



SPECIAL MEETING AGENDA

Date: 8/2/2021

Time: 5:00 p.m.

Special Meeting Location: [Zoom.us/join](https://zoom.us/join) – ID# 819 2893 1152

NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the Finance and Audit Committee, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
 - Access the meeting real-time online at:
[Zoom.us/join](https://zoom.us/join) – Regular Meeting ID 819 2893 1152
 - Access the meeting real-time via telephone at:
(669) 900-6833
Meeting ID 819 2893 1152
Press *9 to raise hand to speak

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website www.menlopark.org. The instructions for logging on to the Zoom webinar and/or the access code is subject to change. If you have difficulty accessing the Zoom webinar, please check the latest online edition of the posted agenda for updated information (menlopark.org/agenda).

Special Meeting ([Zoom.us/join](https://zoom.us/join) – ID# 819 2893 1152)

- A. Call to order
- B. Roll call
- C. Agenda review
- D. Presentations
- D1. Operational update and 2021-22 priorities and work plan

E. Regular business

- E1. Selection of 2021-22 committee chair and vice chair ([Attachment](#))
- E2. Recommend City Council adoption of committee's 2021-22 priorities and work plan ([Attachment](#))

F. Consent agenda

- F1. Approve action minutes for the Finance and Audit Committee's March 22, 2021 meeting ([Attachment](#))
- F2. Recommend City Council approval of the 2021-22 Investment Policy ([Staff Report #21-001-FAC](#))

G. Informational items

- G1. Interactive City Council adopted fiscal year 2021-22 budget ([Attachment](#))

H. Adjournment

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

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

For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available by request by emailing the city clerk at jaherren@menlopark.org. Persons with disabilities, who require auxiliary aids or services in attending or participating in Committee meetings, may call the City Clerk's Office at 650-330-6620.

Agendas are posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website at menlopark.org/agenda and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at menlopark.org/notifyme. Agendas and staff reports may also be obtained by contacting City Clerk at 650-330-6620. (Posted: 07/30/2021)



MEMORANDUM

Date: 8/2/2021
To: Finance and Audit Committee Members
From: Nick Pegueros
Re: Selection of 2021-22 Chair and Vice Chair

City Council adopted procedure #CC-21-004 requires that advisory bodies select a chair and vice chair each May by a majority of the body's members. The chair and vice chair shall rotate annually or until their successors are selected.

2020-21

Chair, vacant (formerly Ron Shepherd)
Vice chair, Roger Royse

Attachments

A. City Council Procedure #CC-21-004

COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Procedure #CC-21-004
 Effective 6/08/2021
 Resolution No. 6631

ATTACHMENT A



Purpose
To define policies and procedures and roles and responsibilities for Menlo Park appointed commissions and committees.
Authority
Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park.”
Background
<p>The City of Menlo Park currently has eight active Commissions and Committees. The active advisory bodies are: Community Engagement and Outreach Committee, Complete Streets Commission, Environmental Quality Commission, Finance and Audit Committee, Housing Commission, Library Commission, Parks and Recreation Commission, and Planning Commission. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.</p> <p>Seven of the eight commissions and committees listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (Government Code 65100 et seq., 65300-65401).</p> <p>The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-95-001), and a Travel and Expense Policy (CC-91-002), which are also applicable to all advisory bodies.</p>
Policies and Procedures
<p><u>Relationship to City Council, staff and media</u></p> <ul style="list-style-type: none"> • Upon referral by the City Council, the commission/committee shall study referred matters and return their recommendations and advise to the City Council. With each such referral, the City Council may authorize the City staff to provide certain designated services to aid in the study. • Upon its own initiative, the commission/committee shall identify and raise issues to the City Council’s attention and from time to time explore pertinent matters and make recommendations to the City Council. • At a request of a member of the public, the commission/committee may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the City Council. • Each commission/committee is required to develop an annual work plan which will be the foundation for the work performed by the advisory body in support of City Council annual work plan. The plan, once finalized by a majority of the commission/committee, will be formally presented to the City Council for direction and approval no later than September 30 of each year and then reported out on by a representative of the advisory body at a regularly scheduled City Council meeting at least annually, but recommended twice a year. The proposed work plan must align with the City Council’s adopted work plan. When modified, the work plan must be taken to the City Council for approval. The Planning Commission is exempt from this requirement as its functions are governed by the Menlo Park municipal code (Chapter 2.12) and State law (Government Code 65100 et seq, 65300-65401). • Commissions and committees shall not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services.

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of a general staff nature. Commissions/Committees may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council.

- Additional or other staff support may be provided upon a formal request to the City Council.
- The staff liaison shall act as the commission/committee's lead representative to the media concerning matters before the commission/committee. Commission/Committee members should refer all media inquiries to their respective liaisons for response. Personal opinions and comments may be expressed so long as the commission/committee member clarifies that his or her statements do not represent the position of the City Council.
- Commission/Committee members will have mandatory training every two years regarding the Brown Act and parliamentary procedures, anti-harassment training, ethics training, and other training required by the City Council or State Law. The commission/committee members may have the opportunity for additional training, such as training for chair and vice chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the City Council.
- Requests from commission/committee member(s) determined by the staff liaison to take one hour or more of staff time to complete, must be directed by the City Council.

Role of City Council commission/committee liaison

City Councilmembers are assigned to serve in a liaison capacity with one or more city commission/committee. The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the City Council's familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, City Councilmembers may elect to attend commission/committee meetings periodically to observe the activities of the advisory body or simply maintain communication with the commission/committee chair on a regular basis.

City Councilmembers should be sensitive to the fact that they are not participating members of the commission/committee, but are there rather to create a linkage between the City Council and commission/committee. In interacting with commissions/committee, City Councilmembers are to reflect the views of the City Council as a body. Being a commission/committee liaison bestows no special right with respect to commission/committee business.

Typically, assignments to commission/committee liaison positions are made at the beginning of a City Council term in December. The Mayor will ask City Councilmembers which liaison assignments they desire and will submit recommendations to the full City Council regarding the various committees, boards, and commissions which City Councilmembers will represent as a liaison. In the rare instance where more than one City Councilmember wishes to be the appointed liaison to a particular commission, a vote of the City Council will be taken to confirm appointments.

City Staff Liaison

The City has designated staff to act as a liaison between the commission/committee and the City Council. The City shall provide staff services to the commission/committee which will include:

- Developing a rapport with the Chair and commission/committee members
- Providing a schedule of meetings to the City Clerk's Office and commission/committee members, arranging meeting locations, maintaining the minutes and other public records of the meeting, and preparing and distributing appropriate information related to the meeting agenda.
- Advising the commission/committee on directions and priorities of the City Council.
- Informing the commission/committee of events, activities, policies, programs, etc. occurring within the scope of the commission/committee's function.
- Ensuring the City Clerk is informed of all vacancies, expired terms, changes in offices, or any other changes to the commission/committee.

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- Providing information to the appropriate appointed official including reports, actions, and recommendations of the committee/commission and notifying them of noncompliance by the commission/committee or chair with City policies.
- Ensuring that agenda items approved by the commission/committee are brought forth in a timely manner taking into consideration staff capacity, City Council priorities, the commission/committee work plan, and other practical matters such as the expense to conduct research or prepare studies, provided appropriate public notification, and otherwise properly prepare the item for commission/committee consideration.
- Take action minutes; upon agreement of the commission, this task may be performed by one of the members (staff is still responsible for the accuracy and formatting of the minutes)
- Maintain a minute book with signed minutes

Recommendations, requests and reports

As needed, near the beginning of City Council meetings, there will be an item called "Commission/Committee Reports." At this time, commissions/committees may present recommendations or status reports and may request direction and support from the City Council. Such requests shall be communicated to the staff liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being provided to the City Council must be approved by a majority of the commission/committee at a commission/committee meeting before submittal to the City Council. The City Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

City Council referrals

The City Clerk shall transmit to the designated staff liaison all referrals and requests from the City Council for advice and recommendations. The commissions/committees shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

Public appearance of commission/committee members

When a commission/committee member appears in a non-official, non-representative capacity before the public, for example, at a City Council meeting, the member shall indicate that he or she is speaking only as an individual. This also applies when interacting with the media and on social media. If the commission/committee member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make a commission/committee member's appearance inappropriate. Conversely, when a member who is present at a City Council meeting is asked to address the City Council on a matter, the member should represent the viewpoint of the particular commission/committee as a whole (not a personal opinion).

Disbanding of advisory body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

Meetings and officers

1. Agendas/notices/minutes

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, canceled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each commission/committee shall be responsible for properly noticing and posting all regular, special, canceled and adjourned meetings. Copies of all meeting agendas, notices and

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minutes shall be provided to the City Council, City Manager, City Attorney, City Clerk and other appropriate staff, as requested.

- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City's adopted records retention schedule.
- The official record of the commissions/committees will be preserved by preparation of action minutes.

2. *Conduct and parliamentary procedures*

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert's Rules of Order.
- A majority of commission/committee members shall constitute a quorum and a quorum must be seated before official action is taken.
- The chair of each commission/committee shall preside at all meetings and the vice chair shall assume the duties of the chair when the chair is absent.
- The role of the commission/committee chair (according to Roberts Rules of Order): To open the session at the time at which the assembly is to meet, by taking the chair and calling the members to order; to announce the business before the assembly in the order in which it is to be acted upon; to recognize members entitled to the floor; to state and put to vote all questions which are regularly moved, or necessarily arise in the course of the proceedings, and to announce the result of the vote; to protect the assembly from annoyance from evidently frivolous or dilatory motions by refusing to recognize them; to assist in the expediting of business in every compatible with the rights of the members, as by allowing brief remarks when undebatable motions are pending, if s/he thinks it advisable; to restrain the members when engaged in debate, within the rules of order, to enforce on all occasions the observance of order and decorum among the members, deciding all questions of order (subject to an appeal to the assembly by any two members) unless when in doubt he prefers to submit the question for the decision of the assembly; to inform the assembly when necessary, or when referred to for the purpose, on a point of order to practice pertinent to pending business; to authenticate by his/her signature, when necessary, all the acts, orders, and proceedings of the assembly declaring it will and in all things obeying its commands.

3. *Lack of a quorum*

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the commission/committee is waiting for additional members to arrive.
- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

4. *Meeting locations and dates*

- Meetings shall be held in designated City facilities, as noticed.
- All commissions/committees with the exception of the Community Engagement and Outreach Committee, Planning Commission, and Finance and Audit Committee shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the commission/committee. The Planning Commission shall hold regular meetings twice a month, the Community Engagement and Outreach Committee shall hold meetings as need, and the Finance and Audit Committee shall hold quarterly meetings.
- Monthly regular meetings shall have a fixed date and time established by the commission/committee. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the commission/committee to conduct its meeting in a most efficient

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and effective way as long as proper and adequate notification is provided to the City Council and made available to the public.

The schedule of Commission/Committee meetings is as follows:

- Community Engagement and Outreach Committee – as needed
- Complete Streets Commission – Every second Wednesday at 7 p.m.
- Environmental Quality Commission – Every third Wednesday at 6:00 p.m.
- Finance and Audit Committee – Third Wednesday of every quarter at 5:30 p.m.,
- Housing Commission – Every first Wednesday at 6:30 p.m.
- Library Commission – Every third Monday at 6:30 p.m.
- Parks and Recreation Commission – Every fourth Wednesday at 6:30 p.m.
- Planning Commission – Twice a month at 7 p.m.

Each commission/committee may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. *Off-premises meeting participation*

While technology allows commission/committee members to participate in meetings from a location other than the meeting location (referred to as “off-premises”), off-premises participation is discouraged given the logistics required to ensure compliance with the Brown Act and experience with technological failures disrupting the meeting. In the event that a commission/committee member believes that his or her participation is essential to a meeting, the following shall apply:

- Any commission/committee member intending to participate from an off-premise location shall inform the staff liaison at least two weeks in advance of the meeting.
- The off-premise location must be identified in the notice and agenda of the meeting.
- Agendas must be posted at the off-premise location.
- The off-premise location must be accessible to the public and be ADA compliant.
- The commission/committee member participating at a duly noticed off-premises location does not count toward the quorum necessary to convene a meeting of the commission/committee.
- For any one meeting, no more than one commission/committee member may participate from an off-premise location.
- All votes must be by roll call.

6. *Selection of chair and vice chair*

- The chair and vice chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each commission/committee shall annually rotate its chair and vice chair.

G. Memberships

Appointments/Oaths

- The City Council is the appointing body for all commissions/committees. All members serve at the pleasure of the City Council for designated terms.
- All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the City Council present.
- Before taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the City Clerk or his/her designee.
- Appointments made during the middle of the term are for the unexpired portion of that term.

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Application and selection process

- The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
- The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the City Clerk's office and on the City's website.
- The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
- Applicants are required to complete and return the application form for each commission/committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by email are accepted; however, the form submitted must be signed.
- After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular City Council meeting. All applications received will be submitted and made a part of the City Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
- Upon review of the applications received, the City Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the City Council.
- If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
- The selection/appointment process by the City Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination in the order received. Applicants receiving the highest number of affirmative votes from a majority of the City Council present shall be appointed. The number of votes for each City Councilmember is limited to the number of vacancies.
- Following a City Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the commission/committee chair.
- An orientation will be scheduled by the City Clerk following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

Attendance

- An Attendance Policy (CC-91-001), shall apply to all advisory bodies. Provisions of this policy are listed below.
- A compilation of attendance will be submitted to the City Council at least annually listing absences for all commissions/committee members.
- Absences, which result in attendance at less than two-thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the City Council.
- Any member who feels that unique circumstances have led to numerous absences can appeal directly to the City Council for a waiver of this policy or to obtain a leave of absence.
- While it is expected that members be present at all meetings, the chair and staff liaison should be notified if a member knows in advance that he/she will be absent.
- When reviewing commissioners for reappointment, overall attendance at full commission meetings will be given significant consideration.

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Compensation

- Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-91-002).

Conflict of interest and disclosure requirements

- A Conflict of Interest Code has been updated and adopted by the City Council and the Community Development Agency pursuant to Government Code §87300 et seq. Copies of this Code are filed with the City Clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Planning Commission are required to file a Statement of Economic Interest with the City Clerk to disclose personal interest in investments, real property and income. This is done within 30 days of appointment and annually thereafter. A statement is also required within 30 days after leaving office.
- If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence a governmental decision. Questions in this regard may be directed to the City Attorney.
- In accordance with Resolution No. 6622, current and future members of the Community Engagement and Outreach Committee, Complete Streets Commission, and Housing Commission, are required to report any and all real property in Menlo Park for impacting land use, real property, and the housing element.

Qualifications, compositions, number

- In most cases, members shall be residents of the City of Menlo Park and at least 18 years of age.
- Current members of any other City commission/committee are disqualified for membership, unless the regulations for that advisory body permit concurrent membership. Commission/Committee members are strongly advised to serve out the entirety of the term of their current appointment before seeking appointment on another commission/committee.
- Commission/Committee members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.
- There shall be seven (7) members on each commission/committee with the exception of:
 - Community Engagement and Outreach Committee – fourteen (14) members
 - Complete Streets Commission – nine (9) members
 - Finance and Audit Committee – five (5) members
 - Housing Commission – seven (7) members
 - Library Commission – eleven (11) members

Reappointments, resignations, removals

- Incumbents seeking a reappointment are required to complete and file an application with the City Clerk by the application deadline. No person shall be reappointed to a commission/committee who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that commission/committee (the one-year period is flexible subject to City Council's discretion).
- Resignations must be submitted in writing to the City Clerk, who will distribute copies to City Council and appropriate staff.
- The City Council may remove a member by a majority vote of the City Council without cause, notice or hearing.

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Term of office

- Unless specified otherwise, the term of office for all commission/committee shall be four (4) years unless a resignation or a removal has taken place. The Finance and Audit Committee term of office shall be two (2) years. The Community Engagement and Outreach Committee term is for eighteen (18) months.
- If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
- Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
- If a member resigns before the end of his/her term, a replacement serves out the remainder of that term.

Vacancies

- Vacancies are created due to term expirations, resignations, removals or death.
- Vacancies are listed on the City Council agenda and posted by the City Clerk in the City Council Chambers bulletin board and on the city website.
- Whenever an unscheduled vacancy occurs in any commission/committee, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least 10 working days after posting of the notice (Government Code 54974).
- On or before December 31 of each year, an appointment list of all regular advisory commissions/committees of the City Council shall be prepared by the City Clerk and posted in the City Council Chambers bulletin board and on the City's website. This list is also available to the public. (Government Code 54972, Maddy Act).

Roles and Responsibilities

Community Engagement and Outreach Committee

The Housing Element Community Engagement and Outreach Committee (CEOC) assists the City in ensuring a broad and inclusive community outreach and engagement process. Committee members help guide and provide feedback on the types and frequency of activities/events/meetings and the strategies and methods for communicating with the various stakeholders in the community.

Roles and responsibilities:

- Serve as an ambassador of the project and encourage people to participate in the process
- Help guide and provide feedback on the community engagement plan
- Serve as a community resource to provide information to and receive input from the community on matters related to community engagement and public outreach

Complete Streets Commission

The Complete Streets Commission is charged primarily with advising the City Council on multi-modal transportation issues according to the goals and policies of the City's general plan. This includes strategies to encourage safe travel, improve accessibility, and maintaining a functional and efficient transportation network for all modes and persons traveling within and around the City. The Complete Streets Commission's responsibilities would include:

- Coordination of multi-modal (motor vehicle, bicycle, transit and pedestrian) transportation facilities
- Advising City Council on ways to encourage vehicle, multi-modal, pedestrian and bicycle safety and accessibility for the City supporting the goals of the General Plan
- Coordination on providing a citywide safe routes to school plan
- Coordination with regional transportation systems
- Establishing parking restrictions and requirements according to Municipal Code sections 11.24.026 through 11.24.028

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Environmental Quality Commission

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

- Preserving heritage trees
- Using best practices to maintain city trees
- Preserving and expanding the urban canopy
- Making determinations on appeals of heritage tree removal permits
- Administering annual Environmental Quality Awards program
- Organizing annual Arbor Day Event; typically, a tree planting event
- Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.

Finance and Audit Committee

The Finance and Audit Committee is charged primarily to support delivery of timely, clear and comprehensive reporting of the City's fiscal status to the community at large. Specific focus areas include:

- Review the process for periodic financial reporting to the City Council and the public, as needed
- Review financial audit and annual financial report with the City's external auditors
- Review of the resolution of prior year audit findings
- Review of the auditor selection process and scope, as needed

Housing Commission

The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:

- Community attitudes about housing (range, distribution, racial, social-economic problems)
- Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City
- Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974
- Members serve with staff on a loan review committee for housing rehabilitation programs and a first time homebuyer loan program
- Review and recommend to the City Council regarding the Below Market Rate (BMR) program
- Initiate, review and recommend on housing policies and programs for the City
- Review and recommend on housing related impacts for environmental impact reports
- Review and recommend on State and regional housing issues
- Review and recommend on the Housing Element of the General Plan
- The five most senior members of the Housing Commission also serve as the members of the Relocation Appeals Board (City Resolution 4290, adopted June 25, 1991).

Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-21-004

Effective 6/08/2021

Resolution No. 6631

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs
- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, rezoning's, conditional development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews and Below Market Rate (BMR) Housing Agreements associated with those projects.
- The Commission works on special projects as assigned by the City Council.

Special Advisory Bodies

The City Council has the authority to create standing committees, task forces or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the City Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the City Council.

Any requests of city commissions or committees to create such ad hoc advisory bodies shall be submitted in writing to the City Clerk for City Council consideration and approval.

Procedure history

Action	Date	Notes
Procedure adoption	1991	Resolution No. 3261
Procedure adoption	2001	
Procedure adoption	2011	
Procedure adoption	2013	Resolution No. 6169
Procedure adoption	2017	Resolution No. 6377
Procedure adoption	6/8/2021	Resolution No. 6631



MEMORANDUM

Date: 8/2/2021
To: Finance and Audit Committee Members
From: Nick Pegueros
Re: Finance and Audit Committee 2021-22 work plan

City Council adopted procedure #CC-21-004 requires that advisory bodies prepare an annual work plan and submit that plan to City Council for approval no later than September 30.

Attachment A transmits the FAC's 2020-21 work plan as updated in March 2021. In the Committee's deliberations over its 2021-22 work plan, City staff recommend consideration of the following:

- Review City Council's 2021 adopted priorities and work plan (Attachment B) and identify opportunities for the Committee to advance City Council goals.
- Maintain work plan items:
 - a. Ref #1 Annual investment policy review – August meeting
 - b. Ref #2 Annual independent auditor's report review – November meeting
 - c. Ref #3 OpenGov financial transparency system -
- Identify measurable deliverables for the following work plan items:
 - a. Ref #4 Capital improvement plan accessibility
 - b. Ref #5 Pension liability communication
 - c. Ref #6 Comparative benchmarks
- Add/remove "Parking lot items."

Attachments

- A. 2020-21 Finance and Audit Committee work plan
- B. City Council adopted 2021 priorities and work plan

2020-21 Finance and Audit Committee workplan**March 22, 2021 update**

Ref #	Approved projects	Subcommittee
1	Annual investment policy review	N/A
2	Annual independent auditor's report review	N/A
3	OpenGov support and community training	N/A
4	Capital improvement plan (CIP) accessibility	Royse, Westcott
5	Pension liability communication	Keet, Maguire, Shepherd
6	Comparative benchmarks	Shepherd, Westcott

Reference documents**Location**

CAFR, year ended June 30, 2020	https://www.menlopark.org/ArchiveCenter/ViewFile/Item/11900
Fiscal year 2020-21 proposed operating budget	https://stories.opengov.com/menlopark/published/gftJuky5g
Fiscal year 2020-21 proposed capital improvement plan	https://stories.opengov.com/menlopark/published/RqEZIAK0n
Fiscal year 2019-20 preliminary close	https://stories.opengov.com/menlopark/published/VTNJK7eqi
Fiscal year 2020-21 first quarter update	https://stories.opengov.com/menlopark/published/AriGi2eir
Fiscal year 2020-21 second quarter update	https://stories.opengov.com/menlopark/published/foOvO51Zp
Finance operating reports	https://www.menlopark.org/1578/Operating-reports
Previous FAC meeting agendas and minutes	https://www.menlopark.org/AgendaCenter/Finance-Audit-Committee-5

Parking lot items

Sale of assets	Developer agreements
Review of utility users' tax cap	Community amenities fund
Library financing	Use of multiple investment advisors
Listing of parcels exempt from property taxes	Consultant and contractor policy review

City of Menlo Park
 City Council adopted 2021 priorities and work plan
 Adopted April 22, 2021

2021 adopted priorities
01. Redistricting
02. Reimagining public safety
03. CAP #1 - Explore policy/program options to convert 95% of existing buildings to all-electric by 2030
04. 2022 housing element and related zoning code updates and documents
05. ConnectMenlo community amenities list update
06. Menlo Park Community Campus building
07. Reimagining downtown
08. Caltrain rail corridor quiet zone analysis
09. CAP #4 - Middle Avenue rail crossing and complete street

2021 adopted work plan

10. Racial equity - NLC REAL program and baseline project
11. CAP #2 - Set citywide goal for increasing EVs and decreasing gasoline sales
12. CAP #3 - Expand access to electric vehicle charging for multifamily and commercial properties
13. CAP #4 - Reduce vehicle miles traveled (VMT) by 25% or an amount recommended by the Complete Streets Commission
14. CAP #4a - Transportation management association (TMA) formation
15. CAP #5 - Eliminate the use of fossil fuels from municipal operations
16. CAP #6 - Develop a climate adaptation plan to protect the community from sea level rise and flooding
17. CAP #6a - Menlo Park SAFER Bay implementation
18. Public health advocacy (COVID-19, mental health)
19. Caltrain grade separation
20. Willow Road traffic calming



SPECIAL MEETING MINUTES – DRAFT

Date: 3/22/2021

Time: 5:30 p.m.

Special Meeting Location: [Zoom.us/join](https://zoom.us/join) – ID# 956 8376 3830

A. Call To Order

Chair Shepherd called the meeting to order at 5:30 p.m.

B. Roll Call

Present: Chair Shepherd, Vice Chair Royse, Mayor Combs, City Councilmember Mueller, Members Keet, Maguire, Westcott

Absent: None

Staff: Assistant Administrative Services Director Dan Jacobson

C. Regular Business

C1. Accept the Finance and Audit Committee minutes from February 4, 2020

ACTION: Motion and second (Maguire/ Westcott) to accept meeting minutes from February 4, 2020, passed 6-0-1 (Keet abstained).

C2. Recommend that City Council adjust appropriate procedures to change Finance and Audit Committee regular meeting schedule

ACTION: Motion and second (Westcott/ Royce) to recommend City Council update the committee's regular meeting schedule to the first Thursday of every quarter at 5:30 p.m., passed unanimously.

C3. Review the regular update to City Council

ACTION: By acclamation, the Committee reached consensus on the content of the regular update to City Council and asked Chair Shepherd to make the presentation.

D. Reports and Announcements

D1. Director's report

Assistant Administrative Services Director Dan Jacobson made the report.

D2. Future agenda topics and committee member reports

The Committee requested additional capital improvement project document review.

E. Adjournment

Chair Shepherd adjourned the meeting at 6:20 p.m.

Nick Pegueros, Assistant City Manager



STAFF REPORT

Finance and Audit Committee

Meeting Date: 8/2/2021
Staff Report Number: 21-001-FAC

Consent Calendar: Recommend approval of the attached revisions to the 2021-22 City Council adopted Investment Policy

Recommendation

City staff recommends that the Finance and Audit Committee recommend approval of the attached revisions to the 2021-22 City Council adopted Investment Policy.

Policy Issues

The City Council adopted investment policy for 2020-21 requires the Finance and Audit Community to review any amendments to the policy before being forwarded to the City Council for approval.

Background

City staff reviews the investment policy annually and transmits recommended changes, if any, to the Finance and Audit Committee and City Council.

Analysis

City staff recommends several clerical changes to the 2020-21 investment policy and no substantive changes. Finance and Audit Committee members may identify potential changes. If approved by most committee members present, City staff will transmit the recommendation to City Council at its August 17 meeting.

Impact on City Resources

There is no impact on City resources.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

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

Attachments

- A. Amended Investment Policy
- B. Draft resolution

Report prepared by:
Nick Pegueros, Assistant City Manager

Investment Policy

City Council Procedure #CC-20-020

Adopted August ~~11, 2020~~ 17, 2021

ATTACHMENT A



Purpose

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 five members elected by district to City Council. ~~Effective November 2018, the city began the transition from at large elections to by district elections. Three of the five City Councilmembers were elected by district in November 2018. Two of the five City Councilmembers were elected at large in November 2016 to four-year terms expiring in 2020. The transition to by district elections will be complete in November 2020.~~

The City 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 ~~twentieth~~ seventeenth of August ~~2019~~ 2021. 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 quarterly 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.

Diversification to avoid incurring unreasonable market risks.

Delegation of authority

The management responsibility for the city’s investment program is delegated annually by the City Council to the chief financial officer (the “CFO”) pursuant to California Government Code Section 53607. The City’s ~~administrative services Director~~ assistant city manager 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.

Investment Policy

City Council Procedure #CC-20-020

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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 City Council and appropriate action is taken to control adverse developments.

Ethic 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 City 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

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- 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, include 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)
 - 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.

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.

Investment Policy

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Adopted August 11, 2020, 17, 2021

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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 City 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.

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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 City 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 not-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 and Audit Committee prior to being forwarded to the City Council for approval.

Procedure history

Action	Date	Notes
Procedure adoption	January 14, 1997	Resolution No. 4784
Procedure adoption	February 17, 1998	Resolution No. 4871
Procedure adoption	February 2, 1999	Resolution No. 5064

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Adopted August ~~11, 2020~~ 17, 2021

Procedure adoption	February 13, 2001	Resolution No. 5283
Procedure adoption	May 9, 2000	
Procedure adoption	February 5, 2002	Resolution No. 5362
Procedure adoption	June 24, 2003	Resolution No. 5457
Procedure adoption	June 20, 2004	Resolution No. 5545
Procedure adoption	August 15, 2005	Resolution No. 5616
Procedure adoption	July 25, 2006	Resolution No. 5960
Procedure adoption	July 31, 2007	Resolution No. 5759
Procedure adoption	September 23, 2008	Resolution No. 5825
Procedure adoption	September 1, 2009	Resolution No. 5886
Procedure adoption	August 31, 2010	Resolution No. 5957
Procedure adoption	September 27, 2011	Resolution No. 6028
Procedure adoption	September 18, 2012	Resolution No. 6103
Procedure adoption	October 15, 2013	Resolution No. 6171
Procedure adoption	August 19, 2014	Resolution No. 6221
Procedure adoption	August 25, 2015	Resolution No. 6286
Procedure adoption	September 13, 2016	Resolution No. 6343
Procedure adoption	August 20, 2019	
Procedure adoption	August 11, 2020	
<u>Procedure adoption</u>	<u>August 17, 2021</u>	<u>Resolution No. XXXX</u>

RESOLUTION NO.

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

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

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt Exhibit A as the revised investment policy for the City and former Community Development Agency to become effective immediately.

I, Judi Herren, 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 seventeenth day of August, 2021 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 seventeenth day of August, 2021.

Judi Herren
City Clerk



MEMORANDUM

Date: 8/2/2021
To: Finance and Audit Committee members
From: Nick Pegueros
Re: Interactive City Council adopted budget

I am pleased to report that the interactive City Council adopted budget is now available online. I want to recognize the hard work of our entire budget as listed in the recognition section of the intro page. The highest and greatest appreciation goes to Eren Romero, Chris Lamm, Brian Henry, and Nikki Nagaya (Public Works), Christian Quijano, Alxea Vilkins, Dan Jacobson (Admin Services), and Deputy City Manager Justin Murphy.

The budget document and accessibility has evolved considerably over the past ten years. The document is not only more accessible in its visual presentation; it is also more transparent than ever with access to object code detail by fund and department. Communicating hundreds of thousands of financial transactions across 70 subsidiaries (funds) is a daunting task and naturally lends itself to continuous improvement.

The interactive adopted budget is accessible at:
<https://stories.opengov.com/menlopark/published/l42O4zvCM>

With the completion of the OpenGov budget, we will now turn our available energies to preparing a single PDF document and budge-in-brief with a target publish date near the end of August for both.

I want to thank the finance and audit committee for their support of technology investments.