 Date

EXHIBIT B

HUMAN RESOURCES DEPARTMENT

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: June 10, 2015

Page: 1 of 3

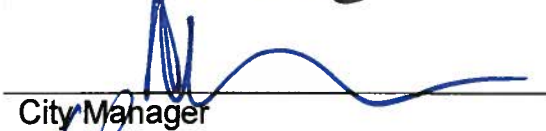
Department: Human resources

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

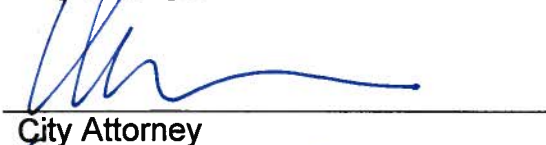
RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Payroll Plus, Employee reimbursement (childcare, education)	0701-02-214	11/2000	10 years
PERS check requisitions	0701-02-215	11/1999	15 years
Insurance disability coverage report	0701-02-216	12/1999	15 years
Dental/Childcare all unions reimbursement	0701-02-218	1/2001	10 years
Vacation cashouts, dental reports, Unum and Concern invoices	0701-02-219	12/2000	10 years
Closed recruitments	0701-02-226	10/1999	5 years
Closed recruitments	0701-02-227	11/2000	5 years
Closed recruitments	0701-02-229	10/1999	5 years
Background PD not hired	0701-02-228	10/1999	15 years


 Department Head

07/23/15
 Date


 City Manager

7/26/15
 Date


 City Attorney

7/20/15
 Date


 City Clerk for Council

8.11.15
 Date

Department: Human resources

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

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Closed recruitments	0701-03-231	8/2001	5 years
Closed recruitments	0701-03-232	11/2000	5 years
Closed recruitments	0701-03-233	11/2000	5 years
Payroll journal	0701-03-253	1/2000	15 years
Payroll files	0701-03-258	12/2003	5 years
Payroll files	0701-03-259	12/2001	5 years
Payroll files	0701-03-267	12/2003	5 years
Payroll files	0701-03-268	12/2002	5 years
Closed recruitments	0701-03-272	9/2004	5 years


 Department Head

07/23/15
 Date


 City Manager

7/24/15
 Date


 City Attorney

7/28/15
 Date


 City Clerk for Council

8.13.15
 Date

Department: Human resources

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

RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
Closed recruitments	0701-03-273	1/2003	5 years
Closed recruitments	0701-03-274	1/2003	5 years
Closed recruitments	0701-03-275	2/2003	5 years
Closed recruitments	0701-03-290	12/2004	5 years
Sick leave award	0701-03-315	6/2006	5 years
Recruitment FY 2006-07	0701-03-341	6/2007	3 years
Payroll Journal 2003	0701-03-363	12/2003	10 years
Payroll Journal 2004	0701-03-364	6/2004	10 years
Payroll Journal 2004	0701-03-365	12/2004	10 years


Department Head

07/23/15
Date


City Manager

7/26/15
Date


City Attorney

7/28/15
Date


City Clerk for Council

8.13.15
Date

EXHIBIT C

POLICE DEPARTMENT

REQUEST FOR DESTRUCTION OF OBSOLETE RECORDS

Date: 06/10/2014

Page: 1

Department: Police - Records

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


RECORD TITLE	CONTAINER	DATES	RETENTION PERIOD
2007 Police Records – all except those otherwise specifically mentioned in the City retention schedule	File shelf in Records	01/01/2007 thru 12/31/2007	7 years
Police Reports: Marijuana less than 28.5 grams	File shelf in Records and Narrative in RMS (Records Management System)	01/01/2011 thru 12/31/2012	2 years or when the subject turns 18 years old
Police Reports: Sealed Juvenile Cases	Locked filing cabinet in secure area of Records	All records up until 12/31/2009	Sealing date + 5 years or according to the court order
Drug Registrants Suspect ID Jackets	File shelf in Records	All records until 2005	No Drug Activity for 10 years
Parking Permits	File Shelf in Records	All records until 12/31/2013	2 years
Police Report Logs	On website and stored in Police N drive	All records until 12/31/2013	2 years
Recordings for Telephone & Radio Communications/Dispatch Tapes, Tape Recordings (CAD)	File shelf in Dispatch	All records not marked as evidence until 12/31/2013	1 year
Suspect ID Jackets	File shelf in Records	All records until 2005	No Crime Activity for 10 years



Department Head

6/09/2015


Date



City Manager

6/10/15

Date



City Attorney

6/23/15

Date



City Clerk for Council

8.11.15

Date

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STAFF REPORT

City Council

Meeting Date: 8/25/2015

Staff Report Number: 15-135-CC

Consent Calendar: Approve a Resolution Updating the City's Conflict of Interest Code

Recommendation

Staff recommends that the City Council adopt a resolution updating the City's Conflict of Interest Code.

Policy Issues

The proposed action is consistent with City Policy.

Background

The Political Reform Act of 1974 requires that cities and other local agencies adopt local Conflict of Interest Codes. Menlo Park's code requires disclosure of financial interests of certain employees, consultants and members of Boards and Commissions if these persons are likely to be involved in decision-making that could affect their own financial interests.

All public employees must comply with the State's general conflict of interest laws by abstaining from influencing or making decisions that would affect their own financial interests. Additionally, each employee who holds a position designated in the City's Conflict of Interest Code must disclose specified types of financial interests in a report, Statement of Economic Interest – Form 700, that is filed annually with the City Clerk. The City's local code does not include the City Council, Planning Commission, City Manager, City Attorney or Treasurer. These positions are required under Government Code §87200 to report to the Fair Political Practices Commission (FPPC). No other Commissions are required to report under the City's Conflict of Interest Code as the City Attorney has determined they are advisory to the Council only.

Analysis

The City Council last amended the Menlo Park Conflict of Interest Code on October 9, 2012, by Resolution Number 6104. State law requires every local governmental agency to periodically review its conflict of interest code to determine whether it is accurate and up-to-date.

The proposed amendments to the list of designated positions attached to the Resolution (Attachment A) include additions, deletions and renaming of positions in order to align with the City's current job classifications and duties. Recommendations for additions to the list are underlined, deletions are shown with ~~strike through~~ and classification title changes are in *italics*.

Impact on City Resources

There is no fiscal impact.

Environmental Review

This item does not require environmental review.

Public Notice

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

Attachments

A. Resolution with Exhibit A and Appendix

Report prepared by:
Pamela Aguilar, City Clerk

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
AMENDING THE CITY'S CONFLICT OF INTEREST CODE FOR
DESIGNATED EMPLOYEES, CONSULTANTS, BOARDS, AND
COMMISSIONS OF THE CITY OF MENLO PARK**

WHEREAS, provisions of the Political Reform Act requires local agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, the Fair Political Practices Commission (FPPC) has adopted a regulation, Title 2 , Division 6, California Code of Regulations section 18730, which contains the terms of a model conflict of interest code which meets the requirements of the Political Reform Act; and

WHEREAS, Title 2 California Code of Regulations section 18730 has been incorporated by reference in the City's Conflict of Interest Code; and

WHEREAS, the City's Conflict of Interest Code also includes, Exhibit A – 2015 Conflict of Interest Code detailing the designated positions and disclosure categories; and

WHEREAS, said Exhibit contains the listing of designated positions and disclosure categories which have been reviewed, and this review has disclosed that they should be amended to reflect current conditions; and

WHEREAS, the City of Menlo Park has previously adopted Resolution No. 6104, adopting a conflict of interest code for various City employees, consultants, boards, and commissions.

NOW, THEREFORE, BE IT RESOLVED that the terms of Title 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the FPPC shall, along with Exhibit A – 2015 Conflict of Interest Code for the City of Menlo Park, which are attached hereto incorporated herein by reference, in which members, employees, and consultants are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the City of Menlo Park; and

BE IT FURTHER RESOLVED that all designated members, employees, and consultants of the City of Menlo Park set forth on Exhibit A –2015 Conflict of Interest Code shall file statements of economic interest with the City Clerk of the City of Menlo Park; and

BE IT FURTHER RESOLVED that Resolution No. 6104 is repealed by the adoption of this resolution, which shall control over prior versions.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-fifth day of August, 2015, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-fifth day of August, 2015.

Pamela Aguilar
City Clerk

**CONFLICT OF INTEREST CODE FOR THE
CITY OF MENLO PARK**

The Political Reform Act, Government Code Section 81000, et seq., requires state and local agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations Title 2, Section 18730, which contain the terms of a standard conflict of interest code. It can be incorporated by reference. Therefore, the terms of California Code of Regulations Title 2, Section 18730 and any amendments to it and duly adopted by the Fair political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which employees and consultants are designated and disclosure obligations are set forth, constitute the City of Menlo Park Conflict of Interest Code.

Designated employees and consultants shall file statements of economic interests with the City Clerk by the appropriate deadline.

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**STAFF REPORT****City Council****Meeting Date:****8/25/2015****Staff Report Number:****15-136-CC****Consent Calendar:**

Authorize the City Manager to Approve a Contract with Cardinals Rules in an Amount Not to Exceed \$66,588.50 for Youth & Adult Sports Officials for FY 2015-16

Recommendation

Staff recommends that the Council authorize the City Manager to approve a contract with Cardinal Rules in an amount not to exceed \$66,558.50 for Youth and Adult Sports Officials for FY 2015-16.

Policy Issues

Supporting youth and adult sports programs with trained officials is consistent with existing Council policies and goals.

Background

Cardinal Rules has provided the City of Menlo Park with sports officials since 2007.

Analysis

The scope of work performed by Cardinal Rules includes youth volleyball, youth basketball and adult basketball officiating. Staff recommends the continuation of this scope of work through the coming fiscal year as approved in the Budget for FY 2015-16.

Impact on City Resources

The cost of the Cardinals Rules officiating service is \$66,558.50 annually. There is sufficient funding allocated in the approved budget to cover the current scope of work for the Cardinal Rules contract.

Environmental Review

Youth and Adult Sports programs are not a project under CEQA.

Public Notice

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

Attachments

- A. Youth Sports Officials Contract and Exhibits
- B. Adult Sports Officials Contract and Exhibits

Report prepared by:
Todd Zeo, Community Services Supervisor



AGREEMENT WITH INDEPENDENT CONTRACTOR

Contractor Name and Address
 Cardinal Rules
 ATTN: Mike Adam
 P.O.Box 117643

Contractor: Upon completion of work or agreed-upon work periods,
 mail invoice to:

Department: Community Services Department
Attention: Todd Zeo
600 Alma St.
Menlo Park, CA 94025-3483

It is agreed between the City of Menlo Park, California, and Contractor as follows:

1. Services to be performed by Contractor. In consideration of the payments hereinafter set forth, Contractor shall perform youth volleyball and basketball officiating for City in accordance with terms, conditions and specifications set forth herein and in Exhibit "A" attached hereto for the City of Menlo Park.

2. Contract Term. The term of this agreement shall be from **July 1st, 2015** through **June 30th 2016** as outlined in Exhibit A.

3. Payments. In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein. City shall make payment to Contractor in the manner specified herein and in Exhibit "A." The City reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this agreement exceed **\$35,445.50**. Contractor will be responsible for training staff on site during the course of the contract.

4. Relationship of the Parties. Contractor agrees and understands that the work/services performed under this agreement are performed as an Independent Contractor and not as an employee of the City and that Contractor acquires none of the rights, privileges, powers or advantages of City employees.

5. Hold Harmless. Contractor agrees to indemnify and defend City, its employees, and agents, from any and all claims, damages, and liability in any way occasioned by or arising out of the contractor's negligent performance of this agreement.

6. Non-assignability. Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of City, and any attempted assignment without such prior written consent in violation of this Section shall automatically terminate this Agreement.

7. Termination of Agreement. The City may, at any time after ten days from execution of Agreement, terminate this Agreement, in whole or in part, for the convenience of City, by giving written notice specifying the effective date and scope of such termination. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereinafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the City and shall be promptly delivered to the City. Upon termination, the Contractor may make and retain a copy of such materials. Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment, which is determined by comparing the work/services completed to the work/services required by the Agreement.

8. Worker's Compensation Insurance. Contractor agrees and understands that the City does not provide Worker's Compensation Insurance to, or on behalf of, the Contractor for the work/services performed, but that said taxes are the sole responsibility of the undersigned.

9. Payment of Permits/Licenses. Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/services to be performed, at his/her own expense, prior to commencement of said work/services or forfeit any right to compensation under this Agreement.

10. Non-Discrimination. No person shall illegally be excluded from participation in, denied the benefits of, or be subjected to discrimination under this Agreement on account of their race, sex, color, national origin, religion, age, or disability. Contractor shall ensure full equal employment opportunity for all employees under this Agreement.

11. Retention of Records. Contractor shall maintain all required records for three years after the City makes final payment and all other pending matters are closed, and shall be subject to the examination and /or audit of the City, a federal agency, and the state of California.

12. Merger Clause. This Agreement, including Exhibit "A" attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the City. In the event of a conflict between the terms, conditions, or specifications set forth herein and those in Exhibit "A" attached hereto, the terms, conditions, or specifications set forth herein shall prevail.

THIS CONTRACT IS NOT VALID UNLESS SIGNED BY BOTH PARTIES

 Mike Adam, Cardinal Rules

 Date

 Cherise Brandell, Community Services Director

 Date

 Contractor's Tax I.D. Number or Social Security Number

 Alex McIntyre, City Manager

 Date

Contractor - Please complete the following:

Are you or is your firm a Disadvantaged Business Enterprise (DBE)? Yes ___ No ___

A DBE is a firm that is at least 51% owned and controlled by a minority person, including a woman [regardless of her race or ethnicity]

If yes, please check the appropriate DBE category: Latino ___ Asian & Pacific Islanders ___ African American ___ Woman ___

Youth Basketball League for fiscal Year 2015-16

1. League will operated from December 2015-April 2016

Monday - Saturday

3rd grade -7th grade

2. There will be 8 regular season games + playoffs

3. 2 referees per game for 5th-7th grades

1 referee's per game for 3rd/4th

4. Cost breakdown by League		per game		
3rd and 4th grade	253	\$35.00	\$	8,855.00
5th-7th grade	297	\$66.50	\$	19,750.50
contingency				
	TOTAL		\$	28,605.50

All numbers are based on same team numbers as last season

Youth Volleyball League for fiscal Year 2015-16

1. League will operated from September 2015-December 2015

Monday/Tuesday/Thursday

4th grade - 8th grade

2. There will be 8 regular season games + playoffs

3. 1 referee for all games

1 referee's per game for 3rd/4th

4. Cost breakdown				
3rd and 4th grade	190	\$36.00	\$	6,840.00
	TOTAL		\$	6,840.00

GRAND TOTAL **\$** **35,445.50**

AGREEMENT WITH INDEPENDENT CONTRACTOR

Contractor Name and Address
 Cardinal Rules
 ATTN: Mike Adam
 P.O.Box 117643

Contractor: Upon completion of work or agreed-upon work periods,
 mail invoice to:

Department: Community Services Department
Attention: Todd Zeo
 600 Alma St.
 Menlo Park, CA 94025-3483

It is agreed between the City of Menlo Park, California, and Contractor as follows:

1. Services to be performed by Contractor. In consideration of the payments hereinafter set forth, Contractor shall perform adult basketball league officiating for City in accordance with terms, conditions and specifications set forth herein and in Exhibit "A" attached hereto for the City of Menlo Park.

2. Contract Term. The term of this agreement shall be from **July 1st, 2015** through **June 30th 2016** as outlined in Exhibit A.

3. Payments. In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein. City shall make payment to Contractor in the manner specified herein and in Exhibit "A." The City reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this agreement exceed **\$31,113.00**. Contractor will be responsible for training staff on site during the course of the contract.

4. Relationship of the Parties. Contractor agrees and understands that the work/services performed under this agreement are performed as an Independent Contractor and not as an employee of the City and that Contractor acquires none of the rights, privileges, powers or advantages of City employees.

5. Hold Harmless. Contractor agrees to indemnify and defend City, its employees, and agents, from any and all claims, damages, and liability in any way occasioned by or arising out of the contractor's negligent performance of this agreement.

6. Non-assignability. Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of City, and any attempted assignment without such prior written consent in violation of this Section shall automatically terminate this Agreement.

7. Termination of Agreement. The City may, at any time after ten days from execution of Agreement, terminate this Agreement, in whole or in part, for the convenience of City, by giving written notice specifying the effective date and scope of such termination. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereinafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the City and shall be promptly delivered to the City. Upon termination, the Contractor may make and retain a copy of such materials. Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment, which is determined by comparing the work/services completed to the work/services required by the Agreement.

8. Worker's Compensation Insurance. Contractor agrees and understands that the City does not provide Worker's Compensation Insurance to, or on behalf of, the Contractor for the work/services performed, but that said taxes are the sole responsibility of the undersigned.

9. Payment of Permits/Licenses. Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/services to be performed, at his/her own expense, prior to commencement of said work/services or forfeit any right to compensation under this Agreement.

10. Non-Discrimination. No person shall illegally be excluded from participation in, denied the benefits of, or be subjected to discrimination under this Agreement on account of their race, sex, color, national origin, religion, age, or disability. Contractor shall ensure full equal employment opportunity for all employees under this Agreement.

11. Retention of Records. Contractor shall maintain all required records for three years after the City makes final payment and all other pending matters are closed, and shall be subject to the examination and /or audit of the City, a federal agency, and the state of California.

12. Merger Clause. This Agreement, including Exhibit "A" attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the City. In the event of a conflict between the terms, conditions, or specifications set forth herein and those in Exhibit "A" attached hereto, the terms, conditions, or specifications set forth herein shall prevail.

THIS CONTRACT IS NOT VALID UNLESS SIGNED BY BOTH PARTIES

 Mike Adam, Cardinal Rules

 Date

 Cherise Brandell, Community Services Director

 Date

 Contractor's Tax I.D. Number or Social Security Number

 Alex McIntyre, City Manager

 Date

Contractor - Please complete the following:

Are you or is your firm a Disadvantaged Business Enterprise (DBE)? Yes ___ No ___

A DBE is a firm that is at least 51% owned and controlled by a minority person, including a woman [regardless of her race or ethnicity]

If yes, please check the appropriate DBE category: Latino ___ Asian & Pacific Islanders ___ African American ___ Woman ___

Adult Basketball League for fiscal Year 2015-16

1. League will operate from July 2015- June 2016

Monday/Wednesday/Friday

There are 3 divisions

2. There are 3 games per league per night and either 6 or 7 teams per league
10 regular season games + playoffs

3. 2 referees per game for "B" level games on Monday and 40+ on Friday
3 referee's per game "A" Level games on Wednesday

4. Cost breakdown by League		Per Game		
B League and 40 + League	243 games	\$81	\$	19,683.00
A League	90 games	\$127	\$	11,430.00
		TOTAL	\$	31,113.00



**CITY COUNCIL
SPECIAL AND REGULAR MEETING
DRAFT MINUTES
Tuesday, June 02, 2015 at 6:00 PM
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025**

6:00 P.M. CLOSED SESSION (Administration Building, 1st Floor Conference Room)

Mayor Carlton called the Closed Session to order at 6:18 p.m. Councilmember Ohtaki arrived at 6:18pm.

There was no public comment on these items.

CL1. Closed Session pursuant to Government Code Section §54957.6 to conference with labor negotiators regarding labor negotiations with Service Employees International Union (SEIU), American Federation of State, County and Municipal Employees (AFSCME), Menlo Park Police Officers' Association (POA)

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

CL2. Closed Session pursuant to Government Code Section §54957:
City Manager Employment Contract

Attendee: City Attorney William McClure

7:00 P.M. REGULAR SESSION

Mayor Carlton called the meeting to order at 7:24 p.m. All Councilmembers were present.

Staff present: City Manager Alex McIntyre, Assistant City Manager Starla Jerome-Robinson, City Attorney Bill McClure, City Clerk Pamela Aguilar

Mayor Carlton led the pledge of allegiance.

REPORT FROM CLOSED SESSION

Mayor Carlton stated that there is no reportable action from the Closed Session held earlier this evening.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation celebrating the American Cancer Society's Menlo Park Discovery Shop ([Attachment](#))

Holly Bohin of the American Cancer Society accepted the proclamation.

A2. Presentation of Certificate of Achievement for Financial Reporting to Finance Director Drew Corbett ([Attachment](#))

Drew Corbett accepted the certificate.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS - None

C. PUBLIC COMMENT #1

- Kristina Lemons thanked Council for considering a median at Alma Street and Ravenswood Avenue
- John Kadvany spoke regarding public benefit valuation
- Stu Soffer spoke regarding the City Manager's employment contract, the budget and hiring options
- Heyward Robinson spoke regarding the City Manager's employment contract
- Fran Dehn thanked the public works staff for the flags on Santa Cruz Avenue

D. CONSENT CALENDAR

Councilmember Mueller requested items D2 and D3 be pulled from the Consent Calendar for further discussion.

D1. Authorize the City Manager to enter into a contract with Kidango Foods in an amount not to exceed \$85,948 for the delivery of food services at the Belle Haven Child Development Center for Fiscal Year 2015-16 ([Staff report #15-089](#))

D2. Approve a second amendment to employment agreement between the City of Menlo Park and Alexander D. McIntyre ([Staff report #15-093](#))

D3. Approve minutes for the Council meetings of March 24, May 5 and May 19, 2015 ([Attachment](#))

ACTION: Motion and second (Cline/Ohtaki) to approve item D1 passes unanimously.

ACTION: Motion and second (Cline/Keith) to approve item D3 with the modifications to the May 19th minutes as requested by Mayor Carlton passes unanimously.

Regarding the downtown parking item from the March 24th Council meeting, there was Council consensus that staff be directed to provide information regarding the financial impacts of modifying 1-hour parking to 2 hours.

ACTION: Motion and second (Cline/Keith) to approve item D2 passes 4-1 (Mueller dissents)

At this time, Mayor Carlton called the Regular Business items out of order.

F. REGULAR BUSINESS

F1. Discuss and receive direction on Economic Development Strategic Plan Policies and Implementation ([Staff report #15-092](#))([Presentation](#))

Economic Development Manager Jim Cogan introduced the item. Michael Yarne of Build Public made a presentation.

Public Comment:

- Tim Tosta requested Council to consider the types of businesses it wants to attract and the need for a predictable process

Staff was directed to incorporate the Economic Development plan strategies with the City's other long term planning and to provide more clarification on retail strategies and public benefit strategies.

F2. Approval of design and cost-sharing requirements for the Santa Cruz Street Café Pilot Program ([Staff report #15-090](#)) ([Presentation](#))

Economic Development Specialist Amanda Wallace made a presentation. Ian Moore of Ian Moore Designs was also present to respond to Council questions.

Public Comment:

- Mario Vega of Left Bank and LB Steak spoke in support of the project

ACTION: Motion and second (Carlton/Keith) to approve the base design as the preferred Street Café design and a cost-sharing requirement of 75% for parallel parking and 70% for angled parking with the participating business paying its share upfront or through installments over a two year timeframe with the City contributing 70% for parallel parking and 60% for angled parking and a maximum contribution of \$30,000 for any one installment. The cost for any enhancements beyond the base design will be borne solely by the business. The motion passes unanimously.

F3. Authorize the City to assume the role of project sponsor for the US 101/Willow Road Interchange Project ([Staff report #15-094](#)) ([Presentation](#))

Transportation Manager Nikki Nagaya made a presentation.

Public Comment:

- Steve Van Pelt expressed concern regarding the short funding request deadline
- Fran Dehn spoke in support of pursuing TIGER grant funds
- Betsy Nash expressed concern regarding the City taking on multiple projects and competing priorities
- Rex Ianson, Menlo Park Fire Protection District, expressed concern regarding the impact on emergency response time and access due to this project

ACTION: Motion and second (Keith/Ohtaki) to authorize the City of Menlo Park to assume the role of Project Sponsor for the US 101/Willow Road Interchange Project including taking the lead role to secure adequate construction funding with a request to

the San Mateo County Transportation Authority to serve as the Implementing Agency passes unanimously.

At this time, Mayor Carlton called the Informational Items out of order.

I. INFORMATIONAL ITEMS

- I1.** Installation of buffered bike lanes and removal of parking on Santa Cruz Avenue as approved by City Council ([Staff report #15-091](#))

Public Comment:

- Betsy Nash asked the City to communicate to the public regarding its outreach efforts and inquired about bike lane and buffer widths

Staff responded to questions regarding outreach, walking in bike lanes, access by utility and maintenance vehicles and opportunities to tweak the installation design.

- I2.** Update on Menlo Park Policy #450, Use of Audio/Video Recorders
([Staff report #15-088](#))

Police Chief Jonsen and Commander Bertini responded to Council questions regarding deleting video footage of citizens interacting with police on non-police matters (ex. asking for directions), policies and practices regarding turning on/off cameras and retention/deletion timeframes.

The Police Department will work with the City Attorney's office to create a waiver that a person may request and sign to have a police contact which was recorded, deleted. A person may, after one year, petition via this waiver, to have a recorded "non-event" destroyed if specific requirements are met. These requirements include, but are not limited to: a waiver of any future legal or administrative action against the City or Police Department, the recording cannot be of any criminal activity which resulted in a citation, arrest or administrative action, and in the event the recording is of multiple persons, there must have a waiver for each. The City Attorney is still researching whether the retention period will be less than one year.

Staff was directed to provide an update regarding retention as an Informational Item and to bring back the entire policy in May 2016.

- I3.** Update on status of contract reporting ([Staff report #15-095](#))

City Manager McIntyre reported that the software Council approved to facilitate the contract reporting will be implemented in the coming weeks.

E. PUBLIC HEARING

- E1.** Public hearing on fiscal year 2015-16 budget and capital improvement program
([Staff report #15-076](#))([Presentation](#))

City Manager Alex McIntyre and Finance Director Drew Corbett made a presentation.

Mayor Carlton opened the public hearing. There was no public comment.

Motion and second (Cline/Ohtaki) to close the public hearing passes unanimously.

There was consensus from Councilmembers Cline, Ohtaki and Keith to bring this item back to Council for approval on June 16, 2015.

G. CITY MANAGER'S REPORT

City Manager McIntyre reported the following: (1) parks will be closed for annual maintenance (2) power washing of downtown sidewalks is being done with recycled storm water and (3) the downtown block party will be June 17th.

H. WRITTEN COMMUNICATION – None

J. COUNCILMEMBER REPORTS

Councilmember Keith reported that the Dumbarton Rail Policy Advisory Committee has been disbanded as it has been defunded.

Mayor Carlton recognized the work of educators during the school year.

K. PUBLIC COMMENT #2

There was no public comment.

ADJOURNMENT at 12:23 a.m. on June 3, 2015.

Pamela Aguilar
City Clerk

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CITY COUNCIL
SPECIAL MEETING DRAFT MINUTES
Tuesday, June 23, 2015 at 7:30 PM
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

7:30 P.M. SPECIAL SESSION

Mayor Pro Tem Cline called the meeting to order at 7:34 p.m.

All Councilmembers were present. Mayor Carlton appeared via telephone from the California Theater, West Conference Room, located at 345 South First Street, San Jose, California.

Staff present:

City Manager Alex McIntyre, Assistant City Manager Starla Jerome-Robinson, City Attorney Bill McClure, City Clerk Pamela Aguilar

Mayor Pro Tem Cline led the pledge of allegiance.

PUBLIC COMMENT

- Mickie Winkler expressed concern regarding staff size and hiring a consultant to examine outsourcing
- Fergus O'Shea, Facebook, urged Council to ensure the staff resources needed for projects to continue
- Steve Pierce, Greenheart Land Company, spoke regarding the impact on their project due to staff constraints and supports hiring of additional staff

A. REGULAR BUSINESS

A1. Adopt a resolution adopting the 2015-16 Budget and Capital Improvement Program ([Staff report #15-111](#))(*presentation*)

Mayor Pro Tem Cline introduced the item. City Manager Alex McIntyre and Finance Director Drew Corbett made a brief presentation.

ACTION: Motion and second (Carlton/Ohtaki) to approve **Resolution 6279** adopting the 2015-16 Budget and Capital Improvement Program with amendments to reduce the appropriation for the General Fund transfer to the Capital Improvement Program Fund by \$1.1 million, eliminate the proposed \$100,000 appropriation for the tennis court electronic key upgrade project in the Capital Improvement Program Fund and move that project to the unfunded projects list, and increase parking revenue estimates in the General Fund by \$55,243. Further, Council appropriated \$1 million in fiscal year 2014/15 from the General Fund to transfer to the Capital Improvements Program Fund to pre-fund the Santa Cruz Sidewalk Project. The motion passes unanimously.

Council thanked staff for its work in bringing budget options for the Council to review and consider based on their feedback from the June 16th Council meeting.

Council requested an agenda item for the next City Council meeting to discuss the role of the Finance and Audit Committee regarding alternative service delivery options.

ADJOURNMENT at 8:55 p.m.

Pamela Aguilar
City Clerk



REGULAR MEETING MINUTES - DRAFT

Date: 7/21/2015
Time: 7:00 p.m.
City Council Chambers
800 Alma St., Menlo Park, CA 94025

Mayor Pro Tem Cline called the meeting to order at 7:10 p.m.

Roll Call

Present: Cline, Keith, Ohtaki, Mueller

Absent: Carlton

Staff: City Manager Alex McIntyre, Assistant City Manager Starla Jerome-Robinson, City Attorney Bill McClure, Deputy City Clerk Jelena Harada

Mayor Pro Tem Cline led the pledge of allegiance.

Announcements – None**A. Presentations and Proclamations**

- A1. Proclamation celebrating the 35th anniversary of the SRI Organon Toastmasters

Denise Hamilton accepted the proclamation. ([Attachment](#))

- A2. Proclamation recognizing July 2015 as Parks and Recreation Month

Parks and Recreation Commission Chair Marianne Palefsky accepted the proclamation. ([Attachment](#))

- A3. Presentation highlighting the Community Services Department

Community Services Supervisor Todd Zeo made a presentation.

- A4. Proclamation recognizing Staff

Assistant City Manager Starla Jerome-Robinson accepted a proclamation recognizing her years of service with the City of Menlo Park. ([Attachment](#))

B. Commission/Committee Vacancies, Appointments and Reports

- B1. Quarterly update from the Transportation Commission

Transportation Commission Chair Bianca Walser reported on the Commission's activities.

C. Public Comment

- Steve Van Pelt expressed concern about the quality of video and audio recording of the meetings held in the Council Chambers

D. Consent Calendar

Council member Mueller pulled item D3 for further clarification.

Council member Mueller pulled item D11 to approve the minutes of June 2 and June 23 at a future date.

Members of the public spoke prior to the Council's discussion and action.

- Joe Fouret spoke about item D5, against the approval of sidewalk trip hazard repair contract.
- Alex Bolghond spoke about item D5, in favor of the approval of sidewalk trop hazard repair contract.

- D1. Adopt **Resolution 6280** authorizing the City Manager to execute a contract with the State of California Department of Education to reimburse the City up to \$746,685 for child care services at the Belle Haven Child Development Center for fiscal year 2015-16 ([Staff Report #15-112-CC](#))
- D2. Approve the release of a Notice of Funding Availability to developers of affordable housing ([Staff Report #15-116-CC](#))
- D3. Approval of the Proposed Economic Development Plan ([Staff Report #15-126-CC](#))
- D4. Adopt **Resolution 6281** acknowledging an easement for City storm drainage from Leslie Salt company (now Cargill) ([Staff Report #15-119-CC](#))
- D5. Award a contract to Trip Stop Sidewalk Repair Inc. for the multi-year sidewalk sawcutting trip hazard removal project ([Staff Report #15-121-CC](#))
- D6. Authorize the execution of a Public Works Mutual Aid Agreement with the County of San Mateo and other cities within the county ([Staff Report #15-117-CC](#))
- D7. Award a construction contract to O'Grady Paving, Inc. for the 2014-2015 Street Reconstruction Project in the amount of \$ 4,038,110 and appropriate \$300,000 from the Building Construction Impact Fee fund balance and authorize a total construction contract budget of \$4,500,000 ([Staff Report #15-124-CC](#))
- D8. Award a contract to various vendors for a total amount of \$474,680 for the purchase of thirteen vehicles, one turf sweeper, and outfitting safety equipment; authorize a contingency in the amount of \$20,561, appropriate \$95,241 from the Vehicle Fund Balance and authorize a total budget of \$495,241 ([Staff Report #15-120-CC](#))
- D9. Authorize the City Manager to enter into agreements with Chrisp Company and Quality Striping, Inc. for citywide street signing and striping program and authorize the City Manager the option to extend the agreements for up to three additional year ([Staff Report #15-127-CC](#))
- D10. Authorize the City Manager to execute a contract with ClientFirst Consulting Group, LLC in an amount not to exceed \$60,128 for development of an Information Technology Strategic Plan ([Staff Report #15-128-CC](#))

D11. Approve minutes for the Council meetings of June 2, 16 and 23, 2015 ([Attachment](#))

ACTION: Motion and second (Keith/Ohtaki) to approve items D1 through D10 with exception of Item D3, and approve the meeting minutes of June 16, passes 4-0-1 (Mayor Carlton absent).

ACTION: Motion and Second (Ohtaki/Keith) to approve item D3 with the following amendments, passes 4-0-1 (Mayor Carlton absent).

Page 46: remove words “A Citizen based” in the first paragraph

Page 53: add the time reference for data in Table 18

Page 83: replace word “allow” with “evaluate” in the *Recommendations* section

Page 90: replace word “allow” with “evaluate” in the second paragraph

E. Public Hearing

E1. Adopt **Resolution 6282** approving five-year water rates for the Menlo Park Municipal Water District ([Staff Report #15-118-CC](#))

Ruben Nino, Assistant Public Works Director, introduced Catherine Tseng with Bartle Wells Associates who made a presentation. The staff was available to answer questions.

Mayor Pro Tem Cline opened the public hearing.

- Jay Siegel spoke regarding the noticing practice of the water rate changes and the actual cost of water usage.
- George Cole asked that the Council vote against the proposed rates. ([Handout](#))
- Wendy Shindler spoke against the proposed water rates.
- Johnnie Walton spoke against the proposed water rates.

ACTION: Motion and second (Keith/Ohtaki) to close public hearing passes 4-0-1 (Mayor Carlton absent)

There was a consensus among the present Council members that staff look into addressing the rate calculations for multi-unit dwellings that are assigned to a single water meter, without requiring each unit to acquire its own water meter.

There was a consensus among the present Council members to develop additional communication in noticing the water rate increase, than required by the Proposition 218.

ACTION: Motion and second to adopt resolution approving five-year water rates for the Menlo Park Municipal Water District; and explore the option of addressing the rates for multi unite dwellings for future rate adjustments, passes 4-0-1 (Mayor Carlton absent).

F. Regular Business

F1. Amend the City’s Transportation Demand Management Guidelines and Transportation Impact Analysis Guidelines for certain change of use projects in the M-2 area ([Staff Report #15-122-CC](#))

Staff was available to answer questions.

- Steve Van Pelt spoke about the alternative means of transportation.

ACTION: Motion and second (Ohtaki/Keith) to amend the City's Transportation Demand Management guidelines and Transportation Impact Analysis guidelines for certain change of use projects in the M-2 area., passes 4-0-1 (Mayor Carlton absent).

- F2. Adopt **Resolution 6283** of the Successor Agency to the Community Development Agency of the City of Menlo Park approving the issuance of refunding bonds, approving the execution and delivery of an indenture of trust, approving the execution and delivery of irrevocable refunding instructions, requesting Oversight Board approvals and determinations, and providing for other matters related to the refinancing ([Staff Report #15-115-CC](#))

ACTION: Motion and second (Ohtaki/Mueller) to adopt the Resolution of the Successor Agency to the Community Development Agency of the City of Menlo Park approving the issuance of redevelopment bonds as stated in the Staff Report , passes 4-0-1 (Mayor Carlton absent).

- F3. Ask the Finance and Audit Committee to report back to the City Council on opportunities to identify potential budget savings through alternative service delivery models ([Staff Report #15-123-CC](#))

ACTION: Motion and second (Ohtaki/Keith) to ask the Finance and Audit Committee to report back to the City Council on opportunities to identify and prioritize potential budget savings through alternative service delivery models, passes 4-0-1 (Mayor Carlton absent).

G. City Manager's Report

Congresswoman Anna Eshoo's Office will hold a conversation on the aviation noise pollution in the area.

H. Written Communication - None

I. Informational Items

The staff was available to answer any questions.

- I1. Belle Haven Child Development Center Self Evaluation Report for the Child Development Division of the California Department of Education for Fiscal Year 2014-15 ([Staff Report #15-113-CC](#))
- I2. Quarterly review of data captured by Automated License Plate Readers (ALPR) for the period beginning April 1, 2015 through July 1, 2015 ([Staff Report #15-125-CC](#))

Councilmember Mueller requested that, for accuracy and future reference, report be amended to indicate one hit of a recovered stolen vehicle.

- I3. Quarterly review of Taser Program ([Staff Report #15-114-CC](#))

J. Councilmember Reports

- J1. Confirm attendance and voting delegates for the League of California Cities Annual Conference ([Attachment](#))

Councilmember Kirsten Keith reported on the success of the Fourth of July event in the Burgess

Park.

City Manager Alex McIntyre informed the Council and the public that the Public Comment section at the end of the meeting has been removed, as the public comments are welcome in the beginning of the meeting as well as during items.

- K. Adjournment** at 10:30 p.m. preceded by a minute of silence in memory of David Bruce Cline Senior and Bruce Cline.

Jelena Harada
Deputy City Clerk

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STAFF REPORT

City Council

Meeting Date: 8/25/2015
Staff Report Number: 15-132-CC

Regular Business: Authorize the City Manager to Approve Revisions of the Integrated Pest Management (IPM) Policy, Enter into a Contract not to Exceed \$86,000 to Provide a One Year Herbicide-free Parks Pilot upon Approval of the City Attorney, and Release a Request for Proposal (RFP) for Converting all City Maintained Parks to Herbicide-free Zones

Recommendation

Staff recommends that the City Council authorize the City Manager to:

1. Approve and sign the revised Integrated Pest Management (IPM) Policy
2. Enter into a contract not to exceed \$86,000 to provide a one year herbicide-free parks pilot upon approval of the City Attorney
3. Direct staff to release a Request for Proposal (RFP) to gather comparable proposals to convert all applicable City maintained parks into herbicide-free zones

After completing the pilot and receiving proposals, staff plans to bring the herbicide-free park maintenance program to City Council for consideration.

Policy Issues

The IPM Policy is intended to reduce pesticide use by providing a decision making framework during maintenance of City parks and property. The City's current IPM Policy, enacted in 1998, must be updated to comply with the Municipal Regional Stormwater Permit (MRP) and the San Mateo County Water Pollution Prevention Program (SMCWPPP).

Community concerns with the use of herbicides, especially RoundUp (main ingredient glyphosate), have been raised in previous City Council and Environmental Quality Commission meetings. Proposed policy revisions were developed to address this concern.

Adoption of the IPM policy is required policy setting, appropriating funds for an herbicide-free park pilot is recommended to field-test this action under the policy, and the proposed RFP will allow staff to fully assess the costs of providing herbicide-free parks throughout the City.

Background

The Environmental Protection Agency, under amendments to the 1987 Clean Water Act, imposed regulations that mandate local government to control and reduce the amount of stormwater pollution runoff into receiving waters of the United States. Under the authority of the Porter-Cologne Water Quality Act, the State Water Resources Control Board has delegated authority to its regional boards to invoke permitting requirements. In July 1991, the San Francisco Bay Regional Water Quality Control Board (Control Board)

notified San Mateo County Water Pollution Prevention Program (SMCWPPP) and all its incorporated cities of the requirement to submit a Municipal Regional Stormwater National Pollutant Discharge Elimination System (NPDES) Permit application and to implement a Stormwater Management Plan.

Provision C9 of the NPDES permit requires the adoption of an Integrated Pest Management (IPM) policy and/or ordinance requiring use of IPM techniques in municipal operations. In 1998, the City of Menlo Park adopted the current IPM Policy (Attachment A) to comply with the NPDES requirements. In 2011, SMCWPPP released a standardized IPM Policy template (Attachment B), which a number of participating agencies adopted. The proposed City IPM Policy (Attachment C) is necessary to facilitate compliance with the NPDES Permit, streamline procedures used by City staff and contractors to document and report compliance, and reduce the application of herbicides near sensitive receptors.

Along with the adoption of the proposed IPM Policy, the Environmental Quality Commission (EQC) and Park and Recreation Commission (PRC) support (1) an herbicide-free pilot project within four City maintained parks in the east, central, and west areas of Menlo Park and (2) the release of a RFP to gather consistent estimates to convert all applicable City maintained parks into herbicide-free zones. Many of the EQC's recommendations have already been incorporated into the proposed IPM policy and staff procedures. Attachment D is the IPM presentation that staff delivered to the EQC in May and the PRC in June.

Analysis

To address community concerns regarding the herbicide RoundUp Pro Max, the EQC recommended City staff conduct an experiment to find alternative methods of weed control. On June 25, 2014, Parks Maintenance staff developed a test site at the Corporation Yard that incorporated perennial grasses and broadleaf weeds. The methods of weed control included mulching, mowing, RoundUp Pro Max (conventional herbicide), Finalsan (Organic labeled herbicide), BurnOut II (Organic labeled herbicide), and a control area. The 6-month trial indicated:

- Each method was successful at removing weeds, but at varying levels
- Mulch/mow method required increased staff time
- RoundUp Pro Max resulted in the longest lasting effect and lowest cost
- Finalsan and BurnOut II required higher rates of application and increased cost per mix rate

Although Finalsan and BurnOut II were labeled organic, the toxicity classification and Personal Protective Equipment (PPE) required for applying these products is greater than RoundUp Pro Max. As a result, the EQC recommended mechanical weed removal and mulching as the preferred approach.

Staff then requested an estimate from Gachina, the City's current landscaping contractor, for an initial weed removal, monthly mechanical weed removal, and mulch maintenance of City maintained parks and center medians. The estimate totaled \$552,964.20 annually, which is more than five times what the City currently pays Gachina for maintenance. For comparison, staff requested an estimate from a separate landscape contractor which was far less. The significant difference in estimates is due to inconsistencies with contractor assumptions due to the informal scope process.

Staff recommends field-testing herbicide-free weed control methods with a pilot program including four (4) parks across the east, west and central areas of Menlo Park. Initiating this pilot program will provide residents an opportunity to use these facilities with the knowledge that no herbicides are used. Following the pilot program, staff recommends releasing an RFP for full implementation, to provide a standard scope and gain comparable estimates to the program cost.

Impact on City Resources

Table 1 summarizes the estimated cost to pilot the four proposed herbicide-free parks.

Table 1: Estimate for pilot herbicide free parks			
Park name	Initial weed removal	Monthly mechanical/mulch maintenance	Cost for one year pilot
Bedwell Bayfront	In staff scope	In staff scope	In staff scope
Fremont	\$2,322.00	\$657.00	\$10,206
Willow Oaks	\$17,012.00	\$2,102.00	\$42,236
Stanford Hills	\$20,532.00	\$1,057.00	\$33,216
Total	\$39,866.00	\$3,816.00	\$85,658

Note: Cost for one-year pilot assumes initial weed removal plus monthly mechanical/mulch maintenance for 12 additional months.

As proposed, the associated IPM plan requires (1) an allocation of \$86,000 to pilot four herbicide-free parks at Willow Oaks Park, Fremont Park, Stanford Hills, and Bedwell Bayfront Park from the City’s General Fund Reserve and (2) City staff time to develop and release a RFP for comparable estimates to convert all applicable City maintained parks into herbicide-free zones. Staff will return to the City Council for a future request for appropriation following solicitation of proposals for Citywide implementation.

Environmental Review

The proposed action is exempt from the California Environmental Quality Act (CEQA), according to CEQA Guidelines Section 15308: Actions by Regulatory Agencies for Protection of the Environment.

Public Notice

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

Attachments

- A. 1998 City of Menlo Park IPM Policy
- B. SMCWPPP IPM Policy Template
- C. Draft IPM Policy
- D. IPM presentation given to EQC and PRC

Report prepared by:
Sheena Marie Z. Ignacio, Environmental Services Specialist

Report reviewed by:
Heather Abrams, Environmental Services Manager

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CITY OF MENLO PARK
INTEGRATED PEST MANAGEMENT PLAN

FEBRUARY 1998

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CITY OF MENLO PARK INTEGRATED PEST MANAGEMENT PLAN

INTRODUCTION

The mission of The Division of Maintenance of the City of Menlo Park ("DIVISION") is to provide safe, enjoyable and aesthetically pleasing environments for the residents and visitors of Menlo park. The DIVISION recognizes the importance of dealing with unwanted animals and plants (pests) in those environments following ecologically, esthetically and economically balanced approaches .

Therefore, the DIVISION has decided to address all pest situations in the parks and city properties following the guidelines of Integrated Pest Management or IPM.

INTEGRATED PEST MANAGEMENT POLICY STATEMENT

A. INTEGRATED PEST MANAGEMENT: DEFINITION

The policy of The DIVISION with regards to situations caused by unwanted animals and plants (pests), is to follow the principles of Integrated Pest Management (IPM). The IPM concept to be followed by the DIVISION, is based mostly on one provided by the University of California, State Wide Integrated Pest Management Project (Division of Agriculture and Natural Resources U. C. IPM Publication 12, 1991):

"Integrated Pest Management, is a pest management strategy that focuses on long-term prevention or suppression of pest problems with minimum impact on human health, the environment, and non-target organisms. Preferred pest management techniques include encouraging natural biological control, using alternate plant species or varieties that resist pests, selecting pesticides with a lower toxicity to humans or non-target organisms; adoption of cultivating, pruning, fertilizing, or irrigation practices that reduce pest problems; or changing the habitat to make it incompatible with pest development.

Broad spectrum pesticides are used as a last resort when careful monitoring indicates they are needed according to preestablished guidelines. When treatments are necessary, the least toxic and most target-specific pesticides are chosen.

The IPM definition that we have adopted differs from the IPM definition that appears in the U. C. IPM project publication , mentioned above, in that the definition provided by the U. C. IPM program considers in some instances, the use of broad spectrum pesticides. The IPM policy of the DIVISION does not include the use of broad spectrum pesticides.

Before adopting the above definition of IPM, The DIVISION considered other IPM definitions proposed by several agencies and institutions. Some of the definitions reviewed were:

1. D. R. Bottrell. 1979. Council of Environmental Quality. Integrated Pest Management. Superintendent of Documents. U. S. Government Printing Office. Washington, D. C. 20402.
2. Anonymous. 1993. Pest Control in the School Environment. United States Environmental Protection Agency, Office of Pesticide Programs (H7506C). EPA 735-F-93-012.
3. Olkowski. W. , H. Olkowski and S. Daar. 1992. What is IPM. Bio-Integral Resource Center (BIRC). Berkeley, CA.

B. IPM POLICY EVOLUTION AND UPDATE

The DIVISION, recognizes that the field of pest management is constantly evolving. Therefore, the DIVISION will review the IPM plan every year. This revision will be done to incorporate changes that are needed in light of evolution on pest management concepts and specific situations at Menlo Park. The goal of the DIVISION is to have a pest management plan and policy that reflect the best approaches to pest management.

For example, the DIVISION acknowledges the concept " Ecologically Based Pest Management ("EBPM") " recently proposed by the National Research Council to be used to ecologically deal with pest situations (Anonymous. 1996. Ecologically Based Pest Management. National Research Council. National Academy of Sciences Press. 2101. Constitution Avenue, N. W. Washington D. C. 20418). The EBPM concept is proposed as an improvement of the IPM concept. The DIVISION follows the development and applicability of the EBPM concept and if appropriate, will fully adopt it . The DIVISION has prepared this IPM plan following ecological principles and believes that this IPM plan can be converted into an EBPM if desired.

GOALS AND CITY POLICIES FOR THE INTEGRATED PEST MANAGEMENT PROGRAM

GENERAL GOALS

1. The pest Management program of the City of Menlo Park is based on the IPM principles. Thus, the pest Management program of the City of Menlo Park is primarily based on minimal, or no use, of synthetic chemical pesticides. Emphasis will be given to biological and environmental measures to manage pests. Synthetic chemical pesticides, will not be used when an effective alternative is available.
2. THE DIVISION WILL REVIEW THIS PLAN EVERY YEAR. FOR THE REVIEW, THE DIVISION WILL OBTAIN INPUT FROM AN IPM ADVISORY COMMITTEE THAT WILL BE SET UP BY THE DIVISION.]
3. The DIVISION will train its employees on pest management methods that fit the IPM philosophy. This training will be achieved with in-house or outside resources.
4. The DIVISION will have outreach programs to keep citizens informed about the pest management program followed by the DIVISION and to make the citizens of Menlo Park more aware of the role of organisms in the Menlo Park ecosystem.
5. When it is determined that a pesticide is necessary, the least hazardous pesticide available that will provide and adequate level of control will be used.
6. Only pesticides that are approved and registered with the Environmental Protection Agency and by the State of California will be used.
7. All federal and state laws that pertain to the safe use of pesticides will be adhered to.
8. Pesticides, when used, will be applied following the instructions in their label. This includes instructions on:
 - A. Proper mixing procedures.
 - B. The proper use of the pesticide.
 - C. The proper disposal of empty containers and any unused material.
9. Only category 2, 3, and 4 pesticides will be used. Category 1 pesticides are considered the most toxic; category 4 pesticides are considered the least toxic.

10. Pesticides that are designed by the State of California as Restricted Pesticides will only be used when a non-restricted pesticide will not provide an acceptable level of pest management. Restricted pesticides are pesticides that present a particular hazard, so the State of California requires a special permit to use them.

City employees must only use pesticides approved and provided by the city for pest management operations conducted by the city.

11. Employees will receive training in the proper use of a pesticide before they can use that pesticide. This specific training will be conducted on an annual basis, and will be part of the state mandated annual training on the safe and effective use of pesticides that all employees who use pesticides are required to participate in.

12. For pest management actions that take place in parks, median strips, rights-of-ways, and any other area that is considered an agricultural use by the State of California, a pest Control recommendation will be prepared by a Pest Control Adviser who is licensed by the State of California.

13. Only city employees who have a current Qualified Applicator Certificate will apply pesticides.

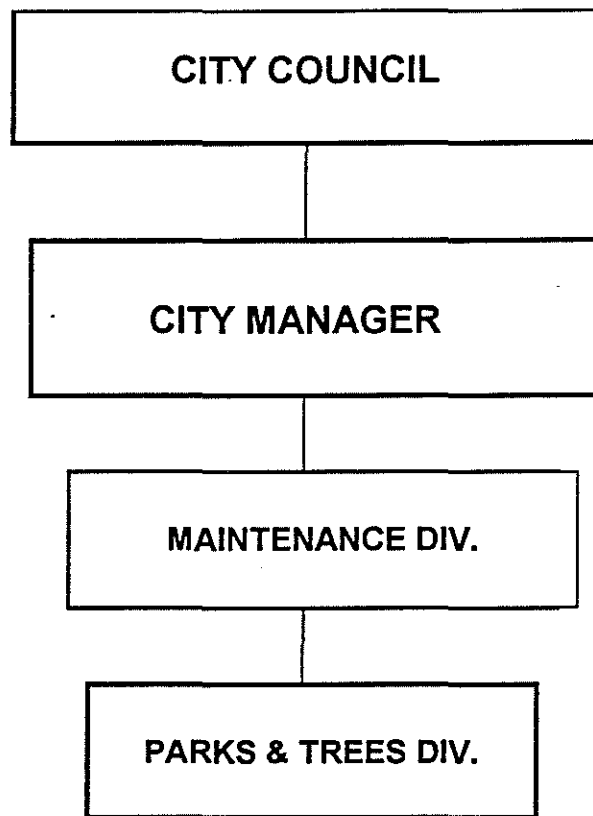
If contractors are used to apply pesticides, they must be licensed by the State of California as Pest Control Operators. State law requires that employee's of these companies be properly trained in the use of pesticides.

OPERATIONAL GOALS:

These goals will be further defined, as specific pest situations are identified and management options defined.

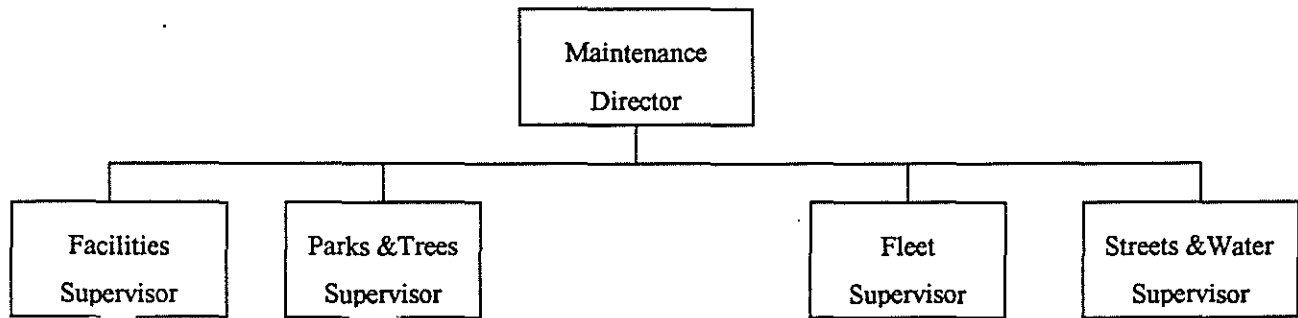
1. To reduce pesticide use, a target reduction of _____% during _____ has been established. The basis for monitoring pesticide usage will be based on active and inert ingredients and adjutants .
2. The DIVISION WILL START developing specific IPM PLANS for various localities in the city based on pest detection.

IMPLEMENTATION STRUCTURE



**PERSONNEL RESPONSIBLE FOR THE IMPLEMENTATION OF THE
INTEGRATED PEST MANAGEMENT PLAN**

By direction of the Maintenance Director the Parks and Trees Supervisor will be responsible for the implementation of the integrated Pest Management Plan.



GUIDELINES TO DEVELOP PEST MANAGEMENT STRATEGIES

SUMMARY: This section provides the general guidelines to develop and implement the IPM plan. Before pest management operations can be conducted against any pest, an "SPECIFIC IPM PEST MANAGEMENT STRATEGY" must exist for that pest. This strategy will specify:

1. The pest to be controlled, including proper identification
2. The location
3. The host (if applicable), the plant or habitat infested .
4. Action thresholds
5. Approved methods of management.

If an applicable management strategy does not exist one must be developed on a case by case basis.

PROCESS TO DEVELOP SPECIFIC PEST MANAGEMENT STRATEGIES

Each specific pest management strategy will contain:

1. Pest Identification:

The pest should be identified as specifically as is reasonable. Scientific and common names are acceptable, but if scientific names are used common names, accepted by the pest management community, should also be noted to make the strategy as understandable as possible. As an example, identifying the pest as Pacific Flathead Borer is preferable to identifying it as "borer", and the scientific name (Chrysobothris malis) should be included for completeness.

2. The Location:

The location where the pest was found, should also be identified as specifically as is reasonable. It should either specify a location by name or by type of facility. Some examples would be, Burgess Park, parking lot A . [THERE WILL BE AN EFFORT TO STORE THE LOCATION IN A COMPUTERIZED SYSTEM TO ALLOW QUICK RETRIEVAL AND FOR HISTORICAL ANALYSIS TO ASCERTAIN PATTERN OF PEST OCCURRENCE AND PESTICIDE USE. AS RESOURCES ALLOW IT, INFORMATION WILL BE STORED BASED IN GEOGRAPHIC INFORMATION SYSTEM FORMAT]

3. The Host (if applicable):

The host is the organism from where the pests is obtaining nourishment. An example of a host would be oaks for aphids.

4. Action Thresholds:

An action threshold is an observable condition of the host, or population level, of the pest that must be reached before a pest management measure can be initiated. The action threshold is determined to initiate a pest management measure to keep the pest population below an injury level determined by the DIVISION. This injury level could be based on pest population numbers or host appearance (aesthetic injury level). The injury levels will be very habitat specific depending on many factors.

Thus, an organism, is only a problem if it causes a significant amount of damage or causes certain aesthetic appearance. For example certain number of aphids per shoot or leaf can be tolerated on some plants; however, if the number of aphids reaches a certain level (action threshold) that could indicate that the aphid population is going to reach an injury level (economic or aesthetic injury level), then the aphids might be considered a problem and a management measure may be applied

The action threshold should take into account the pests' natural population fluctuations, the pests' natural enemies, the time needed for the control measure to take effect, the weather, reactions of the public and other variables. To help develop these action thresholds, the DIVISION WILL adopt monitoring procedures to detect action thresholds. The DIVISION will utilize its knowledge of the ecosystem in Menlo Park and scientific resources available outside the DIVISION to adopt monitoring procedures and define action thresholds. One specific source of information will be the State Wide IPM program.

Typical action thresholds include:

- A. Determining a certain number of aphids per shoot of a tree at certain sampling dates.
- B. Determining certain level of honey dew droppings from aphids.
- C. Observing a specified amount of damage from a pest (e.g. 25 % defoliation of a tree).

5. Approved Management Actions:

Management actions will be implemented after a certain action threshold is reached. Therefore action thresholds will be determined for specific management measures. Approved management actions should only include those practices in which the benefits of that action outweigh any potential adverse affects. Adverse affects include the time and cost involved to perform the control action, inconvenience o the public, health and other environmental concerns, etc. If no measure can be found that meets this criteria, then the only approved measure should be "no action" until an acceptable management measure is developed.

It is advisable to have as many management options as possible to minimize or eliminate adverse affects from accumulating and the pest from becoming resistant to any one form of management. It also gives the most number of options to best meet any particular situation. All potential management options should be considered not just chemical ones. Non-chemical control methods include:

A. **Cultural Practices:**

Cultural practices are those, non-pesticide- based, measures, that are taken to alter the environment to be beneficial to the host, plant or habitat infested, and keep the pest from becoming a problem.

Cultural practices in a park include water and fertilizer management, pruning and mulching. A large number of pest problems can be avoided if proper sanitation practices are followed. For example proper waste disposal can reduce yellow jacket nuisance in parks.

B. **Biological and Microbial Measures:**

Biological control involves the use of living agents such as predators parasitoids and microbes to regulate pest populations. For example, egg parasitoids (Trichogramma spp), sometimes are released to manage population of defoliating insects. Another example of biological control is the use of goats to manage vegetation.

C. **Mechanical Control:**

Mechanical control involves physically removing the pests. For example, weed removal using mechanical weeders . Removing aphids using high pressure water spray is another example.

PROCEDURE TO IMPLEMENT A PEST MANAGEMENT MEASURE

1. Monitoring:

Monitoring is an integral part of any IPM plan. Since initiation of a pest management operation depends on determining when an action threshold is reached, monitoring of the environment is necessary to observe when it occurs. Monitoring and careful record keeping can also provide valuable data on the effectiveness of pest management actions and pest population fluctuations.

2. Action Threshold Reached:

When the selected action threshold is reached for a particular pest, the appropriated management measure can be applied. The measure is applied taking into consideration observations of the pest's environment and health of the host, plant or habitat infested. Modifications of the environment can help to deter pest problems. A healthful plant is less likely to be attacked by an insect than an unhealthy plant. Therefore proper pruning, fertilizing, watering and other cultural practices can help reduce the necessity of pest management measures. Some of these cultural measures can be included as approved methods of pest management.

3. Apply appropriate management measure:

A. Pest Control Recommendation:

Before any management measure is applied, it is necessary to determine if, according to State regulations, a Pest Control Recommendation (RECOMMENDATION) is necessary. For example, for management measures that take place in parks, golf courses, median strips, right-of-ways, and any other area that is considered an agricultural use by the State of California a RECOMMENDATION is required. This RECOMMENDATION is written by a Pest Control Advisor who is licensed by the State of California.

Currently, the Maintenance Division is the only department in the City that has a licensed Pest Control Advisor on staff. Therefore, the Maintenance Division will provide these recommendations to other departments as time and resources permit. It is the responsibility of the department requesting the recommendation that their recommendations are up to date, and that all information necessary to complete the recommendation is supplied to the Maintenance Division. It is also the requesting department's responsibility to ensure that all the procedures on the recommendation, on the label, and in applicable State and Federal laws are followed.

B. Public Notification:

To ensure that the public and city staff are aware of what pesticides are being used in their vicinity, the following public notification procedures must be followed by City staff and contractors performing pest control operations for the City.

There are two types of notification that can be required:

- 1 Public notification signs
2. Blue dye in liquid pesticides.

C. BUILDINGS

1. Signs shall be posted at least 24 hours prior to any pesticide application and shall remain posted for at least 24 hours after the application or until the re-entry period has elapsed (whichever is longer).
2. The signs shall:
 - A. be at least 8.5 inches by 11 inches.
 - B. be printed in black or white type on a red background.
 - C. Include the following information:
 - a. The date the pesticide will be applied
 - b. The location(s) within the building that is to be treated
 - c. The problem pest(s)
 - d. The pesticide(s) that is to be used
 - e. The re-entry period that is specified on the pesticide label
 - f. A phone number to call for information concerns.
 - D. Have the Material Safety Data Sheet (MSDS) for the pesticide(s) attached to the sign
 - E. Have the date and time added to the sign when the pesticide is applied.
3. The signs shall be posted at all entrances to the building

This page could be replaced by a sample(s) of the sign(s) that are approved and used when pesticide applications are made.

PARKS AND OTHER LANDSCAPED AREAS

When pest management operations will be conducted in a park, vacant lot, public path, or in the landscaped area surrounding City owned building, public notification signs will be posted as described below:

1. Signs shall be posted before the pesticide application is started, and shall remain posted for at least 24 hours after the application or until the re-entry.
2. The signs shall:
 - A. be at least 8.5 inches by 11 inches.
 - B. be printed in black or white type on a red background.
 - C. include the following information:
 - a. The date the pesticide will be applied.
 - b. Either i or ii:
 - i. The location(s) within the park that is to be treated.
 - ii. A notification that blue dye is in the pesticide to indicate there it has been applied
 - c. The problem pest(s)
 - d. The be pesticide(s) that is to be used
 - e. The re-entry period that is specified on the pesticide label
 - f. A phone number to call for information concerns.
3. The signs shall be posted adjacent to all sidewalks and paths that enter the park, and at any other location where people would normally enter the park. If only a portion of a park is being treated, only that portion of the park needs to be posted.

There are sample signs on the following pages. The first if for situations where blue dye is not used and the second is for situations where blue dye is used. They can be copied onto red paper, properly filled out, and used as a public notification sign.

[SAMPLE SIGNS HERE]

Median strips and Roadsides

When pest management measures will be conducted on median strips or roadsides, public notification signs will be posted as described below.

Signs are not required in most situations unless the pesticide label specifies that posting is required. However blue dye should be mixed with all liquid pesticides to indicate what areas have been sprayed.

If a walkway enters the area being treated, signs shall be posted as for parks.

APPLICATION

For Information Call

858-3490

3. **Dye Markers:**

All outdoor liquid pesticide applications will use a blue dye marker to indicate exactly where pesticide materials have been applied. [THE EXCEPTIONS TO THIS REQUIREMENT WOULD BE ON PLANT MATERIAL WHERE BLUE DYE WOULD SIGNIFICANTLY DETRACT FORM THE AESTHETICS OF THE PLANT MATERIAL.]

C. **Pesticide Purchasing:**

All purchasing of pesticides must be done with the approval of the applicable department's designated Officer. No other person should be authorized to approve the purchase of any pesticide. Employees are not to bring pesticides from home for use on city property. This includes pesticides that are packaged for home use.

D. **Pesticide and Pesticide Container Disposal:**

- a. Unused pesticides and empty pesticide containers will only be disposed of at disposal sites approved by the Director of Maintenance or his / her designee.
- b. All empty containers that previously contained concentrated liquid pesticides are to be triple rinsed before disposal. The rinse water is to be added to the spray tank as part of the water used to dilute the pesticide.
- c. All disposal procedures on the pesticide label and those required by law will be adhered to.

E. **Record Keeping:**

Records of all pesticide applications done by the DIVISION and contractors will be kept and stored at Maintenance Division. The records are to include:

- a. the date and time of the application
- b. the brand name of the pesticide
- c. the technical name of the pesticide
- d. Target organism (scientific and common name)
- e. Where the pesticide was purchased
- f. the amount of pesticide used
- g. the concentration of the pesticide used
- h. the name of the applicator or contractor
- i. the equipment used to apply the pesticide
- j. where the pesticide was applied
- k. when applicable, the size of the area treated

These records are to be entered and kept in a format that allows its storage and processing using computerized data bases. A form designed for this purposed will be designed by the DIVISION sent to the County Office of Environmental Health by the end of the month following the application?

By State law, records of this same information are required to be kept [on file?]for two years and a monthly summary is required to be sent to the County Agricultural Commissioner's Office / Environmental Health.

F. Evaluation:

As part of the regular monitoring program, the effectiveness of the treatment should be evaluated to help make future treatments more effective.

Training and Certification:

1. Pesticide Application:

All employees who apply pesticides will be required to receive annual training on the proper use of pesticides, and will receive specific training on the proper use of each type of pesticide they will use. An employee will not apply pesticides unless he or she has received this training.

Only City employees who have a current Qualified Pesticide Applicator Certificate will apply pesticides. The only exception to this will be the use of Roundup in 3 gallon tanks. Roundup when mixed and applied from 3 gallon tanks may be applied by city employees who have received annual training in its proper use.

To obtain a Qualified Pesticide Applicator Certificate, one has to pass a series of tests given by the State of California. Qualified Pesticide Applicator Certificate holders also have to complete 40 hours of additional training every 2 years.

If contractors are used to apply pesticides, they must be licensed by the State of California as Pest Control Operators. State law requires that employees of these companies be properly trained in each pesticide that they are to mix or apply.

2. **Pest Control Advisors:**

For control measures that take place in parks, golf courses, median strips, right-of-ways. and any other area that is considered an agricultural use by the State of California, a Pest Control Recommendation is required. This recommendation is written by a Pest Control Advisor who is licensed by the State of California. To be eligible for this license, one has to meet stringent educational requirements and pass a series of tests given by the State of California. To maintain this license, a Pest Control Advisor has to complete 40 hours of training every 2 years.

Public Outreach

As materials and resources become available, an effort will be made to provide the Citizens of Menlo Park with material to inform them about the IPM program of the DIVISION and with information to assist them to decide when to use pesticides, how to properly use pesticides if they are to be used, and how to understand the information on pesticide labels. This material will also include information on alternatives to pesticides and other pest control methods.

Use Reports

1. **Monthly Reports:**

The DIVISION will prepare a monthly report of all pesticides used by their respective departments and contractors. The report will list for each application:

- a. Date and time of the application
- b. Brand name of the pesticide
- c. Technical name of the pesticide
- d. Target organism (scientific and common name)
- e. Where the pesticide was purchased
- f. The amount of pesticide used
- g. Concentration of the pesticide used
- h. Name of the applicator or contractor
- i. Equipment used to apply the pesticide
- j. Where the pesticide was applied
- k. When applicable, the size of the area treated

This report is to be sent to [Director of Maintenance].

By State law, records of this same information are required to be kept on file for two years and a monthly summary is required to be sent to the County Agricultural Commissioner's Office for applications

2. **Yearly Reports:**

The DIVISION will use the monthly reports to prepare a report for the City Manager. This report will include:

- A. Detailed pesticide usage data. See page 23
- B. The reduction in pesticide use and how well the target of a specific pesticide use was reached.
- C. Discussions of methods being used to reduce pesticide usage by City departments
- D. An update of the IPM Plan.

This report will also be presented to the County Agricultural Commissioner's Office and the Environmental Beautification Commission for its comment and review.

City of Menlo Park
Fire Hydrants & Services
Integrated Pest Management Plan
February 1998

Persons Authorized to Perform Pest Control Activities

Only employees who have a current Qualified Pesticide Applicator Certificate will apply pesticides. City employees are not to bring pesticides from home for use on city property. This includes pesticides that are packaged.

Weeds Around Fire Hydrants in undeveloped areas of Menlo Park:

Location/Host	Action Threshold	Action
The area surrounding a fire hydrant that is: <ol style="list-style-type: none"> 1. 3' from the fire hydrant 2. Between the fire hydrant and the street 	50% of the area covered with weeds that are 1' or more in height	Spray the area with Roundup in accordance with the current Pest Control Recommendations or mechanically remove the weeds

In the hills of Menlo Park the area around fire hydrants needs to be kept relatively free of weeds. Weeds in this area can become large enough to obscure the hydrant from view, which makes it difficult to find and use when it is needed for fire control. Fire hydrants need to be visible from the street so fire crews can easily find them. The area around the fire hydrant also needs to be kept clear for proper operation of the hydrant. Weeds are primarily a problem in the hills area.

The areas around fire hydrants are not currently mulched. Hydrants that could benefit from mulch around them need to be identified and mulched as time and resources permit. Mulching helps to keep weed seeds from germinating, thus reducing the need for pesticide applications.

**INTEGRATED PEST MANAGEMENT
PLAN
FOR BUILDINGS**

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PERSONS AUTHORIZED TO PERFORM PEST CONTROL ACTIVITIES:

The City uses contractors to apply pesticides for the control of pests in buildings. The contractors must be licensed by the State of California as Pest Control Operators. State law requires that employees of these companies be properly trained in each pesticide that they are to mix or apply.

City employees are not to bring pesticides from home for use on city property. This includes pesticides that are packaged for home use.

GENERAL PRINCIPLES:

Buildings are not a natural habitat for pests, but they can provide attractive places for pests to live.

Buildings can be made less attractive with proper sanitation and building maintenance.

1. Exclusion:

Crack and crevices that pests can enter should be caulked or repaired. Window screens should be kept in good condition to keep out flying insects. These insects can be pests themselves, but they also provide food for spiders.

Pests can be unknowingly be brought into buildings by people. Potted plants, cut flowers, and other [such] material should be inspected for insects or spiders.

2. Sanitation:

Food should be properly stored and disposed of. Spills should be promptly cleaned up to prevent them from becoming food for pests. The areas around stoves, sinks, refrigerators and other areas used for food preparation or consumption need to be kept clean. Garbage containers that are used to dispose of empty food containers or uneaten food need to be emptied frequently and provided with tight fitting lids. The area around dumpsters should be kept clean and the lids should be kept closed.

ARACHNIDS

Black Widow Spiders

Location/Host	Action Threshold	Action
Inside buildings	Whenever black widow spider are identified	Apply an acaricide to the spider or its web.

It is unlikely that black widow spiders will be encountered. They are only found in dark locations. If a black widow is found, it is acceptable to use an acaricide. To be effective the acaricide must be applied directly to the spider or its web.

Other Spiders

Location/Host	Action Threshold	Action
Inside buildings	Whenever spiders or webs are observed	Vacuum the spider and its web

Most spiders are harmless to people and are often beneficial, but they need to be controlled because their webs can be a nuisance and many people have an aversion to spiders. Pesticides are not usually necessary to control spiders. In most situations mechanical removal and proper sanitation and building maintenance will keep them under control.

INSECTS

Argentine Ants

Location/Host	Action Threshold	Action
Food Preparation and Storage areas	Whenever ants are observed	Wipe up ants with soapy water and/or use insecticide bait.
	A definable trail is observed	Treat building's foundation, surrounding sidewalk cracks, and crawl space with an insecticide. If possible, only treat near food preparation areas.
Other Areas	A definable trail is observed.	Wipe up ants with soapy water and/or use insecticide bait.
	More than one definable trail is observed	Treat foundation, sidewalk cracks, and crawl space under building with an insecticide. If possible, treat only areas near the ant trails.

Insecticides used indoors do not provide long term control. Insecticide bait is taken to the nest, where it can be more effective. Soapy water can be used to get rid of ants that are an immediate problem.

Insecticides can be used outside of the building to provide a barrier to ant invasions. The foundation, cracks in pavement surrounding buildings, and the crawl space that is under some buildings are areas where an insecticide can help control ants. If ants are only a problem in a portion of a building, it may be possible to treat only the part of the building that is near the problem area.

Cockroaches

Location/Host	Action Threshold	Action
Food preparation and Storage Areas	2 Cockroaches in any sticky trap	Use insecticide bait or treat with an insecticide
Other Areas	5 Cockroaches in any sticky trap	Use insecticide bait or treat with insecticide

To determine when control of cockroaches is warranted, a system of monitoring is necessary. In areas where cockroaches are a known or suspected problem, sticky traps need to be put out to evaluate the problem. After 24-48 hours, if the number of cockroaches in any trap reaches the action threshold, either the use of insecticide bait or treatment of the area with an insecticide is warranted.

Fleas

Location/Host	Action Threshold	Action
Carpeted Floors	When Fleas are found	Vacuum the area weekly or more frequently
	2 weeks after initially spotting fleas, and carpet has been vacuumed at least 3 times	Apply insecticide

Vacuuming is effective in controlling adult fleas, but larvae are resistant to being picked up by the vacuum. Therefore, vacuuming must be repeated frequently. Fleas can survive in the vacuum bag, so the vacuum bag should be disposed of in a sealed plastic bag.

Termites

Location/Host	Action Threshold	Action
Wooden parts of buildings	When evidence of termite activity is observed	Replace damaged wood and treat with an insecticide

Rats and Mice VERTEBRATES

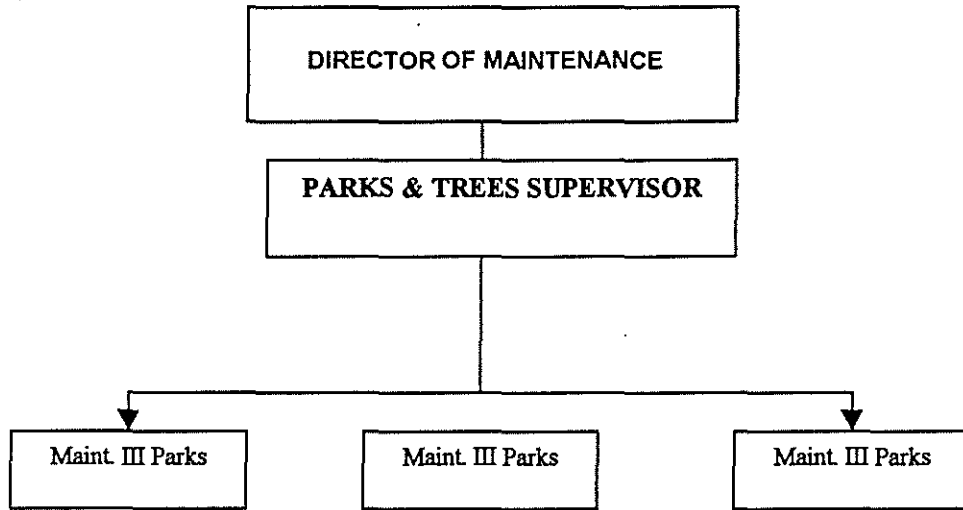
Location/Host	Action Threshold	Action
Inside buildings	Whenever evidence of rats or mice is observed	Put out bait stations in the affected areas

**INTEGRATED PEST
MANAGEMENT PLAN FOR
PARKS, MEDIAN STRIPS
AND OTHER
OUTDOOR FACILITIES**

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IMPLEMENTATION STRUCTURE



PERSONS AUTHORIZED TO PERFORM PEST CONTROL ACTIVITIES

Only City Employees who have a current Qualified Pesticide Applicator Certificate will apply pesticides. The only exception to this will be the use of Roundup in 3 gallon tanks. Roundup when mixed and applied from 3 gallon tanks may be applied by city employees who have received annual training in its proper use.

City employees are not to bring pesticides from home for use on city property. This includes pesticides that are packaged for home use.

For pest control measures that take place in parks, golf courses, median strips, right-of-ways and any other area that is considered an agricultural use by the State of California, a Pest Control Recommendation is required. If this Recommendation is not in effect for the planned method of control, a new Recommendation must be acquired from the Parks and Trees Supervisor in charge of Integrated Pest Management.

Broadleaf Weeds in Turf

Location/Host	Action Threshold	Action
Athletic Fields	Weeds cover 10% of the green	Spray the field with a selective herbicide in accordance with the current Pest Control Recommendation
Newly Established Turf	Weeds cover 7% of the green	Spray the turf with a selective herbicide in accordance with the current Pest Control Recommendation
Other Turf	Weeds cover 25% of the green	Spray the turf with a selective herbicide in accordance with the current Pest Control Recommendation

Weeds in Mulched Bare Areas

Location/Host	Action Threshold	Action
Median strips and other areas kept bare of vegetation	Mulch is less than 4 ' thick	Replenish mulch to 6" or greater depth
	Weeds cover 5% of the surface of the ground	Spray the weeds with Roundup in accordance with the current Pest Control Recommendation, or mechanically remove weeds.

Weeds in median strips and other areas that are devoid of desirable vegetation need to be kept relatively free of weeds. Weeds contribute to the impression that the area is unkempt which is not in accordance with the city's policy of maintaining a clean and aesthetically pleasing city.

Weeds in Unmulched Bare Areas

Location/Host	Action Threshold	Action
Median strips and other areas kept bare of vegetation	Fall and Spring: Weeds cover 1% of the surface of the ground	Spray the area with a preemergent herbicide in accordance with the current Pest Control Recommendation
	Weeds cover 5% of the surface of the ground	Spray the weeds with Roundup in accordance with the current Pest Control Recommendation, or mechanically remove weeds.

Weeds in median strips and other areas that are devoid of desirable vegetation need to be kept relatively free of weeds. Weeds contribute to the impression that the area is unkempt which is not in accordance with the city's policy of maintaining a clean and aesthetically pleasing city.

There are some areas that are not currently mulched but could be. These areas should be mulched as time and resources permit. Mulching helps to keep weed seeds from germinating, thus reducing the need for pesticides.

Turf Edges

Location/Host	Action Threshold	Action
Turf edges		
Edges that can be edged with a mechanical edger	Grass is growing from [out beyond?] edge by 1"	Use a mechanical edger to maintain the edge
Edges that cannot be edged with a mechanical edger.	Grass is growing out from edge by 3"	Spray the encroaching grass with Roundup in accordance with the current Pest Control Recommendation or remove by mechanical means

Turf edges that are overgrown are unsightly and can interfere with the activities of the adjoining area. Encroaching grass can decrease the width of a path, make valve covers and other access covers hard to open, or can hide them altogether.

Weeds Around Sprinkler Heads

Location/Host	Action Threshold	Action
3" band around irrigation heads	Weeds (including grass) growing beyond edge at least 1" or interfering with the sprinkler.	Spray the 3" band with Roundup in accordance with the current Pest Control Recommendation, or remove by mechanical means

Weeds (including grass) are a constant problem around sprinkler heads. They interfere with the proper operation of the heads by not allowing the heads to pop up, the operating mechanism is stopped from moving, or the stream of water is obstructed. This results in the inadequate watering of the turf.

To combat this problem a 2" -3" band around sprinkler heads is kept free of weeds and encroaching grass.

Weeds in Paths and Roads

Location/Host	Action Threshold	Action
Cracks in paved paths and roads (asphalt or concrete)	Weeds cover 5% of the surface area	Spot spray with Roundup in accordance with the current Pest Control Recommendation, or remove by mechanical means
	Weeds are observed and Roundup is being used in adjacent areas.	Spot spray with Roundup in accordance with the current Pest Control Recommendation,
Unpaved paths ((e.g. crushed rock)	Weeds cover 5% of the surface area	Spot spray with Roundup in accordance with the current Pest Control Recommendation, or remove by mechanical means

ARACHNIDS

Mites

Location/Host	Action Threshold	Action
Parks	Spring and early summer:	Spray in accordance with the current Pest Control Recommendation

INSECTS

Hornets and Wasps

Location/Host	Action Threshold	Action
All areas maintained by the Parks Division	Whenever a nest is observed within 10' of the ground	Destroy the nest by mechanical means or with a pesticide in accordance with the current Pest Control Recommendation
	Whenever a nest is observed on a building	Destroy the nest by mechanical means or with a pesticide in accordance with the current Pest Control Recommendation

Bees

Location/Host	Action Threshold	Action
All areas maintained by the Horticulture Section	Whenever a hive is observed within 10' of the ground	Contact one of the beekeepers on file and have them remove the hive.
	Whenever a hive is observed on a building	Contact one of the beekeepers on file and have them remove the hive.

Even though bees are beneficial in the pollination of flowers, they must be controlled due to the hazard they present. Their sting is quite painful to most people and can be life-threatening to others. Since these are colonial insects, they are concentrated in their nests. This makes the nest both the focal point of the hazard and the ideal point of control. Nests that are within 10' of the ground or on a building pose the greatest hazard to the public. There are local beekeepers who will remove hives for a fee. Use of this service allows us to control this pest without the use of pesticides.

Sucking Insects

Location/Host	Action Threshold	Action
Parks	25% of foliage with symptoms from sucking insects or mites	Use a pesticide in accordance with the current Pest Control Recommendation

VERTEBRATES

Gophers and Ground Squirrels

Location/Host	Action Threshold	Action
Trafficked areas and areas that surround them (e.g. athletic fields and lawns)	1 hole in an area of any size	Use poison bait or traps in accordance with the current Pest Control Recommendation

The holes created by gophers and ground squirrels create an extreme tripping hazard to park users in trafficked areas. For this reason, Park Services has a zero tolerance level for these pests in areas that the public will be walking or playing on. This same threshold is used for the surrounding area because these pests are very mobile and would soon be in the trafficked areas.

RATS AND MICE

Location	Action Threshold	Action
All outdoor areas maintained by the Office of Parks and Recreation	Whenever a rat or mouse is observed	Use poison bait or traps in accordance with the current Pest Control Recommendation

PERSONS AUTHORIZED TO PERFORM PEST CONTROL ACTIVITIES

Only employees who have a current Qualified Pesticide Applicator Certificate will apply pesticides. City employees are not to bring pesticides from home for use on city property. This includes pesticides that are packaged for home use.

SHARON PARK LAKE AND BURGESS LAKE

<u>LOCATION/HOST</u>	<u>ACTION THRESHOLD</u>	<u>ACTION</u>
Shallow water shelf around Lakes	When algae has grown to the extent that it is ready to mat up	Treat the algae with an algaecide and/or mechanically remove the algae

The shallow water around the edge promotes the growth of algae. When the algae decomposes it creates an obnoxious smell and an eyesore that greatly detracts from the beauty of the lake. To combat this problem, the amount of algae in the lake needs to be kept down to a level where it will not produce an undesirable smell.

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San Mateo Countywide Water Pollution Prevention Program Model Integrated Pest Management (IPM) Policy Template

GOAL

The [City/County of ____] seeks to protect the health and safety of its employees and the general public, the environment and water quality, as well as to provide sustainable solutions for pest control through the reduced use of pesticides on property including buildings owned or managed by the City/County by applying Integrated Pesticide Management principles and techniques. The municipal regional stormwater permit requires that the [City/County of ____] minimize reliance on pesticides that threaten water quality.

REQUIRED USE OF INTEGRATED PEST MANAGEMENT

Employees implementing pest management controls will use Integrated Pest Management (IPM) techniques that emphasize non-pesticide alternatives. Pesticides will only be used after careful consideration of non-chemical alternatives and then the least toxic chemicals that are effective shall be used. Pest control contractors hired by the [City/County] are required to implement IPM to control pests. This will be achieved by hiring only IPM-certified pest control contractors or by including contract specifications requiring contractors to implement IPM methods.

The [City/County] will establish written standard operating procedures for pesticide use to ensure implementation of this IPM policy and to require municipal employees and pest control contractors to comply with the standard operating procedures.

The [City/County] will track employee and contractor pesticide use and prepare an annual report summarizing pesticide use and evaluating pest control activities performed consistent with the municipal regional stormwater permit's requirements.

The [City/County] will review its purchasing procedures, contracts or service agreements with pest control contractors and employee training practices to determine what changes, if any, need to be made to support the implementation of this IPM Policy.

The [City/County] will perform educational outreach and/or support Countywide or regional efforts to educate residential and commercial pesticide users on a) goals and techniques of IPM, and b) pesticide related water quality issues consistent with the municipal regional stormwater permit's requirements.

The IPM-based hierarchical decision making process that will be used to control pests will include the following:

1. Based on field observations evaluate locations and sites where pest problems commonly occur to determine pest population, size, occurrence, and natural enemy population, if present. Identify conditions that contribute to the development of pest populations, and decisions and practices that could be employed to manage pest populations

2. Design, construct, and maintain landscapes and buildings to reduce and eliminate pest habitats;
3. Modify management practices including watering, mulching, waste management, and food storage to discourage the development of pest population;
4. Modify pest ecosystems to reduce food, water sources, and harborage;
5. Prioritize the use of physical controls such as mowing weeds, using traps, and installing barriers;
6. Use biological controls to introduce or enhance a pests' natural enemies;
7. When pest populations reach treatment thresholds (based on how much biological, aesthetic, economic or other damage is tolerable) non-pesticide management activities will be evaluated before considering the use of pesticides;
8. When pesticides are necessary, select reduced risk pesticides and use the minimum amounts needed to be effective;
9. Apply pesticides at the most effective treatment time, based on pest biology, monitoring, and other variables, such as weather, seasonal changes in wildlife use, and local conditions; and
10. Whenever possible, use pesticide application methods, such as containerized baits, that minimize opportunities for mobilization of the pesticide in stormwater runoff.

Departments performing pest management activities will identify an IPM coordinator who is responsible for assisting staff with implementation of this IPM policy.

BACKGROUND

Pesticides are defined as: any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest. Pests can be insects, rodents and other animals, unwanted plants (weeds), bacteria or fungi. The term pesticide applies to herbicides, fungicides, insecticides, rodenticides, molluscicides and other substances used to control pests.

Integrated Pest Management (IPM) is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment.

IPM techniques could include biological controls (e.g., ladybugs and other natural enemies or predators); physical or mechanical controls (e.g., hand labor or mowing, caulking entry points to buildings); cultural controls (e.g., mulching, alternative plant type selection, and enhanced cleaning and containment of food sources in buildings); and reduced risk chemical controls (e.g., soaps or oils).

[City/County] owned or managed property/facility includes but is not limited to parks and open space, golf courses, roadsides, landscaped medians, flood control channels and other outdoor areas, as well as municipal buildings and structures.

City of Menlo Park

City Manager Policy

Department City Manager Subject DRAFT INTEGRATED PEST MANAGEMENT POLICY	Page 1 of 4	Effective Date
	Approved by	Procedure #
	Department Head	
	City Manager	

GOAL

The City of Menlo Park seeks to protect the health and safety of its employees and the general public, the environment and water quality, as well as to provide sustainable solutions for pest control through the reduced use of pesticides on City property by applying Integrated Pesticide Management principles and techniques. The municipal regional stormwater permit requires that the City of Menlo Park minimize reliance on pesticides that may threaten water quality.

City of Menlo Park owned or managed property/facilities may include but is not limited to: parks and open space, golf courses, roadsides, landscaped medians, flood control channels and other outdoor areas, as well as municipal buildings and structures.

BACKGROUND

Integrated Pest Management (IPM) is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of pest-resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment. (Source: University of California State-wide Integrated Pest Management Project)

City of Menlo Park employees implementing pest management controls will use Integrated Pest Management (IPM) techniques that emphasize non-pesticide alternatives. The City of Menlo Park hereby establishes written standard operating procedures as described in this policy for pesticide use to ensure implementation of IPM and to require municipal employees and pest control contractors to comply with the standard operating procedures.

TRAINING AND OUTREACH

City personnel who apply pesticides or supervise and provide advice about pesticide application will be trained as mandated by State and Federal regulations on recommended IPM strategies and techniques, as well as pollution prevention practices. City contractors will also be required to complete training regarding the concepts that are included in this Policy.

The City of Menlo Park will perform educational outreach and/or support Countywide or regional efforts to educate the community on a) goals and techniques of IPM, and b) pesticide related water quality issues consistent with the municipal regional stormwater permit's requirements.

THE IPM-BASED HIERARCHICAL DECISION MAKING PROCESS

The City, in carrying out its operations, shall assume pesticides are potentially hazardous to human and environmental health. City departments shall give preference to reasonably available nonpesticide alternatives when considering the use of pesticides on City property. For all pest problems on City property, City staff and City contractors shall follow the IPM approach outlined below, only proceeding to the next step if prior steps have been exhausted.

- 1) Based on field observations, evaluate locations and sites where pest problems commonly occur to determine pest population, size, occurrence, and natural enemy population, if present. Identify conditions that contribute to the development of pest populations, and decisions and practices that could be employed to manage pest populations;
- 2) Design, construct, and maintain landscapes and buildings to reduce and eliminate pest habitats;
- 3) Modify management practices, including watering, mulching, waste management, and food storage, to discourage the development of pest population;
- 4) Modify pest ecosystems to reduce food, water sources, and harborage;
- 5) Prioritize the use of physical controls such as mowing weeds, using traps, and installing barriers;
- 6) Use biological controls to introduce or enhance a pests' natural enemies;
- 7) When pest populations reach treatment thresholds (based on how much biological, aesthetic, economic or other damage is tolerable) non-pesticide management activities will be evaluated before considering the use of pesticides;
- 8) When pesticides are necessary, select reduced-risk pesticides and use only the minimum amounts needed to be effective;
- 9) Whenever possible, use pesticide application methods, such as containerized baits, that minimize opportunities for mobilization of the pesticide in stormwater runoff; and
- 10) Apply pesticides at the most effective treatment time of day and seasons, based on pest biology, monitoring, and other variables, such as weather, seasonal changes in wildlife use, and local conditions.

PESTICIDE USE AND TRACKING

Pesticides will only be used after careful consideration of non-chemical alternatives, and then the least toxic chemicals that are effective shall be used. Pest control contractors hired by the City of Menlo Park are required to implement IPM to control pests. This will be achieved by hiring only IPM-certified pest control contractors or by including contract specifications requiring contractors implement IPM methods.

Appropriate City departments will continue to track pesticide use for reporting purposes. City contractors will also be required to track pesticide use and report that data to the City annually. All City contractors must notify City staff, in writing, at least 24 hours in advance of any pesticide use. City-wide pesticide use data will be reported annually to the Regional Water Quality Control Board, as required in the City's NPDES Storm Water Discharge Permit. The annual report, including the pesticide use data, will be public record.

NOTICE OF PESTICIDE USE

City of Menlo Park employees and City contractors that apply any pesticide shall comply with the following notification procedures:

- 1) Notification signs shall be posted at least 24 hours before application of any pesticide product and remain posted at least 24 hours after application of pesticide unless otherwise stated on pesticide product label.
- 2) Signs shall be posted at every entry point to the area where the pesticide is applied if the pesticide is applied in an enclosed area, and in highly visible locations around the perimeter of the area where the pesticide is applied if the pesticide is applied in an open area.
- 3) Signs shall contain the name and active ingredient of the pesticide product, the target pest, the date of pesticide use, the signal word indicating the toxicity category of the pesticide product, the date for re-entry, and the name and contact number of the City department responsible for the application.
- 4) Notifications signs shall not be required to post signs in right-of-way locations that the general public does not use for recreation purposes.

Notification requirements may be waived by the Public Works Director or designee in cases of emergency situations where pest outbreak poses an immediate threat to public health or significant economic loss.

For more information please contact:
 City of Menlo Park
 701 Laurel Street
 Menlo Park, CA 94025
 Phone: (650) 330-6780

USE OF TOXICITY CATEGORY IV PESTICIDE PRODUCTS

City of Menlo Park employees and City contractors will use the least toxic chemical pesticides that is effective. Those classified as Toxicity Category IV by the United States Environmental Protection Agency shall be applied only after the careful consideration of non-chemical alternatives. Currently Category IV pesticides are not required to include a signal word on the label.

LIMITED USE OF TOXICITY CATEGORY III OR II PESTICIDE PRODUCTS:

City of Menlo Park employees and City contractors will be limited in their use of chemical pesticides that are classified as Toxicity Category III or II by the United States Environmental Protection Agency. Category III or II pesticides will only be used in situations where a Pest Control Advisor recommends the use of these pesticides after Category IV alternatives have been exhausted or where needed to prevent a pest outbreak that poses an immediate threat to public health or significant economic loss. Toxicity Category III pesticides include the signal word “CAUTION” on the product label. Toxicity Category II pesticides include the signal word “WARNING” on the product label.

BAN ON USE OF TOXICITY CATEGORY I PESTICIDE PRODUCTS

City of Menlo Park employees and City contractors are prohibited from using chemical pesticides that are classified as Toxicity Category I by the United States Environmental Protection Agency. Exemptions to this ban may be granted in emergency cases where a pest outbreak poses an immediate threat to public health or significant economic loss will result if the banned pesticide is not applied. Exemptions will only be granted in situations where a Pest Control Advisor recommends the use of such a pesticide, and the Category I pesticide application is approved by the Public Works Director or designee. Toxicity Category I pesticides include the signal word “DANGER” on the product label.

ANNUAL POLICY EVALUATION

The Public Works Superintendent shall maintain all records and provide an annual report to the Public Works Director. Such reports shall also be provided to the City Council as requested. The annual report shall include a review and summary of the City’s pesticide use, cultural practices and non-chemical pest control activities, exemptions granted, training offered, any proposed modifications to the City’s pesticide list and any suggestions for amendments or resources needed for effective implementation of the IPM policy.

DEFINITIONS

Whenever used in this Policy, the following terms shall have the meanings set forth below:

1. ‘Contractor’ means a person, firm, corporation or other entity, including a governmental entity, that enters into a contract with the City to provide landscape maintenance or related activities.
2. ‘Integrated Pest Management’ means a decision-making process for managing pests that uses monitoring to determine pest injury levels and combines biological, cultural, physical and chemical tools to minimize health, environmental and financial risk. The method uses knowledge of the target pests’ life cycles, environmental requirements and natural enemies to facilitate natural control of the pest. The method incorporates natural methods of pest control, then proceeds to the least-toxic pesticides if the natural methods are not effective.
3. ‘NPDES Permit’ is a regulatory document issued by the State of California to control the discharge of pollutants into waterways. NPDES is an acronym for National Pollutant Discharge Elimination System.
4. ‘Pest Control Advisor’ means someone who is licensed by the California Department of Pesticide Regulations in accordance with California Code of Regulations, Title 3, Article 5. Only a licensed Pest Control Advisor who is

registered with the County Agriculture Commissioner may provide written pest control recommendations for area such as parks, golf courses and public right-of-ways.

5. 'Pesticide' means pesticide as defined in Section 12753 of the California Food and Agriculture Code, including, but not limited to, herbicides, insecticides, and fungicides. Pesticides are defined as: any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest. Pests can be insects, rodents and other animals, unwanted plants (weeds), bacteria or fungi. The term pesticide applies to herbicides, fungicides, insecticides, rodenticides, molluscicides and other substances used to control pests.
6. 'Signal Words' are found on pesticide product labels, and they describe the acute (short-term) toxicity of the formulated pesticide product. The signal word can be either: DANGER, WARNING, or CAUTION. Products with the DANGER signal word are the most toxic. Products with the signal word CAUTION are lower in toxicity.

DRAFT

INTEGRATED PEST MANAGEMENT (IPM) POLICY UPDATE



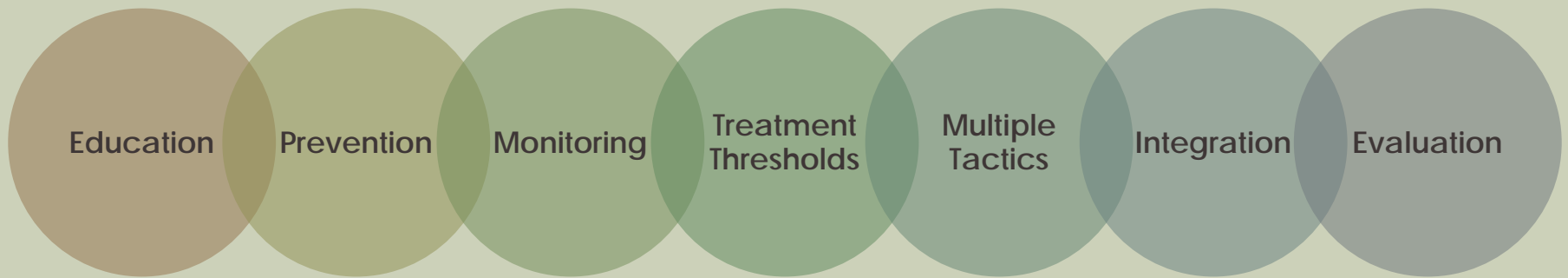


WHAT IS INTEGRATED PEST MANAGEMENT (IPM)?

An ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of pest-resistant varieties. Pesticides are used only after monitoring indicates that they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risk to human health, beneficial and non-target organisms, and the environment.

Source: [University of California State-wide Integrated Pest Management Program](#)

THE IPM CONCEPT: A DECISION MAKING FRAMEWORK

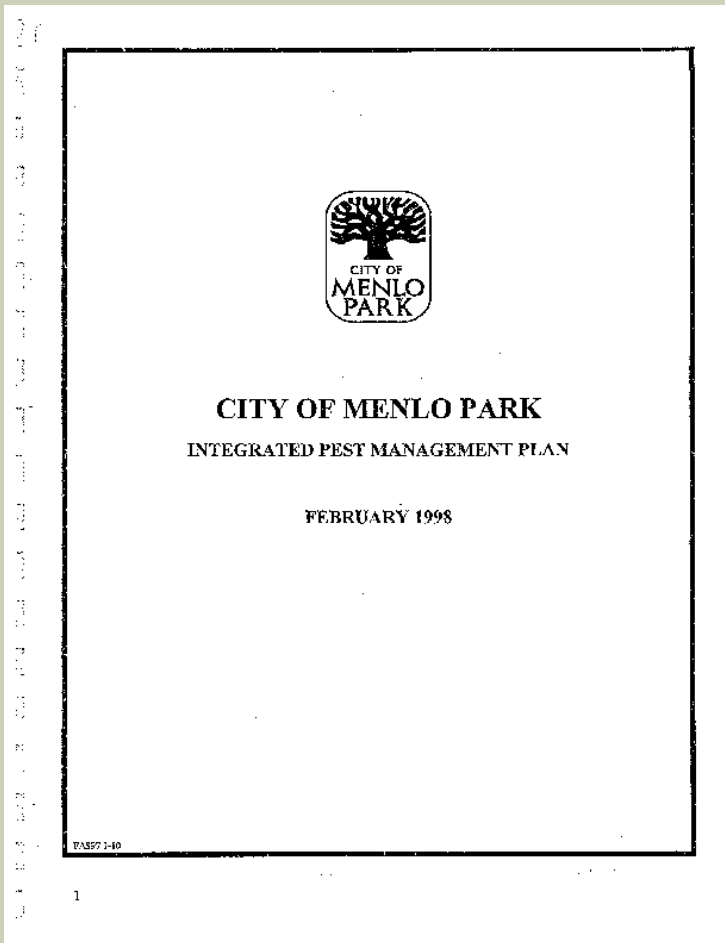


PURPOSE



- Address community concerns
- Transparency
- Fulfill National Pollutant Discharge Elimination System (NPDES) Stormwater Permit requirements
- Inline with San Mateo County Water Pollution Prevention Program standards

CURRENT POLICY



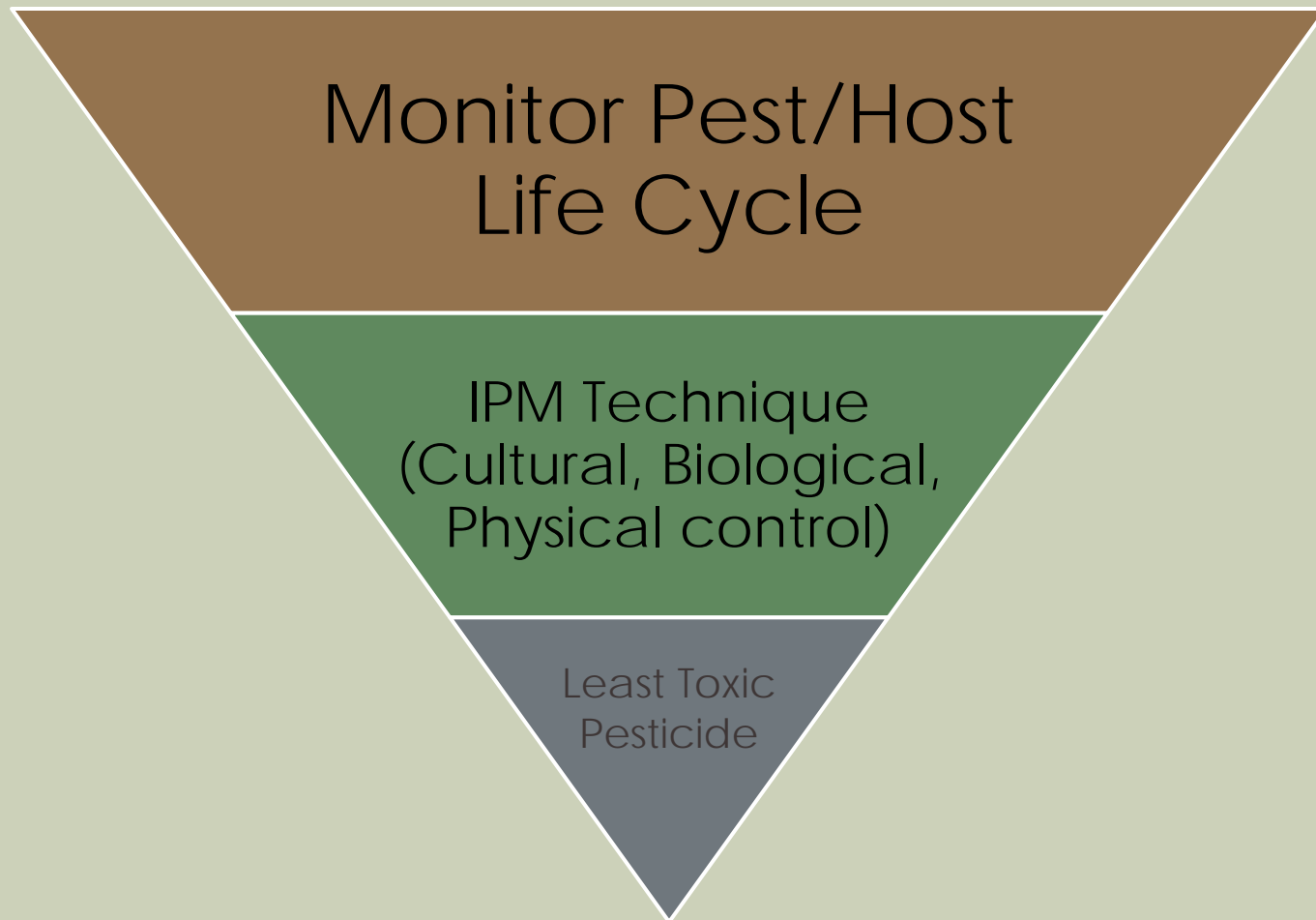
- Out-dated
 - Allows Category II, III, & IV pesticide use
- Extensive 45 pgs.

STAFF EDUCATION & TRAINING



- Department staff receive at least 20 hours of continued education units annually. Much of which is IPM based.
- Staff only applies Category III or IV herbicides using “Caution” signal word. These categories are the least toxic pesticides available.

HIERARCHY OF MENLO PARK IPM IMPLEMENTATION



MULCH



MOW



IPM TECHNIQUE

CULTURAL CONTROL:

*The use of
mulch and
mowing.*

BEFORE



AFTER



IPM TECHNIQUE

BIOLOGICAL CONTROL

The use of natural predator species, parasites, or grazing.



IPM TECHNIQUE

PHYSICAL CONTROL:

*The use of
hand/
mechanical
removal, traps
and barriers.*

DEPARTMENT PESTICIDE USE



- In 1996, 25.1 gallons of herbicides were used on City staff maintained landscapes.
- In 2012, City staff maintained landscape increased by 11 acres and reduced herbicide use to 19.75 gallons.

SAN MATEO COUNTY WATER POLLUTION PREVENTION PROGRAM IPM POLICY TEMPLATE



San Mateo Countywide Water Pollution Prevention Program Model Integrated Pest Management (IPM) Policy Template

GOAL

The [City/County of ____] seeks to protect the health and safety of its employees and the general public, the environment and water quality, as well as to provide sustainable solutions for pest control through the reduced use of pesticides on property including buildings owned or managed by the City/County by applying Integrated Pesticide Management principles and techniques. The municipal regional stormwater permit requires that the [City/County of ____] minimize reliance on pesticides that threaten water quality.

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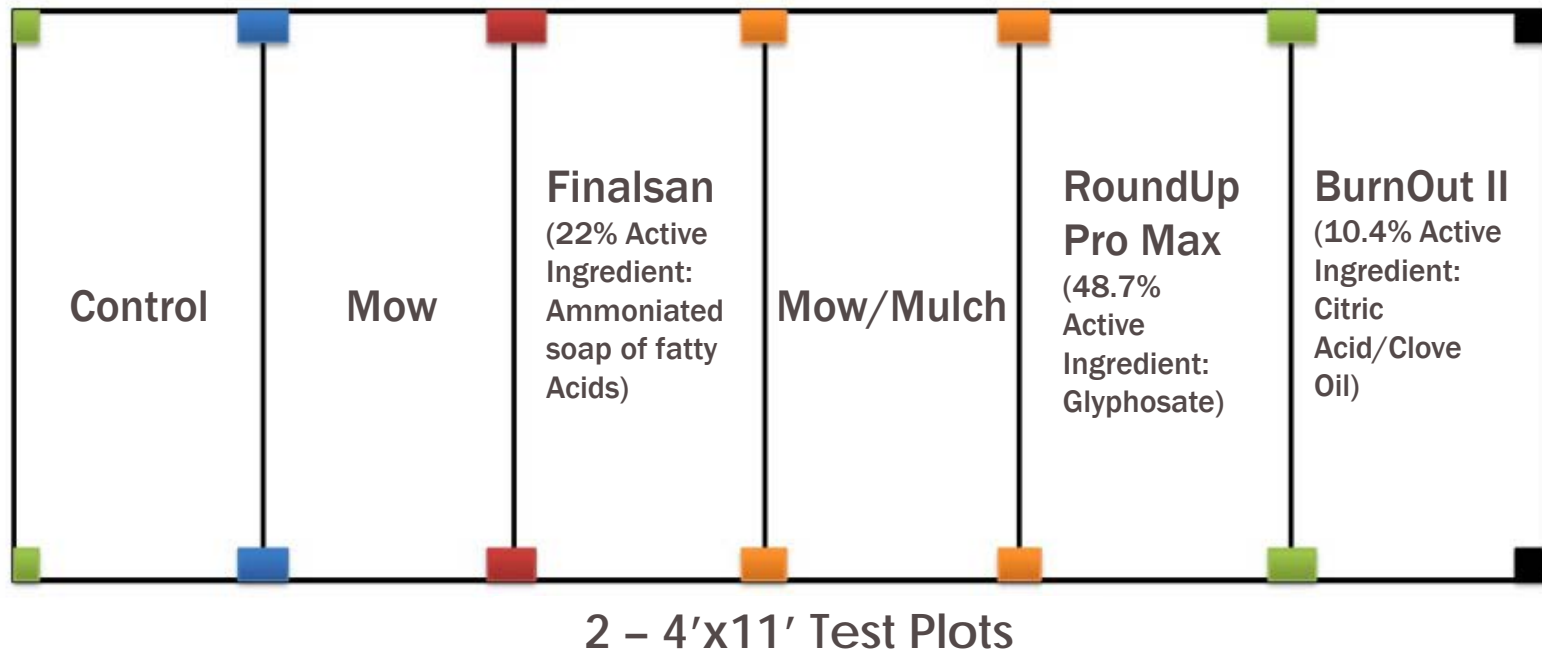
The IPM-based hierarchical decision making process that will be used to control pests will include the following:

1. Based on field observations evaluate locations and sites where pest problems commonly occur to determine pest population, size, occurrence, and natural enemy population, if present. Identify conditions that contribute to the development of pest populations, and decisions and practices that could be employed to manage pest populations

- Goal
- Required Use of IPM
- Background

THE EXPERIMENT

July 2014 – January 2015



THE EXPERIMENT RESULTS



- RoundUp Pro Max
 - Lowest application rates
 - Lowest cost
- BurnOut II/Finalsan:
 - Higher application rates
 - Higher costs per mixed rates
- Mow/Mulch:
 - Increase staff levels
 - Increase staff time

UPDATED IPM POLICY

City of Menlo Park		City Manager Policy
Department City Manager	Page 1 of 4	Effective Date
Subject DRAFT INTEGRATED PEST MANAGEMENT POLICY	Approved by	Procedure #
	Department Head	
	City Manager	

GOAL

The City of Menlo Park seeks to protect the health and safety of its employees and the general public, the environment and water quality, as well as to provide sustainable solutions for pest control through the reduced use of pesticides on City property by applying Integrated Pesticide Management principles and techniques. The municipal regional stormwater permit requires that the City of Menlo Park minimize reliance on pesticides that may threaten water quality.

City of Menlo Park owned or managed property/facilities may include but is not limited to: parks and open space, golf courses, roadsides, landscaped medians, flood control channels and other outdoor areas, as well as municipal buildings and structures.

BACKGROUND

Integrated Pest Management (IPM) is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of pest-resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment. (Source: University of California State-wide Integrated Pest Management Project)

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TRAINING AND OUTREACH

City personnel who apply pesticides or supervise and provide advice about pesticide application will be trained as mandated by State and Federal regulations on recommended IPM strategies and techniques, as well as pollution prevention practices. City contractors will also be required to complete training regarding the concepts that are included in this Policy.

The City of Menlo Park will perform educational outreach and/or support Countywide or regional efforts to educate the community on a) goals and techniques of IPM, and b) pesticide related water quality issues consistent with the municipal regional stormwater permit's requirements.

THE IPM-BASED HIERARCHICAL DECISION MAKING PROCESS

The City, in carrying out its operations, shall assume pesticides are potentially hazardous to human and environmental health. City departments shall give preference to reasonably available nonpesticide alternatives when considering the use of pesticides on City property. For all pest problems on City property, City staff and City contractors shall follow the IPM approach outlined below, only proceeding to the next step if prior steps have been exhausted.

- Aligns with County Template
- Confirms commitment to reduce pesticide use
- Additional Options
 - Proposed pilot of herbicide-free pilot at selected parks
 - RFP for 12 herbicide-free parks

CHANGES IN LANDSCAPE



SYMBOL OF NEW BEGINNING



QUESTIONS



**STAFF REPORT****City Council**

Meeting Date: 8/25/2015
Staff Report Number: 15-142-CC

Informational Item: **Quarterly Financial Review of General Fund Operations as of June 30, 2015**

Recommendation

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

Policy Issues

This 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 City Council.

Background

In order to provide timely information to the City Council and the public, the 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 fiscal year. These results are presented alongside results from the same period for the previous year, with material differences being explained in the appropriate section of the staff report.

While revenues and expenditures presented in this report are through June 30, which is the end of the fiscal year, additional revenues and expenditures continue to accrue to the 2014-15 fiscal year through the end of August. As such, the results presented in this report are not necessarily a good barometer for final General Fund operating results. A more complete picture of the General Fund's fiscal year 2014-15 final results will be presented in October, when the preliminary year-end report is provided. In this report, preliminary year-end results are compared not only against budgeted amounts, but also against estimates made in the 2015-16 adopted budget.

Analysis**Overview**

The report included as Attachment A, was developed to apprise City 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 fourth quarter results from fiscal years 2014-15 and 2013-14.

Budget-to-actual comparisons shown reflect actual transactions through the fourth quarter of each year as compared to the adjusted budget as it stood June 30 each year. Through the fourth quarter, the General

Fund is on track to finish in better position than is reflected in the current budget.

Revenues

The table below shows a summary of fourth quarter revenues for fiscal years 2014-15 and 2013-14.

Revenues	2014-15			2013-14		
	Adjusted Budget 6/30/15	Actual 6/30/15	% of Budget	Adjusted Budget 6/30/14	Actual 6/30/14	% of Budget
Property Tax	15,986,324	16,678,124	104.33%	14,715,000	15,019,232	102.07%
Sales Tax	6,348,146	6,196,790	97.62%	6,136,400	6,115,914	99.67%
Transient Occupancy Tax	4,549,694	3,323,372	73.05%	4,100,000	2,982,082	72.73%
Utility Users' Tax	1,129,632	1,123,177	99.43%	1,135,000	1,066,639	93.98%
Franchise Fees	1,863,110	1,674,528	89.88%	1,812,300	1,739,217	95.97%
Charges for Services	8,012,908	8,065,793	100.66%	7,595,222	7,389,151	97.29%
Licenses and Permits	4,880,128	5,097,771	104.46%	6,559,465	5,803,836	88.48%
Interest Income	310,000	507,822	163.81%	260,000	610,729	234.90%
Rental Income	405,004	364,437	89.98%	367,712	355,904	96.79%
Intergovernmental Revenue	936,360	1,310,508	139.96%	841,717	808,364	96.04%
Fines & Forfeitures	1,319,980	1,322,307	100.18%	1,149,980	1,148,152	99.84%
Operating Transfers In/Other Revenue	440,155	440,867	100.18%	1,201,266	1,202,117	100.07%
Use of Assigned Fund Balance	1,865,712	0	0.00%	0	0	0.00%
Total Revenues	\$48,047,153	\$46,105,496	95.96%	\$45,874,062	\$44,241,337	96.44%

Through the fourth quarter of fiscal year 2014-15, General Fund revenues are \$46.1 million, which is slightly over 4 percent increase over the same period in 2013-14. This increase is driven by several major revenue sources, including property tax, charges for services, transient occupancy tax, intergovernmental revenue and fines and forfeitures.

Property tax represents the largest source of General fund revenue, and results through June 30 are positive, as revenues have exceeded budget by \$692,000. The increase is due to better than expected results related to the property transfer tax, which is primarily due to the sale of several large commercial properties, and higher than expected tax revenue distributed to the General Fund from the former Community Development Agency.

Charges for services are up nearly 9 percent over last fiscal year and are largely due to Public Works improvement plan check fees and with recreation programs.

Transient occupancy tax (TOT) receipts reflected are through the third quarter only (March 31, 2015), since TOT is not paid to the City until the month following the close of each quarter (quarter ending June

30, 2015, is received at the end of July). Overall, TOT revenues are up over 11 percent in comparison to the same period last fiscal year.

Intergovernmental revenue is up over 62 percent over the fourth quarter results from prior year. This is mostly due to the City receiving a one-time reimbursement for costs resulting from State mandates from 1994-2004. In addition, the State increased funding to support an additional room for full-day child care services at the Belle Haven Child Development Center.

Fines and forfeitures are up over 15 percent through the fourth quarter from prior year, which is primarily the result of parking fines collected.

While interest income appears to be down through the fourth 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 reversed the unrealized loss that had to be booked to close out fiscal year 2013-14. Additional information on investment earnings in the City's portfolio is included in the August 25, 2015, staff report to the City Council.

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 fourth quarter of the previous fiscal year.

Budgeted use of assigned fund balance in the amount of \$1,865,713 is a combination of \$766,510 that has been 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 was assigned for spending in the current fiscal year. The actual amount of assigned fund balance utilized this fiscal year will be determined by total revenues and total expenditures in the General Fund. To the extent there is a surplus in the General Fund without utilizing assigned fund balance related to encumbrances from 2014-15, those funds will be returned to the reserve. As of June 30, 2015, it is not expected that assigned fund balance will be required to cover expenditures encumbered from 2013-14.

Expenditures

Through the fourth quarter, General Fund operating expenditures are up \$3,035,550, or nearly 8 percent, over the previous year. A year-over-year increase in total expenditures was budgeted, as the current year's operating budget as of the fourth quarter is 9 percent above the previous year's operating budget. In comparison to last fiscal year, expenditures are tracking slightly lower to budget this year (88.52% vs. 89.66%) through the fourth quarter. It is important to note, however, that expenditure accruals for fiscal year 2014-15 will continue through August, which means final expenditures results will be higher than what is presented in this report. This is the case for both fiscal years, so the year-over-year comparison is still applicable.

Expenditures	2014-15			2013-14		
	Adjusted Budget 6/30/15	Actual 6/30/15	% of Budget	Adjusted Budget 6/30/14	Actual 6/30/14	% of Budget
Police	15,423,291	14,063,608	94.69%	15,065,189	14,077,224	93.44%
Community Services	7,823,291	7,646,265	97.70%	7,720,025	7,398,592	95.84%
Public Works	7,062,343	6,088,610	86.21%	5,642,673	5,004,303	88.69%
Community Development	5,572,309	3,059,954	54.91%	4,614,041	3,554,781	77.04%
City Manager's Office	3,324,154	2,793,107	84.02%	1,938,508	1,483,837	76.55%
Library	2,268,284	2,235,723	98.56%	2,114,569	2,027,568	95.89%
Finance	1,656,825	1,480,601	89.36%	1,625,634	1,448,263	89.09%
Human Resources	1,159,280	869,053	74.96%	978,391	834,460	85.29%
City Council	395,479	395,159	100.07%	1,699,630	990,053	58.25%
City Attorney	362,990	334,159	92.06%	349,169	345,809	99.04%
Non-Departmental	3,248,200	3,248,200	100.00%	2,554,600	2,554,600	100.00%
Total Expenditures	\$48,299,236	\$42,755,037	88.52%	\$44,302,429	\$39,719,490	89.66%

As demonstrated in the table above, some departments are tracking higher while other departments are tracking lower to budget in comparison to fiscal year 2013-14. Based on total expenditures through the fourth quarter, total General Fund operating expenditures are on track to be within budgeted amounts for the fiscal year.

Impact on City Resources

There is no impact on City resources.

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 the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Comparative General Fund Budget-to-Actual Report as of June 30, 2015

Report prepared by:

Stephen Green, Financial Analyst

Staff Report #: 15-142-CC

Report reviewed by:
Clay Curtin, Interim Finance Director

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

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%
Total Revenues:	\$45,874,062	\$46,286,120	\$42,549,847	\$46,850,268	1.22%	\$6,281,469	\$6,161,473	-1.91%	13.57%	14.76%	13.15%
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%
Total Expenditures:	\$44,302,429	\$40,672,525	\$42,735,377	\$47,556,350	16.93%	\$8,899,556	\$9,270,124	4.16%	21.88%	20.82%	19.49%
Preliminary addition/draw on General Fund Reserve	\$1,571,633	\$5,613,595	(\$185,530)	(\$706,082)		(\$2,618,087)	(\$3,108,651)				

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

	2014-15 Adjusted Budget 9/30/2014	Actual 09/30/2014	% of Budget	2013-14 Adopted Budget 9/30/2013	Actual 9/30/2013	% of 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%
Total Revenues:	\$46,850,268	\$6,161,473	13.15%	\$42,549,847	\$6,281,469	14.76%

	2014-15 Adjusted Budget 09/30/2014	Actual 09/30/2014	% of Budget	2013-14 Adjusted Budget 9/30/2013	Actual 09/30/2013	% of 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%
Total Expenditures:	\$47,556,350	\$9,270,124	19.49%	\$42,735,373	\$8,899,556	20.82%

City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2013-14
As of December 31, 2013

A	B	C	D	E	(E-C)/C	G	H	(H-G)/G	G/C	G/D	H/E	Notes
	Adjusted Budget as of 6/30/13	Audited Actual FY 2012-13	2012-13 Budget 12/31/2012	2013-14 Budget 12/31/2012	% Budget Change 12/31/12 to Un- Audited Actual FY 12-13	Actual YTD 12/31/2012	Actual YTD 12/31/2013	% Actual Change	% of Actual YTD 12/31/2012 to Audited Actual FY 12-13	% Actual-to- Budget 12/31/2012	% Actual-to- Budget 12/31/2013	
Property Tax	\$13,853,000	\$15,731,889	\$13,658,000	\$13,955,000	-11.29%	\$6,152,172	\$6,519,957	5.98%	39.11%	45.04%	46.72%	
Sales Tax	6,280,000	6,043,870	6,330,000	6,331,400	4.76%	2,685,305	2,864,126	6.66%	44.43%	42.42%	45.24%	
Transient Occupancy Tax	3,326,000	3,468,256	3,326,000	3,743,000	7.92%	805,004	1,057,430	31.36%	23.21%	24.20%	28.25%	(1)
Utility Users' Tax	1,165,499	1,095,256	1,180,500	1,184,620	8.16%	389,873	442,915	13.60%	35.60%	33.03%	37.39%	
Franchise Fees	1,873,500	1,765,216	1,873,500	1,812,300	2.67%	321,663	256,712	-20.19%	18.22%	17.17%	14.16%	(2)
Charges for Services	7,080,246	7,088,405	6,370,600	7,795,222	9.97%	3,620,466	3,854,256	6.46%	51.08%	56.83%	49.44%	(3)
Licenses and Permits	4,326,465	4,447,630	4,266,465	5,559,465	25.00%	2,035,115	3,316,477	62.96%	45.76%	47.70%	59.65%	(4)
Interest Income	390,000	221,974	390,000	410,000	84.71%	134,278	431,121	221.07%	60.49%	-2.99%	105.15%	
Rental Income	362,018	346,076	380,018	367,712	6.25%	43,530	44,197	1.53%	12.58%	11.45%	12.02%	
Intergovernmental Revenue	838,130	866,288	911,263	794,288	-8.31%	324,956	341,095	4.97%	37.51%	35.66%	42.94%	
Fines & Forfeitures	991,400	998,259	1,085,200	1,319,980	32.23%	496,024	490,789	-1.06%	49.69%	45.71%	37.18%	
Operating Transfers In/ Other Revenue	420,123	1,178,628	418,123	429,444	-63.56%	208,585	986,992	373.18%	17.70%	49.89%	229.83%	(5)
Total Revenues:	\$40,906,381	\$43,251,747	\$40,189,669	\$43,702,431	1.04%	\$17,216,971	\$20,606,067	19.68%	39.81%	42.84%	47.15%	
Police	14,462,753	13,808,138	14,707,833	15,065,189	9.10%	6,797,604	6,880,296	1.22%	49.23%	46.22%	45.67%	
Public Works	5,535,335	5,100,295	5,311,333	5,566,311	9.14%	2,429,259	2,424,622	-0.19%	47.63%	45.74%	43.56%	
Community Services	7,079,105	6,810,375	7,080,558	7,334,128	7.69%	3,073,648	3,284,589	6.86%	45.13%	43.41%	44.78%	
Library	2,042,465	2,011,143	2,042,465	2,109,769	4.90%	971,539	1,033,760	6.40%	48.31%	47.57%	49.00%	
Community Development	3,197,249	2,774,032	2,987,249	4,614,036	66.33%	1,144,697	1,305,165	14.02%	41.26%	38.32%	28.29%	
Administrative Services	5,898,280	5,314,808	5,608,113	6,784,606	27.65%	2,355,063	2,255,655	-4.22%	44.31%	41.99%	33.25%	
Operating Transfers Out	6,252,894	6,404,637	2,464,328	2,554,600	-60.11%	1,232,164	1,277,300	3.66%	19.24%	50.00%	50.00%	
Total Expenditures:	\$44,468,081	\$42,223,428	\$40,201,879	\$44,028,638	4.28%	\$18,003,974	\$18,461,387	2.54%	42.64%	44.78%	41.93%	(6)
Preliminary addition/draw on General Fund Reserves	(\$3,561,700)	\$1,028,319	(\$12,210)	(\$326,207)		(\$787,003)	\$2,144,680					
Carry-over encumbrances and Reappropriations from prior year subtracted from adjusted budget.	272,551		272,551	388,033								
Net addition to/draw on General Fund Reserves	(\$3,289,149)		\$260,341	\$61,826								
Net Operating Revenue	(\$3,289,149)		\$260,341	\$61,826								

NOTES:

- (1) Transient Occupancy Tax increased due to increase in the rate from 10% to 12% and increase in occupancy.
- (2) Franchise fees receipts reflect timing issues of when received; prior year first quarter cable franchise fees received in December 2012, have not received first quarter by December 2013.
- (3) Charges for Services continue to increase with the high level activity in the Community Services department.
- (4) Licenses and Permits increase due to a higher amount of building permits being issued in 2013-14 including the Anton Menlo Project and Facebook West Campus.
- (5) Operating Transfers In/Other Revenue includes sale of Hamilton Ave property. (\$772,000)
- (6) 2012-13 Adjusted Budget and Un-audited Actual reflects Comprehensive Planning Fund Activity.

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2014-15
As of December 31, 2014**

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	Audited Actual FY 2013-14	2013-14 Adjusted Budget 12/31/2013	2014-15 Adjusted Budget 12/31/2014	% Budget Change 12/31/14 to Un- Audited Actual FY 13-14	Actual YTD 12/31/2013	Actual YTD 12/31/2014	% Actual Change	YTD 12/31/2013 to Audited Actual FY 13- 14	% Actual-to- Budget 12/31/201 3	% Actual-to- Budget 12/31/201 4
Property Tax	\$14,715,000	\$15,156,065	\$13,955,000	\$14,698,775	-3.02%	\$6,519,959	\$7,060,500	8.29%	43.02%	46.72%	48.03%
Charges for Services	7,595,222	7,681,433	7,795,222	8,212,908	6.92%	3,854,257	4,003,954	3.88%	50.18%	49.44%	48.75%
Sales Tax	6,136,400	6,444,292	6,331,400	6,618,595	2.70%	2,864,126	3,180,855	11.06%	44.44%	45.24%	48.06%
Licenses and Permits	6,559,465	5,782,225	5,559,465	4,880,128	-15.60%	3,316,479	2,620,080	-21.00%	57.36%	59.65%	53.69%
Transient Occupancy Tax	4,100,000	4,158,809	3,743,000	4,390,000	5.56%	1,057,430	1,181,678	11.75%	25.43%	28.25%	26.92%
Franchise Fees	1,812,300	1,841,851	1,812,300	1,863,110	1.15%	256,712	412,588	60.72%	13.94%	14.16%	22.15%
Fines & Forfeitures	1,149,980	1,253,261	1,319,980	1,319,980	5.32%	490,789	565,857	15.30%	39.16%	37.18%	42.87%
Utility Users' Tax	1,135,000	1,157,653	1,184,620	1,129,632	-2.42%	442,915	431,160	-2.65%	38.26%	37.39%	38.17%
Intergovernmental Revenue	841,717	888,131	794,288	716,268	-19.35%	341,095	468,572	37.37%	38.41%	42.94%	65.42%
Rental Income	367,712	355,904	367,712	405,004	13.80%	44,197	51,472	16.46%	12.42%	12.02%	12.71%
Interest Income	260,000	328,658	410,000	310,000	-5.68%	431,121	447,934	3.90%	131.18%	105.15%	144.49%
Operating Transfers In/ Other Revenue	1,201,266	1,237,838	1,201,266	440,155	-64.44%	986,992	222,306	-77.48%	79.74%	82.16%	50.51%
Use of Assigned Fund Balance	0	0	0	1,865,713	0.00%	0	381,132	0.00%	0.00%	0.00%	20.43%
Total Revenues:	\$45,874,062	\$46,286,120	\$44,474,253	\$46,850,268	1.22%	\$20,606,072	\$21,028,088	2.05%	44.52%	46.33%	44.88%
Police	15,065,189	14,284,054	15,065,189	15,423,288	7.98%	6,880,293	6,997,441	1.70%	48.17%	45.67%	45.37%
Community Services	7,720,025	7,480,372	7,677,392	7,809,697	4.40%	3,377,702	3,405,457	0.82%	45.15%	44.00%	43.61%
Public Works	5,642,673	5,183,204	5,566,311	7,062,344	36.25%	2,424,621	2,860,339	17.97%	46.78%	43.56%	40.50%
Community Development	4,614,041	3,765,303	4,614,042	5,572,308	47.99%	1,305,165	1,354,645	3.79%	34.66%	28.29%	24.31%
City Manager's Office	1,938,508	1,590,790	1,938,508	3,237,815	103.54%	658,607	1,302,528	97.77%	41.40%	33.97%	40.23%
Library	2,114,569	2,046,773	2,109,772	2,268,285	10.82%	1,033,759	1,078,278	4.31%	50.51%	49.00%	47.54%
Finance	1,625,634	1,478,364	1,660,484	1,571,824	6.32%	627,841	674,561	7.44%	42.47%	37.81%	42.92%
Human Resources	978,391	876,428	943,541	1,159,281	32.27%	346,509	377,813	9.03%	39.54%	36.72%	32.59%
City Council	1,699,630	1,032,141	1,549,630	440,318	-57.34%	425,243	172,478	-59.44%	41.20%	27.44%	39.17%
City Attorney's Office	349,169	380,496	349,169	362,990	-4.60%	104,347	138,851	33.07%	27.42%	29.88%	38.25%
Operating Transfers Out	2,554,600	2,554,600	2,554,600	2,648,200	3.66%	1,277,300	1,324,100	3.66%	50.00%	50.00%	50.00%
Total Expenditures:	\$44,302,429	\$40,672,525	\$44,028,638	\$47,556,350	16.93%	\$18,461,387	\$19,686,491	6.64%	45.39%	41.93%	41.40%
Preliminary addition/draw on General Fund Reserves	\$1,571,633	\$5,613,595	\$445,615	(\$706,082)		\$2,144,685	\$1,341,597				

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2014-15
As of December 31, 2014**

	2014-15 Adjusted Budget 12/31/2014	Actual 12/31/2014	% of Budget	2013-14 Adjusted Budget 12/31/2013	Actual 12/31/2013	% of Budget
Property Tax	\$14,698,775	\$7,060,500	48.03%	\$13,955,000	\$6,519,959	46.72%
Charges for Services	8,212,908	4,003,954	48.75%	7,795,222	3,854,257	49.44%
Sales Tax	6,618,595	3,180,855	48.06%	6,331,400	2,864,126	45.24%
Licenses and Permits	4,880,128	2,620,080	53.69%	5,559,465	3,316,479	59.65%
Transient Occupancy Tax	4,390,000	1,181,678	26.92%	3,743,000	1,057,430	28.25%
Franchise Fees	1,863,110	412,588	22.15%	1,812,300	256,712	14.16%
Fines & Forfeitures	1,319,980	565,857	42.87%	1,319,980	490,789	37.18%
Utility Users' Tax	1,129,632	431,160	38.17%	1,184,620	442,915	37.39%
Intergovernmental Revenue	716,268	468,572	65.42%	794,288	341,095	42.94%
Rental Income	405,004	51,472	12.71%	367,712	44,197	12.02%
Interest Income	310,000	447,934	144.49%	410,000	431,121	105.15%
Operating Transfers In/ Other Revenue	440,155	222,306	50.51%	1,201,266	986,992	82.16%
Use of Assigned Fund Balance	1,865,713	381,132	20.43%	0	0	0.00%
Total Revenues:	\$46,850,268	\$21,028,088	44.88%	\$44,474,253	\$20,606,072	46.33%

	2014-15 Adjusted Budget 12/31/2014	Actual 12/31/2014	% of Budget	2013-14 Adjusted Budget 12/31/2013	Actual 12/31/2013	% of Budget
Police	15,423,288	6,997,441	45.37%	15,065,189	6,880,293	45.67%
Community Services	7,809,697	3,405,457	43.61%	7,677,392	3,377,702	44.00%
Public Works	7,062,344	2,860,339	40.50%	5,566,311	2,424,621	43.56%
Community Development	5,572,308	1,354,645	24.31%	4,614,042	1,305,165	28.29%
City Manager's Office	3,237,815	1,302,528	40.23%	1,938,508	658,607	33.97%
Library	2,268,285	1,078,278	47.54%	2,109,772	1,033,759	49.00%
Finance	1,571,824	674,561	42.92%	1,660,484	627,841	37.81%
Human Resources	1,159,281	377,813	32.59%	943,541	346,509	36.72%
City Council	440,318	172,478	39.17%	1,549,630	425,243	27.44%
City Attorney	362,990	138,851	38.25%	349,169	104,347	29.88%
Non-Departmental	2,648,200	1,324,100	50.00%	2,554,600	1,277,300	50.00%
Total Expenditures:	\$47,556,350	\$19,686,491	41.40%	\$44,028,638	\$18,461,387	41.93%

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2014-15
As of March 31, 2015**

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	Audited Actual FY 2013-14	2013-14 Adjusted Budget 03/31/2014	2014-15 Adjusted Budget 03/31/2015	% Budget Change 03/31/14 to Un-Audited Actual FY 13-14	Actual YTD 03/31/2014	Actual YTD 03/31/2015	% Actual Change	% of Actual YTD 03/31/2014 to Audited Actual FY 13-14	% Actual-to- Budget 03/31/14	% Actual-to- Budget 03/31/15
Property Tax	\$14,715,000	\$15,156,065	\$14,715,000	\$15,986,324	5.48%	\$9,150,548	\$10,369,949	13.33%	60.38%	62.19%	64.87%
Charges for Services	7,595,222	7,681,433	7,595,222	8,012,908	4.32%	5,713,095	5,906,638	3.39%	74.38%	75.22%	73.71%
Sales Tax	6,136,400	6,444,292	6,136,400	6,348,146	-1.49%	4,375,767	4,300,244	-1.73%	67.90%	71.31%	67.74%
Licenses and Permits	6,559,465	5,782,225	6,559,465	4,880,128	-15.60%	4,971,881	4,460,325	-10.29%	85.99%	75.80%	91.40%
Transient Occupancy Tax	4,100,000	4,158,809	4,100,000	4,549,694	9.40%	2,063,727	2,230,548	8.08%	49.62%	50.33%	49.03%
Franchise Fees	1,812,300	1,841,851	1,812,300	1,863,110	1.15%	743,917	637,165	-14.35%	40.39%	41.05%	34.20%
Fines & Forfeitures	1,149,980	1,253,261	1,149,980	1,319,980	5.32%	828,319	938,920	13.35%	66.09%	72.03%	71.13%
Utility Users' Tax	1,135,000	1,157,653	1,135,000	1,129,632	-2.42%	753,706	804,037	6.68%	65.11%	66.41%	71.18%
Intergovernmental Revenue	841,717	888,131	841,717	936,360	5.43%	629,312	710,480	12.90%	70.86%	74.77%	75.88%
Rental Income	367,712	355,904	367,712	405,004	13.80%	72,590	80,058	10.29%	20.40%	19.74%	19.77%
Interest Income	260,000	328,658	260,000	310,000	-5.68%	570,996	477,881	-16.31%	173.74%	219.61%	154.16%
Operating Transfers In/ Other Revenue	1,201,266	1,237,838	1,201,266	440,155	-64.44%	1,096,448	333,317	-69.60%	88.58%	91.27%	75.73%
Use of Assigned Fund Balance	0	0	0	1,865,712	0.00%	0	481,225	0.00%	0.00%	0.00%	25.79%
Total Revenues:	\$45,874,062	\$46,286,120	\$45,874,062	\$48,047,153	3.80%	\$30,970,306	\$31,730,787	2.46%	66.91%	67.51%	66.04%
Police	15,065,189	14,284,054	15,065,189	15,423,291	7.98%	10,504,322	10,824,384	3.05%	73.54%	69.73%	70.18%
Community Services	7,720,025	7,480,372	7,720,025	7,826,081	4.62%	5,257,490	5,323,061	1.25%	70.28%	68.10%	68.02%
Public Works	5,642,673	5,183,204	5,642,673	7,062,343	36.25%	3,675,362	4,432,083	20.59%	70.91%	65.14%	62.76%
Community Development	4,614,041	3,765,303	4,614,041	5,572,309	47.99%	2,101,040	2,239,389	6.58%	55.80%	45.54%	40.19%
City Manager's Office	1,938,508	1,590,790	1,938,508	3,324,154	108.96%	1,024,215	2,036,897	98.87%	64.38%	52.84%	61.28%
Library	2,114,569	2,046,773	2,114,569	2,268,284	10.82%	1,511,794	1,646,829	8.93%	73.86%	71.49%	72.60%
Finance	1,625,634	1,478,364	1,625,634	1,656,825	12.07%	1,023,856	1,046,686	2.23%	69.26%	62.98%	63.17%
Human Resources	978,391	876,428	978,391	1,159,280	32.27%	518,336	707,069	36.41%	59.14%	52.98%	60.99%
City Council	1,699,630	1,032,141	1,699,630	395,479	-61.68%	744,520	346,155	-53.51%	72.13%	43.80%	87.53%
City Attorney's Office	349,169	380,496	349,169	362,990	-4.60%	270,504	233,016	-13.86%	71.09%	77.47%	64.19%
Operating Transfers Out	2,554,600	2,554,600	2,554,600	3,248,200	27.15%	1,915,950	1,986,150	3.66%	75.00%	75.00%	61.15%
Total Expenditures:	\$44,302,429	\$40,672,525	\$44,302,429	\$48,299,236	18.75%	\$28,547,389	\$30,821,719	7.97%	70.19%	64.44%	63.81%
Preliminary addition/draw on General Fund Reserves	\$1,571,633	\$5,613,595	\$1,571,633	(\$252,083)		\$2,422,917	\$909,068				

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2014-15
As of March 31, 2014**

	2014-15 Adjusted Budget 3/31/2015	Actual 3/31/2015	% of Budget	2013-14 Adjusted Budget 3/31/2014	Actual 3/31/2014	% of Budget
Property Tax	\$15,986,324	\$10,369,949	64.87%	\$14,715,000	\$9,150,548	62.19%
Charges for Services	8,012,908	5,906,638	73.71%	7,595,222	5,713,095	75.22%
Sales Tax	6,348,146	4,300,244	67.74%	6,136,400	4,375,767	71.31%
Licenses and Permits	4,880,128	4,460,325	91.40%	6,559,465	4,971,881	75.80%
Transient Occupancy Tax	4,549,694	2,230,548	49.03%	4,100,000	2,063,727	50.33%
Franchise Fees	1,863,110	637,165	34.20%	1,812,300	743,917	41.05%
Fines & Forfeitures	1,319,980	938,920	71.13%	1,149,980	828,319	72.03%
Utility Users' Tax	1,129,632	804,037	71.18%	1,135,000	753,706	66.41%
Intergovernmental Revenue	936,360	710,480	75.88%	841,717	629,312	74.77%
Rental Income	405,004	80,058	19.77%	367,712	72,590	19.74%
Interest Income	310,000	477,881	154.16%	260,000	570,996	219.61%
Operating Transfers In/ Other Revenue	440,155	333,317	75.73%	1,201,266	1,096,448	91.27%
Use of Assigned Fund Balance	1,865,712	481,225	0.00%	0	0	0.00%
Total Revenues:	\$48,047,153	\$31,730,787	66.04%	\$45,874,062	\$30,970,306	67.51%

	2014-15 Adjusted Budget 3/31/2015	Actual 3/31/2015	% of Budget	2013-14 Adjusted Budget 3/31/2014	Actual 3/31/2014	% of Budget
Police	15,423,291	10,824,384	70.18%	15,065,189	10,504,322	69.73%
Community Services	7,826,081	5,323,061	68.02%	7,720,025	5,257,490	68.10%
Public Works	7,062,343	4,432,083	62.76%	5,642,673	3,675,362	65.14%
Community Development	5,572,309	2,239,389	40.19%	4,614,041	2,101,040	45.54%
City Manager's Office	3,324,154	2,036,897	61.28%	1,938,508	1,024,215	52.84%
Library	2,268,284	1,646,829	72.60%	2,114,569	1,511,794	71.49%
Finance	1,656,825	1,046,686	63.17%	1,625,634	1,023,856	62.98%
Human Resources	1,159,280	707,069	60.99%	978,391	518,336	52.98%
City Council	395,479	346,155	87.53%	1,699,630	744,520	43.80%
City Attorney	362,990	233,016	64.19%	349,169	270,504	77.47%
Non-Departmental	3,248,200	1,986,150	61.15%	2,554,600	1,915,950	75.00%
Total Expenditures:	\$48,299,236	\$30,821,719	63.81%	\$44,302,429	\$28,547,389	64.44%

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 Budget-to-Actual Report, FY 2013-14
 As of June 30, 2014

A	B	C	D	E	(E-C)/C	G	H	(H-G)/G	G/C	G/D	H/E
	Adjusted Budget as of 6/30/2013	Audited Actual 2012-13	2012-13 Budget 6/30/2013	2013-14 Budget 6/30/2014	% of Budget 6/30/14 to Audited Actual 2012-13	Actual 6/30/2013	Actual 6/30/2014	% Actual Change	% of Actual 6/30/13 to Audited Actual 2012-13	% Actual-to- Budget 6/30/2013	% Actual-to- Budget 6/30/2014
Property Tax	\$13,853,000	\$15,731,889	\$13,853,000	\$14,715,000	-6.46%	\$15,591,002	\$15,019,232	-3.67%	99.10%	112.55%	102.07%
Sales Tax	6,280,000	6,043,870	6,280,000	6,136,400	1.53%	5,721,894	6,115,914	6.89%	94.67%	91.11%	99.67%
Transient Occupancy Tax	3,326,000	3,468,256	3,326,000	4,100,000	18.22%	2,376,334	2,982,082	25.49%	68.52%	71.45%	72.73%
Utility Users' Tax	1,165,499	1,095,256	1,165,499	1,135,000	3.63%	1,007,755	1,066,639	5.84%	92.01%	86.47%	93.98%
Franchise Fees	1,873,500	1,765,216	1,873,500	1,812,300	2.67%	1,559,159	1,739,217	11.55%	88.33%	83.22%	95.97%
Charges for Services	7,080,246	7,088,160	7,080,246	7,595,222	7.15%	7,067,163	7,389,151	4.56%	99.70%	99.82%	97.29%
Licenses and Permits	4,326,465	4,447,630	4,326,465	6,559,465	47.48%	4,447,058	5,803,836	30.51%	99.99%	102.79%	88.48%
Interest Income	390,000	221,974	390,000	260,000	17.13%	364,467	610,729	67.57%	164.19%	-7.52%	234.90%
Rental Income	362,018	346,076	362,018	367,712	6.25%	346,076	355,904	2.84%	100.00%	95.60%	96.79%
Intergovernmental Revenue	838,130	866,288	838,130	841,717	-2.84%	758,951	808,364	6.51%	87.61%	90.55%	96.04%
Fines & Forfeitures	991,400	998,259	991,400	1,149,980	15.20%	987,698	1,148,152	16.25%	98.94%	99.63%	99.84%
Operating Transfers In/ Other Revenue	670,123	1,386,961	420,123	1,201,266	-13.39%	1,185,012	1,202,117	1.44%	85.44%	282.06%	100.07%
Total Revenues:	\$41,156,381	\$43,459,835	\$40,906,381	\$45,874,062	5.56%	\$41,412,569	\$44,241,337	6.83%	95.29%	101.24%	96.44%
Police	14,462,753	13,809,282	14,462,753	15,065,189	9.09%	13,758,863	14,077,224	2.31%	99.63%	95.13%	93.44%
Public Works	5,535,335	5,100,811	5,535,335	5,642,673	10.62%	4,954,669	5,004,303	1.00%	97.13%	89.51%	88.69%
Community Services	7,079,105	6,810,375	7,079,105	7,376,748	8.32%	6,697,680	7,147,413	6.71%	98.35%	94.61%	96.89%
Library	2,042,465	2,011,143	2,042,465	2,114,569	5.14%	1,985,812	2,027,568	2.10%	98.74%	97.23%	95.89%
Community Development	3,197,249	2,774,032	3,197,249	4,614,041	66.33%	2,734,272	3,554,781	30.01%	98.57%	85.52%	77.04%
Administrative Services	5,898,280	5,315,022	5,898,280	6,934,606	30.47%	5,186,105	5,353,595	3.23%	97.57%	87.93%	77.20%
Operating Transfers Out	6,502,894	6,545,230	2,464,328	2,554,600	-60.97%	2,464,328	2,554,600	3.66%	37.65%	100.00%	100.00%
Total Expenditures:	\$44,718,081	\$42,365,895	\$40,679,515	\$44,302,426	4.57%	\$37,781,729	\$39,719,484	5.13%	89.18%	92.88%	89.66%
Preliminary addition/draw on General Fund Reserves	(\$3,561,700)	\$1,093,940	\$226,866	\$1,571,636		\$3,630,840	\$4,521,853				
Carry-over encumbrances and Reappropriations from prior year subtracted from adjusted budget.	272,551		272,551	388,033							
Net addition to/draw on General Fund Reserves	(\$3,289,149)		\$499,417	\$1,959,669							
Net Operating Revenue	(\$3,289,149)		\$499,417	\$1,959,669							

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2013-14
As of June 30, 2014**

	2013-14 Adopted Budget	2013-14 Adjusted Budget 6/30/2014	Actual 6/30/2014	% of Budget	2012-13 Adjusted Budget 6/30/2013	Actual 6/30/2013	% of Budget
Property Tax	\$13,955,000	\$14,715,000	\$15,019,232	102.07%	\$13,853,000	\$15,591,002	112.55%
Sales Tax	6,331,400	6,136,400	6,115,914	99.67%	6,280,000	5,721,894	91.11%
Transient Occupancy Tax	3,743,000	4,100,000	2,982,082	72.73%	3,326,000	2,376,334	71.45%
Utility Users' Tax	1,184,620	1,135,000	1,066,639	93.98%	1,165,499	1,007,755	86.47%
Franchise Fees	1,812,300	1,812,300	1,739,217	95.97%	1,873,500	1,559,159	83.22%
Charges for Services	7,795,222	7,595,222	7,389,151	97.29%	7,080,246	7,067,163	99.82%
Licenses and Permits	4,459,465	6,559,465	5,803,836	88.48%	4,326,465	4,447,058	102.79%
Interest Income	410,000	260,000	610,729	234.90%	390,000	364,467	93.45%
Rental Income	367,712	367,712	355,904	96.79%	362,018	346,076	95.60%
Intergovernmental Revenue	741,704	841,717	808,364	96.04%	838,130	758,951	90.55%
Fines & Forfeitures	1,319,980	1,149,980	1,148,152	99.84%	991,400	987,698	99.63%
Operating Transfers In/ Other Revenue	429,444	1,201,266	1,202,117	100.07%	420,123	1,185,012	282.06%
Total Revenues:	\$42,549,847	\$45,874,062	\$44,241,337	96.44%	\$40,906,381	\$41,412,569	101.24%

	2013-14 Adopted Budget	2013-14 Adjusted Budget 6/30/2014	Actual 6/30/2014	% of Budget	2012-13 Adjusted Budget 6/30/2013	Actual 6/30/2013	% of Budget
Police	14,860,547	15,065,189	14,077,224	93.44%	14,462,753	13,758,863	95.13%
Public Works	5,550,916	5,642,673	5,004,303	88.69%	5,535,334	4,954,669	89.51%
Community Services	7,309,436	7,376,748	7,147,413	96.89%	7,079,105	6,697,680	94.61%
Library	2,109,769	2,114,569	2,027,568	95.89%	2,042,465	1,985,812	97.23%
Community Development	3,369,769	4,614,041	3,554,779	77.04%	3,197,249	2,734,272	85.52%
Administrative Services	6,682,574	6,934,606	5,353,597	77.20%	5,898,280	5,186,105	87.93%
Operating Transfers Out	2,464,328	2,554,600	2,554,600	100.00%	2,464,328	2,464,328	100.00%
Total Expenditures:	\$42,347,339	\$44,302,426	\$39,719,484	89.66%	\$40,679,514	\$37,781,729	92.88%

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2014-15
As of June 30, 2015**

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	Audited Actual FY 2013-14	2013-14 Adjusted Budget 06/30/2014	2014-15 Adjusted Budget 06/30/2015	% Budget Change 06/30/14 to Un-Audited Actual FY 13-14	Actual YTD 06/30/2014	Actual YTD 06/30/2015	% Actual Change	% of Actual YTD 03/31/2014 to Audited Actual FY 13-14	% Actual-to-Budget 06/30/14	% Actual-to-Budget 06/30/15
Property Tax	\$14,715,000	\$15,156,065	\$14,715,000	\$15,986,324	5.48%	\$15,019,232	\$16,678,124	11.05%	99.10%	102.07%	104.33%
Charges for Services	7,595,222	7,681,433	7,595,222	8,012,908	4.32%	7,389,151	8,065,793	9.16%	96.19%	97.29%	100.66%
Sales Tax	6,136,400	6,444,292	6,136,400	6,348,146	-1.49%	6,115,914	6,196,790	1.32%	94.90%	99.67%	97.62%
Licenses and Permits	6,559,465	5,782,225	6,559,465	4,880,128	-15.60%	5,803,836	5,097,771	-12.17%	100.37%	88.48%	104.46%
Transient Occupancy Tax	4,100,000	4,158,809	4,100,000	4,549,694	9.40%	2,982,082	3,323,372	11.44%	71.71%	72.73%	73.05%
Franchise Fees	1,812,300	1,841,851	1,812,300	1,863,110	1.15%	1,739,217	1,674,528	-3.72%	94.43%	95.97%	89.88%
Fines & Forfeitures	1,149,980	1,253,261	1,149,980	1,319,980	5.32%	1,148,152	1,322,307	15.17%	91.61%	99.84%	100.18%
Utility Users' Tax	1,135,000	1,157,653	1,135,000	1,129,632	-2.42%	1,066,639	1,123,177	5.30%	92.14%	93.98%	99.43%
Intergovernmental Revenue	841,717	888,131	841,717	936,360	5.43%	808,364	1,310,508	62.12%	91.02%	96.04%	139.96%
Rental Income	367,712	355,904	367,712	405,004	13.80%	355,904	364,437	2.40%	100.00%	96.79%	89.98%
Interest Income	260,000	328,658	260,000	310,000	-5.68%	610,729	507,822	-16.85%	185.83%	234.90%	163.81%
Operating Transfers In/ Other Revenue	1,201,266	1,237,838	1,201,266	440,155	-64.44%	1,202,117	440,867	-63.33%	97.11%	100.07%	100.16%
Use of Assigned Fund Balance	0	0	0	1,865,712	0.00%	0	0	0.00%	0.00%	0.00%	0.00%
Total Revenues:	\$45,874,062	\$46,286,120	\$45,874,062	\$48,047,153	3.80%	\$44,241,337	\$46,105,496	4.21%	95.58%	96.44%	95.96%
Police	15,065,189	14,284,054	15,065,189	15,423,291	7.98%	14,077,224	14,603,608	3.74%	98.55%	93.44%	94.69%
Community Services	7,720,025	7,480,372	7,720,025	7,826,081	4.62%	7,398,592	7,646,265	3.35%	98.91%	95.84%	97.70%
Public Works	5,642,673	5,183,204	5,642,673	7,062,343	36.25%	5,004,303	6,088,610	21.67%	96.55%	88.69%	86.21%
Community Development	4,614,041	3,765,303	4,614,041	5,572,309	47.99%	3,554,781	3,059,954	-13.92%	94.41%	77.04%	54.91%
City Manager's Office	1,938,508	1,590,790	1,938,508	3,324,154	108.96%	1,483,837	2,793,107	88.24%	93.28%	76.55%	84.02%
Library	2,114,569	2,046,773	2,114,569	2,268,284	10.82%	2,027,568	2,235,723	10.27%	99.06%	95.89%	98.56%
Finance	1,625,634	1,478,364	1,625,634	1,656,825	12.07%	1,448,263	1,480,601	2.23%	97.96%	89.09%	89.36%
Human Resources	978,391	876,428	978,391	1,159,280	32.27%	834,460	869,053	4.15%	95.21%	85.29%	74.96%
City Council	1,699,630	1,032,141	1,699,630	395,479	-61.68%	990,053	395,757	-60.03%	95.92%	58.25%	100.07%
City Attorney's Office	349,169	380,496	349,169	362,990	-4.60%	345,809	334,159	-3.37%	90.88%	99.04%	92.06%
Operating Transfers Out	2,554,600	2,554,600	2,554,600	3,248,200	27.15%	2,554,600	3,248,200	27.15%	100.00%	100.00%	100.00%
Total Expenditures:	\$44,302,429	\$40,672,525	\$44,302,429	\$48,299,236	18.75%	\$39,719,490	\$42,755,037	7.64%	97.66%	89.66%	88.52%
Preliminary addition/draw on General Fund Reserves	\$1,571,633	\$5,613,595	\$1,571,633	(\$252,083)		\$4,521,847	\$3,350,459				

**City of Menlo Park - General Fund
Budget-to-Actual Report, FY 2014-15
As of June 30, 2015**

	2014-15 Adjusted Budget 6/30/2015	Actual 6/30/2015	% of Budget	2013-14 Adjusted Budget 6/30/2014	Actual 6/30/2014	% of Budget
Property Tax	\$15,986,324	\$16,678,124	104.33%	\$14,715,000	\$15,019,232	102.07%
Sales Tax	6,348,146	6,196,790	97.62%	6,136,400	6,115,914	99.67%
Transient Occupancy Tax	4,549,694	3,323,372	73.05%	4,100,000	2,982,082	72.73%
Utility Users' Tax	1,129,632	1,123,177	99.43%	1,135,000	1,066,639	93.98%
Franchise Fees	1,863,110	1,674,528	89.88%	1,812,300	1,739,217	95.97%
Charges for Services	8,012,908	8,065,793	100.66%	7,595,222	7,389,151	97.29%
Licenses and Permits	4,880,128	5,097,771	104.46%	6,559,465	5,803,836	88.48%
Interest Income	310,000	507,822	163.81%	260,000	610,729	234.90%
Rental Income	405,004	364,437	89.98%	367,712	355,904	96.79%
Intergovernmental Revenue	936,360	1,310,508	139.96%	841,717	808,364	96.04%
Fines & Forfeitures	1,319,980	1,322,307	100.18%	1,149,980	1,148,152	99.84%
Operating Transfers In/ Other Revenue	440,155	440,867	100.16%	1,201,266	1,202,117	100.07%
Use of Assigned Fund Balance	1,865,712	0	0.00%	0	0	0.00%
Total Revenues:	\$48,047,153	\$46,105,496	95.96%	\$45,874,062	\$44,241,337	96.44%

	2014-15 Adjusted Budget 6/30/2015	Actual 6/30/2015	% of Budget	2013-14 Adjusted Budget 6/30/2013	Actual 6/30/2014	% of Budget
Police	15,423,291	14,603,608	94.69%	15,065,189	14,077,224	93.44%
Community Services	7,826,081	7,646,265	97.70%	7,720,025	7,398,592	95.84%
Public Works	7,062,343	6,088,610	86.21%	5,642,673	5,004,303	88.69%
Community Development	5,572,309	3,059,954	54.91%	4,614,041	3,554,781	77.04%
City Manager's Office	3,324,154	2,793,107	84.02%	1,938,508	1,483,837	76.55%
Library	2,268,284	2,235,723	98.56%	2,114,569	2,027,568	95.89%
Finance	1,656,825	1,480,601	89.36%	1,625,634	1,448,263	89.09%
Human Resources	1,159,280	869,053	74.96%	978,391	834,460	85.29%
City Council	395,479	395,757	100.07%	1,699,630	990,053	58.25%
City Attorney	362,990	334,159	92.06%	349,169	345,809	99.04%
Non-Departmental	3,248,200	3,248,200	100.00%	2,554,600	2,554,600	100.00%
Total Expenditures:	\$48,299,236	\$42,755,037	88.52%	\$44,302,429	\$39,719,490	89.66%

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**STAFF REPORT****City Council**

Meeting Date: 8/25/2015
Staff Report Number: 15-131-CC

Informational Item: **Review of the City's Investment Portfolio as of June 30, 2015**

Recommendation

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

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.

Background

The City's investment policy requires a quarterly investment report to the City 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 City Council an update on the cash balances of the City's various funds.

Analysis*Investment Portfolio as of June 30, 2015*

The historical (book) value of the City's total portfolio at the end of June was over \$102.9 million. The portfolio includes all the City's funds, and cash is invested in accordance with the City Council policy on investments using safety, liquidity and yield as selection criteria. The make-up of the portfolio can be seen in the Table 1:

Table 1: Recap of Securities Held			
Security	Historical Cost	Fair Value	% of Portfolio
LAIF (cash)	\$38,698,515	\$38,698,515	37.6%
U.S. Instrumentality	\$22,527,747	\$22,489,416	21.9%
U.S. Treasury	\$12,510,039	\$12,526,446	12.2%
Corporate Notes	\$29,156,212	\$28,935,135	28.3%

The Local Agency Investment Fund (LAIF) is considered a safe investment and it provides the liquidity of a money market fund. The remaining securities are prudent and secure short-term investments (1-3 years), bearing a higher interest rate than LAIF and providing investment diversification.

As can be seen in the chart above, the fair value (market value) of the City's securities was \$243,001 less than the historical cost at the end of June. This is referred to as an unrealized loss and is due to market values fluctuating from one period to another depending on the supply and demand for bonds and securities at a particular point in time. 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. The unrealized loss will be reported in the City's Comprehensive Annual Financial Report for the period ending June 30, 2015.

Current Market Conditions

For the first quarter of 2015, the growth of the U.S. economy was slow. While the slowdown was less severe than anticipated, the final calculation of the first quarter Gross Domestic Product (GDP) resulted in a 0.4 percent increase. A major factor in the slow growth of GDP was the extreme weather in much of the United States for the second consecutive winter. This has fueled analysts' hopes that 2015 may follow the 2014 pattern of a weak first quarter followed by a rebound in the second quarter. The initial estimate for the second quarter of 2015 indicated that the GDP grew by 2.3 percent on an annualized basis. This growth was mainly due to an increase in consumer confidence with the economy and increased spending in the services industries. By the end of the second quarter, the unemployment rate dropped to 5.3 percent. This decrease was fueled by strong job growth, with the total number of jobs created increasing by 726,000 during the second quarter.

The GDP growth, unemployment rate and the inflation rate continue to be the three criteria the Federal Open Market Committee (FOMC) members use to judge the health of the economy. While the inflation rate continues to be less than 2 percent, and the longer-term expectations of inflation to remain stable, the federal funds rate will remain at its current level of 0 percent to 0.25 percent. During its meeting on July 29th, the FOMC continued to state that the current level of rates is appropriate for the medium term. The FOMC anticipates that it will be appropriate to raise the federal funds rates when there are further improvements in the labor market and when it is reasonably confident that the inflation rate will move back to its 2 percent objective. Considering this criteria, it is very unlikely that the federal funds rate will increase in the near future.

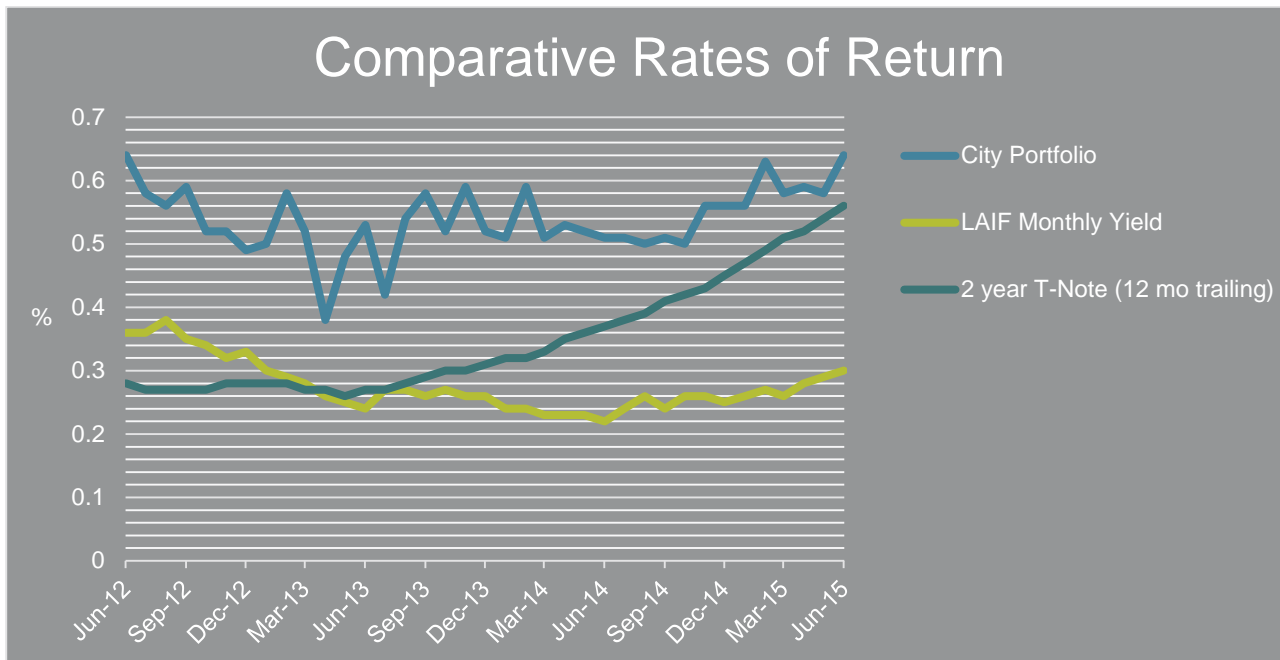
Investment Yield

The annualized rate of return for the City's portfolio shown on the performance summary as of June 30, 2015, prepared by Cutwater, is 0.64 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.56 percent and the rate of return earned through LAIF over the past quarter of 0.28 percent.

Over the second quarter of 2015, investment yields experienced increases overall. While the FOMC monetary policy of purchasing shorter-term securities has reduced the cost of longer-term borrowing, it has also caused the yields for two-year to five-year Treasuries to increase. The difference can be seen by the change in U.S. Treasuries rates in Table 2:

Table 2: Investment Yield			
Term	June 30, 2014	March 31, 2014	June 30, 2015
3-month	0.02	0.02	0.02
6-month	0.06	0.05	0.11
2-year	0.46	0.51	0.64
5-year	1.63	1.58	1.65
10-year	2.53	1.92	2.35

As previously stated, over 37 percent of the portfolio resides in the City’s LAIF account, yielding 0.28 percent for the quarter ending June 30, 2015. 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. Because the yields for 2-year T-Bills have been steadily increasing over the two years, staff has purchased more T-Bills over the last quarter because they have recently become a more attractive investment opportunity for the City’s portfolio.



Fees paid to Cutwater (totaling \$12,400 for the quarter ended June 30, 2015) are deducted from investment earnings before calculating the City’s net rate of return. Staff continues to work with the City’s investment advisors to meet the City’s investment objectives and rearrange the portfolio for maximum yield while providing safety for the principal amount.

Investment Transactions in the Second Quarter

Staff is continuing to purchase new 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 an indefinite period, staff is continuing to invest in some longer-term securities of over two years. This strategy creates a balance of short and longer-term securities so that staff will have funds available to invest when rates begin to rise while reducing the City’s exposure to interest rate risk.

Investments that matured, were called, or purchased during the period of April 1, 2015 through June 30, 2015 are shown in the Table 3 below:

Table 3: Matured Investments					
Date	Transaction	Description	Term	% Yield	Principal
04/22/15	Call	FFCB Callable	0.50 yrs	1.42	\$2,000,000
04/24/15	Call	FNMA Callable	1.00 yr	0.50	\$2,000,000
04/29/15	Purchase	JP Morgan Callable	2.75 yrs	1.41	\$1,000,000
04/30/15	Purchase	FNMA Callable	3.00 yrs	1.05	\$2,000,000
04/30/15	Purchase	FFCB	2.00 yrs	0.67	\$1,000,000
04/30/15	Purchase	T-Bill	2.75 yrs	0.85	\$1,000,000
04/30/15	Purchase	FNMA	2.75 yrs	0.95	\$1,000,000
05/15/15	Call	FHLMC Callable	1.00 yr	0.90	\$1,000,000
06/01/15	Purchase	T-Bill	2.75 yrs	0.91	\$1,000,000
06/01/15	Purchase	FFCB	3.00 yrs	1.03	\$2,000,000
06/08/15	Maturity	Barclays CP	0.75 yrs	0.39	\$2,500,000
06/10/15	Purchase	T-Bill	3.00 yrs	1.09	\$1,000,000
06/10/15	Purchase	T-Bill	2.50 yrs	0.93	\$1,000,000
06/12/15	Maturity	FHLB	3.75 yrs	0.92	\$1,500,000
06/16/15	Purchase	FHLB	3.00 yrs	1.20	\$1,500,000
06/19/15	Call	FHLMC Callable	0.75 yrs	0.70	\$1,500,000
06/24/15	Purchase	FHLB	3.25 yrs	1.25	\$1,500,000
06/26/15	Call	FHLB Callable	0.50 yrs	0.80	\$1,000,000
06/30/15	Call	FHLB Callable	0.50 yrs	0.80	\$1,000,000
06/30/15	Purchase	FHLB Callable	2.50 yrs	1.00	\$2,000,000

The average number of days to maturity in the City's portfolio increased during the second quarter. The average number of days to maturity of the City's portfolio as of June 30, 2015 was 419 days as compared to 330 days as of March 31, 2015. The increase in the days to maturity is due to purchasing longer-term securities. The average life of securities in LAIF's portfolio as of June 30, 2015 was 239 days, which is indicative of LAIF's preference for liquidity.

Cash and Investments by Fund

Overall, the City's investment portfolio increased by over \$3 million in the second quarter of 2015. The schedule below lists the change in cash balance by fund type.

Table 4: Cash balance				
Fund/Fund Type	Cash balance as of 6/30/2015	Cash balance as of 3/31/2015	Difference	% Change
General Fund	32,046,804	27,827,925	4,218,879	15.16%
Bayfront Park maintenance Fund	535,932	553,203	(17,271)	-3.12%
Recreation-in-Lieu Fund	1,429,736	1,431,623	(1,887)	-0.13%
Other Expendable Trust Funds	1,135,268	1,158,036	(22,768)	-1.97%
Transportation Impact Fee Fund	5,844,267	5,581,401	262,866	4.71%
Garbage Service Fund	1,193,674	1,179,216	14,458	1.23%
Parking Permit Fund	3,612,105	3,601,721	10,384	0.29%
BMR Housing Fund	6,886,408	7,931,359	(1,044,951)	-13.17%
Measure A Fund	629,480	589,708	39,772	6.74%
Storm Water Management Fund	427,415	349,194	78,221	22.40%
Successor Agency Funds	2,854,982	3,078,720	(223,738)	-7.27%
Measure T Funds	328,722	328,572	150	0.05%
Other Special Revenue Funds	14,761,747	14,243,848	517,899	3.64%
Capital Project Fund-General	12,295,569	12,991,799	(155,523)	-1.20%
Water Operating & Capital	13,295,569	14,489,694	(1,194,125)	-8.24%
Debt Service Fund	2,010,744	1,252,008	758,736	60.60%
Internal Service Fund	3,063,385	3,205,179	(141,794)	-4.42%
Total Portfolio of all Funds	102,892,513	99,793,206	3,099,307	3.11%

Cash and investment holdings in the General Fund increased due to property taxes of over \$5 million received from the County in April but offset by normal operating costs. As with the General Fund, the Debt Service Funds also increased due to the property taxes payment in April. These funds are being held for the annual principal payment and the semi-annual interest payment due at the end of July 2015. During the quarter, the Transportation Impact Fee Fund received over \$340,000 in developer payments which were offset by operating costs. In April, the BMR Housing Fund provided over \$1 million in a loan withdrawal request to Willow Housing LP. During the quarter, the Water Capital Project Improvement Fund decreased from large expenditures on two projects; the Water Main Replacement project for over \$902,000 and the Sharon Heights Pump Station Replacement project for \$697,000. These expenses were offset by Capital Surcharge revenues going to this fund.

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.

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 the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Cutwater Investment Reports for the period of June 1, 2015 – June 30, 2015

Report prepared by:
Geoffrey Buchheim, Financial Services Manager



Cutwater Asset Management
1331 17th Street, Suite 602
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

CITY OF MENLO PARK

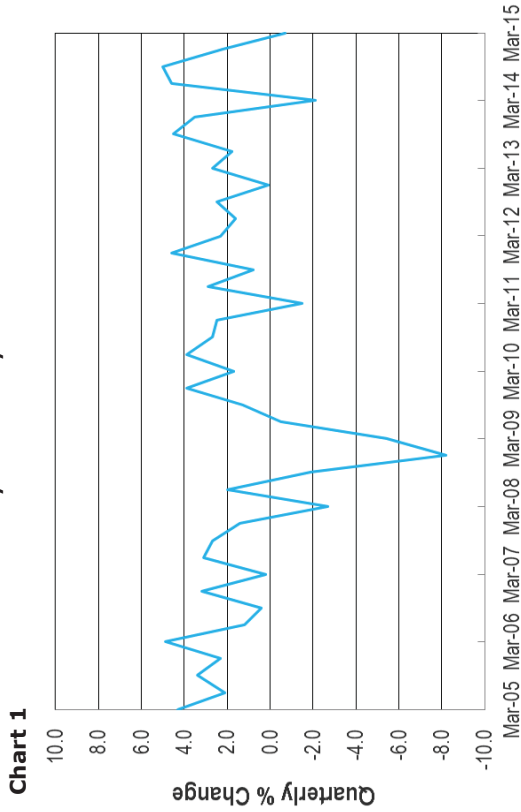
Report for the period June 1, 2015 - June 30, 2015

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on July 8, 2015)

Fixed Income Market Review June 30, 2015

**Gross Domestic Product
03/2005 – 03/2015**



Economic Indicators & Monetary Policy – The third estimate of Gross Domestic Product (GDP) was revised upward, bringing the final calculation of first quarter 2015 GDP to negative 0.2 percent. (See Chart 1) While the economy shrunk in the first quarter, the downturn was much less severe than originally expected. 2015 may follow the 2014 pattern of a weak first quarter followed by a strong rebound in the second quarter. Transitory factors negatively impacting GDP were the strength of the dollar, which led to weaker imports, as well as harsh weather and low energy costs. At this time economic forecasts for GDP in 2015 show growth of 2.2 percent.

The employment numbers improved and new job creation was strong, as 280,000 jobs were added in May, exceeding analyst estimates of 226,000. Driving the job growth were local government agencies, retailers and automakers. While the unemployment rate increased to 5.5 percent from 5.4 percent, the participation rate also increased to 62.9 percent from 62.8 percent indicating that more Americans entered the workforce.

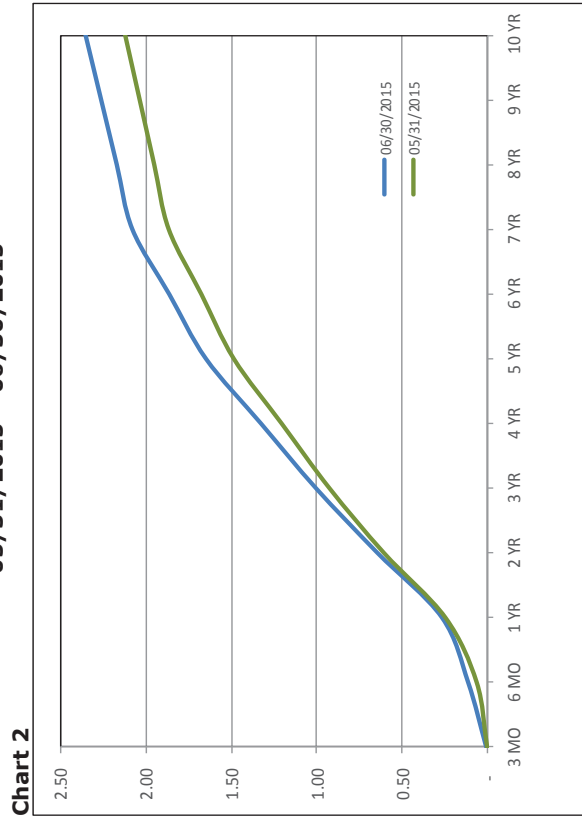
Inflation, one of the Federal Open Market Committee's (FOMC) key metrics, showed improvement in May following a stretch of weak months as a result of the decreased cost of energy. The Producer Price Index (PPI) on a month-over-month basis including food and energy increased 0.5 percent. The core PPI, which excludes food and energy, increased 0.1 percent on a month-over-month basis. The Consumer Price Index (CPI) on a month-over-month basis including food and energy increased 0.4 percent, while the month-over-month core CPI also increased 0.1 percent. The Personal Consumption Expenditures index including food and energy, the preferred inflation indicator of the FOMC, increased 0.3 percent on a month-over-month basis.

May was a better month for housing in the U.S. as existing home sales increased 5.1 percent, and new home sales increased 2.2 percent. Housing purchases and mortgage applications continue to be strong as the prospect of increased mortgage rates in the future looms over potential home buyers.

The FOMC concluded its most recent meeting on June 17th. The Committee voted to maintain the target Fed funds rate at zero to 0.25 percent, however the members of the FOMC have not denied a potential increase in interest rates in 2015. Chair Janet Yellen repeated the importance of a slow and steady trajectory when interest rates begin to rise.

Yield Curve & Spreads - At the end of May, the 3-month Treasury bill yielded 0.01 percent, the 6-month Treasury bill yielded 0.11 percent, the 2-year Treasury note yielded 0.64 percent, the 5-year Treasury note yielded 1.65 percent, and the 10-year Treasury note yielded 2.35 percent (See Chart 2).

**Treasury Yield Curves
05/31/2015 – 06/30/2015**



Important Disclosures June 30, 2015

The information contained herein has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested.

Neither Cutwater Asset Management nor its subsidiaries provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

You may request, without charge, additional information about Cutwater. Moreover, specific information relating to Cutwater and/or its strategies, including investment advisory fees, may be obtained from the Form ADV Part 2A of both Cutwater Asset Management Corp. and Cutwater Investor Services Corp., which is available without charge upon request.

This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Cutwater.

On January 5, 2015, it was announced that The Bank of NY Mellon Corporation ("BNY Mellon" or "Bank") successfully acquired Cutwater Holdings, LLC, parent of Cutwater Asset Management Corp. and Cutwater Investor Services Corp. Cutwater now operates as a wholly owned subsidiary of BNY Mellon Investment Management, one of the world's leading investment management organizations and one of the top U.S. wealth managers, with \$1.6 trillion in assets under management. BNY Mellon Investment Management encompasses BNY Mellon's affiliated investment management firms, wealth management services, and global distribution companies. Cutwater now works closely with Insight Investment, one of BNY Mellon's subsidiary leading investment management boutiques.

Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any governmental entity) and are not guaranteed by or obligations of The Bank of New York Mellon Corporation or any of its affiliates. The Bank of New York Corporation assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection therewith.

City of Menlo Park
Activity and Performance Summary
for the period June 1, 2015 - June 30, 2015

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	101,658,944.70
Additions	
Contributions	915,244.15
Interest Received	60,498.44
Accrued Interest Sold	2,625.00
Gain on Sales	0.00
Total Additions	978,367.59
Deductions	
Withdrawals	0.00
Fees Paid	4,242.95
Accrued Interest Purchased	7,969.52
Loss on Sales	0.00
Total Deductions	(12,212.47)
Accretion (Amortization) for the Period	(19,988.84)
Ending Amortized Cost Value	102,605,110.98
Ending Fair Value	102,649,512.20
Unrealized Gain (Loss)	44,401.22

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	9,214.56	0.00	0.00	9,214.56
U.S. Treasury	8,236.10	16.05	0.00	8,252.15
U.S. Instrumentality	18,611.62	(3,306.70)	0.00	15,304.92
Corporate	38,742.60	(15,257.55)	0.00	23,485.05
Sales and Maturities				
Commercial Paper	0.00	184.72	0.00	184.72
U.S. Instrumentality	3,042.71	(1,625.36)	0.00	1,417.35
Total	77,847.59	(19,988.84)	0.00	57,858.75

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.11 %	0.12 %	0.13 %
Overnight Repo	0.13 %	0.15 %	0.17 %
3 Month T-Bill	0.01 %	0.01 %	0.00 %
6 Month T-Bill	0.05 %	0.06 %	0.06 %
1 Year T-Note	0.18 %	0.24 %	0.28 %
2 Year T-Note	0.56 %	0.61 %	0.69 %
5 Year T-Note	1.55 %	1.49 %	1.68 %

<u>Summary of Amortized Cost Basis Return for the Period</u>			
	Total Portfolio	Excl. Cash Eq.	
Interest Earned	77,847.59	68,633.03	
Accretion (Amortization)	(19,988.84)	(19,988.84)	
Realized Gain (Loss) on Sales	0.00	0.00	
Total Income on Portfolio	57,858.75	48,644.19	
Average Daily Historical Cost	102,342,799.46	63,644,284.65	
Annualized Return	0.69%	0.93%	
Annualized Return Net of Fees	0.64%	0.85%	
Annualized Return Year to Date Net of Fees	0.60%	0.81%	
Weighted Average Effective Maturity in Days	419	671	

**City of Menlo Park
Activity and Performance Summary
for the period June 1, 2015 - June 30, 2015**

<u>Fair Value Basis Activity Summary</u>	
Beginning Fair Value	101,746,046.21
Additions	
Contributions	915,244.15
Interest Received	60,498.44
Accrued Interest Sold	2,625.00
Total Additions	978,367.59
Deductions	
Withdrawals	0.00
Fees Paid	4,242.95
Accrued Interest Purchased	7,969.52
Total Deductions	(12,212.47)
Change in Fair Value for the Period	(62,689.13)
Ending Fair Value	102,649,512.20

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	9,214.56	0.00	9,214.56
U.S. Treasury	8,236.10	976.94	9,213.04
U.S. Instrumentality	18,611.62	(11,258.37)	7,353.25
Corporate	38,742.60	(49,132.72)	(10,390.12)
Sales and Maturities			
Commercial Paper	0.00	30.00	30.00
U.S. Instrumentality	3,042.71	(3,304.98)	(262.27)
Total	77,847.59	(62,689.13)	15,158.46

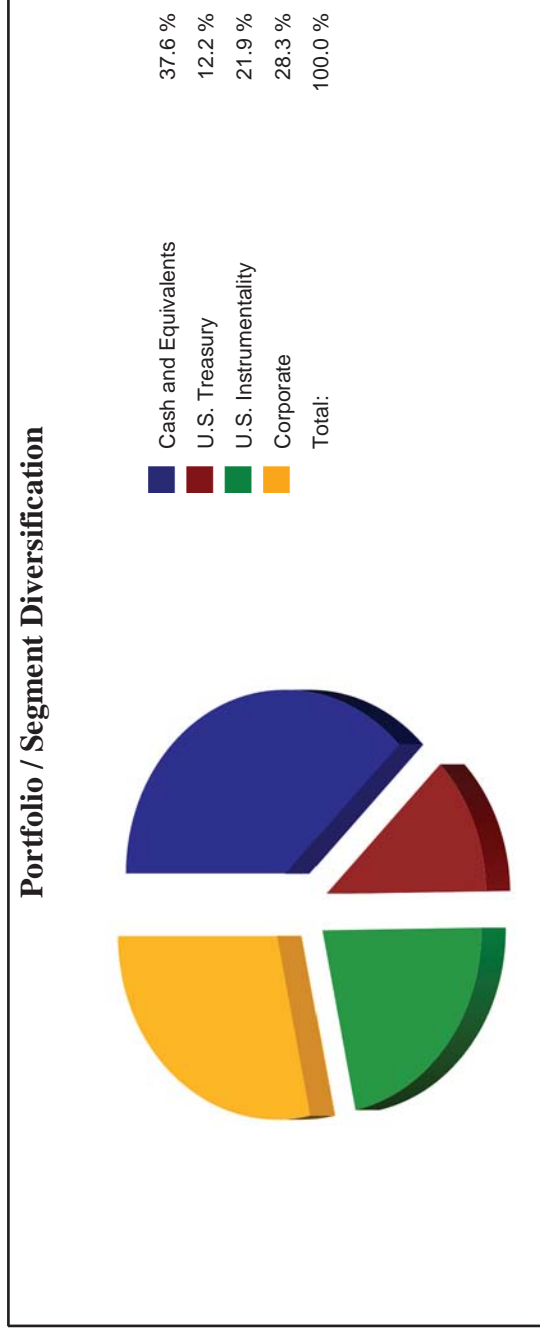
<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	One Month
Fed Funds	0.11 %	0.12 %	0.13 %
Overnight Repo	0.13 %	0.15 %	0.17 %
3 Month T-Bill	0.03 %	0.03 %	-0.01 %
6 Month T-Bill	0.17 %	0.24 %	0.24 %
1 Year T-Note	0.24 %	0.42 %	0.26 %
BAML 1-3 Yr Tsy Index	0.87 %	1.34 %	0.31 %
BAML 1-5 Yr Tsy Index	1.38 %	1.91 %	-1.18 %

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	77,847.59	68,633.03
Change in Fair Value	<u>(62,689.13)</u>	<u>(62,689.13)</u>
Total Income on Portfolio	15,158.46	5,943.90
Average Daily Historical Cost	102,342,799.46	63,644,284.65
Annualized Return	0.18%	0.11%
Annualized Return Net of Fees	0.13%	0.03%
Annualized Return Year to Date Net of Fees	0.89%	1.29%
Weighted Average Effective Maturity in Days	419	671

**City of Menlo Park
Recap of Securities Held
June 30, 2015**

	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	38,698,514.81	38,698,514.81	38,698,514.81	0.00	1	1	37.61	0.29	0.00
U.S. Treasury	12,510,039.08	12,492,323.79	12,526,446.50	34,122.71	756	756	12.16	0.85	2.04
U.S. Instrumentality	22,527,746.92	22,479,509.05	22,489,415.76	9,906.71	904	791	21.89	1.02	2.11
Corporate	29,156,211.85	28,934,763.33	28,935,135.13	371.80	544	542	28.34	0.96	1.45
Total	102,892,512.66	102,605,110.98	102,649,512.20	44,401.22	444	419	100.00	0.71	1.12

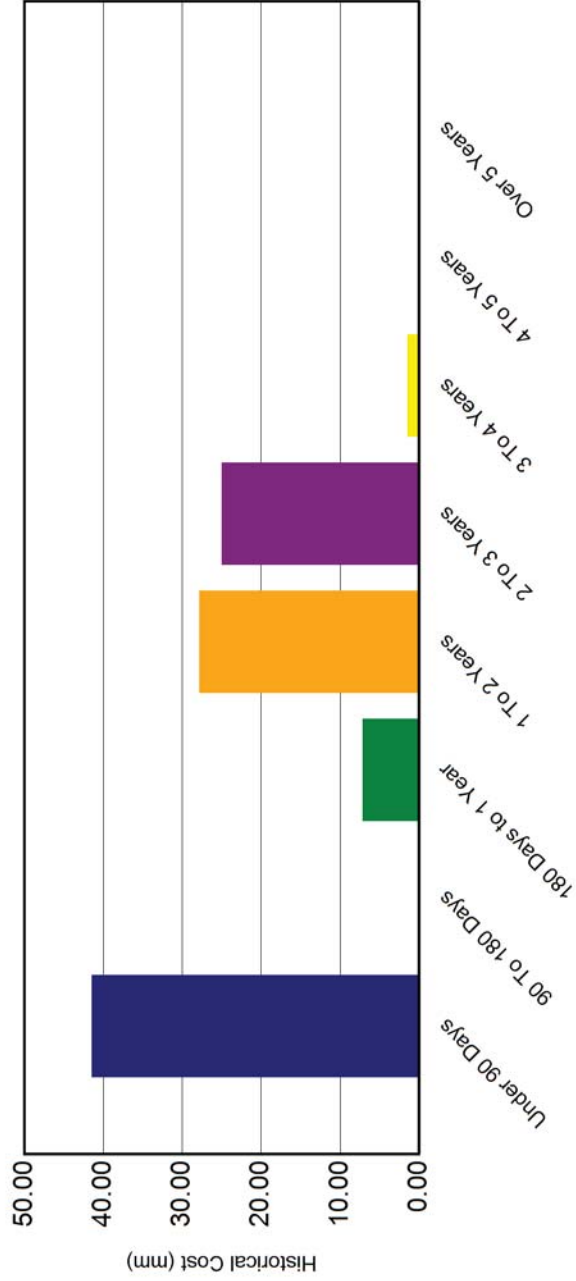
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Menlo Park
Maturity Distribution of Securities Held
June 30, 2015**

Maturity	Historical Cost	Percent
Under 90 Days	41,458,521.66	40.29 %
90 To 180 Days	0.00	0.00 %
180 Days to 1 Year	7,140,710.00	6.94 %
1 To 2 Years	27,835,961.30	27.05 %
2 To 3 Years	24,957,319.70	24.26 %
3 To 4 Years	1,500,000.00	1.46 %
4 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	102,892,512.66	100.00 %

Maturity Distribution



**City of Menlo Park
Securities Held
June 30, 2015**

USIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
LAIF - City 98-19-22	06/30/15	0.290V		38,698,514.81	38,698,514.81	38,698,514.81	38,698,514.81	0.00	0.00	9,214.56	28,469.08	37.61	0.29
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				38,698,514.81	38,698,514.81	38,698,514.81	38,698,514.81	0.00	0.00	9,214.56	28,469.08	37.61	
U.S. Treasury													
912828QX1 T-Note	08/25/11	1.500	07/31/16	1,000,000.00	1,022,968.75	1,005,047.52	1,012,188.00	7,140.48	0.00	1,243.10	6,256.91	0.99	1.02
					0.00	(382.38)	(937.00)						
912828WFE3 T-Note	08/15/14	0.625	11/15/16	1,000,000.00	1,000,312.50	1,000,190.99	1,002,578.00	2,387.01	0.00	509.51	798.23	0.97	0.61
					0.00	(11.39)	156.00						
912828SS10 T-Note	05/15/14	0.875	02/28/17	1,000,000.00	1,004,140.63	1,002,468.14	1,005,391.00	2,922.86	0.00	713.31	2,924.59	0.98	0.72
					0.00	(121.78)	(547.00)						
912828WH9 T-Note	06/05/14	0.875	05/15/17	2,000,000.00	2,003,437.50	2,002,187.21	2,009,376.00	7,188.79	0.00	1,426.63	2,235.05	1.95	0.82
					0.00	(95.93)	(1,718.00)						
912828TB6 T-Note	11/25/14	0.750	06/30/17	1,500,000.00	1,497,421.88	1,498,014.74	1,502,929.50	4,914.76	5,625.00	931.81	30.57	1.46	0.82
					0.00	81.59	(469.50)						
912828TG5 T-Note	11/25/14	0.500	07/31/17	1,000,000.00	990,468.75	992,591.13	996,484.00	3,892.87	0.00	414.37	2,085.64	0.96	0.86
					0.00	292.07	78.00						
912828TS9 T-Note	03/24/15	0.625	09/30/17	1,000,000.00	996,015.63	996,443.92	997,031.00	587.08	0.00	512.30	1,571.04	0.97	0.79
					0.00	129.79	(469.00)						
912828G79 T-Note	06/10/15	1.000	12/15/17	1,000,000.00	1,001,757.81	1,001,717.64	1,004,297.00	2,579.36	5,000.00	574.52	437.16	0.97	0.93
					0.00	(40.17)	2,539.19						
912828UJ7 T-Note	04/30/15	0.875	01/31/18	1,000,000.00	1,000,546.88	1,000,513.21	1,000,156.00	(357.21)	0.00	725.14	3,649.86	0.97	0.85
					2,151.24	(16.29)	(703.00)						
912828UU2 T-Note	06/01/15	0.750	03/31/18	1,000,000.00	995,468.75	995,600.22	994,922.00	(678.22)	0.00	614.76	1,885.25	0.97	0.91
					1,270.49	131.47	(546.75)						
912828XA3 T-Note	06/10/15	1.000	05/15/18	1,000,000.00	997,500.00	997,549.07	1,001,094.00	3,544.93	0.00	570.65	1,277.17	0.97	1.09
					706.52	49.07	3,594.00						
TOTAL (U.S. Treasury)				12,500,000.00	12,510,039.08	12,492,323.79	12,526,446.50	34,122.71	10,625.00	8,236.10	23,151.47	12.16	
					4,128.25	16.05	976.94						
U.S. Instrumentality													
31331XLG5 FFCB	06/06/14	4.875	01/17/17	1,000,000.00	1,107,670.00	1,063,746.05	1,064,699.00	952.95	0.00	4,062.50	22,208.33	1.08	0.71
					0.00	(3,378.76)	(4,248.00)						
3135G0VM2	04/03/13	0.750	03/14/17	1,000,000.00	1,000,700.00	1,000,000.00	1,001,936.00	1,936.00	0.00	625.00	2,229.17	0.97	0.75

**City of Menlo Park
Securities Held
June 30, 2015**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
FNMA					0.00	0.00	523.00						
3134G6PC2	Call 03/30/15	0.750	03/30/17	1,000,000.00	1,000,000.00	1,000,000.00	999,149.00	(851.00)	0.00	625.00	1,895.83	0.97	0.75
FHLMC			09/30/15		0.00	0.00	164.00						
3128MBFA0	01/23/13	6.000	04/01/17	422,466.69	449,266.92	433,684.58	435,516.26	1,831.68	2,112.33	2,112.33	2,112.33	0.44	2.31
FHLMC					0.00	(525.84)	(948.87)						
3133EEZR4	04/30/15	0.600	04/21/17	1,000,000.00	998,620.00	998,738.50	997,899.00	(839.50)	0.00	500.00	1,166.67	0.97	0.67
FFCB					150.00	57.34	(80.00)						
3135G0PP2	04/18/13	1.000	09/20/17	2,000,000.00	2,005,000.00	2,000,000.00	2,005,392.00	5,392.00	0.00	1,666.67	5,611.11	1.95	1.00
FNMA					0.00	0.00	(2,918.00)						
3130A3PF5	Call 12/29/14	0.625V	12/29/17	2,000,000.00	1,999,000.00	1,999,167.88	2,003,460.00	4,292.12	6,250.00	1,041.66	69.44	1.94	1.30
FHFB			12/29/15		0.00	27.37	(314.00)						
3130A5QX0	Call 06/30/15	1.000	12/29/17	2,000,000.00	2,000,000.00	2,000,000.00	2,000,392.00	392.00	0.00	55.55	111.11	1.94	1.00
FHFB			06/29/16		55.56	0.00	392.00						
3137EADN6	01/22/13	0.750	01/12/18	2,000,000.00	1,984,380.00	1,992,035.18	1,990,040.00	(1,995.18)	0.00	1,250.00	7,041.67	1.93	0.91
FHLMC					0.00	258.04	(2,830.00)						
3137EADN6	02/15/13	0.750	01/12/18	2,000,000.00	1,980,960.00	1,990,161.25	1,990,040.00	(121.25)	0.00	1,250.00	7,041.67	1.93	0.95
FHLMC					0.00	318.75	(2,830.00)						
3135G0VC4	04/30/15	1.130	02/28/18	1,000,000.00	1,005,000.00	1,004,700.48	1,003,517.00	(1,183.48)	0.00	941.67	3,798.06	0.98	0.95
FNMA					1,946.11	(144.93)	(720.00)						
3136Z0H67	Call 04/30/15	1.020	04/30/18	2,000,000.00	1,998,500.00	1,998,584.85	1,994,944.00	(3,640.85)	0.00	1,700.00	3,456.67	1.94	1.05
FNMA			10/30/15		0.00	41.05	(1,230.00)						
3133EEM98	06/01/15	1.000	05/21/18	2,000,000.00	1,998,440.00	1,998,483.13	1,995,212.00	(3,271.13)	0.00	1,666.66	2,222.22	1.94	1.03
FFCB					555.56	43.13	(3,228.00)						
3130A5M55	06/16/15	1.200	06/27/18	1,500,000.00	1,500,210.00	1,500,207.15	1,504,743.00	4,535.85	0.00	750.00	800.00	1.46	1.20
FHFB					50.00	(2.85)	4,533.00						
3130A5M48	06/24/15	1.250	09/25/18	1,500,000.00	1,500,000.00	1,500,000.00	1,502,476.50	2,476.50	0.00	364.58	833.33	1.46	1.25
FHFB					468.75	0.00	2,476.50						
TOTAL (U.S. Instrumentality)				22,422,466.69	22,527,746.92	22,479,509.05	22,489,415.76	9,906.71	8,362.33	18,611.62	60,597.61	21.89	
					3,225.98	(3,306.70)	(11,258.37)						
Corporate													
3696ZG5Z3	10/02/12	1.625	07/02/15	1,013,000.00	1,032,236.87	1,013,019.18	1,013,000.00	(19.18)	0.00	1,371.77	8,184.90	1.00	0.92
GE Capital					0.00	(575.38)	(1,118.35)						
3696ZG4P6	09/21/12	1.000V	09/23/15	725,000.00	724,369.98	724,951.76	726,105.63	1,153.87	1,812.50	604.17	161.11	0.70	1.03
GE Capital					0.00	17.23	(416.87)						
369418AG9	07/26/11	1.625	09/25/15	1,000,000.00	1,003,400.00	1,000,192.12	1,003,144.00	2,951.88	0.00	1,354.16	4,333.33	0.98	1.54
Microsoft					0.00	(67.01)	(1,230.00)						

**City of Menlo Park
Securities Held
June 30, 2015**

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CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
0933YAB1 MERCCK & CO INC	01/21/15	2.250	01/15/16	2,000,000.00	2,035,760.00 750.00 (2,988.30)	2,019,722.79	2,018,312.00 (4,424.00)	(1,410.79)	0.00	3,750.00	20,750.00	1.98	0.43
14912L4S7 Caterpillar Financia	01/21/15	2.650	04/01/16	2,000,000.00	2,052,580.00 0.00 (3,617.89)	2,033,163.99	2,032,766.00 (1,624.00)	(397.99)	0.00	4,416.67	13,250.00	1.99	0.44
38259PAC6 Groogle	10/16/12	2.125	05/19/16	1,000,000.00	1,053,370.00 0.00 (1,221.28)	1,013,149.13	1,014,923.00 (847.00)	1,773.87	0.00	1,770.84	2,479.17	1.02	0.62
459200GX3 IBM Corp	11/09/12	1.950	07/22/16	2,000,000.00	2,076,820.00 0.00 (1,705.85)	2,022,005.43	2,028,734.00 (2,630.00)	6,728.57	0.00	3,250.00	17,225.00	2.02	0.89
06050TLR1 Bank of America	10/09/14	1.125	11/14/16	2,000,000.00	2,000,120.00 0.00 (4.69)	2,000,078.54	2,000,538.00 (1,662.00)	459.46	0.00	1,875.00	2,937.50	1.94	1.12
89233P5S1 Toyota Motor Credit	04/15/14	2.050	01/12/17	1,000,000.00	1,031,090.00 0.00 (929.91)	1,017,389.32	1,015,845.00 (5,250.00)	(1,544.32)	0.00	1,708.33	9,623.61	1.00	0.90
084670BD9 Berkshire Hathaway	02/02/12	1.900	01/31/17	1,500,000.00	1,528,050.00 0.00 (461.10)	1,508,914.52	1,523,404.50 (5,763.00)	14,489.98	0.00	2,375.00	11,954.17	1.49	1.51
459200HC8 IBM Corp	01/07/14	1.250	02/06/17	1,500,000.00	1,509,975.00 0.00 (265.77)	1,505,191.25	1,511,550.00 (1,957.50)	6,358.75	0.00	1,562.50	7,552.08	1.47	1.03
24422ERN1 John Deere Capital C	03/18/15	1.400	03/15/17	1,500,000.00	1,514,445.00 175.00 (595.26)	1,512,361.59	1,514,230.50 148.50	1,868.91	0.00	1,750.00	6,183.33	1.47	0.91
36962G5W0 GE Capital	06/09/14	2.300	04/27/17	1,000,000.00	1,034,440.00 0.00 (981.20)	1,021,782.56	1,019,526.00 (5,103.00)	(2,256.56)	0.00	1,916.67	4,088.89	1.01	1.08
717081D9 Pfizer Inc	03/17/15	1.100	05/15/17	1,500,000.00	1,507,185.00 0.00 (272.84)	1,506,220.94	1,504,420.50 (2,869.50)	(1,800.44)	0.00	1,375.00	2,108.33	1.46	0.88
91159HHD5 US Bancorp	06/04/14	1.650	05/15/17	2,000,000.00	2,032,160.00 0.00 (922.37)	2,020,107.69	2,024,096.00 (702.00)	3,988.31	0.00	2,750.00	4,216.67	1.98	1.08
88579YAE1 3M Company	12/19/12	1.000	06/26/17	2,000,000.00	2,014,560.00 0.00 (264.73)	2,006,406.40	2,002,546.00 (2,632.00)	(3,860.40)	10,000.00	1,666.67	277.78	1.96	0.84
713448CB2 PEPSICO Inc	03/26/15	1.250	08/13/17	1,000,000.00	1,006,400.00 1,493.06 (220.43)	1,005,687.26	1,001,660.00 (1,187.00)	(4,027.26)	0.00	1,041.67	4,791.67	0.98	0.98
166764AL4 Chevron Corp	03/06/15	1.345	11/15/17	1,000,000.00	1,006,600.00 0.00 (201.02)	1,005,816.04	1,004,066.00 (1,401.00)	(1,750.04)	0.00	1,120.83	1,718.61	0.98	1.10
46623EKD0 JP Morgan Chase	Call 04/29/15	1.700	03/01/18	1,000,000.00	1,007,730.00 2,691.67 (229.84)	1,007,247.35	996,488.00 (6,050.00)	(10,759.35)	0.00	1,416.66	5,619.44	0.98	1.41
037833A9 Apple Inc	05/20/13	1.000	05/03/18	2,000,000.00	1,984,920.00 0.00 250.09	1,991,355.47	1,979,780.00 (2,414.00)	(11,575.47)	0.00	1,666.66	3,222.22	1.93	1.16
TOTAL (Corporate)				28,738,000.00	29,156,211.85 5,109.73 (15,257.55)	28,934,763.33	28,935,135.13 (49,132.72)	371.80	11,812.50	38,742.60	130,677.81	28.34	

**City of Menlo Park
Securities Held
June 30, 2015**

GRAND TOTAL	102,358,981.50	102,892,512.66	102,605,110.98	102,649,512.20	44,401.22	30,799.83	74,804.88	242,895.97	100.00
		12,463.96	(18,548.20)	(59,414.15)					

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

**City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2015**

SIP	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)
	Cash and Equivalents	0.290	01/30/3100		NR	NR	38,698,514.81	38,698,514.81	37.61	38,698,514.81	37.70	0.00
ISSUER TOTAL												
							38,698,514.81	38,698,514.81	37.61	38,698,514.81	37.70	0.00
T-Note												
912828QX1	U.S. Treasury	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	0.99	1,012,188.00	0.99	1.07
912828WF3	U.S. Treasury	0.625	11/15/2016		AA+	Aaa	1,000,000.00	1,000,312.50	0.97	1,002,578.00	0.98	1.37
912828SJ0	U.S. Treasury	0.875	02/28/2017		AA+	Aaa	1,000,000.00	1,004,140.63	0.98	1,005,391.00	0.98	1.65
912828WH9	U.S. Treasury	0.875	05/15/2017		AA+	Aaa	2,000,000.00	2,003,437.50	1.95	2,009,376.00	1.96	1.86
912828TB6	U.S. Treasury	0.750	06/30/2017		AA+	Aaa	1,500,000.00	1,497,421.88	1.46	1,502,929.50	1.46	1.98
912828TG5	U.S. Treasury	0.500	07/31/2017		AA+	Aaa	1,000,000.00	990,468.75	0.96	996,484.00	0.97	2.07
912828TS9	U.S. Treasury	0.625	09/30/2017		AA+	Aaa	1,000,000.00	996,015.63	0.97	997,031.00	0.97	2.23
912828G79	U.S. Treasury	1.000	12/15/2017		AA+	Aaa	1,000,000.00	1,001,757.81	0.97	1,004,297.00	0.98	2.42
912828UJ7	U.S. Treasury	0.875	01/31/2018		AA+	Aaa	1,000,000.00	1,000,546.88	0.97	1,000,156.00	0.97	2.54
912828U02	U.S. Treasury	0.750	03/31/2018		AA+	Aaa	1,000,000.00	995,468.75	0.97	994,922.00	0.97	2.71
912828XA3	U.S. Treasury	1.000	05/15/2018		AA+	Aaa	1,000,000.00	997,500.00	0.97	1,001,094.00	0.98	2.82
ISSUER TOTAL												
							12,500,000.00	12,510,039.08	12.16	12,526,446.50	12.20	2.04
FHLB												
3130A3PF5	U.S. Instrumentality	0.625	12/29/2017	12/29/2015	AA+	Aaa	2,000,000.00	1,999,000.00	1.94	2,003,460.00	1.95	0.50
3130A5QX0	U.S. Instrumentality	1.000	12/29/2017	06/29/2016	AA+	Aaa	2,000,000.00	2,000,000.00	1.94	2,000,392.00	1.95	0.99
3130A5M55	U.S. Instrumentality	1.200	06/27/2018		AA+	Aaa	1,500,000.00	1,500,210.00	1.46	1,504,743.00	1.47	2.93
3130A5M48	U.S. Instrumentality	1.250	09/25/2018		AA+	Aaa	1,500,000.00	1,500,000.00	1.46	1,502,476.50	1.46	3.16
ISSUER TOTAL												
							7,000,000.00	6,999,210.00	6.80	7,011,071.50	6.83	1.73
FNMA												
3135G0VM2	U.S. Instrumentality	0.750	03/14/2017		AA+	Aaa	1,000,000.00	1,000,700.00	0.97	1,001,936.00	0.98	1.69
3135G0PP2	U.S. Instrumentality	1.000	09/20/2017		AA+	Aaa	2,000,000.00	2,005,000.00	1.95	2,005,392.00	1.95	2.19
3135G0VC4	U.S. Instrumentality	1.130	02/28/2018		AA+	Aaa	1,000,000.00	1,005,000.00	0.98	1,003,517.00	0.98	2.61
3136G2H67	U.S. Instrumentality	1.020	04/30/2018	10/30/2015	AA+	Aaa	2,000,000.00	1,998,500.00	1.94	1,994,944.00	1.94	2.78
ISSUER TOTAL												
							6,000,000.00	6,009,200.00	5.84	6,005,789.00	5.85	2.37
FHLMC												
3128MBFA0	U.S. Instrumentality	6.000	04/01/2017		AA+	Aaa	422,466.69	449,266.92	0.44	435,516.26	0.42	0.94
3134G6PG2	U.S. Instrumentality	0.750	03/30/2017	09/30/2015	AA+	Aaa	1,000,000.00	1,000,000.00	0.97	999,149.00	0.97	1.73

**City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2015**

CUSIP	Type	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)
3137EADN6	U.S. Instrumentality	01/12/2018		AA+	Aaa	4,000,000.00	3,965,340.00	3.85	3,980,080.00	3.88	2.49
ISSUER TOTAL											
FFCB											
31331XLG5	U.S. Instrumentality	01/17/2017		AA+	Aaa	1,000,000.00	1,107,670.00	1.08	1,064,699.00	1.04	1.48
3133BEZR4	U.S. Instrumentality	04/21/2017		AA+	Aaa	1,000,000.00	998,620.00	0.97	997,899.00	0.97	1.79
3133EEM98	U.S. Instrumentality	05/21/2018		AA+	Aaa	2,000,000.00	1,998,440.00	1.94	1,995,212.00	1.94	2.84
ISSUER TOTAL											
IBM Corp											
459200GX3	Corporate	07/22/2016		AA-	Aa3	2,000,000.00	2,076,820.00	2.02	2,028,734.00	1.98	1.04
459200HC8	Corporate	02/06/2017		AA-	Aa3	1,500,000.00	1,509,975.00	1.47	1,511,550.00	1.47	1.58
ISSUER TOTAL											
GE Capital											
36962G5Z3	Corporate	07/02/2015		AA+	A1	1,013,000.00	1,032,236.87	1.00	1,013,000.00	0.99	0.01
36962G4P6	Corporate	09/23/2015		AA+	A1	725,000.00	724,369.98	0.70	726,105.63	0.71	0.23
36962G5W0	Corporate	04/27/2017		AA+	A1	1,000,000.00	1,034,440.00	1.01	1,019,526.00	0.99	1.78
ISSUER TOTAL											
Caterpillar Financial											
14912LAS7	Corporate	04/01/2016		A	A2	2,000,000.00	2,052,580.00	1.99	2,032,766.00	1.98	0.74
ISSUER TOTAL											
US Bancorp											
91159HHD5	Corporate	05/15/2017	04/15/2017	A+	A1	2,000,000.00	2,032,160.00	1.98	2,024,096.00	1.97	1.76
ISSUER TOTAL											
MERCK & CO INC											
58933YABI	Corporate	01/15/2016		AA	A2	2,000,000.00	2,035,760.00	1.98	2,018,312.00	1.97	0.53
ISSUER TOTAL											

**City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2015**

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ISSIP	Company	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)
	Bank of America												
	88579YAEI	Corporate	1.000	06/26/2017		AA-	Aa3	2,000,000.00	2,014,560.00	1.96	2,002,546.00	1.95	1.96
	ISSUER TOTAL							2,000,000.00	2,014,560.00	1.96	2,002,546.00	1.95	1.96
	Bank of America												
	06050TLR1	Corporate	1.125	11/14/2016		A	A1	2,000,000.00	2,000,120.00	1.94	2,000,538.00	1.95	1.36
	ISSUER TOTAL							2,000,000.00	2,000,120.00	1.94	2,000,538.00	1.95	1.36
	Apple Inc												
	037833AJ9	Corporate	1.000	05/03/2018		AA+	Aa1	2,000,000.00	1,984,920.00	1.93	1,979,780.00	1.93	2.79
	ISSUER TOTAL							2,000,000.00	1,984,920.00	1.93	1,979,780.00	1.93	2.79
	Berkshire Hathaway												
	084670BD9	Corporate	1.900	01/31/2017		AA	Aa2	1,500,000.00	1,528,050.00	1.49	1,523,404.50	1.48	1.55
	ISSUER TOTAL							1,500,000.00	1,528,050.00	1.49	1,523,404.50	1.48	1.55
	John Deere Capital Corp												
	24422ERN1	Corporate	1.400	03/15/2017		A	A2	1,500,000.00	1,514,445.00	1.47	1,514,230.50	1.48	1.68
	ISSUER TOTAL							1,500,000.00	1,514,445.00	1.47	1,514,230.50	1.48	1.68
	Pfizer Inc												
	717081D19	Corporate	1.100	05/15/2017		AA	A1	1,500,000.00	1,507,185.00	1.46	1,504,420.50	1.47	1.85
	ISSUER TOTAL							1,500,000.00	1,507,185.00	1.46	1,504,420.50	1.47	1.85
	Toyota Motor Credit												
	89233P5S1	Corporate	2.050	01/12/2017		AA-	Aa3	1,000,000.00	1,031,090.00	1.00	1,015,845.00	0.99	1.50
	ISSUER TOTAL							1,000,000.00	1,031,090.00	1.00	1,015,845.00	0.99	1.50
	Google												
	38259PAC6	Corporate	2.125	05/19/2016		AA	Aa2	1,000,000.00	1,053,370.00	1.02	1,014,923.00	0.99	0.88
	ISSUER TOTAL							1,000,000.00	1,053,370.00	1.02	1,014,923.00	0.99	0.88

**City of Menlo Park
GASB 40 - Deposit and Investment Risk Disclosure
June 30, 2015**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>Chevron Corp</u>												
166764AL4	Corporate	1.345	11/15/2017		AA	Aa1	1,000,000.00	1,006,600.00	0.98	1,004,066.00	0.98	2.33
ISSUER TOTAL												
<u>Microsoft</u>												
594918AG9	Corporate	1.625	09/25/2015		AAA	Aaa	1,000,000.00	1,003,400.00	0.98	1,003,144.00	0.98	0.24
ISSUER TOTAL												
<u>PEPSICO Inc</u>												
713448CB2	Corporate	1.250	08/13/2017		A	A1	1,000,000.00	1,006,400.00	0.98	1,001,660.00	0.98	2.08
ISSUER TOTAL												
<u>JP Morgan Chase</u>												
46623EKD0	Corporate	1.700	03/01/2018	02/01/2018	A	A3	1,000,000.00	1,007,730.00	0.98	996,488.00	0.97	2.58
ISSUER TOTAL												
							102,358,981.50	102,892,512.66	100.00	102,649,512.20	100.00	1.12
							GRAND TOTAL					

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

**City of Menlo Park
Securities Purchased
June 1, 2015 - June 30, 2015**

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CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
U.S. Treasury								
912828UU2 T-Note	06/01/2015	0.750	03/31/2018	1,000,000.00	99.547	995,468.75	1,270.49	0.91
912828G79 T-Note	06/10/2015	1.000	12/15/2017	1,000,000.00	100.176	1,001,757.81	4,862.64	0.93
912828XA3 T-Note	06/10/2015	1.000	05/15/2018	1,000,000.00	99.750	997,500.00	706.52	1.09
TOTAL (U.S. Treasury)				3,000,000.00		2,994,726.56	6,839.65	
U.S. Instrumentality								
3133EEM98 FFCB	06/01/2015	1.000	05/21/2018	2,000,000.00	99.922	1,998,440.00	555.56	1.03
3130A5M55 FHLB	06/16/2015	1.200	06/27/2018	1,500,000.00	100.014	1,500,210.00	50.00	1.20
3130A5M48 FHLB	06/24/2015	1.250	09/25/2018	1,500,000.00	100.000	1,500,000.00	468.75	1.25
3130A5QX0 FHLB	06/30/2015	1.000	12/29/2017	2,000,000.00	100.000	2,000,000.00	55.56	1.00
TOTAL (U.S. Instrumentality)				7,000,000.00		6,998,650.00	1,129.87	
GRAND TOTAL				10,000,000.00		9,993,376.56	7,969.52	

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

**City of Menlo Park
Securities Sold and Matured
June 1, 2015 - June 30, 2015**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Accr/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
Cash and Equivalents													
LAFI - City 98-19- 228	06/01/2015	0.290V		1,500,000.00	1,500,000.00	1,500,000.00	100.00	1,500,000.00	0.00	0.00	0.00	0.00	0.29
TOTAL (Cash and Equivalents)													
				1,500,000.00	1,500,000.00	1,500,000.00		1,500,000.00	0.00	0.00	0.00	0.00	
Commercial Paper													
06737JT88 Barclays US Fun	06/08/2015	0.000	06/08/2015	2,500,000.00	2,493,006.94	2,500,000.00	100.00	2,500,000.00	0.00	0.00	0.00	0.00	0.39
					184.72			30.00					
TOTAL (Commercial Paper)													
				2,500,000.00	2,493,006.94	2,500,000.00		2,500,000.00	0.00	0.00	0.00	0.00	
					184.72			30.00					
U.S. Instrumentality													
3128MBFA0 FHLMC	06/01/2015	6.000	04/01/2017	27,221.44	28,948.30	27,221.44	100.00	27,221.44	0.00	0.00	136.11	0.00	2.31
						(756.70)		(901.98)					
3133XWNB1 FHLB	06/12/2015	2.875	06/12/2015	1,500,000.00	1,606,845.00	1,500,000.00	100.00	1,500,000.00	0.00	0.00	21,562.50	1,317.71	0.92
						(868.66)		(1,201.50)					
3134GSHA6 FHLMC	Call 06/19/2015	0.700	09/19/2016 09/19/2015	1,500,000.00	1,500,000.00	1,500,000.00	100.00	1,500,000.00	0.00	2,625.00	0.00	525.00	0.70
						0.00		(370.50)					
3130A3P73 FHLB	Call 06/26/2015	0.800V	12/26/2017 09/26/2015	1,000,000.00	1,000,000.00	1,000,000.00	100.00	1,000,000.00	0.00	0.00	4,000.00	555.56	0.80
						0.00		(373.00)					
3130A3Q23 FHLB	Call 06/30/2015	0.800	12/30/2016 06/30/2015	1,000,000.00	1,000,000.00	1,000,000.00	100.00	1,000,000.00	0.00	0.00	4,000.00	644.44	0.80
						0.00		(458.00)					
TOTAL (U.S. Instrumentality)													
				5,027,221.44	5,135,793.30	5,027,221.44		5,027,221.44	0.00	2,625.00	29,698.61	3,042.71	
						(1,625.36)		(3,304.98)					
GRAND TOTAL													
				9,027,221.44	9,128,800.24	9,027,221.44		9,027,221.44	0.00	2,625.00	29,698.61	3,042.71	
						(1,440.64)		(3,274.98)					

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

**City of Menlo Park
Transaction Report
for the period June 1, 2015 - June 30, 2015**

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Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
06/01/2015		Sold	CE	LAIF - City 98-19-22		1,500,000.00	1,500,000.00	0.00	1,500,000.00	1,500,000.00
06/01/2015	3128MBFA0	Paydown	INS	FHLMC	04/01/2017	27,221.44	27,221.44	2,248.44	29,469.88	1,529,469.88
06/01/2015	3133EEM98	Bought	INS	FFCB	05/21/2018	2,000,000.00	1,998,440.00	555.56	(1,998,995.56)	(469,525.68)
06/01/2015	912828UU2	Bought	TSY	T-Note	03/31/2018	1,000,000.00	995,468.75	1,270.49	(996,739.24)	(1,466,264.92)
06/08/2015	06737JT88	Maturity	CP	Barclays US Funding	06/08/2015	2,500,000.00	2,500,000.00	0.00	2,500,000.00	1,033,735.08
06/10/2015	912828G79	Bought	TSY	T-Note	12/15/2017	1,000,000.00	1,001,757.81	4,862.64	(1,006,620.45)	27,114.63
06/10/2015	912828XA3	Bought	TSY	T-Note	05/15/2018	1,000,000.00	997,500.00	706.52	(998,206.52)	(971,091.89)
06/12/2015	3133XWNB1	Maturity	INS	FHLB	06/12/2015	1,500,000.00	1,500,000.00	0.00	1,500,000.00	528,908.11
06/12/2015	3133XWNB1	Interest	INS	FHLB	06/12/2015	1,500,000.00	0.00	21,562.50	21,562.50	550,470.61
06/15/2015	912828G79	Interest	TSY	T-Note	12/15/2017	1,000,000.00	0.00	5,000.00	5,000.00	555,470.61
06/16/2015	3130A5M55	Bought	INS	FHLB	06/27/2018	1,500,000.00	1,500,210.00	50.00	(1,500,260.00)	(944,789.39)
06/19/2015	3134G5HA6	Call	INS	FHLMC	09/19/2016	1,500,000.00	1,500,000.00	2,625.00	1,502,625.00	557,835.61
06/23/2015	36962G4P6	Interest	COR	GE Capital	09/23/2015	725,000.00	0.00	1,812.50	1,812.50	559,648.11
06/24/2015	3130A5M48	Bought	INS	FHLB	09/25/2018	1,500,000.00	1,500,000.00	468.75	(1,500,468.75)	(940,820.64)
06/26/2015	3130A3P73	Interest	INS	FHLB	12/26/2017	1,000,000.00	0.00	4,000.00	4,000.00	(936,820.64)
06/26/2015	3130A3P73	Call	INS	FHLB	12/26/2017	1,000,000.00	1,000,000.00	0.00	1,000,000.00	63,179.36
06/26/2015	88579YAE1	Interest	COR	3M Company	06/26/2017	2,000,000.00	0.00	10,000.00	10,000.00	73,179.36
06/29/2015	3130A3PF5	Interest	INS	FHLB	12/29/2017	2,000,000.00	0.00	6,250.00	6,250.00	79,429.36
06/30/2015	3130A3Q23	Interest	INS	FHLB	12/30/2016	1,000,000.00	0.00	4,000.00	4,000.00	83,429.36
06/30/2015	3130A3Q23	Call	INS	FHLB	12/30/2016	1,000,000.00	1,000,000.00	0.00	1,000,000.00	1,083,429.36
06/30/2015	3130A5QX0	Bought	INS	FHLB	12/29/2017	2,000,000.00	2,000,000.00	55.56	(2,000,055.56)	(916,626.20)
06/30/2015	912828TB6	Interest	TSY	T-Note	06/30/2017	1,500,000.00	0.00	5,625.00	5,625.00	(911,001.20)
Portfolio Activity Total									(911,001.20)	

Net Contributions:	915,244.15
Net Withdrawals:	0.00

Fees Charged:	4,242.95
Fees Paid:	4,242.95

**City of Menlo Park
Securities Bid and Offer
for the period 6/1/2015 - 6/30/2015**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	06/01/2015	FFCB 1 05/21/2018		WELLS	2,000,000		99,922	1.03%	MS - FNMA .875% 5/21/18 @ 1.00% RBC - FHLMC 4.875% 6/13/18 @ .96%
BUY	06/01/2015	T-Note .75 03/31/2018		WELLS	1,000,000		99,547	.91%	MS - T .75% 3/31/18 .90% RBC - T .75% 3/31/18 .90%
BUY	06/10/2015	T-Note 1 05/15/2018		RBC	1,000,000		99,750	1.09%	WFS - T 1% 5/15/18 @ 1.08% MS - T 1% 5/15/18 @ 1.08%
BUY	06/10/2015	T-Note 1 12/15/2017		RBC	1,000,000		100,176	.93%	WFS - T 1% 12/15/17 @ .92% MS - T 1% 12/15/17 @ .92%
BUY	06/16/2015	FHLB 1.2 06/27/2018		WELLS	1,500,000		100,014	1.20%	JEF - FHLMC 4.875% 6/13/18 @ 1.10% MS - FNMA 1.125% 7/20/18 @ 1.19%
BUY	06/24/2015	FHLB 1.25 09/25/2018		WELLS	1,500,000		100,000	1.25	MOR - FHLB 2.00 09/14/18 @ YTM 1.22 MER - FNMA 1.875 09/18/18 @ YTM 1.23
BUY	06/30/2015	FHLB 1 12/29/2017	06/29/16	JEF	2,000,000		100,000	1.00/1.00	MOR @ 100.00 WEL @ 100.00

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

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Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
07/02/2015	Maturity	36962G5Z3	GE Capital	1.625	07/02/2015		1,013,000.00	1,013,000.00	8,230.63	1,021,230.63
07/12/2015	Interest	89233P5S1	Toyota Motor Credit	2.050	01/12/2017		1,000,000.00	0.00	10,250.00	10,250.00
07/12/2015	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
07/12/2015	Interest	3137EADN6	FHLMC	0.750	01/12/2018		2,000,000.00	0.00	7,500.00	7,500.00
07/15/2015	Estimated Paydown	3128MBFA0	FHLMC	6.000	04/01/2017		422,466.69	23,068.07	2,112.33	25,180.40
07/15/2015	Interest	58933YAB1	MERCK & CO INC	2.250	01/15/2016		2,000,000.00	0.00	22,500.00	22,500.00
07/17/2015	Interest	31331XLG5	FFCB	4.875	01/17/2017		1,000,000.00	0.00	24,375.00	24,375.00
07/22/2015	Interest	459200GX3	IBM Corp	1.950	07/22/2016		2,000,000.00	0.00	19,500.00	19,500.00
07/31/2015	Interest	912828UJ7	T-Note	0.875	01/31/2018		1,000,000.00	0.00	4,375.00	4,375.00
07/31/2015	Interest	912828TG5	T-Note	0.500	07/31/2017		1,000,000.00	0.00	2,500.00	2,500.00
07/31/2015	Interest	084670BD9	Berkshire Hathaway	1.900	01/31/2017		1,500,000.00	0.00	14,250.00	14,250.00
07/31/2015	Interest	912828QX1	T-Note	1.500	07/31/2016		1,000,000.00	0.00	7,500.00	7,500.00
08/06/2015	Interest	459200HC8	IBM Corp	1.250	02/06/2017		1,500,000.00	0.00	9,375.00	9,375.00
08/13/2015	Interest	713448CB2	PEPSICO Inc	1.250	08/13/2017		1,000,000.00	0.00	6,250.00	6,250.00

END OF REPORTS

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

Colorado Office
1331 17th Street, Suite 602
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

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STAFF REPORT

City Council

Meeting Date: 8/25/2015

Staff Report Number: 15-140-CC

Informational Item: Pilot Program to Waive Permit Fees for Block Parties

Recommendation

This is an informational item, no Council action is needed at this time.

Policy Issues

Council sets fees for some services, including the special event permit process, annually through the Master Fee Schedule. The City Manager has administrative discretion to reduce a fee.

Background

Special events play an important role in building community and creating vibrancy within Menlo Park. The goal of the Special Event Permit process is to help event organizers plan a safe and successful event resulting in minimal impacts to the surrounding neighborhoods. To accomplish this, certain permits or approvals are needed, depending on the type of event. Prior to the implementation of the current Special Event Permit Process, individuals and organizations wishing to host a special event often navigated through city departments with little direction regarding the required approvals, the necessary fees, who to contact or the timeframe to obtain permit(s). This resulted in a number of issues, including events being held without the proper permits.

The Special Event Permit Committee, comprised of staff from the Community Services, Planning, Police, and Public Works (Engineering & Maintenance) Departments and the Menlo Park Fire District, collaborated on designing a new process for approving special events in the City. The process ensures the following: (1) all special events obtain the necessary permits; (2) all special events pay the appropriate fees; (3) better communication between the City and event organizers; (4) more efficient use of staff time city-wide; (5) enhancing customer service by guiding event coordinators through the permitting process; and (6) encouraging organizations to continue to hold special events in the City. Additionally, the committee established a point-person to be the liaison between the City and event coordinators. The special event permit process became effective on March 4, 2013 and has been routinely updated and revised.

Analysis

As part of the ongoing revision process, the City has explored ways to lessen the financial impact on block party holders. Prior to the standardized process established in 2013, block party applicants contacted the Police and Fire Departments. However, it was possible that other departments became involved in issuing approval for these small events. Currently, applications are filtered through the Community Services, Public Works, Planning and Engineering Departments. This added level of service resulted in the need to charge a higher application fee based on staff time involved in processing the permits. Application fees are

based on the level of services provided and fall into two categories: (1) \$125.00 for Minor Events and (2) \$250.00 for Major Events. The vast majority of block parties fall under the “minor event” category.

In addition to the increased permit fee, many applicants have expressed a challenge in obtaining the required liability insurance. While some applicants are able to obtain this from their personal carrier at a minimal cost, many have to purchase one-time event insurance ranging from \$100-\$300 (depending on the provider). Although the expense of insurance can be challenging for some applicants, this requirement has been reviewed by the Special Event Permit Committee, City Attorney, Insurance Pool, and City Manager and all agree that a Certificate of Liability Insurance should continue to be a requirement to permit a road closure in Menlo Park.

To help ease the financial burden and to support block parties in our community, the City Manager has initiated a pilot program to waive permit fees for block parties. This waiver will limit expenses incurred by block party applicants when organizing a public event in our community. The program will be evaluated after 1 year as to its effectiveness.

Impact on City Resources

The City processes approximately 12 block party applications throughout the year. The Pilot Program will result in a decrease of \$1,500 in special event permit revenue anticipated for FY 2015-16.

Environmental Review

Block parties are not a project under California Environmental Quality Act guidelines.

Public Notice

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

Attachments

None.

Report prepared by:

Matthew L. Milde, Recreation Coordinator