



## REGULAR MEETING AGENDA

**Date:** 9/13/2016  
**Time:** 7:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

### A. Call To Order

### B. Roll Call

### C. Pledge of Allegiance

### D. Presentations and Proclamations

- D1. Proclamation recognizing October 1, 2016 as Bay Day
- D2. Proclamation recognizing National Drive Electric Week
- D3. Presentation by San Mateo County Health Department regarding San Mateo Plain Groundwater Assessment

### E. Public Comment

Under "Public Comment," the public may address the City Council on any subject not listed on the agenda. Each speaker may address the City 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 City Council cannot act on items not listed on the agenda and, therefore, the City Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

### F. Consent Calendar

- F1. Authorize the City Manager to modify the cost-sharing agreement with Downtown businesses for the Santa Cruz Street Cafes, allow three years for business owner contributions and extend the evaluation period to five years (Staff Report# 16-158-CC)
- F2. Authorize the City Manager to award a construction contract and all related service agreements for the Santa Cruz Avenue Sidewalk Project up to the budgeted amount (Staff Report# 16-162-CC)
- F3. Award a construction contract to Traffic Development Services, Inc. for the Sand Hill Road Traffic Signal Modification Project (Project) in the amount of \$131,350 and appropriate \$48,620 from the Transportation Impact Fee Fund Balance and authorize a total construction contract budget of \$157,620 (Staff Report# 16-159-CC)
- F4. Authorize the City Manager to enter into a consultant agreement with Jeff Katz Architecture for the Belle Haven Pool Facility Audit and Master Plan report (Staff Report# 16-150-CC)
- F5. Adopt a resolution to establish a citywide crosswalk policy (Staff Report# 16-163-CC)

- F6. Approval of third amendment to employment agreement between the City of Menlo Park and Alexander D. McIntyre and approval of bonus (Staff Report# 16-164-CC)
- F7. Authorize the City Manager to enter into an amended and restated lease with the Fire District for Station No. 77 located at 1467 Chilco Street (Staff Report# 16-165-CC)
- F8. Adopt a resolution approving the revised investment policy for the City and the former Community Development Agency of Menlo Park (Staff Report# 16-167-CC)
- F9. Approve minutes for the City Council meetings of August 23 and August 30, 2016 (Attachment)

**G. Regular Business**

- G1. Consider the term sheet for the Station 1300 project development agreement (Staff Report# 16-168-CC)

**H. Informational Items**

- H1. Review of the City's Investment Portfolio as of June 30, 2016 (Staff Report# 16-166-CC)
- H2. Draft Zero Waste Plan update (Staff Report# 16-161-CC)
- H3. Electric Vehicle (EV) Charger Program three month update (Staff Report# 16-160-CC)

**I. City Manager's Report**

**J. Councilmember Reports**

- J1. Provide LCC voting delegate direction regarding proposed resolution (Attachment)

**K. Adjournment**

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## STAFF REPORT

### City Council

Meeting Date:

9/13/2016

Staff Report Number:

16-158-CC

### Consent Calendar:

**Authorize the City Manager to modify the cost-sharing agreement with Downtown businesses for the Santa Cruz Street Cafes, allow three years for business owner contributions and extend the evaluation period to five years**

## Recommendation

Staff recommends that the City Council authorize the City Manager to modify the cost sharing agreement with Downtown businesses to eliminate the maximum City contribution of \$45,000 each, allow the business owner contribution to be paid over a period of 3 years and evaluate the use of the Street Cafes after five years. The previously approved 80-20 cost split will apply to the upfront merchant payment option and a 75-25 cost split will be offered if merchants opt to pay over time. At the end of the five year period, the City will consider extending the terms and conditions to be negotiated at the time.

## Policy Issues

The Santa Cruz Street Café Pilot Program is included as part of the City Council's Work Program for 2016. The Program was developed following adoption of the El Camino Real/Downtown Specific Plan and the City Council's goal of enhancing vibrancy in the Downtown and expediting public improvements.

## Background

On January 27, 2015, the City Council accepted a report on the Expanded On-Street Dining Pilot Program. During the January 27, 2015 City Council meeting, the Council agreed that the existing Left Bank pilot program, initiated by the Council in May, 2014, successfully enlivened the Downtown retail experience. As a result, the City Council directed staff to expand the pilot program, which is now being described as the Santa Cruz Street Café Program. The Council's direction was that the expansion be semi-permanent, include cost-sharing, and be open to all businesses.

The City retained the services of Ian Moore Design, Inc. (IMD) to design high quality Street Cafés that are functional and safe. After extensive outreach, the general consensus of interested business owners was that a \$10,000 - \$15,000 investment would be feasible, but also that a \$20,000 investment would preclude most of those small businesses from participating.

On May 24, 2016 the Council:

- 1) Increased the Downtown Streetscape Improvement budget for FY 2016-17 based on the engineer's estimate;
- 2) Authorized the City Manager to award construction contracts up to the budgeted amount;
- 3) Authorized the City Manager to enter into license and funding agreements with the business owners;
- 4) Approved a 80-20 percentage cost split with the City contributing 80 percent and the business 20 percent for the base design with a City maximum contribution of \$45,000; and

5) Directed staff to advance the project into construction.

## **Analysis**

Following Council direction, staff advertised the project and received a sole bid from Golden Bay Construction, an established Bay Area general contractor that has had success building projects for the City. They are also currently working on the City's sidewalk repair project. Golden Bay Construction's bid came in higher than the engineer's estimate. Upon close review, staff believes that their bid is in line with current market conditions. Staff has noticed that the City has been receiving fewer bidders on certain types of projects, and that the costs of the projects are rising due to the strong economy and less available competition.

Staff reviewed the bid and found cost saving opportunities in several construction processes, but did not alter any features that would affect the aesthetic value of the Cafés. Staff is recommending that the City Council modify the funding agreement to eliminate the cap on the City contribution of \$45,000 and that the City and participating business together, share the increased cost using the City Council approved 80-20 split. This proposal would keep the cost for small business owners under \$20,000, their participation threshold as discussed above, and allow them to continue with plans to enhance each individual street Café. As a guarantee, each business owner's intended enhancements would be required as part of the license and funding agreement.

Staff has been in discussions with business on the revised cost sharing agreement and they are supportive of the proposed modification. Some of the participating owners have requested a period of three years to pay their share of the increased construction costs instead of two years. Staff recommends to allow the business owner contribution to be paid over a period of three years to keep the Street Cafés affordable which allows each space to be better customized as discussed above. The City will cover 80% of the cost with the merchant to pay 20% for those paying cash up front. If the merchant opts to pay over time, the City will cover 75% of the cost and the merchant will pay 25%, over three years instead of two years previously approved.

In return for the increased costs to the participating businesses, staff is recommending that there be an increase of the initial term of three years to five years for the first agreements in order to evaluate and adjust the program as necessary. At the end of the five year period, the City will consider extending the term upon terms and conditions to be negotiated at the time.

## **Summary and Next Steps**

The recommended modifications include the following:

- Eliminate the cap on the City contribution;
- Provide two options for repayment:
  - 80-20 split for payment upfront;
  - 75-25 split over three years; and
- Increase the term of the agreement from three years to five years.

If Council approves the modifications as recommended, staff would commence the following actions:

- Enter into license and funding agreements with business owners;
- Award construction to Golden Bay for locations with signed agreements; and
- Begin construction in late September/early October 2016 (allows time for the contractor to mobilize after signing the contract).

### **Impact on City Resources**

The sole bid from Golden Bay Construction was for \$442,000 which includes both the city and business shares. The total cost of the bid, construction management, inspection, and contingency do not require additional funds at this time. Sufficient funds are budgeted as part of the Downtown Specific Plan Streetscape Improvement Project in the Capital Improvement Program for FY2015-16 and 2016-17.

### **Environmental Review**

Previous Council approval of this project on June 2, 2015 included a finding that it is categorically exempt under Class 4 (Section 153014 "Minor Alterations to Land") of the current CEQA 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:

Michael Tsai, Assistant Engineer, Transportation

Report reviewed by:

Nicole H. Nagaya, P.E, Transportation Manager

Jim Cogan, Economic Development and Housing Manager

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## STAFF REPORT

### City Council

Meeting Date:

9/13/2016

Staff Report Number:

16-162-CC

Consent Calendar:

**Authorize the City Manager to award a construction contract and all related service agreements for the Santa Cruz Avenue Sidewalk Project up to the budgeted amount**

### Recommendation

Authorize the City Manager to award a construction contract and all related service agreements for the Santa Cruz Avenue Sidewalk Project up to the budgeted amount.

### Policy Issues

This item is included in the Council's adopted 2016 Work Plan (#25) to install sidewalks on Santa Cruz Avenue from Olive Street to Johnson Street. The proposal is consistent with General Plan Circulation Policy II-E-4: "The City shall incorporate appropriate pedestrian facilities, traffic control, and street lighting within street improvement projects to maintain or improve pedestrian safety. Furthermore, the City's Sidewalk Master Plan identified this segment as a high priority.

### Background

The Santa Cruz Avenue Sidewalk Project has been identified in the City's Capital Improvement Plan since Fiscal year (FY) 2007-08. On March 10, 2015, the Council approved a modified version of the preferred alternative for the project for further design and implementation. At the February 9, 2016 Council Study Session, staff provided an update to the City Council and presented several design considerations. At that study session Council directed staff to retain the proposed 46-foot wide street curb-to-curb width, retain the existing travel lane widths and include 5-foot bike lanes and 2-foot bike buffers along with 6 foot sidewalk widths, with certain exceptions for heritage trees and significant landscaping features. On June 1, 2016, the Council approved a \$5.9 million budget and appropriated project funding for the Santa Cruz Avenue Sidewalk Project.

### Analysis

Since the June 2016 Council meeting, staff has been working diligently with the City's design consultant to finalize the plans and specifications for the bid package. There are a few updates worth noting. First, staff coordinated with Cal Water on replacing the water main in Santa Cruz Avenue between Olive Street and University Avenue. In addition to replacing the aging infrastructure, the water main was relocated from the north side of the street to the center of the street. This will make the construction of the sidewalk more straightforward and decrease the potential for utility conflicts for the new the new storm drain line. Second, staff learned that St. Raymond's School and St. Raymond's Church located at the northwest corner of Santa Cruz Avenue and Arbor Road was interested in exploring potential changes to its property and frontage. Given the fact that sidewalks currently exist along St. Raymond's and the potential for change in the future, staff has removed this stretch of approximately 550 feet from the project, which should increase

the likelihood that bids will come in within the budget. Staff also spent time determining the logistics and phasing of constructing these improvements on a major thoroughfare that carries 15,300 vehicles per day plus numerous cyclists and pedestrians, to ensure proper consideration in the bid specifications. Finally, staff has gained additional insights into the current market conditions for construction projects. Recent projects have suffered from limited bidders, bids coming in over the construction budget, lowest bidders that are not responsive and responsible, and one project for which no bids were received at all.

As of June 1, staff was anticipating that an award of contract in September. Due to the complexity of the project and the current bidding environment, staff is now targeting an award in mid-October, resulting in a two to three week delay. In order to maintain momentum on this project and make up time, staff is requesting City Council authorization for the City Manager to enter into a construction contract provided that the lowest responsive and responsible bid is within the budgeted amount. Staff is structuring the bid in such a way that a component of the project related to fiber optic traffic signal connections could be omitted from the project if necessary. If the lowest bid is still not within the budgeted amount for whatever reason, then staff would return to the City Council immediately with options for Council consideration. If the bid process is fruitful, construction would be expected to start approximately four to six weeks after the bid opening assuming contractor availability and continue for approximately nine months.

Staff sent a letter recently to all immediately affected property owners along Santa Cruz Avenue to provide an update. Staff will continue to work with property owners and the overall community that uses Santa Cruz Avenue, especially the schools, to minimize construction impacts to the greatest extent possible.

Additional service agreements are necessary to support the construction of this project. Staff anticipates the need for the following services: materials testing and inspection services, arborist services when excavating near trees and agreements with various utility companies such as Cal Water, West Bay Sanitary District and PG&E to relocate and/or adjust their facilities within the project limits.

### **Impact on City Resources**

The project budget is \$5.9 million, of which includes staff time, consultant services and construction.

### **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**

None

Report prepared by:  
Michael Zimmermann, Senior Civil Engineer

Report reviewed by:  
Justin Murphy, Public Works Director



**STAFF REPORT****City Council****Meeting Date:****9/13/2016****Staff Report Number:****16-159-CC****Consent Calendar:**

**Award a construction contract to Traffic Development Services, Inc. for the Sand Hill Road Traffic Signal Modification Project (Project) in the amount of \$131,350 and appropriate \$48,620 from the Transportation Impact Fee Fund Balance and authorize a total construction contract budget of \$157,620**

**Recommendation**

Staff recommends that the City Council award a construction contract to Traffic Development Services, Inc. for the Sand Hill Road Traffic Signal Modification Project (Project) in the amount of \$131,350 and appropriate \$48,620 (in addition to the currently budgeted amount of \$109,000) from the Transportation Impact Fee Fund balance and authorize a total construction contract budget of \$157,620.

**Policy Issues**

This project is included in the 2016 City Council Work Plan. The Project is also consistent with several policies in the 1994 General Plan Circulation 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**

The Project was approved and included in the City's Capital Improvement Plan (CIP) for Fiscal Year (FY) 2015-16. The Project seeks to upgrade the non-standard traffic and pedestrian signal equipment on Sand Hill Road at Sharon Park Drive and on Sand Hill Road at Saga Way to comply with the Manual on Uniform Traffic Control Devices standards. The Project will also upgrade the outdated Video Vehicle Detection Systems. Staff completed the Project's design and released a request for contractor bids on July 1, 2016.

**Analysis**

On July 26, 2016, six bids were submitted and opened for the Project. The lowest bidder for the Project, Traffic Development Services, Inc., submitted a bid in the amount of \$131,350. Attachment A provides the bid summary. Staff has checked the background and references of Traffic Development Services, Inc. and is satisfied with its past performance.

## Impact on City Resources

The construction contract budget for the Project consists of the following:

	Amount
Construction contract	\$131,350
Contingency (10%)	\$13,135
Inspection, Contract Administration Costs	\$13,135
Total Construction Contract Budget	\$157,620
Available funds	\$109,000
Additional appropriation requested	\$48,620

The additional funds needed are mainly for the replacement of the vehicle video detection systems at the two intersections. This was not part of the project's original scope but was deemed necessary due to their frequent malfunctioning attributed to the systems nearing their useful lives. There are sufficient funds in the Transportation Impact Fee Fund Balance to cover these additional funds needed.

## 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, Associate Transportation Engineer

Report reviewed by:

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



## BID SUMMARY

Sand Hill Road at Sharon Park Drive and at  
Saga Way Traffic Signal Modification Project

**Apparent Low Bidder**

Bid Opening: Tuesday, July 26, 2016 at 2:00 PM

	<b>COMPANY</b>	<b>BID</b>
1	Traffic Development Services, Inc.	\$131,350
2	Bear Electrical Solutions, Inc.	\$136,780
3	Mike Brown Electric Co.	\$146,578
4	St. Francis Electric, LLC.	\$223,800
5	Tennyson Electric, Inc.	\$244,725
6	Columbia Electric, Inc.	\$271,100

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**STAFF REPORT**



**City Council**  
**Meeting Date:** 9/13/2016  
**Staff Report Number:** 16-150-CC

**Consent Calendar:** **Authorize the City Manager to enter into a consultant agreement with Jeff Katz Architecture for the Belle Haven Pool Facility Audit and Master Plan report**

**Recommendation**

Staff recommends that the City Council authorize the City Manager to enter into an agreement with Jeff Katz Architecture for the Belle Haven Pool Facility Audit and Master Plan in the amount of \$78,610 including contingencies and all contract amendments.

**Policy Issues**

The Project is consistent with City policies and 2016 Menlo Park City Council Work Plan item No. 12 – Complete Belle Haven Pool facility analysis for year-round operations.

**Background**

The Belle Haven Pool has traditionally been a seasonal pool only operating during the summer months, but in FY 2012-13 the City's pool operator expanded programming and pool usage to make the Belle Haven Pool a year-round operation. Since then the Belle Haven Pool has seen increased demand and usage as a result of the expanded programming. Usage is anticipated to increase further due to new development in the vicinity of the facility.

Given that the current pool infrastructure is inadequate to support the long term impacts of a year round operation or to meet future demand, the Project will conduct a comprehensive study to determine the mitigations necessary to keep the pool viable in its current configuration and explore the potential for a new or remodeled facility to meet the future demand.

**Analysis**

Staff issued the Belle Haven Pool Facility Audit and Master Plan Request for Proposal on June 17, 2016 and received five consultant proposals on July 12, 2016. A panel of staff members reviewed the proposals and invited the two most qualified consultants to interview for the project. Interviews were conducted on July 25, 2016 and Jeff Katz Architecture was selected as the most qualified consultant based upon their expertise in similar projects and their understanding of the project scope.

The proposed scope of work for the Project consists of a facility audit and plumbing investigation, development of an equipment repair/replacement/maintenance plan, master planning options for a new and/or renovated facility, financial impact studies, and presentations to the Parks and Recreation

Commission and the City Council. The report is expected to be completed by the spring of 2017. The Project would allow the City Council to identify any recommended alternatives and future studies required.

Staff recommends that the City Council authorize the City Manager to enter into agreements with Jeff Katz Architecture for the Belle Haven Pool Facility Audit and Master Plan report in the amount of \$78,610 including all contract amendments.

### Impact on City Resources

The project budget of \$100,000 was included in the FY 2014-15 adopted CIP.

The budget for the Project consists of the following:

Belle Haven Pool Facility Audit and Master Plan Project Study Report	
Consultant Contract Amount	\$71,610
Contingency (10%)	\$7,000
Project Delivery (Staff Costs)	\$19,700
<b>Total Cost of Recommendation</b>	<b>\$98,310</b>

### Environmental Review

The Project is categorically exempt under Class 6 of the current State of California Environmental Quality Act Guidelines, which allows for information collection, research, and resource evaluation activities as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. The results of the Project will identify required environmental reviews and studies required to advance the 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

None

Report prepared by:  
Sam Rohlfs, Associate Civil Engineer

Report reviewed by:  
Michael Zimmermann, Senior Civil Engineer



## STAFF REPORT

### City Council

**Meeting Date:** 9/13/2016  
**Staff Report Number:** 16-163-CC

**Consent Calendar:** **Adopt a resolution to establish a citywide crosswalk policy**

### Recommendation

Staff recommends that the City Council adopt a resolution (Attachment A) to establish a citywide Crosswalk Policy (Attachment B).

### Policy Issues

This work effort is consistent with the 2016 Work Plan approved by Council on February 9, 2016 and the 1994 General Plan, 1994, Part 1, Section II, Circulation and Transportation Goals and Policies. These policies seek to encourage pedestrian activity, provide safe facilities and maintain a circulation system using the Roadway Classification System that will provide for a safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes.

### Background

Crosswalks are installed to help pedestrians cross the street and channelize them to a designated crossing area where they can be seen and expected by motorists. Crosswalks are defined according to the California Vehicle Code (CVC) and exist at intersections whether they are marked or unmarked (i.e., painted or not). Crosswalks can be controlled with a stop sign or traffic signal or can be uncontrolled (i.e., no stop sign or traffic signal). The California Manual on Uniform Traffic Control Devices (CA MUTCD) holds that marked crosswalks should not be used indiscriminately, to preserve their efficacy, and considered when there is a need demonstrated by an engineering study. However, the CA MUTCD does not provide specific guidance for the study contents.

The purpose of the proposed Crosswalk Policy (Policy) is to provide the framework of the engineering study by defining installation and potential enhancement guidelines for uncontrolled locations to facilitate pedestrians crossing the street safely. Adequate safe pedestrian connections are key to encouraging alternative modes of travel which in turn bring benefits to public health and environmental sustainability. It is staff's intent to clearly outline a transparent process for residents who request installation or enhancement of new or existing crosswalks. Staff would determine whether marked crossings are an appropriate tool to facilitate crossings following the guidelines set forth in the proposed Policy.

### Analysis

The proposed Policy was developed following the most recent federal and state standards, and based on review of best practices of other cities to provide set of standards that will guide the decision to install a marked crosswalk, the recommended design and potential enhancements for pedestrian crossings.

The Crosswalk Policy is divided into three sections:

- Section I – When to Install Crosswalk Markings
- Section II – Standard Treatments for Uncontrolled Crosswalks
- Section III – When to Enhance a Marked Crosswalk

Section I sets the framework for factors to consider in the evaluation of a potential location for a marked crosswalk. Quantitative benchmarks such as pedestrian volumes, available crossing times, collision history, proximity to pedestrian traffic generators, proximity to alternative crossing options, and sight distance were established based on industry best practices. All of the criteria are organized into a flow chart for staff to evaluate. However, the criteria and flow chart do not replace the need for sound engineering judgement and local context to be evaluated as well. Sufficient flexibility is granted in the Policy to proactively evaluate situations where conditions may change such as the potential for new development to add pedestrian demand for a crossing.

Section II details the standard signs and markings that would be applied to every new uncontrolled crosswalk installation. Treatments include double-sided high visibility signage, high visibility crosswalk markings, and consideration of parking restrictions to provide adequate sight distance to the crossing, accessibility, community education, and new development requirements.

Section III provides guidance on when a location should be enhanced with further improvements beyond just painting the lines, following recommendations in the Federal Highway Administration’s research *Safety Effects of Marked Versus Unmarked Crosswalks at Uncontrolled Locations*. The industry-recognized study was conducted to determine whether marked crosswalks at uncontrolled locations are safer than unmarked crosswalks under various traffic and roadway conditions and to provide data-driven recommendations on how to best accommodate crossings for pedestrians. It analyzed 5 years of pedestrian crashes at 1,000 marked crosswalks and 1,000 unmarked comparison sites in 30 different U.S. cities and categorized collision rates based on roadway characteristics, speed, and traffic volume. It found that, in certain instances, enhancements (such as flashing beacons, advanced warning signs, etc.) should be provided in addition to painting lines for the crosswalk.

Staff presented a draft Policy to the Transportation Commission on August 10, 2016 and received feedback and suggestions to refine the draft. The Commission’s recommendations are summarized in the table below along with staff’s response and summary of the changes to the draft.

#### Transportation Commission Recommendations

Recommendation	Staff Action
1. Incorporate reference to City’s multimodal goals	Included a description of the City’s policies to promote safe, equitable, and convenient travel for all users set forth in Complete Streets Policy and draft <i>ConnectMenlo</i> Circulation Element
2. Account for an aging population	Reduced the pedestrian walking speed from 3.5 ft/sec to 3.0 ft/sec and added a walking speed of 2.8 ft/ sec for locations frequently accessed by elderly pedestrians.
3. Include accommodations in Policy for new developments	New developments are required to accommodate any future pedestrian demand generated by the Project according to the Circulation Element. Language added to Policy to make explicit.



4. Add an appeals process	After initial staff review, locations may now also be considered on a case-by-case basis by the Transportation Manager to review any unique circumstances.
5. Investigate applicability of adding more specific guidance on low-volume streets.	Staff reviewed historical traffic data and found a wide range of volume on roadways within the City. For low-volume streets (less than 9,000 vehicles per day – most local streets in the City), the Policy would generally allow marking crosswalks without additional treatments (beacons, etc.) – consistent with federal guidelines and best practice research.

### Impact on City Resources

The implementation of the crosswalk policy moving forward can be accommodated with existing staff levels. There are no budgetary implications for FY2016-17, but staff will evaluate the annual striping/ signing or signal equipment budget for the following fiscal year if additional funds are needed to address requests that qualify for crosswalks.

### Environmental Review

Based on Article 5 section 15061 subsection (b)(3) of the California Environmental Quality Act (CEQA), the adoption of the crosswalk policy has no effect on the environment and is not subject to CEQA but each new uncontrolled crosswalk location will be subject to CEQA 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
- B. Citywide Crosswalk Policy

Report prepared by:  
Michael Tsai, Assistant Engineer

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

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

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
AUTHORIZING THE ADOPTION OF THE CITYWIDE CROSSWALK  
POLICY

WHEREAS, staff regularly receives requests from residents for marked crosswalks at intersections that are not controlled by a signal or stop signs, and

WHEREAS, through the City of Menlo Park's Circulation Element and Complete Streets Policy, it is the City's goal to promote walking trips and provide facilities to safely accommodate pedestrian travel within the public right of way, and,

WHEREAS, the City has acknowledged the benefits and values for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and public transportation, and,

WHEREAS, staff will use the guidelines set forth in the crosswalk policy with sound engineering judgement to select appropriate locations and identify appropriate treatments for crosswalks within the City, and,

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

NOW, THEREFORE, BE IT RESOLVED, the City Council of Menlo Park does hereby authorize the adoption of the Citywide Crosswalk Policy (Exhibit A).

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 thirteenth day of September, 2016, 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 thirteenth day of September, 2016.

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Pamela Aguilar  
City Clerk

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**MEMORANDUM****Date:** 9/13/2016**Re:** Citywide Crosswalk PolicyCITY OF  
MENLO PARK**Foreword**

Through the City of Menlo Park's Circulation Element and Complete Streets Policy, it is the City's goal to promote walking trips and provide safe facilities to safely accommodate pedestrian travel within the public right of way. The City has acknowledged the benefits and values for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and public transportation. According to national collision statistics from the Federal Highway Administration, nearly three-quarters of pedestrian collisions occur at locations with no traffic controls (i.e., a stop sign or traffic signals). Therefore, having an adopted City policy to define where, when, and how to treat crossings is important to maximize safety of people walking.

This document provides guidelines to select appropriate locations and identify appropriate treatments for crosswalks within Menlo Park. These guidelines document best practices, but are subject to the application of engineering judgement on a case-by-case basis. They are not meant to supplant the California Manual on Uniform Traffic Control Devices (CA MUTCD), which should also be consulted by practitioners involved in the installation of crosswalks.

**Background**

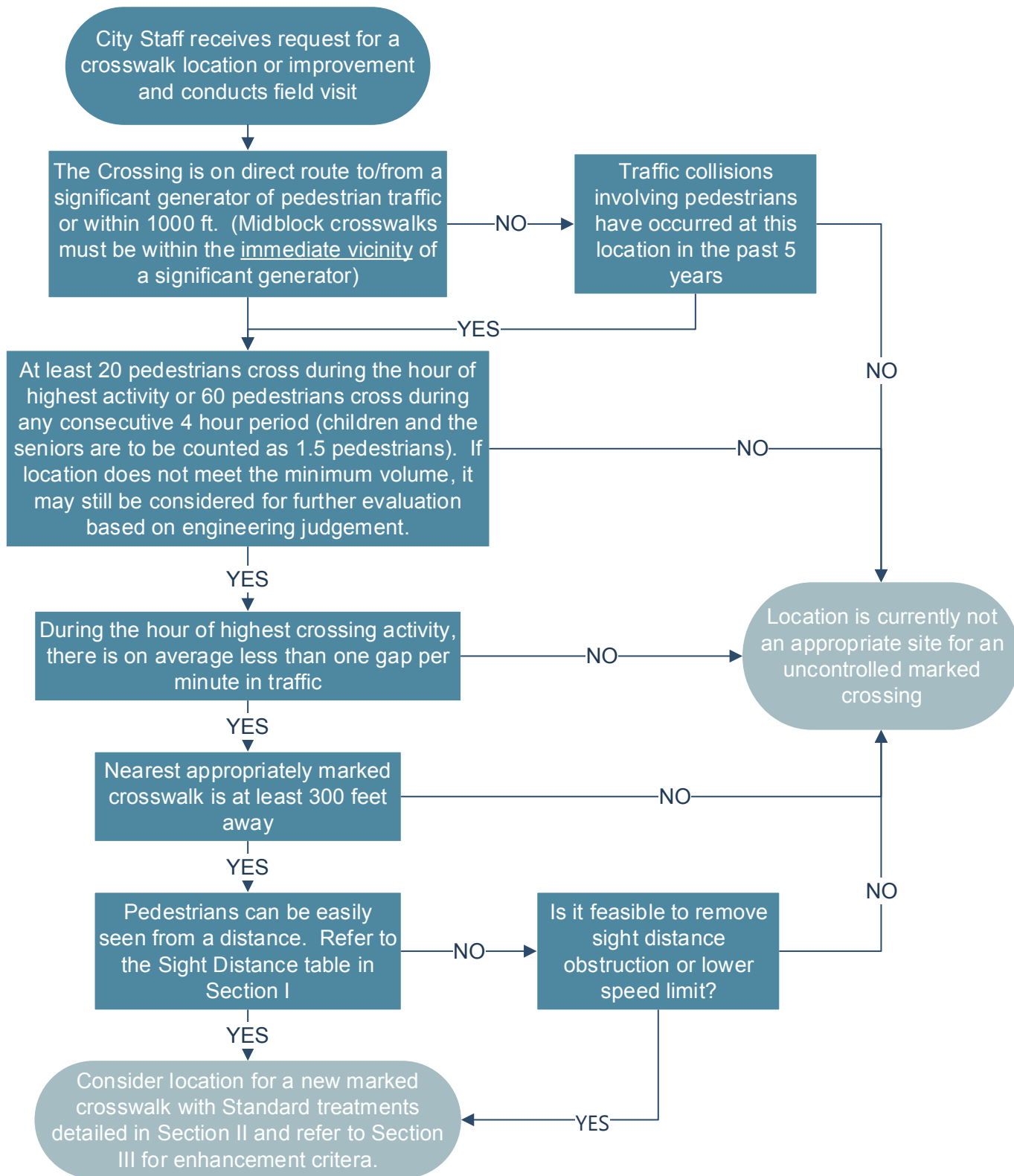
According to the California Vehicle Code (CVC), a crosswalk is the area of roadway included within the extension of the sidewalk boundary lines at intersections of roadways that meet at approximately right angles. Crosswalks can be unmarked or marked at both intersections and occasionally midblock locations. They may also be uncontrolled or controlled with a stop sign or signal.

Crosswalks may be installed to help pedestrians cross and channelize them to a designated crossing area. It is the intent of the City to install marked crosswalks at locations where the Transportation Manager, in the exercise of his/her engineering judgment, determines that such installation is appropriate. Marked crosswalks should not be used indiscriminately and considered when there is a need demonstrated by an engineering study.

Marked crosswalks designate a place where pedestrians needing to cross the road can be expected and seen by motorists. Even though CVC section 21950 requires that motorists yield to pedestrians crossing within a crosswalk, the CVC also holds pedestrians responsible for crossing with due care for his/her safety. The crosswalk installation flow chart on page 2 of this document is to be used by City staff for public requests relating to crosswalks to consistently guide installation and enhancement recommendations. More detailed information about the flow chart is presented in the following sections.

The guidance in this document has been written to enable staff to exercise sound judgement when applying it. The flexibility allows for a tailored design, as appropriate, for the specific circumstances of the differing location while maintaining safety.

## Section I. When to Install Crosswalk Markings



Calculate **Crossing Time** = Crossing Distance (ft.) / Walking Speed (\*3.0 ft. /sec)

\* 2.8 ft. /sec in places where elderly pedestrians regularly use the crosswalk

Record for 60 minutes, the **Total available gap time\*\***= time from rear bumper of first car to the front bumper of the next car.

\*\*Only include the time of gaps that are greater than the **crossing time**.

Available gaps = **Total available gap time** / **Crossing Time**

$$\text{Average \# of Gaps } \left( \frac{\text{gaps}}{\text{min}} \right) = \frac{\text{Available gaps}}{60 \text{ minutes}}$$

## Sight Distance

According to AASHTO, sight distance is the length of the roadway ahead that is visible to the driver. The available sight distance on a roadway should be sufficiently long to enable a vehicle travelling at or near the design speed to stop before reaching a stationary object in its path. Although greater lengths of visible roadway are desirable, the distance at every point along a roadway should be at least that needed for a below-average driver or vehicle to stop. Stopping sight distances for various speeds on level roadways are shown in the following table:

Design Speed (mph)	Stopping Sight Distance (ft)
15	80
20	115
25	155
30	200
35	250
40	305
45	360
50	425

Source: 'A Policy on Geometric Design of Highways and Streets' (AASHTO's Green Book)

Any trees, shrubs and vegetation that block street lights and visibility of warning signs shall be noted during the investigation and trimmed, if needed, if a crosswalk is to be installed.

## **Section II. Standard New Uncontrolled Crosswalks**

### **Yield Lines**

Yield lines consist of a row of solid white isosceles triangles pointing toward approaching vehicles extending across approach lanes to indicate the point at which the yield is required to be made in compliance with a YIELD sign. They should be used at all crosswalks that cross uncontrolled multi-lane approaches. The yield lines should be placed 20 to 50 feet in advance of the nearest crosswalk line, and parking should be prohibited in the area between the yield line and the crosswalk. If a yield line is used, the Yield Here to Pedestrians (R1-5) sign shall be installed as close as possible to the yield line.

### **Parking Restrictions adjacent to Crosswalks**

As necessary, an evaluation will be made whether, and to what extent, parking restrictions are necessary adjacent to the crosswalk. Parking restrictions may be accomplished through either the installation of red curbs or signage. The amount of parking restrictions needed is dependent upon:

- the location of the crosswalk
- street geometry, sight distances and traffic conditions
- proximity to schools, parks and other pedestrian generators
- vehicular speed
- crash history
- traffic controls
- area traffic patterns

Each warranted crosswalk location will be evaluated to determine the extent of parking restrictions needed, if any. Each crosswalk location will be studied on a case-by-case basis to determine the length of the parking restriction required, and whether red curb or no parking/stopping signs are appropriate. If parking restrictions are not necessary, the reason for that determination will be documented as part of the engineering investigation. The parking removal process shall be consistent with Section 11.24 of the City of Menlo Park Ordinance.

### **Accessibility**

To comply with Title II of the Americans with Disabilities Act, curb ramps shall be provided at new marked crosswalks to allow people with disabilities to cross streets safely. The curb ramps shall be constructed according to the most recent Caltrans standards with brick red detectable warning surfaces except for school areas which will have yellow detectable warning surfaces.

### **Signs and Markings**

The MUTCD (W11-2) pedestrian crossing sign is a Non-Vehicular Warning sign that is used to alert road users in advance of locations where pedestrians may be present and shall be installed for all uncontrolled, marked crosswalks. At new locations, a pedestrian crossing (W11-2) warning sign with downward pointing arrow (W16-7p) plaque shall be placed facing traffic on both sides of the crosswalk and should be double sided. A pedestrian crossing (W11-2) warning sign and AHEAD (W16-9p) supplemental plaque may be placed in advance of the marked crosswalk in locations that have low visibility. Existing locations should be retrofit during regular maintenance or street resurfacing.

Crosswalk markings delineate and alert road users of where pedestrians are to cross. They should be at least 10 feet wide clear and extend across the full width of pavement or to the edge of the intersecting crosswalk to discourage diagonal walking between crosswalks. Continental-style markings with 2-foot longitudinal white lines every 4 feet shall be used at new uncontrolled locations. Existing uncontrolled crosswalks should be enhanced with ladder crosswalk markings when the roadway is restriped and changed to a continental crosswalk when the street is resurfaced. White "PED XING" pavement markings



may be placed in each approach lane to a marked crosswalk, except at intersections controlled by traffic signals or STOP or YIELD signs.

Markings at controlled locations shall include two parallel lines, but not high visibility markings, so that their effectiveness is preserved for uncontrolled locations. Markings at controlled locations may be enhanced on designated safe routes to school paths.

### **Marked School Crosswalks**

The placement of school crosswalks (yellow) should comply with the guidelines set forth in the MUTCD. School crosswalks shall use the School (S1-1) sign in place of the pedestrian crossing (W11-2) sign, yellow crosswalk markings in place of the white markings, and the yellow “SLOW SCHOOL XING” pavement marking in place of the “PED XING” pavement marking.

### **Community Education**

As apart any new uncontrolled crosswalk, additional measures should be taken to inform roadway users of the installation. Double sided flags should be placed on the pedestrian crossing (W11-2) signs and Changeable Message Signs should be deployed where there is available space along the side of the roadway.

### **New Developments**

In general, new developments shall install adequate pedestrian facilities to accommodate any future demand generated by the project. This includes but is not limited to sidewalks, crosswalk markings, signage, roadway striping and necessary enhancements as determined by the Transportation Manager.

### **Appeals**

If an uncontrolled location is determined to not be an appropriate site for a marked uncontrolled crossing based on the criteria set forth in Section I, it may still be considered for further evaluation on a case-by-case basis by the Transportation Manager. Appeals would be considered by the Public Works Director.

## **Section III. When to Enhance a Marked Crosswalk**

### **Crosswalk Enhancements**

There are conditions where the placement of a marked crosswalk alone may not make the crossing any more visible, and may not result in improved safety. In these cases, enhancements beyond installation of markings alone shall be required. The Federal Highway Administration (FHWA) identified such locations in its 2005 study titled “Safety Effects of Marked versus Unmarked Crosswalks at Uncontrolled Locations”. Table 1 of the FHWA study categorizes locations based on roadway type, average daily traffic, speed and should be used to determine whether a crosswalk should be enhanced. This table is included on the following page.

Locations categorized as P or N from Table 1 should not be installed without enhancements appropriate for site-specific conditions. The Crosswalk Enhancement Toolbox on page 7 lists the strategies available, including signs, striping techniques and devices that enhance visibility of the crossing like beacons or warning lights. It is the City’s intent to use those enhancements that have a demonstrated effectiveness where they will materially increase pedestrian safety. The City Transportation Manager will consider the overall effect of the potential mitigation measure in the determination of the placement of a marked crosswalk.

While this policy is designed to apply to new crosswalk requests and installations, the City may also use this guidance to evaluate and prioritize enhancements to existing marked crosswalks.

**Table 1. Recommendations for installing marked crosswalks and other needed pedestrian improvements at uncontrolled locations.\***

Roadway Type  (Number of Travel Lanes and Median Type)	Vehicle ADT ≤ 9,000			Vehicle ADT >9,000 to 12,000			Vehicle ADT >12,000–15,000			Vehicle ADT > 15,000		
	Speed Limit**											
	≤ 30 mph	35 mph	40 mph	≤ 30 mph	35 mph	40 mph	≤ 30 mph	35 mph	40 mph	≤ 30 mph	35 mph	40 mph
<b>Two lanes</b>	C	C	P	C	C	P	C	C	N	C	P	N
<b>Three lanes</b>	C	C	P	C	P	P	P	P	N	P	N	N
<b>Multilane (four or more lanes) with raised median***</b>	C	C	P	C	P	N	P	P	N	N	N	N
<b>Multilane (four or more lanes) without raised median</b>	C	P	N	P	P	N	N	N	N	N	N	N

\* These guidelines include intersection and midblock locations with no traffic signals or stop signs on the approach to the crossing. They do not apply to school crossings. A two-way center turn lane is not considered a median. Crosswalks should not be installed at locations that could present an increased safety risk to pedestrians, such as where there is poor sight distance, complex or confusing designs, a substantial volume of heavy trucks, or other dangers, without first providing adequate design features and/or traffic control devices. Adding crosswalks alone will not make crossings safer, nor will they necessarily result in more vehicles stopping for pedestrians. Whether or not marked crosswalks are installed, it is important to consider other pedestrian facility enhancements (e.g., raised median, traffic signal, roadway narrowing, enhanced overhead lighting, traffic-calming measures, curb extensions), as needed, to improve the safety of the crossing. These are general recommendations; good engineering judgment should be used in individual cases for deciding where to install crosswalks.

\*\* Where the speed limit exceeds 40 mi/h, marked crosswalks alone should not be used at unsignalized locations.

\*\*\* The raised median or crossing island must be at least 4 ft wide and 6 ft long to serve adequately as a refuge area for pedestrians, in accordance with MUTCD and American Association of State Highway and Transportation Officials (AASHTO) guidelines.

**C = Candidate sites for marked crosswalks.** Marked crosswalks must be installed carefully and selectively. Before installing new marked crosswalks, an engineering study is needed to determine whether the location is suitable for a marked crosswalk. For an engineering study, a site review may be sufficient at some locations, while a more in depth study of pedestrian volume, vehicle speed, sight distance, vehicle mix, and other factors may be needed at other sites. It is recommended that a minimum utilization of 20 pedestrian crossings per peak hour (or 15 or more elderly and/or child pedestrians) be confirmed at a location before placing a high priority on the installation of a marked crosswalk alone.

**P = Possible increase in pedestrian crash risk may occur if crosswalks are added without other pedestrian facility enhancements.** These locations should be closely monitored and enhanced with other pedestrian crossing improvements, if necessary, before adding a marked crosswalk.

**N = Marked crosswalks alone are insufficient, since pedestrian crash risk may be increased by providing marked crosswalks alone.** Consider using other treatments, such as traffic-calming treatments, traffic signals with pedestrian signals where warranted, or other substantial crossing improvement to improve crossing safety for pedestrians.

*(Source: Safety Effects of Marked versus Unmarked Crosswalks at Uncontrolled Locations, Table 11, FHWA)*

## Crosswalk Enhancement Toolbox

### High-Visibility Signs and Markings



Image source: [mutcd.fhwa.gov](http://mutcd.fhwa.gov)



Image source: [walkboston.blogspot.com](http://walkboston.blogspot.com)

**Description:** High-visibility markings include a family of crosswalk striping styles such as the “ladder”. High visibility fluorescent yellow green signs are made of the approved fluorescent yellow green color and posted at crossings to increase the visibility of a pedestrian crossing.

**Benefits:** Marked crosswalks provide a designated crossing, which may improve walkability by signaling a clear “channel” for pedestrian pathways to both pedestrians and vehicles. High visibility signs attract drivers’ attention to areas of potential pedestrian conflict.

**Application:** Shall be used with all new uncontrolled crosswalk installations. Refer to page 4 for more information about signs and markings.

### Advanced Yield Lines



Image source: [pedbikesafe.org](http://pedbikesafe.org)

**Description:** Standard yield lines are placed in advance of marked, uncontrolled crosswalks. Yield lines indicate where the driver is required to yield.

**Benefits:** This measure increases the pedestrian’s visibility to motorists, reduces the number of vehicles encroaching on the crosswalk, and improves general pedestrian conditions on multilane roadways.

**Application:** Yield lines should be used at all crosswalks that cross uncontrolled multi-lane approaches.

## Curb Extension/Bulb Outs



*Image source: nacto.org*

**Description:** Also known as a pedestrian bulb-out, this traffic-calming measure is meant to increase the pedestrian space, driver awareness of pedestrians and has also been shown to calm traffic. It consists of an extension of the curb into the street, shortening pedestrian crossing distances.

**Benefits:** Curb extensions narrow the distance that a pedestrian has to cross and increases visibility of pedestrians attempting to cross at street corners.

**Application:** Due to the high cost of installation, this tool would only be suitable on streets with high pedestrian activity, on-street parking, and infrequent (or no) curb-edge transit service. It is often used in combination with crosswalks or other markings.

## Rectangular Rapid Flashing Beacons



*Image source: carmanah.com*

**Description:** Rectangular Rapid Flash Beacons (RRFB) are user-actuated amber LEDs that supplement warning signs and are meant to alert motorists of crossing pedestrians at uncontrolled crossings (unsignalized intersections and mid-block crosswalks).

**Benefits:** The nature of the flash pattern may elicit a greater response from drivers and have been shown to significantly increase yielding rates compared to standard pedestrian warning signs alone.

**Application:** If used, RRFBs shall be installed on both the right and left sides of the roadway and should be double-sided. The addition of RRFB may increase safety effectiveness of other treatments, such as advance yield markings with YIELD HERE FOR PEDESTRIAN signs.

## Median Pedestrian Island



Image source: [calmstreetsboston.blogspot.com](http://calmstreetsboston.blogspot.com)

**Description:** Raised islands are placed in the center of a roadway, separating opposing lanes of traffic with cutouts for accessibility along the pedestrian path.

**Benefits:** This measure allows pedestrians to focus on each direction of traffic separately, and the refuge provides pedestrians with a better view of oncoming traffic as well as allowing drivers to see pedestrians more easily. It can also split up a multi-lane road and act as a supplement to additional pedestrian tools.

**Application:** Recommended for multi-lane roads wide enough to accommodate an ADA-accessible median.

## In-Street Pedestrian Crossing Signs



Image source: [clrp.cornell.edu](http://clrp.cornell.edu)

**Description:** This measure involves posting regulatory pedestrian signage on lane edge lines and road centerlines. The In-Street Pedestrian Crossing sign may be used to remind road users of laws regarding right of way at an unsignalized pedestrian crossing. The legend STATE LAW is shown at the top of the sign.

**Benefits:** This measure is highly visible to motorists and has a positive impact on pedestrian safety at crosswalks

**Application:** Mid-block crosswalks, unsignalized intersections, low-speed areas, and two-lane roadways are ideal for this pedestrian treatment.

## Pedestrian Hybrid Beacon



*Image source: fhwa.dot.gov*

**Description:** Pedestrian Hybrid Beacons (PHB) are pedestrian-actuated devices that are a combination of a beacon flasher and a traffic control signal. When actuated, PHB displays a yellow (warning) indication followed by a solid red light. During pedestrian clearance, the driver sees a flashing red “wig-wag” pattern until the clearance interval has ended and the signal goes dark.

**Benefits:** Reduces pedestrian-vehicle conflicts and slows traffic speeds.

**Application:** Useful in areas where it is difficult for pedestrians to find gaps in automobile traffic to cross safely, but where normal signal warrants are not satisfied. Appropriate for multi-lane roadways. A warrant analysis is required prior to consideration of a PHB and implementation may be further limited by available budget.



## STAFF REPORT

### City Council

**Meeting Date:** 9/13/2016  
**Staff Report Number:** 16-164-CC

**Consent Calendar:** **Approval of Third Amendment to Employment Agreement Between the City of Menlo Park and Alexander D. McIntyre and Approval of Bonus**

### Recommendation

Consider approval of (a) the Third Amendment to Employment Agreement Between the City of Menlo Park and Alexander D. McIntyre (hereinafter, "McIntyre"), (b) bonus in the amount of \$15,000.00 to McIntyre, and (c) direction to review McIntyre's performance at the end of six (6) months.

### Policy Issues

There are no direct policy issues presented by the proposed Third Amendment.

### Background

The City entered into an Employment Agreement with McIntyre dated February 6, 2012, which was subsequently amended, (hereinafter, the "Agreement"). His salary is currently Two Hundred Seventeen Thousand Five Hundred Dollars (\$217,500.00), and the current annual contribution to the 401-A defined contribution plan fbo McIntyre is Seventeen Thousand Dollars (\$17,000.00) plus an additional contribution equal to the amount of the monthly health insurance premium that the City would have paid for McIntyre's health insurance coverage with such amount based on a single person coverage.

### Analysis

The proposed Third Amendment: 1) Extends the term of McIntyre's employment for one year from March 7, 2017, to March 7, 2018; and 2) Increases McIntyre's annual salary to Two Hundred Twenty-One Thousand Eight Hundred Dollars (\$221,800.00). For comparison purposes, attached is a survey of cities that are typically included in salary/benefit comparison surveys for Menlo Park employee groups, showing comparable salary, cash benefits and insurance benefits for city managers in those cities. If the Third Amendment is approved, McIntyre's base salary will be below the average and median city manager salaries for the surveyed cities; his salary/cash benefits combined will be slightly above the average and median comps for the surveyed cities; and the combined salary, cash benefits and insurance benefits will be slightly below the average and median comps for the surveyed cities. Note that the major difference between the salary plus cash benefits and the salary plus cash benefits plus insurance benefits is that McIntyre elected to convert what would otherwise be paid for health insurance to deferred comp pursuant to the First Amendment to Employment Agreement.

The City Council directed that an amendment to the Agreement be prepared consistent with the attached Third Amendment and that the Council desired to approve a cash bonus to McIntyre in the amount of Fifteen Thousand Dollars (\$15,000.00). The bonus is not included in McIntyre's PERSable compensation.

The Council also indicated that it would review McIntyre's performance after six (6) months to consider an additional performance bonus based on achieving substantial progress on the Council's priority projects.

### **Impact on City Resources**

There is sufficient funding to cover McIntyre's compensation package for the 2016-17 fiscal year.

### **Environmental Review**

No environmental review 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. Third Amendment to Employment Agreement (with copy of Employment Agreement and First and Second Amendment attached thereto)
- B. Salary Study Effective March 2016

Report prepared by:  
William L. McClure, City Attorney



**THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN  
THE CITY OF MENLO PARK AND ALEXANDER D. MCINTYRE**

The CITY OF MENLO PARK ("CITY") and ALEXANDER D. MCINTYRE ("MCINTYRE") have previously entered into that certain Employment Agreement dated February 6, 2012, as previously amended, ("Agreement") whereby MCINTYRE was employed as the City Manager of the CITY. The parties agree to modify and amend the Agreement as follows:

1. Paragraph 4 of the Agreement is amended to extend the term of MCINTYRE's employment to March 7, 2018.
2. Paragraph 7.1 of the Agreement is amended to increase MCINTYRE's annual salary from Two Hundred Seventeen Thousand Five Hundred Dollars (\$217,500.00) to Two Hundred Twenty-One Thousand Eight Hundred Dollars (\$221,800.00), payable on the same terms as outlined in Paragraph 7.1 of the Agreement.
3. The terms and provisions set forth in this Third Amendment shall be effective as of March 7, 2016.
4. Except as modified herein all of the remaining terms and provisions shall remain in effect. If any conflicts exist between the Agreement and this Third Amendment, the terms of this Third Amendment shall govern

CITY OF MENLO PARK

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Alexander D. McIntyre

**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN  
THE CITY OF MENLO PARK AND ALEXANDER D. MCINTYRE**

The CITY OF MENLO PARK ("CITY") and ALEXANDER D. MCINTYRE ("MCINTYRE") have previously entered into that certain Employment Agreement dated February 6, 2012, as previously amended, ("Agreement") whereby MCINTYRE was employed as the City Manager of the CITY. The parties agree to modify and amend the Agreement as follows:

1. Paragraph 4 of the Agreement is amended to extend the term of MCINTYRE's employment to March 7, 2017.
2. Paragraph 7.1 of the Agreement is amended to increase MCINTYRE's annual salary from One Hundred Ninety-Nine Thousand Dollars (\$199,000.00) to Two Hundred Seventeen Thousand Five Hundred Dollars (\$217,500.00), payable on the same terms as outlined in Paragraph 7.1 of the Agreement.
3. Paragraph 7.2 of the Agreement is amended to increase the annual contribution to the 401-A defined contribution plan by Seventy-Five Hundred Dollars (\$7,500.00), payable on the same terms as outlined in Paragraph 7.2 of the Agreement.
4. The terms and provisions set forth in this Second Amendment shall be effective as of March 7, 2015.
5. Except as modified herein all of the remaining terms and provisions shall remain in effect. If any conflicts exist between the Agreement and this Second Amendment, the terms of this Second Amendment shall govern

Date: June 4, 2015

CITY OF MENLO PARK

By: 

Mayor

Date: June 4, 2015

By: 

Alexander D. McIntyre

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN  
THE CITY OF MENLO PARK AND ALEXANDER D. MCINTYRE**

The CITY OF MENLO PARK ("CITY") and ALEXANDER D. MCINTYRE ("MCINTYRE") have previously entered into that certain Employment Agreement dated February 6, 2012, ("Agreement") whereby MCINTYRE was employed as the City Manager of the CITY. The parties agree to modify and amend the Agreement as follows:

1. Paragraph 7.2 of the Agreement is amended to include an additional sentence as follows: "If MCINTYRE elects to opt out of the CITY's health insurance coverage and to obtain coverage on his own, effective upon such election and so long as such election remains in effect, CITY shall make an additional monthly contribution to the 401-A plan established for MCINTYRE equal to the amount of the monthly health insurance premium that CITY would have paid for MCINTYRE's health insurance coverage with such amount based on single person coverage."
2. Paragraph 10.1 of the Agreement is amended to acknowledge that the amount of the existing loan to MCINTYRE in connection with the purchase of his home in Menlo Park is \$990,000 and to provide that CITY agrees to loan MCINTYRE up to an additional \$360,000 for a total loan of not to exceed \$1,350,000.00, to be used for remodeling/renovation of the home, with such additional loan to be evidenced by a promissory note and secured by a second deed of trust on MCINTYRE's home. The interest rate on the existing loan will be reduced by 0.5% from 3.5% to 3.0% with the interest rate on the additional loan to be 2.5%. The specific terms of such loans are as specified in the revised Attachment "A".
3. The terms and provisions set forth in this First Amendment shall be effective on January 1, 2014.
4. This First Amendment and the above terms and provisions are intended to be in lieu of any increase in salary or other compensation payable to MCINTYRE following his performance evaluation.
5. Nothing herein shall preclude the Council from granting a bonus to MCINTYRE at any time in the future.
6. Except as modified herein all of the remaining terms and provisions shall remain in effect.

CITY OF MENLO PARK

Date: 7/10/14

By:   
Ray Mueller, Mayor

Date: 7/14/14

By:   
Alexander D. McIntyre

ATTACHMENT "A"  
TO  
FIRST AMENDMENT TO EMPLOYMENT AGREEMENT  
TERMS OF HOUSING LOANS

The CITY has made a loan in the amount of \$990,000 to MCINTYRE for the purpose of purchasing a home in the City of Menlo Park. Effective January 1, 2014, the interest rate on the loan shall be reduced from three and one half percent (3.5%) per annum, simple interest, to three percent (3.0%) simple interest for five (5) years. Thereafter, commencing January 1, 2019, the interest rate shall be adjusted once per year based on comparable "5/1" loans made by banks at the time of such annual adjustments, as determined by the City Attorney. In addition to the existing purchase loan in the amount of \$990,000, the CITY agrees to loan MCINTYRE up to \$360,000 for a total loan of not to exceed \$1,350 million, with the additional loan to be used for remodeling/renovation of the home. The interest rate on the additional loan will be 2.5% and evidenced by a new promissory note and a second deed of trust against MCINTYRE's home. The amount of the additional loan will be based on the total cost of remodeling/renovation of MCINTYRE's home, including hard and soft costs for such remodeling/renovation based upon approved building permit plans and a contractor's estimate/bid for such work, along with estimates for soft costs, as demonstrated to the City Attorney. The following terms shall apply to both the existing loan and the additional loan:

1. **Payments** – Monthly payments shall be interest only. At MCINTYRE's option, he may make monthly payments based on an interest rate of two percent (2%) with remainder of the interest being deferred until the loan is paid off. At the option of MCINTYRE, the monthly payments may be automatically deducted from his bi-weekly salary check or paid monthly by the first of the month. All payments shall be applied first to interest and then to principal. Upon the adjustment of the interest rate as provided above, the required payment and the amount MCINTYRE may elect to defer shall be proportionately adjusted to reflect any increase in the interest rate.

2. **Late Payment Penalty** – There shall be a late payment penalty of five percent (5%) of any payment not paid within ten (10) days of the due date.

3. **Due on Sale, Termination of Employment or Non-use as Personal Residence** – The loan(s) shall be due and payable in full on sale or transfer of the Menlo Park property, no later than twelve (12) months plus one (1) additional month for every two (2) months of completed employment after February 2013, but in any event within twenty-four (24) months following the termination of MCINTYRE's employment with the CITY for any reason, including death or disability or within twelve (12) months of MCINTYRE's failure to reside in the property, whichever shall occur first.

4. **Payment of Taxes, Insurance, Maintenance and Repairs** – MCINTYRE shall keep and maintain the property in good condition and repair, reasonable wear and tear excepted, shall pay all property taxes in a timely manner, and shall maintain hazard and liability insurance for full replacement cost, with the CITY named as loss payee.

**EMPLOYMENT AGREEMENT BETWEEN  
THE CITY OF MENLO PARK AND ALEXANDER D. MCINTYRE**

1. **Parties:** The parties to this Agreement are the CITY OF MENLO PARK ("CITY") and ALEXANDER D. MCINTYRE ("MCINTYRE").
2. **Purpose:** The purpose of this Agreement is to provide for the employment of MCINTYRE as City Manager of the CITY, as currently provided by Title 2, Chapter 2.08 of the Municipal Code of the City of Menlo Park.
3. **Duties:** The CITY hereby agrees to employ MCINTYRE to perform the functions and duties of City Manager for the CITY and of Executive Director of the Community Development Agency of the City of Menlo Park ("CDA"), to the extent the CDA is not dissolved, as specified in the Municipal Code of the City of Menlo Park, the job description, and any other applicable Ordinances, Resolutions or Policies, and to perform such other legally permissible and proper duties and functions as the CITY shall from time-to-time assign. MCINTYRE agrees that to the best of his ability and experience he will at all times loyally and conscientiously perform all of the duties and obligations required of him either expressly or implicitly by the terms of this Agreement. MCINTYRE agrees that he will not, so long as he is employed by the CITY, take any employment or perform any consulting duties that will interfere with or be inconsistent with the performance of his duties as City Manager for the CITY.
4. **Term of Agreement:** The term of MCINTYRE's employment shall commence on March 5, 2012. MCINTYRE agrees to remain in the exclusive employ of the CITY until March 7, 2015, and neither to accept other employment nor become employed by another employer until such termination date, unless such termination date is modified as provided hereafter.
5. **Separation from Employment:**
  - 5.1 The City Council may, subject to the provisions set forth below, terminate the services of MCINTYRE at any time, it being expressly understood and agreed between the parties that MCINTYRE serves as an at-will employee of the City Council. The CITY must provide MCINTYRE with thirty (30) days notice prior to the separation from employment. The CITY may not give notice of separation from employment to MCINTYRE until ninety (90) days after a general municipal election, or an election in which a member of the City Council is elected, as further set forth in Section 2.08.110, paragraph five, of the Municipal Code of the City of Menlo Park.
  - 5.2 In the event of separation from employment by the City Council prior to March 7, 2015, while still willing and able to perform the duties of City Manager, MCINTYRE shall be entitled to receive compensation, consisting of a lump-sum payment of six (6) months of base salary and benefits, ("Severance Payment"), inclusive of the thirty (30) day notification period.

**“Benefits” shall include all benefits payable to or on behalf of MCINTYRE, including medical premiums, with the exception of general leave (other than those amounts already accrued by MCINTYRE as of the date of separation). Both salary and benefits shall be computed as of the rates in effect as of the date of separation from employment.**

**The Severance Payment will release the CITY from any further obligations under this Agreement, and any claims of any nature that MCINTYRE might have against the CITY by virtue of his employment or termination thereof. Contemporaneously, with the delivery of the Severance Payment and in consideration therefore, MCINTYRE agrees to execute and deliver to the CITY a release releasing the CITY of all claims that MCINTYRE may have against the CITY. In return for such Severance Payment, MCINTYRE agrees to be reasonably available for consultation and assistance to an Interim City Manager, a newly appointed City Manager or any other Council designated appointee during the period covered by such Severance Payment.**

**MCINTYRE shall not be entitled to a Severance Payment in the following events:**

**5.2.1 CITY elects not to renew this Agreement.**

**5.2.2 MCINTYRE is terminated because of his conviction of a felony or misdemeanor involving moral turpitude, or is convicted of any illegal act involving personal gain to himself.**

**5.2.3 MCINTYRE dies, or MCINTYRE becomes disabled as provided in Paragraph 6 and CITY terminates his employment.**

**5.3 MCINTYRE may resign at any time from his position with the CITY provided that he gives the CITY not less than sixty (60) days’ prior written notice. Should MCINTYRE not provide the CITY with at least sixty (60) days’ prior written notice, he shall not be entitled to cash out of any benefit other than as required by law. In the event MCINTYRE resigns his position as City Manager, he shall not be entitled to a Severance Payment.**

**6. Disability: If MCINTYRE is permanently disabled to the extent that he cannot perform the full range of the essential functions of his position as determined by his treating physician or is otherwise unable to perform the full range of the essential functions of his position because of sickness, accident, injury, mental incapacity or other health reasons for a period of six (6) successive weeks beyond the exhaustion of all general leave, the CITY shall have the option to terminate this Agreement, subject to compliance with all provisions of law.**

**7. Compensation:**

- 7.1 CITY agrees to pay MCINTYRE for his services rendered pursuant hereto an annual salary of One Hundred Ninety Nine Thousand Dollars (\$199,000.00) payable on a bi-weekly basis in the same manner as other employees of the CITY are paid.
- 7.2 CITY agrees to establish a 401-A defined contribution plan for the manager with ICMA Retirement Corporation, and contribute Nine Thousand Five Hundred Dollars (\$9,500.00) to such plan annually. The contribution shall be pro-rated and made on a bi-weekly basis in the same manner as any deferred compensation contributions made to any other employee. There will be no vesting period. The CITY shall pay any set-up or administrative fees. In the event that MCINTYRE separates from employment, the bi-weekly contribution shall cease on the date of termination from employment and no additional contribution shall be made.
- 7.3 CITY agrees to pay MCINTYRE the same automobile allowance provided all executive management employees, currently Three Hundred Twenty Dollars (\$320.00) per month, payable on a bi-weekly basis in the same manner as other employees of the City are paid.
- 7.4 MCINTYRE shall be entitled to the same benefits, holidays and general leave provided to CITY executive management employees under the CITY's Management Benefit Plan for Management Appointees, as such plan may be amended by the CITY from time to time. In addition, CITY shall provide MCINTYRE with a cell phone and personal computer for business and personal use.

8. **Retirement Plan:** MCINTYRE shall be covered by the same retirement plan by which all other "miscellaneous employees" of the City in effect as of March 5, 2012. MCINTYRE shall be placed in the appropriate miscellaneous tier according to his hire date. MCINTYRE shall pay the required employee contribution on a tax-deferred basis as provided under Section 414(h)(2) of the Internal Revenue Code, and shall contribute to the employer contribution as specified in the CITY's Management Benefit Plan for Management Appointees as such may be modified from time to time by the City Council.

**9. One Time Relocation Assistance and Temporary Housing:**

- 9.1 The CITY shall reimburse MCINTYRE for all reasonable relocation expenses incurred in moving his residence including transportation, packing, temporary storage of household goods and furnishing, unpacking and insurance. MCINTYRE shall obtain three quotations for such relocation services and shall select the lowest of the bids. MCINTYRE shall provide copies of the quotations to the Finance Director for documentation and reimbursement purposes. The CITY shall also pay or reimburse MCINTYRE for the expenses incurred in one economy round trip air travel between his place of residence and

Menlo Park for MCINTYRE to locate temporary housing in the vicinity of Menlo Park. The trip shall be coordinated with participation in the City Council meetings of January 30, 2012 and January 31, 2012, plus one goal setting session/Council meeting the afternoon of January 31, 2012 in Menlo Park. The total paid or reimbursed under this provision shall not exceed One Thousand Dollars (\$1,000.00).

- 9.2 The CITY shall pay MCINTYRE up to Two Thousand Five Hundred Dollars (\$2,500.00) per calendar month to reimburse him for the reasonable costs of obtaining temporary housing in the vicinity of the City while he searches for a permanent residence. This allowance shall only continue until MCINTYRE secures a permanent residence and only if MCINTYRE is incurring rental expenses, but shall in no event exceed nine (9) months. MCINTYRE shall provide copies of rental and other temporary housing expenses to the Finance Director for documentation and reimbursement purposes.

**10. Housing Assistance:**

- 10.1 The CITY agrees to loan to MCINTYRE up to One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00) toward the purchase price of a home, townhouse or condominium should he elect to purchase a primary residence within the City limits of the City of Menlo Park. The specific terms and conditions of the new loan are pursuant to the terms of Attachment "A".
- 10.2 During the term of this Agreement, MCINTYRE shall pay in a timely manner the loan obligation for the property acquired in Paragraph 10.1. MCINTYRE shall obtain and keep in force policies of fire and hazard insurance with limits of not less than the replacement value of the property naming both the CITY and MCINTYRE as insured parties. All taxes, homeowner dues, and other obligations assessed against the property, and the cost of maintaining the policies of fire and hazard insurance, shall be paid on a timely basis by MCINTYRE.
- 10.3 MCINTYRE shall maintain the property, at his sole expense, in good and habitable condition, reasonable wear and tear excepted. MCINTYRE may make such improvements to the property as he deems beneficial.
- 10.4 The loan to MCINTYRE shall not be assumable, and shall be immediately due and payable in full to the CITY upon sale or other transfer of title of the property to any third party. In the event that MCINTYRE's employment is terminated for any reason, the loan shall become due and payable in accordance with the terms set forth in Attachment "A". If the use of the property as the principal residence of MCINTYRE is terminated, the loan shall become due and payable in full not later than twelve (12) months following the termination of such use.



**11. Performance Evaluation:**

11.1 The City Council shall endeavor to review and evaluate the performance and compensation of MCINTYRE on at least an annual basis.

11.2 The City Council, in consultation with MCINTYRE, shall define such goals and performance objectives which they determine to be necessary for the proper operation of the City. In attainment of the City Council's adopted performance objectives, the City Council, in consultation with MCINTYRE, shall further establish a relative priority among the various goals and objectives, and reduce said goals and objectives to writing.

12. **Professional Development:** The CITY hereby agrees to budget a reasonable amount for and to pay membership fees and dues, of conference and meeting registrations, and the travel and subsistence expenses of MCINTYRE for professional development and official travel, meetings and occasions adequate to continue the professional development of the City Manager and to adequately pursue necessary official and other functions of the CITY, including, but not limited to, International City Manager's Association (ICMA) conferences. Travel and conference expenses shall be reimbursed for reasonable expenses only, and in accordance with the City's standard policies governing travel and conference expense reimbursement.

13. **Non-Liability of Officials and Employees:** No official or employee of the CITY shall be personally liable for any default or liability under this Agreement except MCINTYRE.

14. **Bonding:** MCINTYRE shall secure a public official's bond in the amount of \$200,000 as required by Section 2.08.040 of the Municipal Code of the City of Menlo Park. The CITY shall bear the full cost of such bond and/or any other bonds required of MCINTYRE under any law or ordinance.

**15. Other Terms and Conditions of Employment:**

15.1 The City Council, in conjunction with MCINTYRE, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of MCINTYRE, provided such terms and conditions are not inconsistent with or conflict with the provisions of this Agreement or other applicable law.

15.2 All provisions of the Municipal Code of the City of Menlo Park, and regulations and rules of the CITY relating to other fringe benefits and working conditions as they now exist or hereafter may be amended, shall also apply to the City Manager as they do other employees of the CITY except as herein provided.

16. **Notice:** Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial proceedings. Notice shall be deemed given as of the date

of personal service or 48 hours after the date of deposit of such written notice in the course of transmission in the United States Postal Service to the addresses set forth below or as subsequently communicated by one party to the other in writing.

16.1 Notice to MCINTYRE shall be sent to: Alexander D. McIntyre  
6463 SW Burlingame Place  
Portland, OR 97239

16.2 Notice to CITY shall be sent to: Mayor  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

17. General Provisions:

17.1 The Agreement shall be binding and inure to the benefit of the heirs at law and executors of MCINTYRE.

17.2 This Agreement shall become effective March 5, 2012.

17.3 If any provision, or any portion therefore, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be effective, and shall remain in full force and effect.

17.4 The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

17.5 This Agreement constitutes the entire agreement between the parties and supersedes any previous Agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by the CITY and MCINTYRE.

17.6 This Agreement shall be interpreted as though prepared by both parties.

CITY OF MENLO PARK

Date: 2.6.12

By: Kirsten Keith  
Kirsten Keith  
Mayor

Date: 2.6.12

By: Alexander D. McIntyre  
Alexander D. McIntyre

**ATTEST:**

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**Margaret Roberts  
City Clerk**

**ATTACHMENT "A"**  
**TO**  
**EMPLOYMENT AGREEMENT**  
**TERMS OF HOUSING LOAN**

The CITY agrees to provide a loan(s) to MCINTYRE for purposes of purchasing a home, townhouse, or condominium unit located in the City of Menlo Park upon the following terms and conditions:

1. **Loan Amount** – The amount of the loan(s) shall not exceed One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00), which may include a first loan in the amount of not to exceed ninety percent (90%) of the purchase price and a short term bridge loan of not to exceed ten percent (10%) of the purchase price, provided the total amount of both loans shall not exceed the maximum loan amount of \$1,350,000.

2. **Interest Rate** – The interest rate on the loan(s) shall be three and one half percent (3.5%) per annum, simple interest, for five (5) years. Thereafter, the interest shall be adjusted once per year based on comparable "5/1" loans made at the time of the loan to MCINTYRE, as determined by the City Attorney.

3. **Payments** – Monthly payments shall be interest only. At MCINTYRE's option, he may make monthly payments based on an interest rate of two percent (2%) with interest of one and one-half percent (1.5%) being deferred until the loan is paid off. At the option of MCINTYRE, the monthly payments may be automatically deducted from his bi-weekly salary check or paid monthly by the first of the month. All payments shall be applied first to interest and then to principal. Upon the adjustment of the interest rate as provided in Paragraph 2, the required payment and the amount MCINTYRE may elect to defer shall be proportionately adjusted to reflect any increase in the interest rate.

4. **Late Payment Penalty** – There shall be a late payment penalty of five percent (5%) of any payment not paid within ten (10) days of the due date.

5. **Security for Loan** – The loan in the amount of not to exceed 90% of the purchase price shall be secured by a first deed of trust against the property purchased in Menlo Park with a standard title company form of deed of trust. The short term bridge loan in the amount of not to exceed 10% of the purchase price shall be secured by a second deed of trust against the Menlo Park property and also secured by a junior deed of trust against other property owned by MCINTYRE having demonstrated equity (to the reasonable satisfaction of the City Attorney) of not less than the amount of the bridge loan (after deducting estimated selling expenses for the sale of such other property).

6. **Due on Sale, Termination of Employment or Non-use as Personal Residence** – The loan(s) shall be due and payable in full on sale or transfer of the Menlo Park property, no later than twelve (12) months plus one (1) additional month for every two (2) months of completed employment after February 2013, but in any event within twenty-four (24) months following the termination of MCINTYRE's employment with the CITY for any reason, including death or disability or within twelve (12) months of MCINTYRE's failure to reside in the property, whichever shall occur first. The bridge loan shall be due and payable in full upon the earlier of (a) the sale of the other property securing said bridge loan (if only one property, or if

multiple properties are securing the bridge loan, the net sales proceeds from the sale of any one property sold shall be applied to the outstanding principal balance), or (b) one year from the date of the bridge loan.

**7. Payment of Taxes, Insurance, Maintenance and Repairs – MCINTYRE shall keep and maintain the property in good condition and repair, reasonable wear and tear excepted, shall pay all property taxes in a timely manner, and shall maintain hazard and liability insurance for full replacement cost, with the CITY named as loss payee.**

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Menlo Park  
 Title: City Manager  
 Analysis Date: July 2016

Survey Agency	Comparable Classification	Maximum Monthly Salary	Total Normal Cost				"Classic" EE Contribution				Wages + Pension	Insurance Benefits				Benefits Total	Total Comp	Rank
			457 Contr	401a Contr	Auto Allowance	(%)	(%)	(%)	(%)	(%)		Medical	Dental	Vision	LTD			
Belmont	City Manager	\$20,084	\$1,004	\$0	\$500	16.1%	\$3,236	7.0%	-\$1,406	\$23,418	\$1,941	\$128	\$19	\$0	\$2,088	\$25,506	3	
Burlingame	City Manager	\$18,781	\$376	\$0	\$0	18.6%	\$3,489	9.5%	-\$1,784	\$20,862	\$2,486	\$308	\$88	\$24	\$2,906	\$23,768	9	
Campbell	City Manager	\$16,958	\$417	\$0	\$225	17.6%	\$2,977	7.0%	-\$1,187.03	\$19,390	\$2,688	\$169	\$31	\$81	\$2,969	\$22,359	11	
Cupertino	City Manager	\$21,263	\$0	\$0	\$350	18.7%	\$3,971	6.3%	-\$1,329	\$24,255	\$802	\$78	\$15	\$63	\$958	\$25,213	5	
Foster City	City Manager	\$20,400	\$0	\$816	\$0	17.3%	\$3,527	8.0%	-\$1,632	\$23,111	\$2,032	\$132	\$20	\$47	\$2,231	\$25,342	4	
Los Altos	City Manager	\$17,420	\$0	\$0	\$300	19.6%	\$3,411	8.0%	-\$1,394	\$19,738	\$1,891	\$237	\$0	\$0	\$2,128	\$21,866	12	
Los Gatos	Town Manager	\$16,917	\$0	\$0	\$0	18.1%	\$3,068	7.0%	-\$1,184	\$18,800	\$1,821	\$125	\$11	\$19	\$1,976	\$20,776	13	
Millbrae	City Manager	\$20,436	\$833	\$0	\$0	20.4%	\$4,164	2.5%	-\$511	\$24,923	\$1,386	\$108	\$31	\$0	\$1,525	\$26,448	2	
Palo Alto	City Manager	\$23,750	\$0	\$4,417	\$600	18.0%	\$3,978	8.0%	-\$1,767	\$30,978	\$1,931	\$167	\$16	\$17	\$2,130	\$33,109	1	
Redwood City	City Manager	\$20,667	\$413	\$413	\$400	17.1%	\$3,534	16.0%	-\$3,307	\$22,121	\$1,634	\$118	\$13	\$8	\$1,774	\$23,895	8	
San Bruno	City Manager	\$19,472	\$195	\$0	\$300	18.3%	\$3,572	8.0%	-\$1,558	\$21,981	\$1,985	\$0	\$0	\$109	\$2,094	\$24,075	7	
San Carlos	City Manager	\$20,027	\$0	\$0	\$550	15.6%	\$3,126	7.0%	-\$1,402	\$22,301	\$1,634	\$106	\$14	\$68	\$1,822	\$24,123	6	
Menlo Park	City Manager	\$18,125	\$0	\$2,575	\$320	18.0%	\$3,262	9.7%	-\$1,756	\$22,525	\$0	\$181	\$23	\$79	\$283	\$22,808	10	
	Median (Excluding Menlo Park)	\$20,056								\$22,211						\$24,099		
	Variance from Median	-9.63%								1.42%						-5.36%		
	Average (Excluding Menlo Park)	\$19,681								\$22,656						\$24,707		
	Variance From Average	-7.91%								-0.58%						-7.68%		

**Notes:**

Millbrae: All data, except for Top Step Base and Total Normal Cost, was taken from 2015 survey and is subject to change pending confirmation from Human Resources staff.  
 Los Altos: Los Altos currently has an Interim City Manager (temporary contract that is not the same in scope). To facilitate comparison, we are reflecting compensation for prior City Manager. Dental reflects maximum reimbursement for Employee + Dependent. Vision is included in dental plan.

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## STAFF REPORT

### City Council

Meeting Date:

9/13/2016

Staff Report Number:

16-165-CC

Consent Calendar:

**Authorize the City Manager to enter into an amended and restated lease with the Fire District for Station No. 77 located at 1467 Chilco Street**

### Recommendation

Consider authorizing the City Manager to enter into a First Amended and Restated Ground Lease with the Menlo Park Fire Protection District (hereinafter, the "District") for Station No. 77 located at 1467 Chilco Street.

### Policy Issues

There are no direct policy issues presented by the First Amended and Restated Ground Lease.

### Background

On or about December 12, 1995, the City of Menlo Park ("City"), as Landlord, and the Menlo Park Fire Protection District ("District"), as Tenant, entered into a Ground Lease for the real property commonly known as 1467 Chilco Street, Menlo Park, California ("Chilco Street Property").

in 1998 the District completed construction of a fire station, referred to as Station 77, on the Chilco Street Property, and since that time has continuously operated Station 77 and desires to continue to occupy the Chilco Street Property for Station 77.

In or about July 2012, the City subdivided the parcel of land that included the Chilco Street Property, and sold a portion of the parcel not occupied by the District to California Family Foundation for the continued occupancy and use of Beechwood School.

As part of the subdivision of the parcel, the land occupied by the District was slightly enlarged and existing easements were abandoned and new easements were established.

The District has requested that the City extend the term of the Lease for a new term of 55 years and has requested various changes to the Lease to clean up language that is no longer applicable, and to clarify the District's intent to remodel, expand and/or rebuild the fire station to better serve the Belle Haven Neighborhood and the commercial and industrial areas East of Highway 101.

### Analysis

The proposed Amended & Restated Ground Lease is for a period of fifty-five (55) years at a rent of Fifty-Five Dollars (\$55.00), or one Dollar (\$1.00) per year payable in advance on the Commencement Date. This is an extension of 21 years over the remaining 34 years for the existing lease. As a Ground Lease, the

District is responsible for all expenses of ownership and operation, including payment of taxes, insurance, capital improvements, etc.

### **Impact on City Resources**

There is no impact on City Resources.

### **Environmental Review**

No environmental review 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. First Amended and Restated Ground Lease

Report prepared by:

William L. McClure, City Attorney

**FIRST AMENDED AND RESTATED GROUND LEASE**

This First Amended and Restated Ground Lease (this "Lease") is made effective October 1, 2016 ("Commencement Date") between the CITY OF MENLO PARK (hereinafter "Landlord") and the MENLO PARK FIRE PROTECTION DISTRICT (hereinafter "Tenant"), and replaces that certain ground lease dated December 12, 1995, in its entirety.

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises hereinafter described upon all of the following terms and conditions:

1. **PREMISES.** The legal description of the Premises, together with all improvements and appurtenances is included in Exhibit A attached hereto and incorporated herein by this reference (the "Premises"). Any improvements existing on the Premises at the Commencement Date of this Lease shall become Tenant's property. Tenant may use, sell, demolish, remove, or otherwise dispose of the existing improvements following the Commencement Date of this Lease. Landlord shall receive no compensation for the improvements other than the performance of Tenant's covenants expressed in this Lease.

2. **TERM.** The term of this Lease shall be fifty-five (55) full calendar years. Tenant may terminate this Lease at any time, with thirty (30) days' notice.

3. **RENT.** Tenant shall pay to Landlord as rent a total of Fifty-Five Dollars (\$55.00), or One Dollar (\$1.00) per year payable in advance on the Commencement Date.

4. **TAXES; ASSESSMENTS.**

a. Tenant shall pay all real and personal property taxes (if any), general and special assessments (if any), and other charges of every description levied on or assessed against the Premises, improvements located on the Premises, personal property located on or in the land or improvements, the leasehold estate, or any sub-leasehold estate, to the full extent of installments falling due during the term, whether belonging to or chargeable against Landlord or Tenant. Tenant shall make all such payments direct to the charging authority before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any or all of the above items in installments (whether or not interest accrues on the unpaid balance), Tenant may, at Tenant's election, utilize the permitted installment method, but shall pay each installment with any interest before delinquency.

b. Tenant may contest the legal validity or amount of any taxes, assessments, or charges for which Tenant is responsible under this Lease, and may institute such proceedings as Tenant considers necessary. If Tenant contests any such tax, assessment, or charge, Tenant may withhold or defer payment or pay under protest but shall protect Landlord and the Premises from any lien by adequate surety bond or other appropriate security.

5. USE. Subject to the provisions of this Lease, Tenant shall use the Premises primarily for the operation of a fire station and may also use the Premises for fire suppression, prevention and the provision of emergency services. For the purpose of this Lease, Landlord agrees that noise generated in the normal use of Premises for fire protection purposes as well as noise associated with construction of improvements on the Premises, shall not be considered a nuisance.

6. IMPROVEMENTS.

a. Tenant may construct or cause to be constructed on the Premises (and adjacent property if desired by the Tenant) any and all improvements necessary and desirable for the operation of a fire station. Improvements may include remodel, expansion, or reconstruction of fire station existing on the Premises as well as other related buildings and improvements as of the Commencement Date. Tenant agrees to obtain all approvals required by law before construction or alternation.

b. Landlord shall, at no material cost to Landlord, cooperate with Tenant in obtaining any approvals required by law for the construction or alteration of the fire station, including but not limited to any approvals needed for development on property adjacent to the Premises. Landlord shall expeditiously process applications made by Tenant for the remodel, expansion or reconstruction of the fire station described in subsection a above, including, but not limited to any required application for a general plan amendment, zoning amendment, use permit, architectural control, lot line adjustment, lot merger, sign review, variance and heritage tree removal permit. Without limitation on its governmental powers, Landlord agrees to use good faith efforts to prioritize approvals necessary for the remodel, expansion or reconstruction of the fire station or related improvements, given the fire station's purpose of providing essential functions to the community.

c. Landlord shall grant to public entities or public service corporations, for the purpose of serving only the Premises, rights-of-way or easements on or over the Premises for poles or conduits, or both, for telephone, electricity, water, sanitary or storm sewers, or both, and for other utilities and municipal or special district services, and agrees to dedicate any portions of the Premises that may be required in connection with the construction or alteration of improvements and the operation and maintenance of the fire station on the Premises.

d. Tenant shall pay or cause to be paid the total cost and expense of all works of improvement constructed by Tenant on the Premises. Tenant agrees that it will pay, or cause to be paid, all cost of labor, services or material supplied in the prosecution of any work done, or caused to be done, on the Premises. Tenant will keep the Premises free and clear of all mechanics liens and other liens on account of work done for Tenant or person claiming under Tenant.

e. Any casualty which results in the destruction of all or a part of the improvements constructed by Tenant shall not relieve either party of its obligations under this Lease, nor shall the destruction of such improvements result in the termination of this Lease.

f. Nothing in this Section 6 shall be construed to pre-commit the City to any land use approval, general plan amendment, re-zoning, use permit, or other discretionary action, required for the expansion or reconstruction of the fire station described above.

7. MAINTENANCE; REPAIRS; OPERATIONS; RECONSTRUCTION. Throughout the term of this Lease, Tenant shall, at Tenant's sole cost and expense, maintain the Premises and improvements, if any, in good condition and repair, and in accordance with all applicable laws, rules, ordinances, orders, and regulations of federal, state, county, and municipal governmental agencies and bodies having or claiming jurisdiction over the Premises and the requirements of all insurance underwriting boards or insurance companies insuring all or part of the Premises or improvements. Nothing in this provision defining the duty of maintenance shall be construed as limiting any right given elsewhere in this Lease to alter, modify, demolish, remove, or replace any improvement, or as limiting provisions relating to condemnation or to damage or destruction during the final year(s) of the Lease term. No devaluation, impairment, or limitation of use resulting from any event work contemplated by this Paragraph shall entitle Tenant to any offset, abatement, or reduction in rent, nor to any termination.

8. OWNERSHIP OF IMPROVEMENTS.

a. All improvements constructed on the Premises by Tenant as permitted by this Lease shall be owned by Tenant until expiration of the term or sooner termination of this Lease. Tenant is permitted to modify improvements on the Premises in its sole discretion, provided that such modifications comply with requirements set forth by the Municipal Code of the City of Menlo Park and the State of California.

b. At the expiration of the term, provided Tenant is not then in default, Tenant shall have the right to remove any or all fixtures from the Premises, provided all resultant injuries to the Premises and remaining improvements are completely remedied and Tenant complies with Landlord's reasonable requirements respecting the resultant appearance.

c. At the expiration or earlier termination of the term, Landlord shall have the right to require Tenant to remove all of the buildings and improvements constructed by Tenant and to require Tenant to restore the Premises to a bare undeveloped condition.

9. ASSIGNMENT OR SUBLEASE. This Lease is granted to the Tenant because it is a governmental body providing fire protection services to the residents of the City of Menlo Park. Tenant may not assign, sublease, or otherwise transfer Tenant's interest in this Lease to any person or entity without Landlord's prior written consent, which Landlord may withhold in its absolute discretion.

10. INDEMNITY; INSURANCE. Tenant further covenants and agrees that Tenant will carry and maintain, or cause to be carried and maintained, at its sole cost and expense, the following types of insurance:

a. Comprehensive broad form general public liability insurance coverage against claims and liability for personal injury, death, or property damage arising from the use, occupancy, disuse, or condition of the Premises, improvements, or adjoining areas or ways, providing protection of at least Two Million Dollars (\$2,000,000) combined single limit for bodily injury or death to any one person for any one accident or occurrence and for property damage for any one accident or occurrence. Such limits of liability shall be subject to periodic adjustment based upon limits of liability commonly carried by similar projects as that operated by Tenant and/or required by comparable leases then being executed.

b. City and its officers and employees shall be named as additional insureds on District's public liability insurance

c. All insurance required by express provisions of this Lease shall be carried only in responsible insurance companies licensed to do business in the State of California having a Best Rating of A+ or better. All such policies shall be nonassessable and shall contain language, to the extent obtainable, to the effect that (1) any loss shall be payable notwithstanding any act or negligence of Landlord that might otherwise result in a forfeiture of the insurance, (2) the insurer waives the right of subrogation against Landlord and against Landlord's agents and representatives, (3) the policies are primary and' noncontributing with any insurance that may be carried by Landlord, and (4) they cannot be canceled or materially changed except after ten (10) days' notice by the insurer to Landlord or Landlord's designated representative. Tenant shall furnish Landlord with copies of all such policies promptly on receipt of them, or with certificates evidencing the insurance. Before the Commencement Date, Tenant shall furnish Landlord with binders representing all insurance required by this Lease. At the expiration of the term, Landlord shall reimburse Tenant pro rata for all prepaid premiums on insurance required to be maintained by Tenant, and Tenant shall assign all Tenant's rights, title, and interest in that insurance to Landlord. Tenant may effect for its own account any insurance not required under this Lease. Tenant may provide by blanket insurance covering the Premises and any other location or locations any insurance required or permitted under this Lease provided it is acceptable to all mortgagees.

d. Property insurance. Tenant shall maintain property insurance covering risks of loss covered by "Special Form" coverage including flood (but only if typically required for similarly situated properties) for 100% of the replacement value of the Premises and the Improvements (but excluding any fixtures or other leasehold improvements owned by any subtenants.

e. Tenant shall deliver to Landlord, in the manner required for notices, copies or certificates of all insurance policies required by this Lease, together with evidence satisfactory to Landlord of payment required for procurement and maintenance of the policy, within the following time limits:

f. Insurance provided for herein shall be issued by insurance companies with general policyholder's rating of not less than A+ and qualified to do business in the state where the Premises is located.

i. For insurance required at the Commencement Date, not later than ten (10) days prior to the Commencement Date;

ii. For any renewal or replacement of a policy already in existence, at least twenty (20) days before the expiration or other termination of the existing policy.

g. If Tenant fails or refuses to procure or to maintain insurance as required by this Lease or fails or refuses to furnish Landlord with required proof that the insurance has been procured and is in force and paid for, Landlord shall have the right, at Landlord's election and on ten (10) days' written notice, to procure and maintain such insurance. The premiums paid by Landlord shall be treated as added rent due from Tenant with interest at the maximum allowable legal rate in effect in the state where the Premises are located on the date the premium, to be paid on the first day of the month following the date on which the premiums were paid. Landlord shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the date of the notice.

h. Landlord shall not be liable, and Tenant shall defend and indemnify Landlord against all liability and claims of liability, for damage or injury to person or property on or about the Premises. Tenant waives all claims against Landlord for damage or injury to person or property arising, or asserted to have arisen, from any cause whatsoever.

#### 11. DEFAULTS; REMEDIES.

a. Covenants and Conditions. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Premises is conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

b. Defaults. Tenant shall be in material default under this Lease:

i. If Tenant fails to pay rent or any other charge required to be paid by Tenant when due and such failure continues for a period of twenty (20) days after written notice thereof to Tenant;

ii. If Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after written notice from Landlord; provided that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within the thirty (30) day period and thereafter diligently pursues its completion. However, Landlord shall not be required to give such notice if Tenant's failure to perform constitutes a non-curable breach of this Lease

iii. (a) If Tenant makes a general assignment or general arrangement for the benefit of creditors; (b) if a petition for adjudication of bankruptcy or for reorganization or rearrangement is filed by or against Tenant and is not dismissed within one hundred twenty (120) days; (c) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's

interest in this Lease and possession is not restored to Tenant within one hundred twenty (120) days; or (d) if substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within one hundred twenty (120) days. If a court of competent jurisdiction determines that any of the acts described in this subparagraph is not a default under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as additional rent, the difference between the rent (or any other consideration) paid in connection with such assignment or sublease and the rent payable by Tenant hereunder.

c. Remedies. On the occurrence of any material default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

i. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

d. Cumulative Remedies. Landlord's exercise of any right or remedy shall not prevent Landlord from exercising any other right or remedy.

12. FORCE MAJEURE. Any prevention, delay, nonperformance, or stoppage due to any of the following causes shall excuse nonperformance for a period equal to any such prevention, delay, nonperformance, or stoppage, except the obligations imposed by this Lease for the payment of rent, taxes, insurance, or obligations to pay money that are treated as rent. The causes referred to above are: Strikes, lockouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies of this state or of the United States, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, governmental restrictions or regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Lease), casualties not contemplated by insurance provisions of this Lease, or other causes beyond the reasonable control of the party obligated to perform.

13. ATTORNEYS' FEES. If either party brings any action or proceeding to enforce, protect, or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorneys' fees. Arbitration is an action or proceeding for the purpose of this provision.

14. NOTICE. As used in this Lease, notice includes but is not limited to the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, and appointment. Unless the provisions of this Lease on rent direct otherwise, rent shall be sent in a manner provided for giving notice.

All notices must be given in writing provided no writing other than the check or other instrument representing the rent payment itself need accompany the payment of rent.



Notice is considered given either (a) when delivered in person to the recipient named as below, or (b) on the date shown on the return receipt after deposit in the United States mail in a sealed envelope or container, either registered or certified mail, return receipt requested, postage and postal charges prepaid, addressed by name and address to the party or person intended as follows:

Notice to Landlord: CITY OF MENLO PARK  
ATTN: CITY MANAGER  
701 LAUREL ST  
MENLO PARK CA 94025

w/copy to: WILLIAM L MCCLURE, CITY ATTORNEY  
1100 ALMA ST, SUITE 210  
MENLO PARK CA 94025

Notice to Tenant: MENLO PARK FIRE PROTECTION DISTRICT  
ATTN: FIRE CHIEF  
300 MIDDLEFIELD RD  
MENLO PARK CA 94025

w/copy to: MEYERS NAVE  
555 12<sup>th</sup> STREET  
15<sup>TH</sup> FLOOR  
OAKLAND, CA 94607

Either party may, by notice given at any time or from time-to-time, require subsequent notices to be given to another individual person, whether a party or an officer or representative, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

Each recipient named must be an individual person. If more than one recipient is named, delivery of notice to anyone such recipient is sufficient. If none of the recipients named in the latest designation of recipient is available for delivery in person, and if the notice addressed by mail to each recipient named in the latest designation of recipient is returned to the sender undelivered, notice shall be sufficient if sent by mail as above to the party as named in this Lease, unless the name or identity of the party has changed as permitted in this Lease and proper notice of the change has been given, in which event the notice shall be sufficient if sent by mail as above to the party named in the latest notice designating the party, and the notice is considered given when the first attempt to give notice was properly made.

15. ENTIRE AGREEMENT. This Lease contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either party. Each party has relied on his/her/its own examination of this Lease, the counsel of his/her/its own advisors, and the warranties, representations, and covenants in the Lease itself. The failure or refusal of either party to inspect the Premises or improvements, to read the Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a

waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

16. SEVERABILITY. The invalidity or illegality of any provision shall not affect the remainder of the Lease.

17. SUCCESSORS. Subject to the provisions of this Lease on assignment and subletting, each and all of the covenants and conditions of this Lease shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective parties.

18. EXPIRATION; TERMINATION. At the expiration or earlier termination of the term, Tenant shall surrender to Landlord the possession of the Premises. Surrender or removal of improvements, fixtures, trade fixtures, and improvements shall be as directed in provisions of this Lease on ownership of improvements at termination. Tenant shall leave the surrendered Premises and any other property in good and broom-clean condition except as provided to the contrary in provisions of this Lease on maintenance and repair of improvements. All property that Tenant is required to surrender shall become Landlord's property at termination of the Lease. All property that Tenant is not required to surrender but that Tenant does abandon shall, at Landlord's election, become Landlord's property at termination.

If Tenant fails to surrender the Premises at the expiration or sooner termination of this, Lease, Tenant shall defend and indemnify Landlord from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant founded on or resulting from Tenant's failure to surrender.

This Lease shall terminate without further notice at expiration of the term. Any holding over by Tenant after expiration shall not constitute a renewal or extension or give Tenant any rights in or to the Premises except as otherwise expressly provided in this Lease.

**[SIGNATURE PAGE FOLLOWS IMMEDIATELY]**

DATED: \_\_\_\_\_, 2016

**LANDLORD**

CITY OF MENLO PARK

By: \_\_\_\_\_  
City Manager

Attest:

\_\_\_\_\_  
CITY CLERK

DATED: \_\_\_\_\_, 2016

**TENANT**

MENLO PARK FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Fire Chief

## EXHIBIT A

The Premises commonly known as 1467 Chilco Street, Menlo Park, CA consists of the real property in the City of Menlo Park, County of San Mateo, State of California, described as follows:

Parcel 3 as shown on that certain Parcel Map filed on December 26, 2012, in Book 80 of Parcel Maps at pages 57 – 59 in the Office of the County Recorder of San Mateo County, State of California; subject to the reservation of a 20' private utility easement for the benefit of Parcel 2, a 20' emergency vehicle access easement, and a 10' sanitary sewer easement, all as shown on the Parcel Map.

APN 055-260-240



## STAFF REPORT

### City Council

Meeting Date:

9/13/2016

Staff Report Number:

16-167-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.

### 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 25, 2015.

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 (Insight Investment) reviews the policy to ensure it is kept up to date and in compliance with applicable State statutes. Insight 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.

The Finance and Audit Committee reviewed the revised investment policy at its August 25, 2016 meeting and agrees with staff's recommendation.

## **Analysis**

Recommended changes to the investment policy at this time are minor and consist of title changes for City staff. The title changes are a result of the organizational restructure that eliminated the Finance Director position and replaced it with the Administrative Services Director and the elimination of the Financial Services Manager position which was replaced with the Finance and Budget Manager.

The City's investment portfolio returned 0.79% in 2015-16, 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 Insight to refine its investment strategy to improve its return without compromising its top investment objectives of safety and liquidity.

## **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 ( with Exhibit A – Proposed Investment Policy)

Report prepared by:  
Rosendo Rodriguez, Finance and Budget Manager

## 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 ~~25<sup>th</sup> of August, 2015~~ 13<sup>th</sup> of September 2016. It replaces any previous investment policy or investment procedures of the City.

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### 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 Administrative Services Director of ~~Finance~~ serves as the CFO. In the absence of the CFO, the ~~Financial Services~~ Finance and Budget 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 Administrative Services](#) 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 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~~ [Administrative Services](#) 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**

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

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 thirteenth day of September, 2016 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 thirteenth day of September, 2016.

Pamela Aguilar, CMC  
City Clerk

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## **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 13<sup>th</sup> of September 2016. 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 Administrative Services Director of serves as the CFO. In the absence of the CFO, the Finance and Budget 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 Administrative Services 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:

<b>Type of Security</b>	<b>Maximum Percentage of the Total Portfolio</b>
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 Administrative Services 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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**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 8/23/2016  
**Time:** 6:30 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**6:30 p.m. Closed Session**

Mayor Cline called the closed session to order at 6:35 p.m. Councilmember Keith was absent. There was no public comment.

CL1. Closed Session pursuant to Government Code Section §54957 to confer regarding employee performance evaluation: City Manager

Attendees: City Attorney Bill McClure, Human Resources Manager Lenka Diaz

**A.** Mayor Cline called the meeting to order at 7:23 p.m.

**B. Roll Call**

Present: Carlton, Cline, Mueller, Ohtaki  
Absent: Keith  
Staff: Assistant City Manager Chip Taylor, City Attorney Bill McClure, City Clerk Pamela Aguilar

**C. Pledge of Allegiance**

Mayor Cline led the pledge of allegiance.

**D. Report from Closed Session**

Mayor Cline stated there was no reportable action from the closed session.

**E. Presentations and Proclamations**

E1. Certificates of recognition for student ambassadors to Bizen, Japan

Mayor Cline and Councilmember Carlton presented certificates to the following Menlo Park student ambassadors: Erik Paul Bjerknæs, Catherine Carlton-Ridenour, Lauren Hall, Anna Teason Paczuski, Javier Ramos, Ninarose Roybal, Kumali Schoen, Sohalia Schoen, Violet Taylor, and Alexander Wire

**F. Commissioner Reports**

F1. Parks and Recreation Commission 2-Year Work Plan update and proposed goals for May 2016 to May 2018 ([Attachment](#))

Commission Chair Christopher Harris gave the report, highlighting accomplishments from the last

two years, summarizing the Commission's review of drones in Bedwell Park and the upcoming master plan projects.

## **G. Study Session**

- G1. Study session on Willow Road transportation improvement options with a focus on emergency response and signal timing modifications ([Staff Report# 16-142-CC](#))([Presentation](#))

Transportation Manager Nikki Nagaya made a presentation.

### **Public Comment**

- Elias Blawie spoke regarding the history of the Dumbarton bridge and the distribution and flow of traffic in the surrounding area
- Pamela Jones spoke regarding access and traffic on Willow and the need to find creative solutions

Discussion ensued and staff was directed to follow up on the following: a stakeholders meeting to discuss the timeframe for grade separations at Willow Road and Bayfront, potential for roundabouts, impacts of the current Highway 101 construction and potential shifting of shuttle routes.

## **H. Public Comment**

- Paul Cilker spoke regarding school traffic and safety on Oak Court
- Elias Blawie spoke regarding the future of Menlo Park as it relates to the General Plan and assessing needs
- Candace Halloway showed a short video excerpt of a 2014 Council meeting, spoke regarding an agreement between the City and the school district regarding restricted access and traffic through the Oak Court neighborhood
- Bitu Arabian spoke regarding the Oak Court agreement and read a statement from a fellow resident
- Greta Kim spoke regarding Oak Court and keeping it a pedestrian area
- Remmelt Pit spoke regarding Oak Court and following through on the agreement with the school district
- Chuck Bernstein spoke regarding the potential school bus traffic on Oak Court and the encroachment permit issued to the school district
- Ana Pedreiro agreed with the other speakers

City Attorney McClure summarized the background of the encroachment permit and status of the agreement with the school district. City Attorney McClure was directed to follow up with County Counsel regarding the agreement. If the agreement is not executed within the next two days, this item will be placed on the August 30 Council meeting agenda for full discussion.

## **I. Consent Calendar**

Councilmember Carlton requested Item I2 be pulled from the Consent Calendar for further discussion.

- I1. Approve the Parks and Recreation Commission 2-Year Work Plan goals ([Staff Report# 16-143-CC](#))
- I2. Adopt a resolution amending the Council's Community Funding Program Guidelines to include arts

programs among the “verified community needs” eligible to apply for funding  
([Staff Report# 16-135-CC](#))

- I3. Adopt **Resolution 6333** delegating authority to the City Manager to make and certify determinations of disability to the California Public Employees’ Retirement System ([Staff Report# 16-144-CC](#))
- I4. Introduce an ordinance correcting an error in the Municipal Code text for the R-1-S (FG) Zoning District ([Staff Report# 16-136-CC](#))
- I5. Approve minutes for the City Council meetings of July 19, 2016 ([Attachment](#))

**ACTION:** Motion and second (Ohtaki/Carlton) to approve all items on the Consent Calendar except I2 passes 4-0 (Mayor Pro Tem Keith was absent)

Regarding Item I2, Councilmember Carlton requested that funding for arts be kept separate from funding for critical services. There was Council consensus to table this item for a future Council meeting.

At this time, Mayor Cline called Item K1 out of order.

**J. Informational Items**

- J1. Update on approved Santa Cruz Street Cafes ([Staff Report# 16-138-CC](#))

Housing and Economic Development Manager Jim Cogan gave a brief update.

**K. Regular Business**

- K1. Review and consider an amendment to Menlo Park Municipal Code Section 8.28.130 to prohibit drones and other unmanned aircraft systems (UAS) in City parks  
([Staff Report# 16-145-CC](#))([Presentation](#))

Assistant Community Services Director Derek Schweigart made a presentation.

Public Comment:

- Anne Moser spoke in favor of banning UAS and requested a ranger for enforcement
- Silas Kwok spoke against a ban of UAS
- Margarita Bekker spoke regarding bike lanes on Marsh Road
- Greg Ashford stated that Bedwell Bayfront Park is intended for passive use which includes flying UAS and spoke regarding safety and minimal noise
- Andrew Harris spoke against a ban and stated that he uses the park and flies model aircraft with his daughter
- Leslie Flint, Sequoia Audubon Society, spoke in favor of banning drones due to their disturbance to birds in the park
- Jo Killen stated that drones disrupt her quality time at Bedwell Bayfront Park and supports a ban on drones and a ranger for enforcement
- Richard Bright played a short video regarding a variety of aircraft
- Anis Upatnieks stated he is a park user as a line of sight flyer and spoke against a complete ban and considering regulations
- Harry Ackley stated he flies a radio controlled glider and spoke against a complete ban

- Michael Otrada spoke regarding his passion for model aircraft and against a ban and that many pilots are responsible and respectful
- Mitch Brenner stated that hand launched gliders are silent, safe and lightweight and that there have been no complaints involving gliders
- Frank Dickinson stated he flies model airplanes and this activity adds to the enjoyment of the park experience
- Tom Calvert, Battalion Chief MPFPD, stated that the department flies drones for emergency response purposes and asked that language be added to the ordinance taking this exception into consideration ([Letter](#))
- Michael Baum, San Carlos Airport Pilots Association, spoke in favor of a ban ([Letter](#))
- Carol Ford, San Carlos Airport Pilots Association, spoke in favor of a ban
- Jerome Miller stated that he flies power gliders and expressed concern that this has become a large issue and asked Council to make a thoughtful decision
- Nancy Borgeson spoke in favor of a ban in order for park goers to enjoy peace and quiet at Bedwell Bayfront Park
- Chris MacIntosh spoke in favor of banning drones because they disturb wildlife and are inconsistent with park values
- Allan Bedwell, Friends of Bedwell Bayfront Park, spoke in support banning drones due to health and safety risks, diminished peace and quiet, and impact on wildlife
- Lennie Roberts, Committee for Green Foothills, spoke in favor of banning UAS due to safety risks, threat to wildlife and incompatibility with passive use of the park
- Diane Hart, VP Santa Clara Audubon Society, spoke regarding the benefits of spending time in nature and that noise from drones interferes with this enjoyment and supports a ban
- Eileen McLaughlin spoke in favor of a ban to protect wildlife in the park
- Elias Blawie stated that it isn't the place of the Council to regulate airspace and that drones are not going away
- Shani Kleinhaus, Santa Clara Audubon Society, spoke regarding the threat to coastline birds

As part of Council's discussion, Councilmember Ohtaki presented information regarding the glide slope for San Francisco International Airport, the Menlo waypoint and the flights over Bedwell Bayfront Park ([Attachment](#))

There was Council consensus regarding public safety and staff stated that signage and other communication tools can be implemented to inform the public. Research on options for non-motorized and radio controlled aircraft can be explored during the Parks Master Plan project.

**ACTION:** Motion and second (Ohtaki/Carlton) to introduce an ordinance amending Menlo Park Municipal Code Section 8.28.130 to prohibit drones and other unmanned aircraft systems (UAS) in City parks and authorize the City Manager to take the necessary steps to execute excepting emergency services and providing that a violation of this section will constitute an infraction passes 4-0 (Mayor Pro Tem Keith was absent).

- K2. Request from Councilmember Mueller to form a subcommittee to investigate a regional solution for Ravenswood educational equity ([Staff Report# 16-146-CC](#))

Councilmember Mueller introduced the item.

Public Comment

- Jay Siegel spoke regarding the inequity among the 23 school districts in San Mateo County and



that property values and taxes in the Ravenswood district are below other areas and do not add significantly to funding education ([Handout](#))

- Dr. Gloria Hernandez-Goff spoke in support of forming a subcommittee and finding a regional solution and thanked Councilmember Mueller
- Elias Blawie spoke regarding Menlo Park's need first, that adequate funds aren't available, and the education issue should be resolved by other bodies such as the State

By consensus, Council approved forming a subcommittee to investigate a regional solution for Ravenswood educational equity and appointed Councilmembers Mueller and Carlton as members.

- J3. Adopt a resolution to install No Stopping zones on Oak Court, French Court, Elliott Drive, O'Connor Street, Byers Drive and Falk Court, appropriate \$20,000 from the Transportation Impact Fee fund and authorize the City Manager to amend agreements with Quality Striping, Inc. and Chrisp Company as part of the Citywide Street Signing and Striping Program to implement the Safety Improvements ([Staff Report# 16-147-CC](#))([Presentation](#))

Assistant Engineer Kevin Chen made a presentation. Transportation Manager Nikki Nagaya was also present.

Public Comment:

- Jen Wolosin spoke in support of an Upper Laurel School Safe Routes to School study
- Steve Curaud expressed concerns regarding no stopping and parking restrictions ([Handout](#))
- Sandy Lee spoke in support of a broader safe routes study
- Ana Pedreiro spoke regarding traffic at the Oak Court gate and requested the No Parking sign be esthetically pleasing
- Maurice Ghysels, Superintendent, spoke regarding working together for the safety and benefit of school children
- Joe South spoke in support of a Safe Routes to School study
- John Woodell spoke in support of a bus and bike safety study

**ACTION:** Motion and second (Ohtaki/Carlton) to adopt **Resolution 6334** to install No Stopping zones on Oak Court, French Court, Elliott Drive, O'Connor Street, Byers Drive and Falk Court, appropriate \$20,000 from the Transportation Impact Fee fund and authorize the City Manager to amend agreements with Quality Striping, Inc. and Chrisp Company as part of the Citywide Street Signing and Striping Program to implement the Safety Improvements with a friendly amendment by Councilmember Ohtaki to accelerate a full study of safe routes to school passes 4-0 (Mayor Pro Tem Keith was absent)

#### L. **City Manager's Report**

Assistant City Manager Chip Taylor gave an update regarding the Hwy 101/Willow Road project

#### M. **Councilmember Reports**

Councilmember Mueller inquired when the Fire District lease for Station 77 would be agendized. City Attorney McClure indicated it would be on the September 13 agenda.

**N. Adjournment**

Mayor Cline adjourned the meeting at 12:00 a.m., August 24, in memory of Roslyn Morris, the namesake of Little House, who was a dedicated member of Peninsula Volunteers since 1962 and served as its President in 1980.



**SPECIAL AND REGULAR MEETING MINUTES - DRAFT**

**Date:** 8/30/2016  
**Time:** 5:30 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

**5:30 p.m. Closed Session**

Mayor Cline called the closed session to order at 6:35 p.m. Councilmember Keith was absent. There was no public comment.

**CL1.** Closed Session conference with legal counsel to discuss anticipated litigation pursuant to Government Code Section 54956.9(d)(2): 1 case

**A.** Mayor Cline called the meeting to order at 7:14 p.m.

**B. Roll Call**

**Present:** Carlton, Cline, Keith, Mueller, Ohtaki  
**Absent:** None  
**Staff:** City Manager Alex McIntyre, City Attorney Bill McClure, City Clerk Pamela Aguilar

**C. Pledge of Allegiance**

Mayor Cline led the pledge of allegiance.

Mayor Cline announced that Item I2 will be called prior to Public Comment.

**D. Report from Closed Session**

Mayor Cline stated there was no reportable action from the closed session.

**E. Presentations and Proclamations**

**E1.** Update on the Belle Haven Visioning Process and Neighborhood Action Plan ([Staff Report# 16-155-CC](#))([Presentation](#))

Assistant Community Services Director Derek Schweigart made a brief presentation.

Glen Rojas and Maya Sewald of the Rotary Club spoke regarding the Community Garden.

Rachel Kaci of the Belle Haven Community Mini Grant Program provided an update.

Alejandro Vilchez, of AV Consulting, highlighted some of the community events, challenges and accomplishments. Mr. Vilchez recommended that Council consider the following: more Belle Haven representation on the City Council, more sports programs, collaboration with faith-based groups, including Belle Haven small businesses in the Menlo Park chamber of commerce, microlending to

Belle Haven residents, more engagement with the school district and to consider a local non-profit community development corporation.

Public Comment:

- Pamela Jones spoke regarding public safety and traffic relief on and around Hamilton Avenue, rebuilding of Onetta Harris Community Center, and the need for bus shelters
- Jacqui Cebrian spoke regarding more City services, specifically library and literacy, in Belle Haven
- Sheryl Bims spoke regarding education and traffic
- Cecilia Taylor spoke regarding pedestrian safety, access around 777 Hamilton, whether there will be Belle Haven representation in the joint powers authority and housing
- Rachel Bickerstaff spoke regarding education and investing in a new school district

Discussion ensued regarding ongoing engagement and collaboration to ensure initiatives continue, an update on the Dumbarton corridor study and Willow Road improvements, bus shelters, and addressing library and educational needs in Belle Haven.

At this point, Mayor Cline called item I2 out of order. Mayor Pro Tem Keith recused herself from hearing this item and left the Council chambers due to a conflict of interest that her residence is in proximity to the subject matter location.

E2. Update and potential discussion on Oak Court Vehicular Gate Access Restriction Agreement ([Staff Report# 16-157-CC](#))([Presentation](#))([Draft Agreement](#))

Transportation Manager Nikki Nagaya made a brief presentation.

Public Comment:

- Diane Schwalbach spoke regarding safety and holding the school district accountable for keeping access restricted
- Valerie Frederickson spoke on behalf of Laurel School families regarding transportation to school for their kids and safety
- Whitney McKiernan spoke in support of a Safe Routes to School study for Upper Laurel School and thanked the City Council for supporting safe routes initiatives
- John Higgins spoke in opposition to restricting access to allow bussing and emergency vehicle access
- James Loftus asked Council to consider flexible traffic patterns, allow access and to monitor how the bussing situation develops
- Jen Wolosin spoke regarding safety for kids getting to school when school begins and also improving communication between the City and the school district
- Caryn Wasserstein spoke in support of buses and funding for more bussing
- Todd Brahana spoke regarding the agreement between the City and the school district and the City's authority to enforce restrictions
- Tim Fox, County Counsel, addressed the school district's agreement with the City and the need to reach a balance between the students' needs and the neighborhood's concerns. He elaborated on bussing and the desire for a transportation program. The district strives to reach a mutual agreement.

Ahmad Sheikholeslami, of the Menlo Park City School District, was present and responded to Council questions.

At 9:18 p.m. Councilmember Mueller left the meeting.

City Attorney McClure will work with County Counsel to finalize the agreement forthwith.

## **F. Commissioner Reports**

### **F1. Library Commission quarterly report**

Commission Chair Lynn Bramlett was ill and not present to give the report. This item will be rescheduled to a future meeting.

## **G. Public Comment**

- Steve Van Pelt remarked on the poor sound quality of the council chambers and spoke regarding the need for data on all types of emergency vehicle access
- Fran Dehn spoke regarding the Golden Acorn Awards on September 20 at the Stanford Park Hotel and mentioned this year's winners
- Marvin Sumner expressed concern regarding code enforcement citations for existing and new improvements to their home
- Rose Bickerstaff spoke regarding Mr. Sumner code enforcement issues
- Nick Szedga, Librarian, announced the Library's 100<sup>th</sup> Anniversary Celebration on September 10

## **H. Consent Calendar**

Councilmember Ohtaki requested Item H1 and Councilmember Carlton requested that Item H7 be pulled from the Consent Calendar for further discussion.

- H1. Authorize the City Manager to enter into a consultant agreement with Noll & Tam Architects for the Library Space Needs Study Project ([Staff Report# 16-151-CC](#))
- H2. Adopt **Resolutions 6335, 6336 and 6337** authorizing the installation of no parking zones on Hamilton Avenue north of Willow Road; at Santa Cruz Avenue at University Drive; and on Curtis Way near Roble Avenue ([Staff Report# 16-154-CC](#))
- H3. Authorize the Public Works Director to accept the work performed by W. Bradley Electric Inc. for the Willow Road Traffic Signal Modification Project ([Staff Report# 16-148-CC](#))
- H4. Adopt **Resolution 6338** accepting dedication of Public Access Easements (PAE) from Menlo El Camino LLC (1285 El Camino Real) and authorize the City Manager to sign the agreements for the easement ([Staff Report# 16-149-CC](#))
- H5. Adopt **Resolution 6339** by the City Council approving an update to the Menlo Park Local Hazard Mitigation Plan Annex to the San Mateo County Hazard Mitigation Plan ([Staff Report# 16-140-CC](#))
- H6. Adopt **Resolution 6340** authorizing the annual destruction of obsolete records ([Staff Report# 16-152-CC](#))
- H7. Waive second reading and adopt an ordinance amending Menlo Park Municipal Code Section

8.28.130(5) including drones and unmanned aircraft in the list of prohibited park activities excepting Emergency Services drones and amending Section 1.12.010(b) to provide that a violation of Section 8.28.130(5) shall be treated as an infraction ([Staff Report# 16-153-CC](#))

- H8. Waive second reading and adopt **Ordinance 1018** correcting an error in the Municipal Code text for the R-1\_S (FG) Zoning District ([Staff Report# 16-156-CC](#))

**ACTION:** Motion and second (Carlton/Ohtaki) to approve all items on the Consent Calendar except H1 and H7 passes 4-0 (Councilmember Mueller is absent).

Regarding item H1, Councilmember Ohtaki expressed interest in having the consultant review library needs in Belle Haven.

**ACTION:** Motion and second (Ohtaki/Carlton) to authorize the City Manager to enter into a consultant agreement with Noll & Tam Architects for the Library Space Needs Study Project with a friendly amendment by Councilmember Ohtaki to extend the contract to include an assessment of library needs in Belle Haven passes 4-0 (Councilmember Mueller is absent).

Regarding item H7, City Attorney McClure confirmed that the ordinance covers the take-off and landing of drones only and that airspace is regulated by the FAA.

**ACTION:** Motion and second (Ohtaki/Carlton) to waive second reading and adopt **Ordinance 1017** amending Menlo Park Municipal Code Section 8.28.130(5) including drones and unmanned aircraft in the list of prohibited park activities excepting Emergency Services drones and amending Section 1.12.010(b) to provide that a violation of Section 8.28.130(5) shall be treated as an infraction passes 4-0 (Councilmember Mueller is absent).

## I. Regular Business

- I1. Consider approval of the terms of an agreement between the City of Menlo Park and the Menlo Park Police Sergeants' Association and approve a resolution to amend the citywide salary schedule effective September 4, 2016 ([Staff Report# 16-137-CC](#))([Presentation](#))

Human Resources Manager Lenka Diaz made a presentation.

**ACTION:** Motion and second (Ohtaki/Carlton) to approve the terms of an agreement between the City of Menlo Park and the Menlo Park Police Sergeants' Association and approve **Resolution 6341** to amend the citywide salary schedule effective September 4, 2016 passes 4-0 (Councilmember Mueller is absent).

## J. Informational Items

Police Commander Dave Bertini gave a brief update on each of the following items:

- J1. Biannual review of data captured by Automated License Plate Readers (ALPR) for the period beginning February 1, 2016 through July 31, 2016 ([Staff Report# 16-141-CC](#))
- J2. Biannual review of Taser program for the period beginning January 1, 2016 and ending July 31, 2016 ([Staff Report# 16-139-CC](#))

It was suggested that in the future these reports may be placed on the Consent Calendar or

provided through the Council Digest.

**K. City Manager's Report**

There was no report this meeting.

**L. Councilmember Reports**

Councilmember Ohtaki inquired whether staff can track issues that result in delays to the permitting process and find solutions before the biennial review of the Specific Plan. Councilmember Carlton spoke regarding online permitting.

Mayor Cline spoke regarding Congresswoman Jackie Speier's visit and meeting regarding affordable housing in Menlo Park.

**M. Adjournment**

Mayor Cline adjourned the meeting at 10:18 p.m.

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**STAFF REPORT**

**City Council**

**Meeting Date:**

**9/13/2016**

**Staff Report Number:**

**16-168-CC**

**Regular Business:**

**Consider the Term Sheet for the Station 1300  
Project Development Agreement**

**Recommendation**

Staff recommends that the City Council approve the proposed Term Sheet for the Station 1300 project Development Agreement (Attachment A).

**Policy Issues**

Review of complex development projects is designated as Item #2 of the Council Work Plan for 2016. The proposed project will require the Planning Commission and City Council to comprehensively consider the requested land use entitlements, such as architectural control, right-of-way actions, and a Below Market Rate (BMR) Housing agreement, along with the public benefits associated with the Development Agreement. The Commission and Council will concurrently consider the project's Final Environmental Impact Report (EIR). At this time, staff is requesting the Council's input and approval of the Term Sheet for the Development Agreement associated with the project.

**Background**

Greenheart Land Company ("Greenheart") is proposing to redevelop a multi-acre site on El Camino Real and Oak Grove Avenue with up to 217,000 square feet of non-residential uses and approximately 183 dwelling units. The project would demolish the existing structures in the southern portion of the site and construct approximately 420,000 square feet of mixed uses. In total, the project would include three mixed-use buildings, an underground parking garage, a surface parking lot, onsite linkages, and landscaping. The uses at the project site would include approximately 188,900 to 199,300 square feet of non-medical office space in two buildings, approximately 202,100 square feet of residential space in one building, and between 18,600 and 29,000 square feet of community-serving space throughout the proposed office and residential buildings. The project would provide approximately 1,000 parking spaces within the underground parking garage and small surface parking lot.

The project is proposing development at the Public Benefit Bonus level, which allows additional development beyond the base intensity and height in exchange for providing additional benefits to the public. The applicant's initial Public Benefit proposal (a cash contribution to the pending El Camino Real/Downtown Specific Plan Public Amenity Fund, in the amount of \$2,100,000) has been reviewed by the Planning Commission and City Council, and on July 19, 2016 the City Council appointed Council Members Carlton and Ohtaki to a Subcommittee to assist staff in negotiating the Public Benefit associated with the project.

## **Analysis**

A Development Agreement is a contract between the City of Menlo Park and a project sponsor that delineates the terms and conditions of a proposed development project. A Development Agreement allows a project sponsor, in this case Greenheart, to secure vested rights, and it allows the City to secure certain benefits that it might not otherwise be entitled to obtain. The City Council is not obligated to approve a Development Agreement, but if the City Council does want to approve a Development Agreement, the terms of the Development Agreement need to be acceptable to both parties; one party cannot impose terms on the other party.

After the July 19 appointment of the Council Subcommittee, City staff, including the City Manager, Assistant City Manager, and Contract City Attorney, met with the Council Subcommittee to determine the key parameters for the negotiation of public benefits as part of the Development Agreement. Subsequently, staff negotiated with Greenheart and consulted with the Council Subcommittee. The attached Term Sheet letter from Greenheart (Attachment A) is the outcome of the public benefit negotiation process.

### ***Development Agreement Term Sheet***

The Term Sheet reflects the mutually agreed upon terms between Greenheart and the City's negotiating team. The term sheet outlines public benefits for the community and is in addition to the required mitigation measures, which were determined by the Draft EIR and which will be included in the mitigation monitoring and reporting program for the development proposal. The Council Subcommittee has reviewed and generally supports the proposed Term Sheet.

#### 1. Cash Contribution

The initial proposal to provide a \$2,100,000 cash contribution to the El Camino Real/Downtown Specific Plan Public Amenity Fund has not changed. These funds would be available to support transportation, public space, or similar improvements in the Specific Plan area.

#### 2. Affordable Units

The project is required by the current BMR requirements to provide 10 BMR units that are affordable to individuals at the low-income level, as designated for San Mateo County. The applicant initially proposed that this requirement be met by a combination of five large one-bedroom units and five two-bedroom units. The proposal has been revised to consist of eight small one-bedroom units, three large one-bedroom units, and three two-bedroom units, which is a total of 14 BMR units, all at the low-income level.

In addition, the applicant is proposing to designate six additional small one-bedroom units as "workforce" housing. These units would be leased at rents affordable for persons at 100 percent of median income, with eligibility to include persons up to moderate (120 percent of median) income. Workforce housing is not a formal designation under the City's current BMR program, but it would represent one way to provide housing that is affordable to community members such as teachers and other public employees.

The revised total number of 20 affordable units would represent over 10 percent of the total residential units proposed as part of the project.

#### 3. Sales Tax

The project would include 18,600 and 29,000 square feet of community-serving uses, which include retail, personal service, and similar active uses. These would be located on the ground floor of both the El Camino Real and Oak Grove Avenue buildings, helping enliven those frontages. In order to ensure that these tenant spaces are occupied by a healthy mix of retail tenants, the applicant is guaranteeing \$83,700 in sales tax per year. This guarantee would commence two years after the final building is occupied, in order to allow for

initial leasing to be completed, and would be adjusted yearly by the area CPI (Consumer Price Index). The \$83,700 guarantee is based on the minimum 18,600 square feet generating an average City sales tax of \$4.50/square foot, which staff believes represents what a typical mix of restaurants, retail, personal services, and similar uses should generate at this location.

4. Marketing to Incubator/Accelerator/Co Working Tenants.

The applicant is proposing to market the office space to incubator/accelerator/co-working entities, which could help the City attract more innovative businesses. This marketing obligation would not apply if the entire office space is rented to a single tenant.

5. Dog Park

The project initially included a bocce court area along the Garwood Way frontage. The applicant is proposing to replace these features with a fenced dog park, which would likely be of greater public use.

6. Assurances Regarding New City Fees.

Similar to provisions included in previous development agreements, the City agrees to provide Greenheart assurances as to certain changes in fees and applicable laws, in exchange for the negotiated benefits. The Project will not be subject to any new impact fees, including BMR fees, or any equivalent in-kind obligation, for a three-year period. The applicant can pay a fee to the City to obtain up to two annual extensions. The assurances regarding no imposition of new fees shall not limit the City from imposing increases to existing City and Specific Plan Area impact fees.

7. Building Permits.

The building code provisions that are applicable to the first building permit shall be applicable to the remaining building permits, as long as substantial time hasn't passed between the permits. This would allow the multi-phase construction project to be conducted under a consistent building code review process.

8. Term of the Development Agreement.

The Term shall be 10 years, with the understanding that the BMR units will be subject to a separate agreement with a 55-year term.

**Impact on City Resources**

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

**Environmental Review**

A Draft EIR has been prepared for the project. The public comment period on the Draft EIR closed on April 4, 2016, and staff and the City's CEQA consultant have since been working on responses to comments. Once the responses and revisions are complete, the Final EIR will be released, consisting of the Responses to Comments plus the Draft EIR. The Final EIR will be considered by the Planning Commission and City Council concurrent with the final project actions.

**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. Station 1300 – Development Agreement Term Sheet, Greenheart

Report prepared by:

Thomas Rogers, Principal Planner



September 8, 2016

VIA E-MAIL

The Honorable Rich Cline  
Mayor of the City of Menlo Park,  
and City Councilmembers  
701 Laurel Street  
Menlo Park, CA 94025

Re: Station 1300 – Development Agreement Term Sheet

Dear Mayor Cline and Councilmembers:

We are pleased to present you with the proposed Development Agreement Term Sheet identifying the proposed Public Benefits for the Station 1300 Project. The terms set forth below were negotiated and agreed upon with the City's negotiating team over multiple meetings.

The Station 1300 Project includes two office buildings, 183 rental apartments, and community-serving uses located in both office buildings and the residential building. In addition to the benefits described in the Term Sheet below, the Project includes a variety of inherent public benefits including plazas and a park that will be privately maintained and open to the public, provision of on-site BMR units, the extension of Garwood Way, and enhanced environmental sustainability features. In addition to these inherent benefits, the Development Agreement Term Sheet provides for additional public benefits, set forth below:

1. Cash Contribution. Greenheart will make a one-time payment to the City's Downtown Public Amenity Fund in the amount of \$2.1 million.
2. Affordable Units. Greenheart will provide the following mix of BMR units available at the low income level: two bedrooms: 3 units; large one bedroom: 3 units; small one bedroom: 8 units.

In addition, the residential component of the Project will include "workforce" units as follows: small one bedroom: 6 units.

The workforce units to be provided will be leased at rents not to exceed rents affordable for persons at 100% of median income, with eligibility to include persons up to moderate (120% of median) income. Rent shall be calculated as 30% of 100% of median income for households equal to one person per bedroom plus one person.

3. Sales Tax. Beginning two years after occupancy is allowed for the final building, Greenheart will guarantee that the Project will generate a minimum of \$83,700 in sales tax revenue per year, and will reimburse City on an annual basis for any shortfall below this amount. The guarantee amount shall be adjusted annually based on the Consumer Price Index, San Francisco Area, and the guarantee obligation shall continue until the expiration of the Development Agreement Term. For the purposes of calculating whether the Project has met the minimum sales tax guarantee in any given year, any sales tax generated by office space tenants shall be included in the calculation of sales tax revenue per year.

4. Marketing to Incubator/Accelerator/Co-Working Tenants. Prior to the approval of the Development Agreement, Greenheart will develop a plan for marketing office space to incubator/accelerator/co-working entities, and submit such plan to the City, and thereafter shall make a good-faith effort to implement such plan and market the space to such users for at least the Term of the Development Agreement. The sole exception to this marketing obligation shall be in the event the entire office space is leased to a single tenant, in which case there shall be no obligation to market to incubator, accelerator and co-working users.

5. Dog Park. Greenheart will replace the bocce courts with a fenced dog park to be available for public use.

6. Assurances Regarding New City Fees. The Project will not be subject to any new impact fees, including BMR fees, or any equivalent in-kind obligation, provided that a substantially complete permit application for the first building (underground parking garage) is filed with the City within three years, and such permit is issued within no more than six months after the end of the three year period. In the event Greenheart wishes to extend this protection from imposition of new fees, it may pay a fee to the City to obtain up to two annual extensions.

The assurances regarding no imposition of new fees shall not limit the City from imposing increases to existing City and Downtown Specific Plan area impact fees.

7. Building Permits. The building code provisions that are applicable to the first complete building permit filed with the City shall be the code provisions applicable to the remaining permits for the construction of the Project as long as substantial time has not passed between permit filings.

8. Term of the Development Agreement. The Term of the Development Agreement shall be 10 years, with the understanding that the BMR units provided under paragraph 2 shall be subject to a separate agreement with a 55-year term.

Thank you for your consideration, and if you have any questions, please do not hesitate to ask, or we can certainly continue our discussion at the September 13 hearing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Pierce". The signature is written in black ink and is positioned above the printed name.

Steve Pierce  
Greenheart

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**STAFF REPORT**

**City Council Meeting Date:** 9/13/2016  
**Staff Report Number:** 16-169-CC

**Informational Item:** Review of the City’s Investment Portfolio as of June 30, 2016

**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 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.

**Analysis**

Investment Portfolio as of June 30, 2016

The historical (book) value of the City’s total portfolio at the end of June was over \$112.6 million. Cash is invested in accordance with the City’s Investment Policy, which strives to attain the highest yield obtainable following established criteria for safety and liquidity. The make-up of the portfolio can be seen in Table 1:

Table 1: Recap of Securities Held			
Security	Historical Cost	Fair Value	% of Portfolio
LAIF (cash)	\$51,044,461	\$51,044,461	45.3%
Corporate Bonds	\$23,988,832	\$23,823,122	21.2%
Government Agencies	\$25,086,321	\$25,142,389	22.3%
Government Bonds	\$12,510,039	\$12,536,023	11.1%
Government Mortgage Backed	\$88,377	\$83,860	0.1%
<b>Total</b>	<b>\$112,718,029</b>	<b>\$112,629,854</b>	<b>100.0%</b>

The Local Agency Investment Fund (LAIF) is considered a safe investment as it provides the liquidity of a money market fund. The majority of the remaining securities are prudent and secure short-term investments (1-3 years), bearing a higher interest rate than LAIF and provide investment diversification.

As can be seen in Table 1, the fair value (market value) of the City’s securities was \$88,175 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. It is important to note that any unrealized loss or gain does not represent an actual cash transaction to the City, as the City generally holds securities to maturity to avoid market risk.

Current Market Conditions in the U.S.

The final estimate of Gross Domestic Product (GDP) showed that the economy grew at a 1.1% rate during the first quarter of 2016. The report showed that consumer spending accelerated during the first quarter, while business investment lagged behind. The upward revision marks the second consecutive positive revision for the first quarter. On an annual basis, GDP growth was 2.1%.

May was the weakest month for job creation in over five years as only 38,000 jobs were added to the workforce. The April jobs report was also revised downward to 123,000 from the original estimate of 160,000. The unemployment rate in May fell to 4.7% as the labor force participation rate dropped to 62.6%. Labor participation has now declined for two consecutive months after six months of growth. The unemployment rate remained at 9.7% and the wages increased slightly.

Existing home sales increased 1.8% in May after increasing 1.3% in April. New home sales however, retreated, falling 6.0% after a 12.3% increase in April. Home prices continue to rise across the United States.

Fed governors indicated that the economy may warrant an interest rate increase at some point this summer. However, the Fed meeting took place before the United Kingdom voted to exit the European Union, which led to market uncertainty.

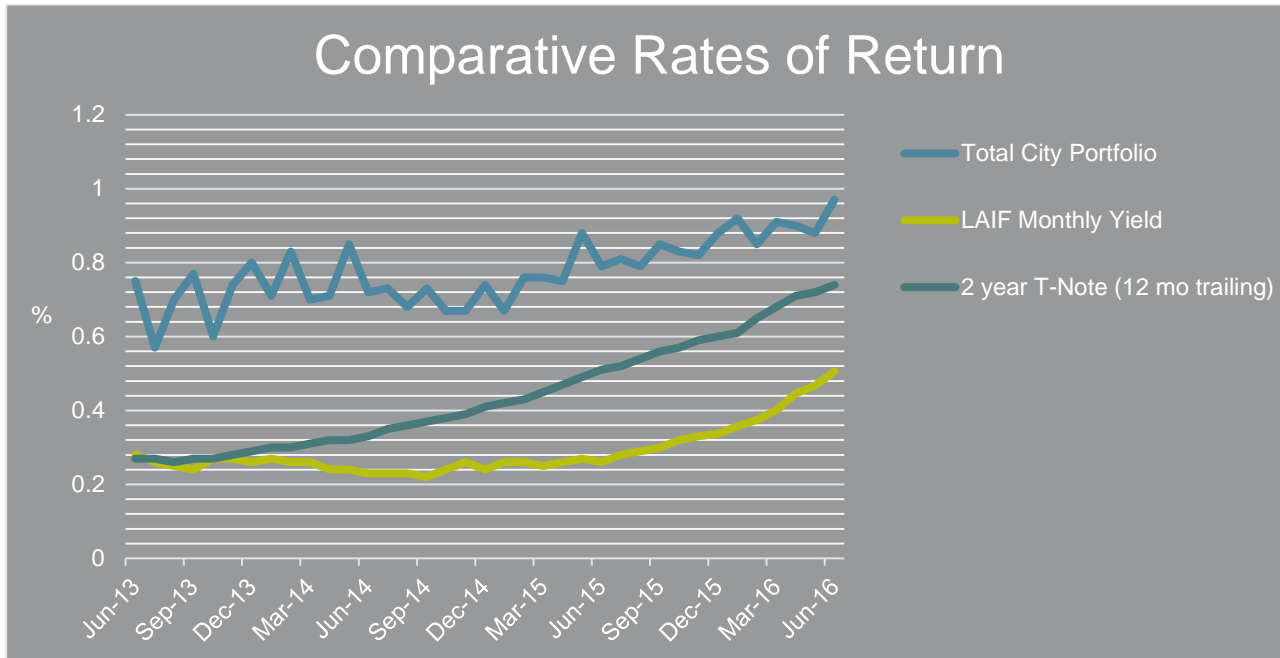
Investment Yield

The annualized return on the City’s term portfolio as of June 30, 2016, was 0.88% net of fees. This quarter’s return is down slightly from the previous quarter which had a net return of 0.97%. The current quarter’s return is higher than both the 2-year Treasury note paying 0.58% and the rate of return earned through LAIF over the past quarter which was 0.55%.

Table 2: Investment Yield		
Term	March 31, 2016	June 30, 2016
3-month	0.2	0.26
6-month	0.38	0.35
2-year	0.72	0.58
5-year	1.21	0.99
10-year	1.77	1.44



As previously stated, approximately 45 percent of the portfolio resides in the City’s LAIF account, yielding 0.55 percent for the quarter ended June 30, 2016. While LAIF is a good investment option for funds needed for liquidity, the City’s investment of excess funds in other types of securities 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.



Fees paid to Insight Investment (totaling \$12,171 for the quarter ended June 30, 2016) 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

During the second quarter of 2016, staff obtained guidance from the City’s investment advisors (Insight Investments) to make prudent investment decisions that follow the City’s investment policy. Insight provided the Finance and Audit Committee with a quarterly report of the City’s investment portfolio at its August 25, 2016 meeting. During the report, Insight informed the Committee that it will be looking at future investment opportunities to further diversify the City’s portfolio by purchasing investments with longer maturity dates.

Table 3 on the following page, includes all of the investment transactions that occurred during the second quarter of 2016.



Table 3: Investment Transactions						
Date	Transaction	Description	Term	% Yield	Principal	
4/1/2016	Maturity	CATERPILLAR FINANCIAL		1.00	2.65	\$ 2,000,000
4/15/2016	Call	FREDDIE MAC		1.00	6.00	21,839
4/29/2016	Maturity	FANNIE MAE		2.50	1.10	2,000,000
5/3/2016	Purchase	FEDERAL HOME LOAN BANK		2.80	1.25	2,012,100
5/16/2016	Call	FREDDIE MAC		1.00	6.00	15,353
5/19/2016	Maturity	GOOGLE INC		1.00	2.13	1,000,000
5/24/2016	Purchase	FREDDIE MAC		3.00	1.25	999,250
6/15/2016	Call	FREDDIE MAC		0.80	6.00	22,029
6/29/2016	Maturity	FEDERAL HOME LOAN BANK		1.00	1.00	2,000,000
6/30/2016	Purchase	FEDERAL HOME LOAN BANK		2.50	1.75	\$ 1,995,819

### 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.

### 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. Quarterly Consolidated Portfolio report for the quarter ended June 30, 2016
- B. Insight Investments report for the quarter ended June 30, 2016
- C. LAIF Quarterly report for the period ended June 30, 2016

Report prepared by:  
Rosendo Rodriguez, Finance and Budget Manger

# City of Menlo Park

## Quarterly Consolidated Portfolio Report

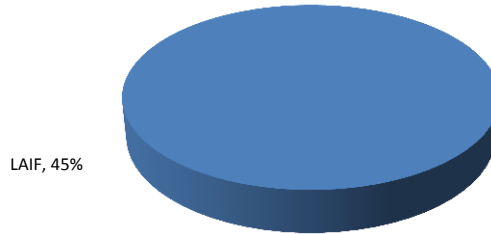
### June 30, 2016

#### City Managed Assets

	\$		%	Return
LAIF	\$ 51,044,461	45%	0.57%	
<b>Total Internally Managed</b>	<b>\$ 51,044,461</b>	<b>45%</b>		

**Weighted Average Yield** **0.57%**

	Days
Effective Average Duration - Internal	1
Weighted Average Maturity - Internal	1

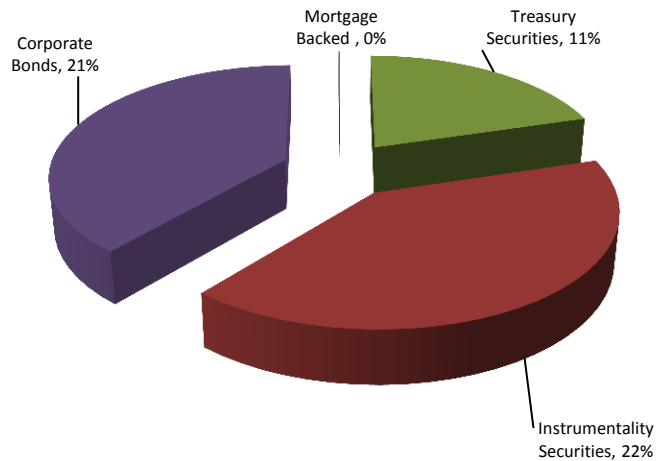


#### Advisor Managed Assets

	\$		%	Return
Treasury Securities	\$ 12,536,023	11%	0.85%	
Instrumentality Securities	\$ 25,142,389	22%	1.01%	
Corporate Bonds	\$ 23,823,122	21%	1.10%	
Mortgage Backed	\$ 83,860	0%	2.31%	
<b>Total Externally Managed</b>	<b>\$ 61,585,393</b>	<b>55%</b>		

**Weighted Average Yield** **1.01%**

	Years
Effective Average Duration - External	1.24
Weighted Average Maturity - External	1.32

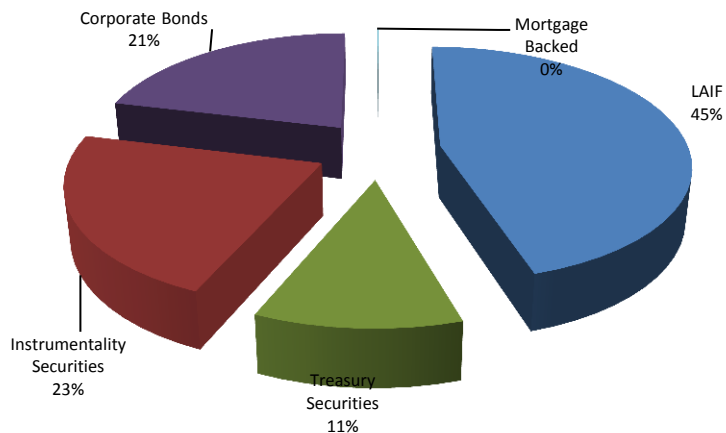


#### Total Portfolio Assets

	\$		%	Return
LAIF	\$ 51,044,461	45%	0.57%	
Treasury Securities	\$ 12,536,023	11%	0.85%	
Instrumentality Securities	\$ 25,142,389	22%	1.01%	
Corporate Bonds	\$ 23,823,122	21%	1.10%	
Mortgage Backed	\$ 83,860	0%	2.31%	
<b>Total Portfolio Assets</b>	<b>\$ 112,629,854</b>			

**Weighted Average Yield** **0.81%**

	Years
Effective Average Duration - Total	1.13
Weighted Average Maturity - Total	1.17



#### Portfolio Change

Beginning Balance	\$	101,036,221
Ending Balance	\$	112,629,854

\* Note: All data for external assets was provided by the client and is believed to be accurate.

Insight Investment does not manage the external assets and this report is provided for the client's use.

Market values are presented.

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# ATTACHMENT B

FOR PROFESSIONAL CLIENTS ONLY  
NOT TO BE DISTRIBUTED TO RETAIL CLIENTS

THIS DOCUMENT SHOULD NOT BE REPRODUCED IN  
ANY FORM WITHOUT PRIOR WRITTEN APPROVAL

## CITY OF MENLO PARK

June 2016

➤ A BNY MELLON COMPANY<sup>SM</sup>



# ACTIVITY AND PERFORMANCE SUMMARY

For the period April 1, 2016 - June 30, 2016

<u>Amortized Cost Basis Activity Summary</u>		
<b>Opening balance</b>		63,461,004.43
Income received	199,268.62	
<b>Total receipts</b>		199,268.62
Participant withdrawals	(0.01)	
<b>Total disbursements</b>		(0.01)
Interportfolio transfers	(2,251,320.55)	
<b>Total Interportfolio transfers</b>		(2,251,320.55)
Realized gain (loss)		(1,482.19)
<b>Total amortization expense</b>		(38,572.04)
<b>Total OID/MKT accretion income</b>		5,433.63
Return of capital		0.00
<b>Closing balance</b>		61,374,331.89
<b>Ending fair value</b>		61,585,393.07
Unrealized gain (loss)		211,061.18

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Corporate Bonds	89,132.47	(23,458.38)	0.00	65,674.09
Government Agencies	70,387.66	(9,347.58)	(664.21)	60,375.87
Government Bonds	26,459.91	58.75	0.00	26,518.66
Government Mortgage Backed Securities	1,529.77	(391.20)	(817.98)	320.59
<b>Total</b>	<b>187,509.81</b>	<b>(33,138.41)</b>	<b>(1,482.19)</b>	<b>152,889.21</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* Three month trailing
Fed Funds	0.26	0.18	0.09
Overnight Repo	0.32	0.22	0.11
Merrill Lynch 3m US Treas Bill	0.16	0.13	0.06
Merrill Lynch 6m US Treas Bill	0.27	0.18	0.08
ML 1 Year US Treasury Note	0.48	0.28	0.14
ML 2 Year US Treasury Note	0.78	0.40	0.19
ML 5 Year US Treasury Note	1.45	0.65	0.30

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	187,509.81
Accretion (amortization)	(33,138.41)
Realized gain (loss) on sales	(1,482.19)
Total income on portfolio	152,889.21
Average daily amortized cost	61,255,424.99
Period return (%)	0.25
YTD return (%)	0.50
Weighted average final maturity in days	481



# ACTIVITY AND PERFORMANCE SUMMARY

For the period April 1, 2016 - June 30, 2016

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		63,599,682.64
Income received	199,268.62	
<b>Total receipts</b>		199,268.62
Participant withdrawals	(0.01)	
<b>Total disbursements</b>		(0.01)
Interportfolio transfers	(2,251,320.55)	
<b>Total Interportfolio transfers</b>		(2,251,320.55)
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		37,762.37
<b>Ending fair value</b>		61,585,393.07

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Corporate Bonds	89,132.47	(30,283.95)	58,848.52
Government Agencies	70,387.66	54,038.55	124,426.21
Government Bonds	26,459.91	15,280.50	41,740.41
Government Mortgage Backed Securities	1,529.77	(1,272.73)	257.04
<b>Total</b>	<b>187,509.81</b>	<b>37,762.37</b>	<b>225,272.18</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* Three month trailing
Fed Funds	0.26	0.18	0.09
Overnight Repo	0.32	0.22	0.11
Merrill Lynch 3m US Treas Bill	0.19	0.15	0.07
Merrill Lynch 6m US Treas Bill	0.52	0.41	0.20
ML 1 Year US Treasury Note	0.59	0.65	0.29
ML US Treasury 1-3	1.31	1.43	0.53
ML US Treasury 1-5	2.43	2.39	0.81

\* rates reflected are cumulative

<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	187,509.81
Change in fair value	37,762.37
Total income on portfolio	225,272.18
Average daily total value *	61,583,276.10
Period return (%)	0.37
YTD return (%)	1.16
Weighted average final maturity in days	481

\* Total value equals market value and accrued interest

# ADDITIONAL INFORMATION

## As of June 30, 2016

Past performance is not a guide to future performance. 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. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. 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 Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

Investment advisory services in North America are provided through four different SEC-registered investment advisers using the brand Insight Investment: Cutwater Asset Management Corp. (CAMC), Cutwater Investor Services Corp. (CISC), Pareto New York LLC (PNY) and Pareto Investment Management Limited (PIML). The North American investment advisers are associated with a broader group of global investment managers that also (individually and collectively) use the corporate brand Insight Investment and may be referred to as Insight, Insight Group or Insight Investment.

Both CISC and CAMC are investment advisers registered with the Securities and Exchange Commission (SEC), under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. You may request, without charge, additional information about Insight. Moreover, specific information relating to Insights strategies, including investment advisory fees, may be obtained from CAMCs and CISCs Forms ADV Part 2A, which are available without charge upon request.

Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. CAMC and CISC charge management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with either CAMC or CISC, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. CAMCS and CISC's investment advisory fees are discussed in Part 2A of the Firms Form ADV.

Unless otherwise stated, the source of information is Insight. Any forecasts or opinions are Insights own at the date of this document (or as otherwise specified) and may change. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security. Insight makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives and should not be construed to be an assurance that any particular security in a strategy will remain in any fund, account, or strategy, or that a previously held security will not be repurchased. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moodys, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moodys and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategys holdings may differ substantially from the securities that comprise the indices shown.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

Insight does not 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.

# ADDITIONAL INFORMATION

## As of June 30, 2016

Insight is a group of wholly owned subsidiaries of The Bank of New York Mellon Corporation. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. Products and services may be provided under various brand names and in various countries by subsidiaries, affiliates and joint ventures of The Bank of New York Mellon Corporation where authorized and regulated as required within each jurisdiction. 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.

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BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name

MENLO PARK

As of 07/15/2016, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2016.

Earnings Ratio		.00001495296852820
Interest Rate		0.55%
Dollar Day Total	\$	4,168,735,212.86
Quarter End Principal Balance	\$	50,982,125.58
Quarterly Interest Earned	\$	62,334.97

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## STAFF REPORT

### City Council

**Meeting Date:** 9/13/2016  
**Staff Report Number:** 16-161-CC

**Informational Item:** Zero Waste Plan update

### Recommendation

This is an informational item and no action is required.

### Policy Issues

The Community Zero Waste Policy Draft is item number four in the adopted 2016 Menlo Park City Council Work Plan. Funding for the project was included in the Capital Improvement Program (CIP) project budget for Fiscal Year (FY) 2016-17. This is consistent with implementing the City's five-year Climate Action Plan Strategy, and will help in achieving the City Council adopted target of reducing community-wide Greenhouse Gas (GHG) emissions by 27% by 2020 from 2005 levels.

### Background

City Council approved the budget and signature authority for a consultant contract for the Zero Waste Plan in June 2016. The R3 Consulting team (R3) was selected through a competitive proposal process, and the team and City staff began meeting in August 2016.

Zero Waste is generally defined as 90% overall diversion of non-hazardous materials from landfill and incineration, wherein discarded materials are reduced, reused, recycled, or composted. The Zero Waste Plan will provide a guide to residential, commercial, and City programs to be put in place to achieve zero waste.

As approved by City Council, two projects: 1) Zero Waste Plan, and 2) Rate Structure Study were combined under one contract. This will provide a natural flow from the community's Zero Waste Plan into the anticipated costs, possible phasing in of additional programs, and the rate structure needed to meet current and future obligations.

### Analysis

The R3 team submitted a lengthy request for information (RFI) to the City, which helped to gather background data needed to begin the project. This data included what type of waste diversion programs the City already provides, the City's compliance with State recycling targets, and financial information which will be helpful in the rate structure study portion of the project.

A series of public engagement workshops are planned on the Zero Waste topic beginning late this fall. Community members (residents and businesses) will be invited to attend these workshops in order to help the City create a community-wide Zero Waste Plan tailored specifically to Menlo Park. This planning effort will aim to reduce waste sent to the landfill and support the City in continuing to make strides as a leader in sustainability. Staff is seeking to hold some workshops in the civic center area and some workshops in the

Belle Haven neighborhood. The topics of the workshops are as follows:

**Workshop #1** – Understanding Current Programs and Policies

The first workshop will present Menlo Park's current solid waste policies and programs implemented in partnership with the current waste hauler, Recology, and invite input from participants on future programs and policies to achieve zero waste. Selected examples of current programs include: a) curbside collection of recyclable materials and all compostable food and yard trimmings, b) biannual electronic waste and document shredding events, c) on-call bulky waste curbside collection, d) home composting classes, e) free monthly compost giveaway at Bedwell Park, and f) annual re-used Coats for Kids collection program curbside and at City facilities.

**Workshop #2** – Zero Waste Opportunities & Analysis

In the second workshop, participants will be presented with an analysis of opportunities for residents, businesses and others to keep waste out of the landfill, and will have the opportunity to comment on a preliminary menu of zero waste strategy options.

**Workshop #3** – Economic Analysis of Programs & Policies

The third workshop will present an economic analysis of each proposed policy, program and initiative, and an implementation plan for achieving zero waste. The draft Zero Waste Plan will be discussed at the third workshop for community feedback.

The draft Zero Waste Plan will then go to the City's Environmental Quality Commission (EQC) for review, before being presented to City Council.

After the Zero Waste workshops are complete, the R3 team will also prepare a series of rate structure workshops to engage the public in discussions regarding the City's solid waste collection rates in preparation for a report to City Council. The rate structure workshops are being planned for late winter 2016 or spring 2017.

**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:

Heather Abrams, Sustainability Manager





## STAFF REPORT

### City Council

**Meeting Date:** 9/13/2016  
**Staff Report Number:** 16-160-CC

**Informational Item:** Electric Vehicle (EV) Charger Program three month update

### Recommendation

This is an informational item and no action is required.

### Policy Issues

Install EV charging stations as part of the Climate Action Plan is item five of the adopted 2016 Menlo Park City Council Work Plan. Installing Electric Vehicle (EV) Charging Stations is consistent with implementing the City's five-year Climate Action Plan Strategy, and will help in achieving the City Council adopted target of reducing community-wide Greenhouse Gas (GHG) emissions by 27% by 2020 from 2005 levels.

### Background

Menlo Park installed four EV chargers in June 2016 for public use. Two chargers were installed at the Civic Center parking lot (i.e. Burgess Park campus) and two at the downtown parking lot on Crane Street and Oak Grove Avenue (Parking Plaza 2). Each of Menlo Park's EV chargers has two full-power charging ports (i.e. charger heads), therefore each charger can charge two EVs at one time. These EV chargers are meant to supplement EV charging available at EV owner's homes and local business parking areas.

The City's chargers are estimated to reduce 50 tons of GHG emissions, which supports the City's GHG reduction target.

The City's EV chargers were partially funded by a California Energy Commission (CEC) grant administered through the Bay Area Climate Collaborative (BACC), and they have the ability to charge users a fee for electricity. In order to better evaluate the usage and to better predict what the electricity expense will be to the City, the City has planned to operate the EV chargers at no cost to EV drivers for the first six months of the program.

### Analysis

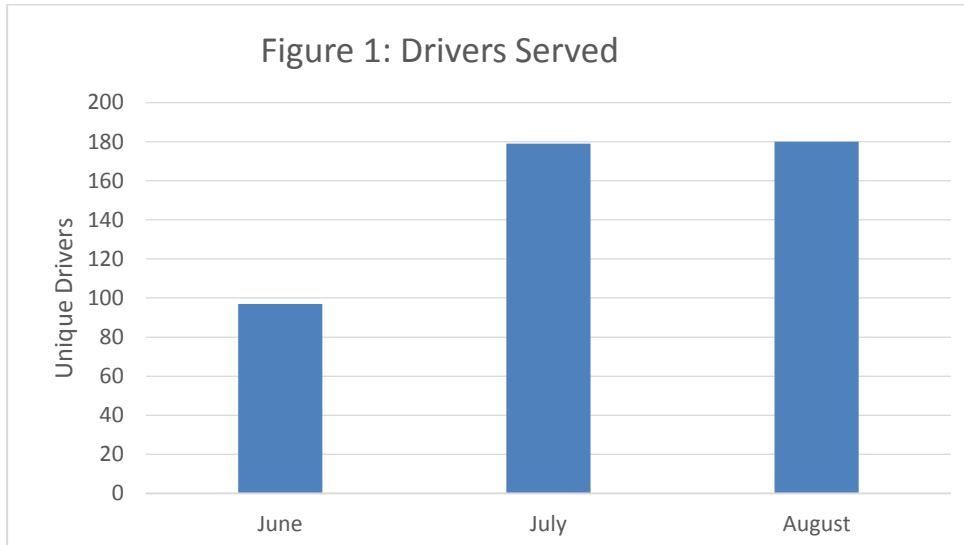
The first 90 days report is positive. Reviews of the EV chargers have been positive and no maintenance issues have been reported for the stations. One power outage temporarily stopped usage of Parking Plaza 2's stations in June, and this was not due to error at the stations but loss of power to the parking lot electrical box.

Month over month, the number of individual drivers served, and electricity used, has been increasing. As a result, the estimated amount of gasoline saved is also increasing month over month, which translates to less GHG emissions and less local air pollutants. Currently, EV drivers enjoy ready access to the chargers, utilization averages approximately 30% and is increasing each month. As more drivers use the EV chargers

we may see increased demand for additional chargers.

**EV Drivers Served**

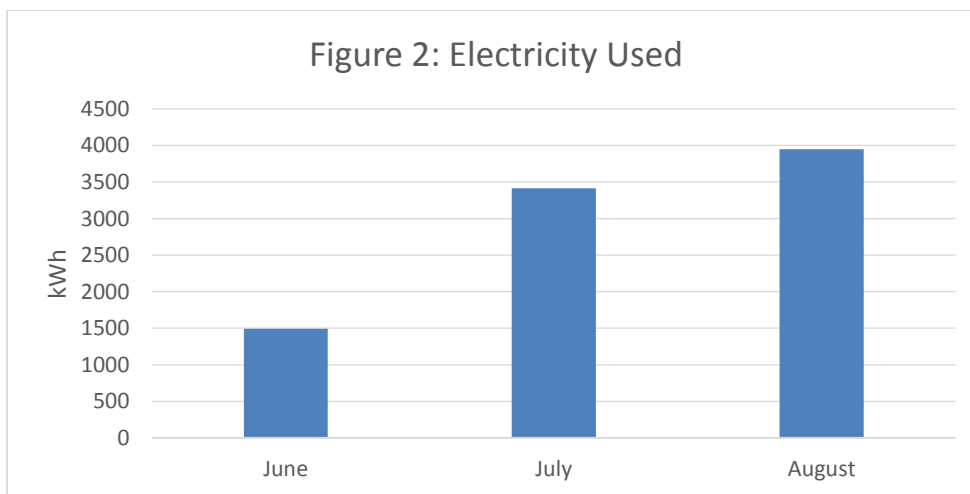
The number of unique drivers served is increasing each month. In June, 97 unique drivers were served, 179 in July, and 180 in August.



The average charging session was two hours with the highest frequency of charging session length being 30 minutes and the longest charging session being seven hours. This indicates that EVs are not currently over-staying parking time limits while charging at Parking Plaza 2.

**Electricity Demand**

Electricity used increased during the first 90 days due to driver's use of the EV Chargers. The total amount of energy used for all four stations was 8.851 MWh. In June, the stations used 1,491.704 kWh, in July the stations used 3,412.378 kWh, and in August they used 3,947.21 kWh.

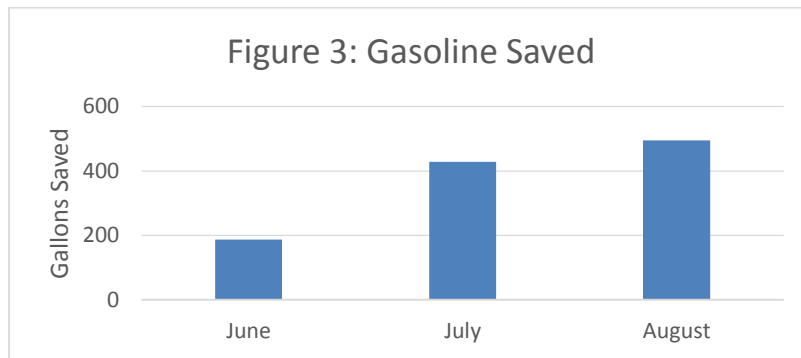


Based on the number of kilowatt hours (kWh) used and an average price of electricity for the City, the

financial impact of supplying the energy is estimated to be \$1,800 for all eight EV charger ports for the first 90 days, or approximately \$74 per month per charger port. However, it is too early to exactly predict the financial impact of providing electricity for the EV chargers at no cost to drivers, because the City pays different electricity rates depending on the meter location and time of use, electricity is billed one month after the electricity is used, and usage is growing.

**Gasoline Saved**

Usage of the EV Chargers represents a savings in gasoline use, a reduction in GHG emissions, and a reduction in local air pollutants for the Menlo Park community. The amount of gasoline saved as a result of the City’s EV chargers has increased in each month of operation. In June, 187.2 gallons of gasoline were saved, in July 428.3 gallons were saved, and in August 495.4 gallons were saved for a total of 1,110.9 gallons of gasoline saved in the first 90 days of operation.



Staff plans to continue to monitor usage, gasoline savings, and electricity costs on an on-going basis. Based on the EV charger data to-date, the program appears to be successful.

**Impact on City Resources**

The City is currently providing electricity to all eight charger ports at no cost to drivers. The current cost of supplying this electricity is approximately \$74 per month per port. The City Council may choose to begin requiring payment for electricity supplied through its EV chargers at a later date. If the electricity cost impacts the City’s total electricity budget, the budget may be updated as part of the City’s regular mid-year or annual budget 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**

None

Report prepared by:  
Heather Abrams, Sustainability Manager  
Beverly Perez, Sustainability Assistant

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Phone: 916.658.8200 Fax: 916.658.8240  
[www.cacities.org](http://www.cacities.org)

RECEIVED

August 16, 2016

AUG 24 2016

TO: Mayors, City Managers and City Clerks  
League Board of Directors

RE: Annual Conference Resolutions Packet  
Notice of League Annual Meeting

Enclosed please find the 2016 Annual Conference Resolutions Packet.

**Annual Conference in Long Beach.** This year's League Annual Conference will be held October 5 – 7 in Long Beach. The conference announcement has previously been sent to all cities and we hope that you and your colleagues will be able to join us. More information about the conference is available on the League's Web site at [www.cacities.org/ac](http://www.cacities.org/ac). We look forward to welcoming city officials to the conference.

**Closing Luncheon/General Assembly - Friday, October 7, 12:00 p.m.** The League's General Assembly Meeting will be held at the Long Beach Convention Center.

**Resolutions Packet.** At the Annual Conference, the League will consider one resolution introduced by the deadline, Saturday, August 6, 2016, midnight. The resolution is included in this packet. Resolutions submitted to the General Assembly must be concurred in by five cities or by city officials from at least five or more cities. These letters of concurrence are included with this packet. We request that you distribute this packet to your city council.

We encourage each city council to consider this resolution and to determine a city position so that your voting delegate can represent your city's position on the resolution. A copy of the resolution packet is posted on the League's website for your convenience: [www.cacities.org/resolutions](http://www.cacities.org/resolutions).

The resolutions packet contains additional information related to consideration of the resolution at the Annual Conference. This includes the date, time and location of the meetings at which the resolution will be considered.

**Voting Delegates.** Each city council is encouraged to designate a voting delegate and two alternates to represent their city at the General Assembly Meeting. A letter asking city councils to designate their voting delegate and two alternates has already been sent to each city. If your city has not yet appointed a voting delegate, please contact Meg Desmond at (916) 658-8224 or email: [mdesmond@cacities.org](mailto:mdesmond@cacities.org).

**Please Bring This Packet to the Annual Conference  
October 5 – 7, Long Beach**





***Annual Conference  
Resolutions Packet***

***2016 Annual Conference Resolutions***



***Long Beach, California***

***October 5 – 7, 2016***





## INFORMATION AND PROCEDURES

**RESOLUTIONS CONTAINED IN THIS PACKET:** The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, one resolution has been introduced for consideration by the Annual Conference and referred to the League policy committees.

**POLICY COMMITTEES:** One policy committee will meet at the Annual Conference to consider and take action on the resolution referred to them. The committee is Transportation, Communication and Public Works. The committee will meet 9:00 – 10:30 a.m. on Wednesday, October 5, 2016, at the Hyatt Regency. The sponsor of the resolution has been notified of the time and location of the meeting.

**GENERAL RESOLUTIONS COMMITTEE:** This committee will meet at 1:00 p.m. on Thursday, October 6, at the Hyatt Regency in Long Beach, to consider the report of the policy committee regarding the resolution. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president. Please check in at the registration desk for room location.

**ANNUAL LUNCHEON/BUSINESS MEETING/GENERAL ASSEMBLY:** This meeting will be held at 12:00 p.m. on Friday, October 7, at the Long Beach Convention Center.

**PETITIONED RESOLUTIONS:** For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Meeting of the General Assembly. This year, that deadline is 12:00 p.m., Thursday, October 6. Resolutions can be viewed on the League's Web site: [www.cacities.org/resolutions](http://www.cacities.org/resolutions).

Any questions concerning the resolutions procedures may be directed to Meg Desmond at the League office: [mdesmond@cacities.org](mailto:mdesmond@cacities.org) or (916) 658-8224

## **GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS**

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's eight standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

### **Guidelines for Annual Conference Resolutions**

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.
2. The issue is not of a purely local or regional concern.
3. The recommended policy should not simply restate existing League policy.
4. The resolution should be directed at achieving one of the following objectives:
  - (a) Focus public or media attention on an issue of major importance to cities.
  - (b) Establish a new direction for League policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.
  - (c) Consider important issues not adequately addressed by the policy committees and board of directors.
  - (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

## LOCATION OF MEETINGS

### **Policy Committee Meetings**

Wednesday, October 5

Hyatt Regency Long Beach

200 South Pine Street, Long Beach

**9:00 – 10:30 a.m.:** Transportation, Communication & Public Works

### **General Resolutions Committee**

Thursday, October 6, 1:00 p.m.

Hyatt Regency Long Beach

200 South Pine Street, Long Beach

### **Annual Business Meeting and General Assembly Luncheon**

Friday, October 7, 12:00 p.m.

Long Beach Convention Center

300 East Ocean Boulevard, Long Beach

**KEY TO ACTIONS TAKEN ON RESOLUTIONS**

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3

1 - Policy Committee Recommendation to General Resolutions Committee  
 2 - General Resolutions Committee  
 3 - General Assembly

**TRANSPORTATION, COMMUNICATION, AND PUBLIC WORKS POLICY COMMITTEE**

		1	2	3
1	Vision Zero			

Information pertaining to the Annual Conference Resolutions will also be posted on each committee's page on the League website: [www.cacities.org](http://www.cacities.org). The entire Resolutions Packet will be posted at: [www.cacities.org/resolutions](http://www.cacities.org/resolutions).

## KEY TO ACTIONS TAKEN ON RESOLUTIONS *(Continued)*

Resolutions have been grouped by policy committees to which they have been assigned.

### KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

### KEY TO ACTIONS TAKEN

- |     |   |
|-----|---|
| A   | Approve   |
| D   | Disapprove  |
| N   | No Action   |
| R   | Refer to appropriate policy committee for study             |
| a   | Amend+  |
| Aa  | Approve as amended+   |
| Aaa | Approve with additional amendment(s)+                       |
| Ra  | Refer as amended to appropriate policy committee for study+ |
| Raa | Additional amendments and refer+                            |
| Da  | Amend (for clarity or brevity) and Disapprove+              |
| Na  | Amend (for clarity or brevity) and take No Action+          |
| W   | Withdrawn by Sponsor  |

### ACTION FOOTNOTES

- \* Subject matter covered in another resolution
- \*\* Existing League policy
- \*\*\* Local authority presently exists

### Procedural Note:

The League of California Cities resolution process at the Annual Conference is guided by the League Bylaws. A helpful explanation of this process can be found on the League's website by clicking on this link: [Resolution Process](#).

**1. RESOLUTION COMMITTING THE LEAGUE OF CALIFORNIA CITIES TO SUPPORTING VISION ZERO, TOWARD ZERO DEATHS, AND OTHER PROGRAMS OR INITIATIVES TO MAKE SAFETY A TOP PRIORITY FOR TRANSPORTATION PROJECTS AND POLICY FORMULATION, WHILE ENCOURAGING CITIES TO PURSUE SIMILAR INITIATIVES**

Source: City of San Jose

Concurrence of five or more cities/city officials: Cities: Fremont; Los Angeles; Sacramento; San Diego; San Francisco; Santa Monica; and West Hollywood

Referred to: Transportation, Communication and Public Works Policy Committees

Recommendation to General Resolution Committee:

**WHEREAS**, each year more than 30,000 people are killed on streets in the United States in traffic collisions; and

**WHEREAS**, traffic fatalities in America hit a seven-year high in 2015 and is estimated to have exceeded 35,000 people; with pedestrians and cyclists accounting for a disproportionate share; and

**WHEREAS** the Centers for Disease Control recently indicated that America's traffic death rate per person was about double the average of peer nations; and

**WHEREAS** Vision Zero and Toward Zero Deaths are comprehensive strategies to eliminate all traffic fatalities and severe injuries using a multi-disciplinary approach, including education, enforcement and engineering measures; and

**WHEREAS** a core principal of Vision Zero and Toward Zero Deaths is that traffic deaths are preventable and unacceptable; and

**WHEREAS** cities across the world have adopted and implemented Vision Zero and Toward Zero Deaths strategies and successfully reduced traffic fatalities and severe injuries occurring on streets and highways; and

**WHEREAS** safe, reliable and efficient transportation systems are essential foundations for thriving cities.

**RESOLVED** that the League of California Cities commits to supporting Vision Zero, Toward Zero Deaths, and other programs, policies, or initiatives that prioritize transportation safety;

**AND** encourage cities throughout California to join in these traffic safety initiatives to pursue the elimination of death and severe injury crashes on our roadways;

**AND** encourage the State of California to consider adopting safety as a top priority for both transportation projects and policy formulation.

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**Background Information on Resolution to Support Transportation Safety Programs**

Each year more than 30,000 people are killed on streets in the United States in traffic collisions. Traffic fatalities in America hit a seven-year high in 2015 and are estimated to have exceeded 35,000 people, with children, seniors, people of color, low-income and persons with disabilities accounting for a disproportionate share. The Centers for Disease Control recently reported that the traffic death rate per

person in the United States was about double the average of peer nations, with close to 10% of these deaths occurring in California (3,074 in 2014). California's largest city, Los Angeles, has *the* highest rate of traffic death among large U.S. cities, at 6.27 per 100,000 people.

Cities around the world have adopted traffic safety projects and policies that underscore that traffic deaths are both unacceptable and preventable. In 1997, Sweden initiated a program called Vision Zero that focused on the idea that "Life and health can never be exchanged for other benefits within the society." The World Health Organization has officially endorsed Vision Zero laying out traffic safety as an international public health crisis and the United Nations General Assembly introduced the Decade of Action for Road Safety 2011-2020 and set the goal for the decade: "to stabilize and then reduce the forecast level of road traffic fatalities around the world" by 50% by 2020.

As of this writing, 18 U.S. cities have adopted Vision Zero programs (including New York City, Boston, Ft. Lauderdale, Austin, San Antonio, Washington DC, and Seattle) to reduce the numbers of fatal crashes occurring on their roads (<http://visionzeronetwork.org/map-of-vision-zero-cities/>). California cities lead the way, with the cities of San Jose, San Francisco, San Mateo, San Diego, Los Angeles, Long Beach and Fremont having adopted Vision Zero strategies and many others are actively considering adoption.

In 2009 a national group of traffic safety stakeholders launched an effort called "Toward Zero Deaths: A National Strategy on Highway Safety". This initiative has been supported by the Federal Highway Administration (FHWA) (<http://safety.fhwa.dot.gov/tzd/>) and states throughout the United States, including California ([http://www.ots.ca.gov/OTS\\_and\\_Traffic\\_Safety/About\\_OTS.asp](http://www.ots.ca.gov/OTS_and_Traffic_Safety/About_OTS.asp)).

This past January the U.S. Department of Transportation launched its "Mayors' Challenge for Safer People and Safer Streets." This effort calls on elected officials to partner with the USDOT and raise the bar for safety for people bicycling and walking by sharing resources, competing for awards, and taking action. The California cities of Beverly Hills, Davis, Maywood, Cupertino, Culver City, Rialto, Santa Monica, Porterville, Los Angeles, San Jose, Monterey, Glendale, Irvine, Oakland, Palo Alto, Alameda, West Hollywood and Fullerton signed on to this effort. Additionally, the Institute of Transportation Engineers (ITE), a leading organization for transportation professionals, recently launched a new initiative to aggressively advance the Vision Zero and Towards Zero Deaths movements (<http://library.ite.org/pub/ed59a040-caf4-5300-8ffc-35deb33ce03d>).

Ultimately all of these programs share the fundamental belief that a data-driven, systems-level, interdisciplinary approach can prevent severe and fatal injuries on our nation's roadways. They employ proven strategies, actions, and countermeasures across education, enforcement and engineering. Support for many of these life-saving programs extends far beyond government agencies, and includes National Association of City Transportation Officials (NACTO), American Association of State Highway and Transportation Officials (AASHTO), Kaiser Permanente, AARP, the National Safe Routes to School Partnership, and the International Association of Chiefs of Police, among many others.

There is wide-spread recognition that cities and towns need safe, efficient transportation systems to be economically prosperous. A resolution by the League of California Cities to support transportation safety policies like Vision Zero and Toward Zero Deaths, and encourage implementation of projects and programs that prioritize safety will help California elevate the health and safety of its residents and position us as a leader in national efforts to promote a culture of safe mobility for all.

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## League of California Cities Staff Analysis on Resolution No. 1

Staff: Rony Berdugo  
Committee: Transportation, Communication, and Public Works

### Summary:

The resolved clauses in Resolution No. 1: commits the League of California Cities to:

- 1) Supporting Vision Zero, Toward Zero Deaths, and other programs, policies, or initiatives that prioritize transportation safety;
- 2) Encouraging cities throughout California to join in these traffic safety initiatives to pursue the elimination of death and severe injury crashes on our roadways; and
- 3) Encouraging the State to consider adopting transportation safety as a top priority for transportation projects and policy formulation.

### Background:

The City of San Jose notes national and international efforts to reduce fatal and severe injury traffic collisions through systematic data driven approaches, such as Vision Zero and Toward Zero Deaths. According to the World Health Organization (WHO), "Vision Zero is a traffic safety policy, developed in Sweden in the late 1990s and based on four elements: ethics, responsibility, a philosophy of safety, and creating mechanisms for change."<sup>1</sup> Below is a summary of each Vision Zero element, according to WHO:

1. Ethics – Life and health trump all other transportation benefits, such as mobility.
2. Responsibility – Responsibility for crashes and injuries is shared between the providers of the system and the road users.
3. Safety Philosophy – Asserts that a transportation system should account for the unstable relationship of human error with fast/heavy machinery to avoid deaths/serious injury, but accept crashes/minor injuries.
4. Driving Mechanisms for Change – Asserts that road users and providers must both work to guaranteeing road safety, taking measures such as: improving levels of seat belt use, installing crash-protective barriers, wider use of speed camera technology, increasing random breathalyzer tests, and promoting safety in transportation project contracts.

### A Vision Zero City meets the following minimum standards:

- Sets clear goal of eliminating traffic fatalities and severe injuries
- Mayor has publicly, officially committed to Vision Zero
- Vision Zero plan or strategy is in place, or Mayor has committed to doing so in clear time frame
- Key city departments (including police, transportation and public health) are engaged

List of cities that meet the minimum Vision Zero standards nationally include: Anchorage, AK; Austin, TX; Boston, MA; Cambridge, MA; Denver, CO; Eugene, OR; Fort Lauderdale, FL; Fremont, CA; Los Angeles, CA; New York, NY; Portland, OR; Sacramento, CA; San Antonio, TX; San Diego, CA; San Francisco, CA; San Jose, CA; Seattle, WA; Washington, DC

List of cities that are considering adoption of Vision Zero nationally include: Ann Arbor, MI; Bellevue, OR; Bethlehem, PA; Chicago, IL; Columbia, MO; Houston, TX; Long Beach, CA;

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<sup>1</sup> [http://who.int/violence\\_injury\\_prevention/publications/road\\_traffic/world\\_report/chapter1.pdf](http://who.int/violence_injury_prevention/publications/road_traffic/world_report/chapter1.pdf)



New Orleans, CA; Philadelphia, PA; Pittsburgh, PA; San Mateo, CA; Santa Ana, CA; Santa Cruz, CA; Santa Monica, CA; St. Paul, MN; Tampa, FL<sup>2</sup>

#### Vision Zero – Samples:

1. San Francisco – In 2015, the City established a two-year action strategy that outlines the projects and policy changes to implement its Vision Zero goal of zero traffic deaths by 2024. The strategy adopts five core principles, such as: 1) traffic deaths are preventable and unacceptable; 2) safety for all road modes and users is the highest priority; 3) transportation system design should anticipate inevitable human error; 4) education, enforcement, and vehicle technology contribute to a safe system; and 5) transportation systems should be designed for speeds that protect human life.<sup>3</sup> The strategy focuses on engineering, enforcement, education, evaluation, and policy changes that can be made to achieve their goals. The City is working on projects, such as:
  - a. Creating protected bike lanes
  - b. Building wider sidewalks
  - c. Reducing traffic speeds<sup>4</sup>

The City is also exploring policy changes to state law that will allow the City to place traffic cameras near schools and senior centers to cite speeding drivers through automated speed enforcement.<sup>5</sup>

2. Los Angeles – the City has established a commitment to eliminate all traffic deaths by 2025. They have identified a network of streets, known as the High Injury Network (HIN)<sup>6</sup>, which maps out their areas of concern where they plan on making strategic investments in reducing deaths/severe injury. According to the City, only 6% of their city streets account for 2/3 of all deaths/severe injury for pedestrians. The City highlights the three following projects as part of their Vision Zero efforts<sup>7</sup>:
  - a. Installation of 22 new Leading Pedestrian Intervals (LPis) at signals throughout the city, which gives pedestrians a head start against right-turning vehicles when crossing
  - b. Installation of a pedestrian scramble at the intersection of Hollywood and Highland, which stops traffic in all four-directions during pedestrian crossing.
  - c. Installation of curb extensions along Cesar E. Chavez Avenue in their HIN, which reduces the crossing distance for pedestrians, narrows the intersections, and reduces speed for turning vehicles.

#### San Francisco's Vision Zero Categories:

1. Engineering – implement treatments and redesign streets to reduce the frequency and severity of collisions (i.e. using/implementing: high injury network maps, signal timing, high visibility crosswalks, bus stop lengths, etc.)
2. Enforcement – use data driven approach to cite and focus on violations of the California Vehicular Code and S.F. Transportation Code that identify as causative in severe and fatal collisions (i.e. explore implementation of E-citation Pilot, reporting on traffic collision data, police training, etc.)

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<sup>2</sup> <http://visionzeronet.org/wp-content/uploads/2016/02/VZ-map-April-20-2016-4.jpg>

<sup>3</sup> <http://www.joomag.com/magazine/vision-zero-san-francisco/0685197001423594455?short>

<sup>4</sup> <http://visionzerosf.org/vision-zero-in-action/engineering-streets-for-safety/>

<sup>5</sup> <http://visionzerosf.org/vision-zero-in-action/public-policy-for-change/>

<sup>6</sup> <http://ladot.maps.arcgis.com/apps/MapJournal/index.html?appid=488062f00db44ef0a29bf481aa337cb3>

<sup>7</sup> <http://visionzero.lacity.org/actions/>

3. Education – coordinate among city departments to create citywide strategy for outreach and safety programs, such as Safe Routes to Schools. (i.e. education campaign includes – Safe Streets SF, large vehicle safe driving for municipal vehicles, etc.)
4. Evaluation – evaluate the impact of engineering, enforcement, education and policy efforts to provide recommendations for refinement (i.e. use of web-based data sharing and tracking systems for transparency and accountability).
5. Policy – support and mobilize local and state policy initiatives that advance Vision Zero (i.e. Advance Automated Safety Enforcement initiative at the state level, in-vehicle technology usage, partnering with state and federal agencies on administrative and legal issues, etc.)

In its annual reporting, the City has established the following measures for successful benchmarks:

- Decreasing total severe and fatal injuries
- Decreasing the proportion of severe and fatal injuries in communities of concern to address social inequities
- Decreasing medical costs at SF General Hospital relating to collisions
- Increasing the number of engineering projects and miles of streets receiving safety improvements
- Decreasing the speeds on SF streets
- Increasing investigation and prosecution of vehicular manslaughter
- Increasing public awareness of Vision Zero and traffic safety laws
- Increasing policy changes made at the state and local levels to advance Vision Zero

**Toward Zero Deaths** – The Federal Highway Administration (FHWA) within the United States Department of Transportation (USDOT) is committed to the vision of eliminating fatalities and serious injuries on national roadways. FHWA has a strategic goal of ensuring the “nation’s highway system provides safe, reliable, effective, and sustainable mobility for all users.”<sup>8</sup> It is essentially the national version of Vision Zero administered primarily through the Highway Safety Improvement Program (HSIP).

At the state level, the California Office of Traffic Safety (OTS) has a mission to “effectively and efficiently administer traffic safety grant funds to reduce traffic deaths, injuries, and economic losses.”<sup>9</sup> They make available grants to local and state public agencies for traffic law enforcement, public traffic safety education, and other programs aimed at reducing fatalities, injuries, and economic loss from collisions.

**Support:** City of Fremont, City of Los Angeles, City of Sacramento, City of San Francisco, City of San Jose, City of Santa Monica, and City of West Hollywood

**Opposition:** One individual

**Fiscal Impact:** Unknown. The costs to any particular city can vary tremendously depending on the level and scope of investment any particular city would seek to make. For example, the City of San Francisco has Vision Zero project costs ranging from \$30,000 for pedestrian safety treatments up to \$12,000,000 for a Streetscape project. The cost of any particular effort could be well below, above, and anywhere between those ranges for Vision Zero implementation.

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<sup>8</sup> <http://safety.fhwa.dot.gov/tzd/>

<sup>9</sup> [http://www.ots.ca.gov/OTS\\_and\\_Traffic\\_Safety/About\\_OTs.asp](http://www.ots.ca.gov/OTS_and_Traffic_Safety/About_OTs.asp)

**Comment:**

- 1) Policy committee members are encouraged to consider carefully how the adoption of the resolved clause in this resolution may affect the League's future policy when it comes to advocating for transportation funding and other existing priorities. While the clause "encouraging cities throughout California to join in these traffic safety initiatives to pursue the elimination of death and severe injury crashes on our roadways" provides an opportunity to highlight strategies that can be considered to improve transportation safety, two other aspects of the resolved appear to establish new policy for the organization in that it would "commit" the League to:
  - Supporting Vision Zero, Toward Zero Deaths, and other programs, policies, or initiatives that prioritize transportation safety.
  - Encouraging the State to consider adopting transportation safety as a top priority for transportation projects and policy formulation.
- 2) Effects of various strategies to improve transportation safety can vary. According to an article published in the San Francisco Chronicle on March 26, 2016, deaths in San Francisco traffic were not falling despite Vision Zero efforts.<sup>10</sup> The article notes that there were seven deaths in 2016, while there was only one in the first 10 weeks of 2015 and seven in 2014 during the same period. The San Francisco Department of Public Health commented that despite these incidents, it's too early to make any conclusions about Vision Zero's effectiveness. In Los Angeles, however, the city has cited significant decreases in severe and fatal injuries with implementation of certain technologies, such as installation of pedestrian scrambles. The success of Vision Zero in any particular city will likely depend on the level of investment and scope of the project(s) as the projects can vary widely.
- 3) In the fifth "Whereas" clause from the top, the word "principal" should be "principle."

**Existing League Policy:** "The League supports additional funding for local transportation and other critical unmet infrastructure needs. One of the League's priorities is to support a consistent and continuous appropriation of new monies from various sources directly to cities and counties for the preservation, maintenance and rehabilitation of the local street and road system. New and additional revenues should meet the following policies:

- **System Preservation and Maintenance.** Given the substantial needs for all modes of transportation, a significant portion of new revenues should be focused on system preservation. Once the system has been brought to a state of good repair, revenues for maintenance of the system would be reduced to a level that enables sufficient recurring maintenance.
- **Commitment to Efficiency.** Priority should be given to using and improving current systems. Recipients of revenues should incorporate operational improvements and new technology in projects.
- **All Users Based System.** New revenues should be borne by all users of the system from the traditional personal vehicle that relies solely on gasoline, to those with new hybrid or electric technology, to commercial vehicles moving goods in the state, and even transit, bicyclists, and pedestrians who also benefit from the use of an integrated transportation network.
- **Alternative Funding Mechanisms.** Given that new technologies continue to improve the efficiency of many types of transportation methods, transportation stakeholders must be open to new alternative funding mechanisms. Further, the goal of reducing greenhouse gases is also expected to affect vehicle miles traveled, thus further reduce gasoline consumption and revenue from the existing gas tax. The

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<sup>10</sup> <http://www.sfchronicle.com/bayarea/article/Deaths-in-S-F-traffic-not-falling-despite-Vision-7182486.php>

existing user based fee, such as the base \$0.18-cent gas tax is a declining revenue source.

Collectively, we must have the political will to push for sustainable transportation revenues.

- **Unified Statewide Solution.** For statewide revenues, all transportation stakeholders must stand united in the search for new revenues. Any new statewide revenues should address the needs of the entire statewide transportation network, focused in areas where there is defensible and documented need.
- **Equity.** New revenues should be distributed in an equitable manner, benefiting both the north and south and urban, suburban, and rural areas as well as being equally split between state and local projects.
- **Flexibility.** Needs vary from region to region and city to city. New revenues and revenue authority should provide the flexibility for the appropriate level of government to meet the goals of the constituents.
- **Accountability.** All tax dollars should be spent properly, and recipients of new revenues should be held accountable to the taxpayers, whether at the state or local level.”<sup>11</sup>

Additionally, the League adopted to “Increase Funding for Critical Transportation and Water Infrastructure” as its number one strategic goal for 2016. It reads, “Provide additional state and federal financial assistance and new local financing tools to help meet the critical transportation (streets, bridges, active transportation, and transit) and water (supply, sewer, storm water, flood control, etc.) infrastructure maintenance and construction needs throughout California’s cities.”<sup>12</sup>

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<sup>11</sup> <http://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Policy-Development/2016-Summary-of-Existing-Policy-and-Guiding-Princi.aspx>

<sup>12</sup> <http://www.cacities.org/Secondary/About-Us/Strategic-Priorities>

**LETTERS OF CONCURRENCE**

Resolution No. 1

**VISION ZERO**



*Office of the Mayor*

3300 Capitol Avenue, Building A | P.O. Box 5006, Fremont, CA 94537-5006

510 284-4011 *ph* | 510 284-4001 *fax* | [www.fremont.gov](http://www.fremont.gov)

July 21, 2016

The Honorable Dennis Michael, President  
League of California Cities  
1400 K Street  
Sacramento, California 95814

RE: A RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING THE ADOPTION AND IMPLEMENTATION OF INITIATIVES TO PRIORITIZE TRAFFIC SAFETY THROUGHOUT CALIFORNIA

Dear President Michael,

The City of Fremont enthusiastically endorses the proposed resolution to support the implementation of initiatives to eliminate traffic deaths and severe injuries on our roadways. Fremont is among the early adopters of the Vision Zero traffic safety strategy. With City Council's approval of our Fremont Vision Zero 2020 action plan in March 2016, we are already seeing the benefits of building a safety first culture in our community.

I strongly encourage other California cities to join a growing coalition of support for Vision Zero. Accordingly, we concur in the submission of the resolution for consideration by the League of Cities General Assembly at its annual meeting on October 5, 2016.

Traffic fatalities in America hit a seven-year high in 2015 and is estimated to have exceeded 35,000 people. This is about double the average of peer nations and must be addressed. Safety of our residents and visitors is paramount and this is especially true on the roads and streets of our cities. We must put safety as the top priority for all users of our streets. It is fundamental for the prosperity of California cities as safe, efficient, organized transportation systems are essential for economically vibrant and sustainable communities.

The City of Fremont has embraced Vision Zero and we are in strong support of expanded transportation safety in California cities and support the proposed Resolution.

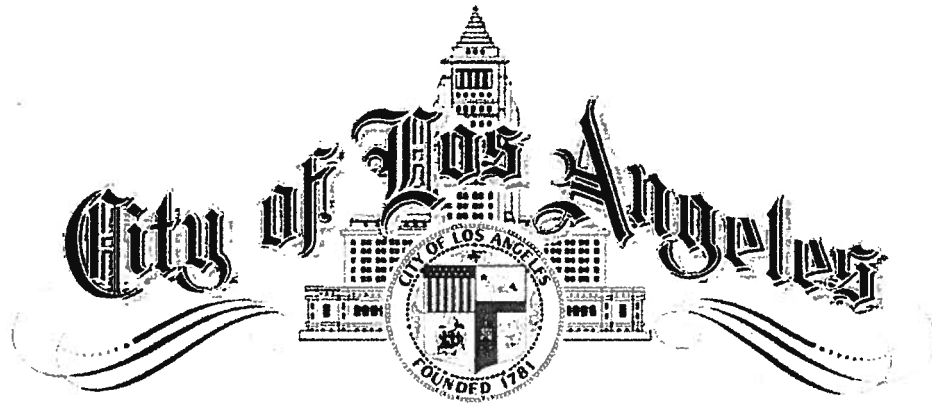
Sincerely,

A handwritten signature in black ink that reads "Bill Harrison".

Bill Harrison

*Mayor*





CITY HALL  
LOS ANGELES, CALIFORNIA 90012

August 2, 2016

The Honorable Dennis Michael  
President  
League of California Cities  
1400 K Street  
Sacramento, California 95814

RE: League of California Cities Resolution Supporting Initiatives to Prioritize Traffic Safety

Dear President Michael:

We write in support of the proposed resolution to support the adoption and implementation of Vision Zero initiatives throughout California to eliminate traffic fatalities and injuries. Vision Zero and Towards Zero Deaths strategies have been adopted in cities throughout California, including the City of Los Angeles. Accordingly, we concur in the submission of the resolution for consideration by the League of Cities General Assembly at its annual meeting on October 5, 2016.

Every year, more than 200 people are killed while trying to move around Los Angeles. Nearly half of the people who die on Los Angeles streets are people walking and bicycling, and an alarming number of them are children and older adults. The safety of our residents and visitors is paramount. If we can realize Vision Zero throughout California, children will be safer walking to school, families will be safer going to the park, and commuters will be safer getting to work.

The City of Los Angeles adopted Vision Zero as part of its Transportation Strategic Plan, and an executive directive was issued in 2015 directing its implementation. We are in strong support of Vision Zero in California, and we support the proposed Resolution.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Garcetti', with a horizontal line extending to the right.

ERIC GARCETTI  
Mayor

A handwritten signature in black ink, appearing to read 'Joe Buscaino', written in a cursive style.

JOE BUSCAINO  
Councilmember, 15th District  
League of California Cities Representative



OFFICE OF THE  
CITY COUNCIL

CITY OF SACRAMENTO  
CALIFORNIA

JAY SCHENIRER

COUNCILMEMBER  
DISTRICT FIVE

July 27, 2016

The Honorable Dennis Michael, President  
League of California Cities  
1400 K Street  
Sacramento, California 95814

RE: RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING THE ADOPTION  
AND IMPLEMENTATION OF INITIATIVES TO PRIORITIZE TRAFFIC SAFETY  
THROUGHOUT CALIFORNIA

Dear President Michael,

The City of Sacramento supports the proposed resolution to support the adoption and implementation of initiatives to prioritize transportation safety toward eliminating death and severe injuries on our roadways. **Vision Zero** and **Towards Zero Deaths** strategies have been adopted in many cities and Sacramento is currently developing its own **Vision Zero Action Plan**.

Accordingly, we concur in the submission of the resolution for consideration by the League of Cities General Assembly at its annual meeting on October 5, 2016.

Traffic fatalities in America hit a seven-year high in 2015 and are estimated to have exceeded 35,000 people. This is about double the average of peer nations and must be addressed. Safety of our residents and visitors is paramount and this is especially true on roads and streets of our cities. We must put safety as a top priority for all users of our streets. It is fundamental for prosperity of California cities as safety, efficient, organized transportation systems are essential for economically vibrant and sustainable communities.

The City of Sacramento is in strong support of prioritized and expanded transportation safety in California cities and supports the proposed Resolution.

Sincerely,

  
Jay Schenirer, Council Member  
Chair, Law & Legislation Committee





THE CITY OF SAN DIEGO

August 9, 2016

The Honorable Dennis Michael, President  
League of California Cities  
1400 K Street  
Sacramento, CA 95814

Dear President Michael:

RE: A resolution of the league of California Cities Supporting the Adoption and Implementation of Initiatives to Prioritize Traffic Safety throughout California

The City of San Diego Transportation & Storm Water Department supports the proposed resolution to support the adoption and implementation of initiatives to eliminate death and severe injuries on our roadways. Vision Zero and Towards Zero Deaths strategies have been adopted in numerous cities throughout California, including the City of San Diego (Attachment 1). Accordingly, we concur in the submission of the resolution for consideration by the League of Cities General Assembly at its annual meeting on October 5, 2016.

Traffic fatalities in America hit a seven-year high in 2015 and is estimated to have exceeded 35,000 people. This is about double the average of peer nations and must be addressed. Safety of our residents and visitors is paramount and this is especially true on the roads and streets of our cities. We must put safety as the top priority for all users of our streets. It is fundamental for the prosperity of California cities as safe, efficient, organized transportation systems are essential for economically vibrant and sustainable communities.

The City of San Diego Transportation & Storm Water Department has embraced Vision Zero/Towards Zero Death and I am in strong support of expanded transportation safety in California cities and support the proposed Resolution.

Sincerely,

Kris McFadden  
Director

Attachment: A Resolution of the Council of the City of San Diego Adopting a Vision Zero Plan to Eliminate Traffic Fatalities and Serious Injuries in the Next Ten Years

cc: Katherine Johnston, Director of Infrastructure and Budget Policy, Office of the Mayor  
Kristin Tillquist, Director of State Government Affairs, Office of the Mayor  
Vic Bianes, Assistant Director, Transportation & Storm Water Department  
Linda Marabian, Deputy Director, Traffic Engineering Operations



Transportation & Storm Water Department

202 C Street, 9th Floor, MS 9A • San Diego, CA 92101

Tel (619) 234-4504 Fax (619) 234-4570



RESOLUTION NUMBER R- 310042

DATE OF FINAL PASSAGE NOV 03 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING A VISION ZERO PLAN TO ELIMINATE TRAFFIC FATALITIES AND SERIOUS INJURIES IN THE NEXT TEN YEARS.

WHEREAS, on average one person each day is seriously injured or killed on the road while walking, bicycling, or driving the streets of San Diego; and,

WHEREAS, the City has adopted numerous studies and plans that outline design concepts to improve safety for people walking and biking in the City including a Pedestrian Master Plan and Bicycle Master Plan; and,

WHEREAS, the City of San Diego's draft Climate Action Plan proposes to achieve 50 percent of commuter mode share for walking, biking and transit use in transit priority areas by 2050 and safer conditions for walking and biking can help implement this Plan; and,

WHEREAS, the City will increase in population by approximately 30 percent by 2050 and the majority of growth will result from infill development thereby increasing demand for safe walking and bicycling; and,

WHEREAS, communities in San Diego have prioritized infrastructure projects that improve walking and biking safety among other project types as represented by the Community Planning Committee report to Infrastructure Committee in November 2013; and,

WHEREAS, the City incurs costs to respond to lawsuits alleging the City's failure to provide safer streets; and,

WHEREAS, restoring infrastructure in the City is a priority of the Council and Mayor; and,

WHEREAS, Vision Zero provides a framework for reducing traffic deaths to zero through a combination of safe engineering measures, education, and enforcement practices; and,

WHEREAS, Vision Zero has been adopted in many cities throughout the country, most notably in New York City which has seen the lowest number of pedestrian fatalities in its first year of implementation since documentation began in 1910; and,

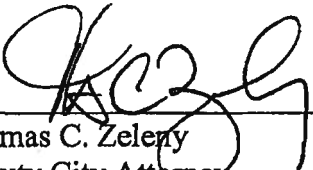
WHEREAS, Circulate San Diego is convening an Advisory Committee to advance Vision Zero Goals; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that it hereby adopts a goal of eliminating traffic deaths and serious injuries by 2025; and

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that it urges City staff from the Mayor's office, Transportation and Stormwater Department, San Diego Police Department, and a representative of the City's Bicycle Advisory Committee to attend meetings of Circulate San Diego's Vision Zero Advisory Committee for a limited time to develop a traffic safety plan that will help the City reach the goal of zero traffic deaths and serious injuries; and

BE IT FURTHER RESOLVED, that the traffic safety plan will be guided by innovative engineering solutions to improve road safety for all users, especially the most vulnerable; will measure and evaluate performance annually; and will include enforcement and education strategies to prevent the most dangerous behaviors that cause public harm, especially along the corridors where collisions are most frequent.

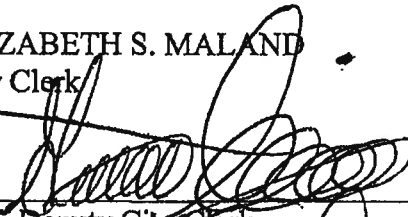
APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Thomas C. Zeleny  
Deputy City Attorney

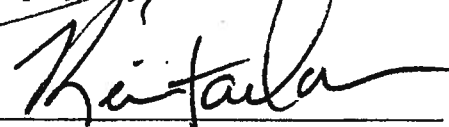
TCZ:cfq  
September 24, 2015  
Or.Dept:Envir. Comm.  
Doc. No.: 1116742

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of Oct 27 2015.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 11/2/15  
(date)

  
KEVIN L. FAULCONER, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on OCT 27 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 03 2015

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310042



August 1, 2016

The Honorable Dennis Michael  
President, League of California Cities  
1400 K Street  
Sacramento, CA 95814

**Re: Resolution of the League of California Cities Supporting the Adoption and Implementation of Initiatives to Prioritize Traffic Safety Throughout California**

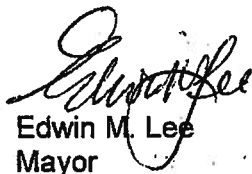
Dear President Michael,

On behalf of the City and County of San Francisco, I am writing to express my support for the proposed resolution to support the adoption and implementation of initiatives to eliminate death and severe injuries on our roadways. Vision Zero and Towards Zero Deaths strategies have been adopted in numerous cities throughout California including San Francisco, San Jose, San Mateo, San Diego, Los Angeles, Santa Barbara, and Santa Monica. Accordingly, I encourage the submission of the resolution to support Vision Zero, Toward Zero Deaths, and other initiatives that make traffic safety a priority, which will be considered by the League of Cities General Assembly at its annual meeting on October 5, 2016.

Every year in San Francisco, approximately 30 people lose their lives and over 200 more are seriously injured while traveling on our streets. These deaths and injuries are unacceptable and preventable, and the City is strongly committed to stopping further loss of life. San Francisco adopted Vision Zero as a policy in 2014, committing to build better and safer streets, educate the public on traffic safety, enforce traffic laws, and adopt policy changes that save lives. Our goal is to create a culture that prioritizes traffic safety and to ensure that mistakes on our roadways do not result in serious injuries or deaths. The safety of our residents and the over 18 million visitors that use our streets each year is paramount, and the same holds true for cities across the California, which need safe, efficient, and organized transportation systems to support economically vibrant and sustainable communities.

The City and County of San Francisco has embraced Vision Zero, and I am in strong support of expanded transportation safety in California cities and, in turn, the proposed Resolution.

Sincerely,

  
Edwin M. Lee  
Mayor



City of  
**Santa Monica®**

**Mayor Tony Vazquez**  
**Mayor Pro Tempore Ted Winterer**

**Councilmembers**

**Gleam Davis**  
**Sue Himmelrich**  
**Kevin McKeown**  
**Pam O'Connor**  
**Terry O'Day**

July 21, 2016

The Honorable Dennis Michael, President  
League of California Cities  
1400 K Street  
Sacramento, California 95814

RE: THE LEAGUE OF CALIFORNIA CITIES CONSIDERATION OF INITIATIVES TO PRIORITIZE TRAFFIC SAFETY THROUGHOUT CALIFORNIA

Dear President Michael:

The City of Santa Monica supports initiatives to eliminate death and severe injuries on our roadways. Vision Zero and Towards Zero Deaths strategies have been adopted in numerous cities throughout California, leading to the submission of the resolution for consideration by the League of Cities General Assembly at its annual meeting on October 5, 2016.

The City of Santa Monica embraced Secretary Anthony Foxx's Mayor's Challenge for *Safer People, Safer Streets* in March 2015. Simultaneously, the Council directed staff to initiate work on Vision Zero and 8-80 cities – a movement created by Gil Penalosa, to make cities that work for people aged 8 to 80. Combined, these two efforts aim to create streets that are safe and comfortable for people in all modes and of all abilities. In February 2016 the Santa Monica City Council adopted a Vision Zero target in our first Pedestrian Action Plan. We are now actively working to incorporate these visionary targets into City operations.

Our City cares deeply about the safety of our people, and their ability to access good, services, education, social networks and employment. Creating a New Model for Mobility is one of the Council's Five Strategic Goals, identified to organize and advance work on our top priorities. A safe mobility network supports our urgent need to provide transportation options that reduce greenhouse gas emissions, and provide equitable access to places and activities that support community Wellbeing. Reducing and ultimately eliminating severe injury and fatal crashes part of a resilient, safe and prosperous community.

Traffic fatalities in America hit a seven-year high in 2015 and is estimated to have exceeded 35,000 people. This is about double the average of peer nations and must be addressed. Safety of our residents and visitors is paramount and this is especially true on the roads and streets of our cities. We must put safety as the top priority for all users of our streets. It is fundamental for the prosperity of California cities as safe, efficient, organized transportation systems are essential for economically vibrant and sustainable communities.

The City of Santa Monica has embraced **Vision Zero/Towards Zero Deaths** and I am in strong support of expanded transportation safety in California cities.

Sincerely,

  
Tony Vazquez  
Mayor



# CITY OF WEST HOLLYWOOD

CITY HALL  
3300 SANTA MONICA BLVD.  
WEST HOLLYWOOD, CA  
90069-6216  
TEL: (323) 848-6460  
FAX: (323) 848-6562

## OFFICE OF THE CITY MANAGER

PAUL AREVALO  
CITY MANAGER

July 21, 2016

The Honorable L. Dennis Michael, President  
League of California Cities  
1400 K Street  
Sacramento, California 95814

### RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES SUPPORTING THE ADOPTION AND IMPLEMENTATION OF INITIATIVES TO PRIORITIZE TRAFFIC SAFETY THROUGHOUT CALIFORNIA - SUPPORT

Dear President Michael:

The City of West Hollywood supports the proposed resolution to support the adoption and implementation of initiatives to eliminate death and severe injuries on our roadways. *Vision Zero* and *Towards Zero Deaths* strategies have been adopted in numerous cities throughout California. Accordingly, we concur in the submission of the resolution for consideration by the League of Cities General Assembly at its annual meeting on October 5, 2016.

Traffic fatalities in America hit a seven-year high in 2015, and it is estimated to have exceeded 35,000 people. This is about double the average of peer nations and must be addressed. Safety of our residents and visitors is paramount and this is especially true on the roads and streets of our cities. We must put safety as the top priority for all users of our streets. It is fundamental for the prosperity of California cities as safe, efficient, organized transportation systems are essential for economically vibrant and sustainable communities.

The City of West Hollywood is in strong support of expanded transportation safety in California cities and support the proposed Resolution.

Sincerely,

Paul Arevalo,  
CITY MANAGER

c: Honorable Members of the West Hollywood City Council

