



SPECIAL MEETING AGENDA

Date: 5/8/2017
Time: 9:00 a.m.
City Hall/Administration Building
Fish bowl Conference Room, 1st Floor
701 Laurel St., Menlo Park, CA 94025

Commission Chair Craib will participate via phone from the following location:

Crescent Apartments #C3
Plot 53 Bukoto Road
Kampala
Uganda

A. Call To Order

B. Roll Call

C. Public Comment

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

D. Regular Business

- D1. Approve minutes for the Finance and Audit Committee meeting of December 7, 2016 ([Attachment](#))
- D2. Provide update on CalPERS Actuarial Issues – 6/30/15 Valuation Preliminary Results ([Attachment](#))
- D3. Provide update on Fiscal Year 2017-18 Annual Budget
- D4. Provide update on Fiscal Year 2016-17 Annual Audit
- D5. Discuss potential topics for future meetings

E. Informational Items

- E1. Quarterly financial review of General Fund Operations as of March 31, 2017 ([Attachment](#))
- E2. Quarterly review of the City’s Investment Portfolio as of March 31, 2017 ([Attachment](#))

- E3. City Council 2017 Work Plan and Capital Improvement Program ([Attachment](#))([Memo](#))
- E4. Annual Commission Training and Appreciation Event & Reception on May 16, 2017, 4 to 6:30pm

F. Adjournment

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

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Persons with disabilities, who require auxiliary aids or services in attending or participating in Commission meetings, may call the City Clerk's Office at 650-330-6620.



SPECIAL MEETING MINUTES - DRAFT

Date: 1/18/2017
Time: 3:00 p.m.
Administration Building
701 Laurel St., Menlo Park, CA 94025

A. Interim Chair Denend called the meeting to order at 3:40 p.m.

B. Roll Call

Present: Ohtaki, Tronson, Denend
Absent: Cline, Craib
Staff: Administrative Services Director, Nick Pegueros and Finance and Budget Manager, Rosendo Rodriguez

C. Public Comment

No Public Comment

D. Regular Business

D1. Approve minutes for the Finance and Audit Committee meeting of December 7, 2016

ACTION: Motion and second (Denend/Tronson) to approve the meeting minutes of December 7, 2016 passes 3-0, Cline, Craib absent.

D2. Presentation on 2015-16 CAFR – by Ahmed M. Badawi, CPA and President of Badawi & Associates

No action was taken on this item.

D3. Provide update on IT Master Plan

Administrative Services Director, Nick Pegueros updated the Committee on the status of the City's IT Master Plan.

No action was taken on this item.

D4. Discuss potential topics for future meetings

No action was taken on this item.

H. Adjournment

Interim Chair Denend adjourned the meeting at 5:12 p.m.



BARTEL
ASSOCIATES, LLC

MISCELLANEOUS AND SAFETY PLANS

CalPERS Actuarial Issues – 6/30/15 Valuation Preliminary Results

Presented by **John Bartel, President**
Prepared by Bianca Lin, Assistant Vice President
Wai Man Yam, Actuarial Analyst
Bartel Associates, LLC

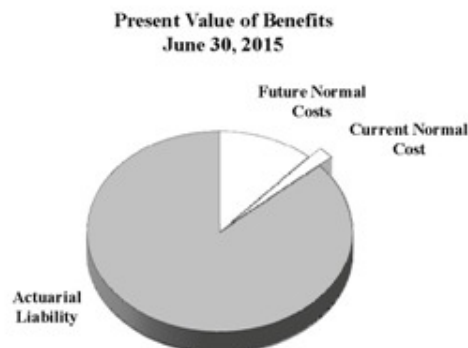
May 2, 2017

Agenda

| <u>Topic</u> | <u>Page</u> |
|-----------------------------------------------|-------------|
| Definitions | 1 |
| How We Got Here | 3 |
| CalPERS Changes | 8 |
| Investment Return | 10 |
| Miscellaneous Plan: | |
| Demographic Information | 11 |
| Plan Funded Status | 13 |
| Contribution Rates & Projections | 17 |
| Pooled Safety Plan: | |
| Demographic Information | 31 |
| Plan Funded Status | 32 |
| Contribution Rates & Projections | 33 |
| Termination Liability | 46 |
| PEPRA Cost Sharing | 47 |
| Paying Down the Unfunded Liability | 49 |
| Irrevocable Supplemental (§115) Pension trust | 51 |



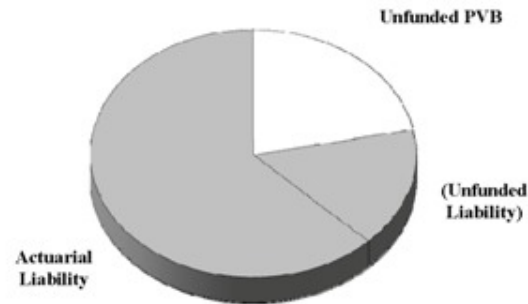
DEFINITIONS



- **PVB - Present Value of all Projected Benefits:**
 - Discounted value (at valuation date - 6/30/15), of all future expected benefit payments based on various (actuarial) assumptions
- **Actuarial Liability:**
 - Discounted value (at valuation date) of benefits earned through valuation date [value of past service benefit]
 - Portion of PVB “earned” at measurement
- **Current Normal Cost:**
 - Portion of PVB allocated to (or “earned” during) current year
 - Value of employee and employer current service benefit

DEFINITIONS

Present Value of Benefits
June 30, 2015

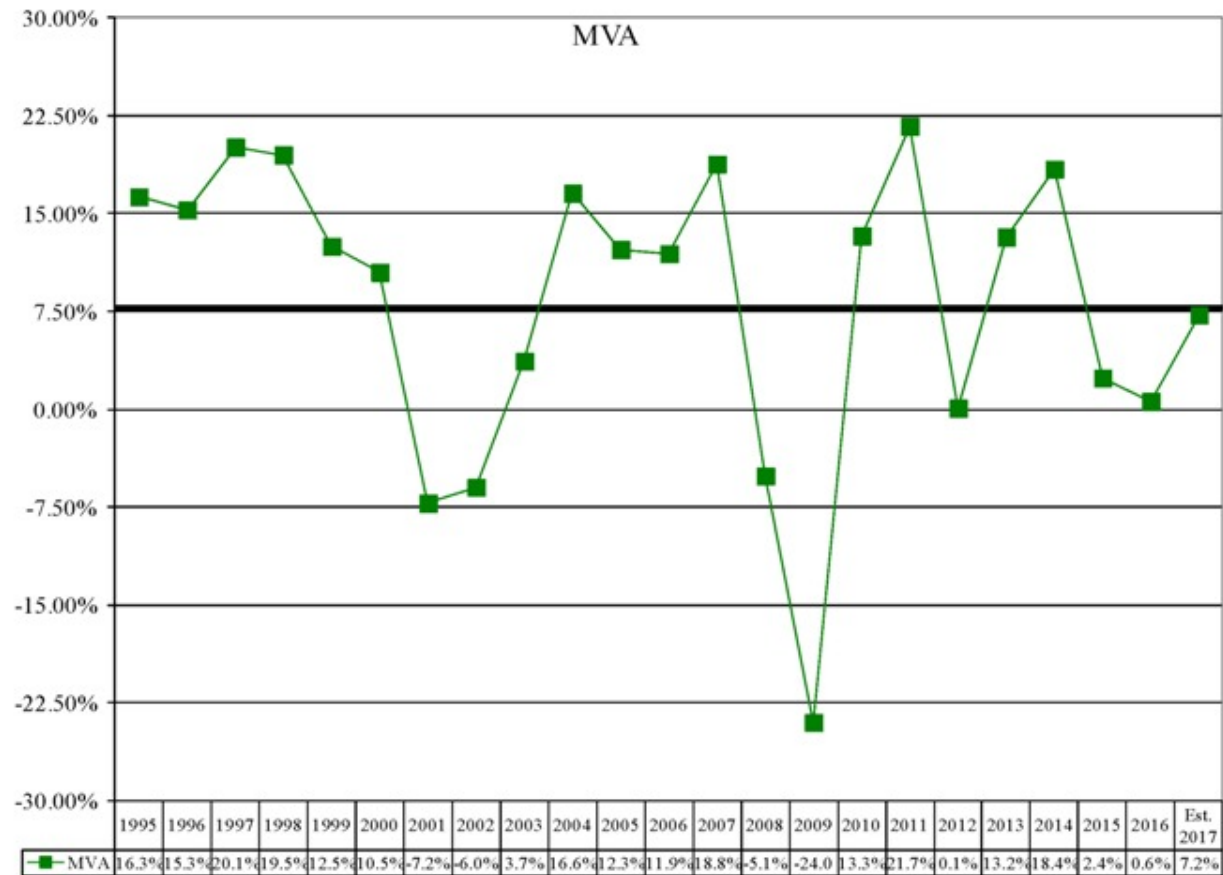


- **Target-** Have money in the bank to cover Actuarial Liability (past service)
- **Unfunded Liability** - Money short of target at valuation date
- **Excess Assets / Surplus:**
 - Money over and above target at that point in time
 - Doesn't mean you're done contributing
- **Super Funded:**
 - Assets cover whole pie (PVB)
 - If everything goes exactly like PERS calculated, you'll never have to put another (employer or employee) dime in

HOW WE GOT HERE

- Investment Losses
- Enhanced Benefits
- CalPERS Contribution Policy
- Demographics

HOW WE GOT HERE – INVESTMENT RETURN



Above assumes contributions, payments, etc. received evenly throughout year.
 Estimated June 30, 2017 based on CalPERS actual return through 2/28/17 and
 assumed returns for 4 months.

HOW WE GOT HERE – ENHANCED BENEFITS

- CalPERS Enhanced Benefits were implemented using all (future & prior) service
- Typically Enhanced Benefits were not negotiated with employee cost sharing

| ■ City | Tier 1 | Tier 2 | PEPRA |
|-----------------|---------|--------|---------|
| ● Miscellaneous | 2.7%@55 | 2%@60 | 2%@62 |
| ● Safety | 3%@50 | 3%@55 | 2.7%@57 |

HOW WE GOT HERE –OLD CONTRIBUTION POLICY

- Effective with 2003 valuations:
 - Slow (15 year) recognition of investment losses into funded status
 - Rolling 30 year amortization of all (primarily investment) losses
- Designed to:
 - First smooth rates and
 - Second pay off Unfunded Accrued Liability (UAL)
- Mitigated contribution volatility

HOW WE GOT HERE –DEMOGRAPHICS

- Around the State
 - Large retiree liability compared to actives
 - Declining active population
- City percentage of liability belonging to retirees:
 - Miscellaneous 52%
 - Safety 68%

CALPERS CHANGES

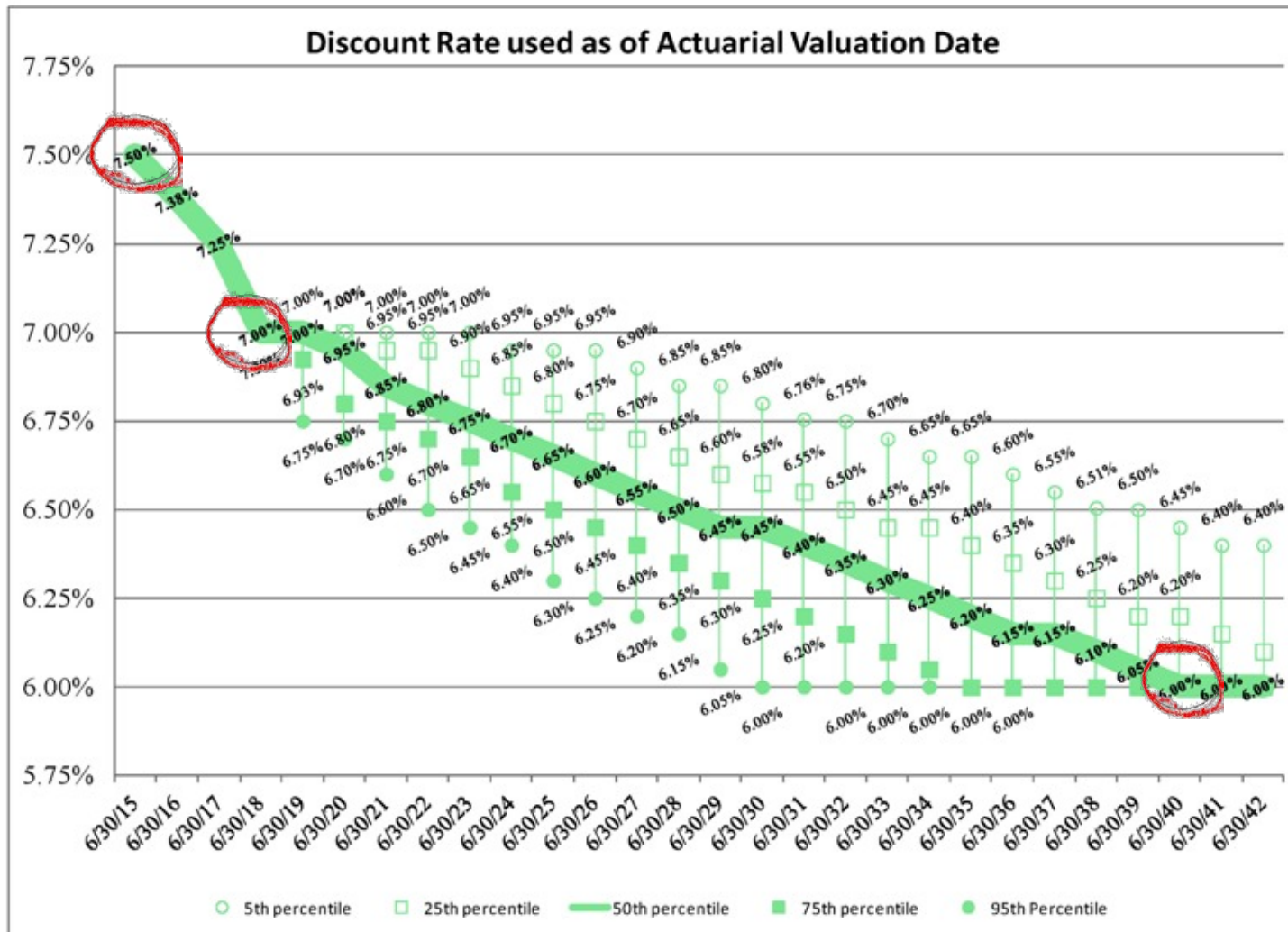
- Contribution policy changes:
 - No asset smoothing
 - No rolling amortization
 - 5-year ramp up
 - Included in 6/30/13 valuation (first impact 15/16 rates; full impact 19/20)
- Assumption changes:
 - Anticipate future mortality improvement
 - Other, less significant, changes
 - Included in 6/30/14 valuation (first impact 16/17 rates; full impact 20/21)
- CalPERS Board will change their discount rate:

| | <u>Rate</u> | <u>Initial</u> | <u>Full</u> |
|-----------------------------------------------------|-------------|----------------|-------------|
| ● 6/30/16 valuation | 7.375% | 18/19 | 22/23 |
| ● 6/30/17 valuation | 7.25% | 19/20 | 23/24 |
| ● 6/30/18 valuation | 7.00% | 20/21 | 24/25 |
| ● Risk mitigation suspended until 6/30/18 valuation | | | |

CALPERS CHANGES

- Risk Pool changes
 - All Risk Pools combined into one Miscellaneous & one Safety
 - Collect payment on UAL as dollar amount, not as % of pay
 - Payments allocated to agencies based on liability & assets rather than payroll
 - Included in 6/30/13 valuation (impacts 15/16 rates)
- CalPERS Board reviewing their Capital Market Assumptions next summer/fall
Likely results in further changes to discount rate
- Risk Mitigation Strategy
 - Move to more conservative investments over time
 - Only when investment return is better than expected
 - Lower discount rate in concert
 - Essentially use $\approx 50\%$ of investment gains to pay for cost increases
 - Likely get to 6.0% over ≈ 20 years

CALPERS CHANGES

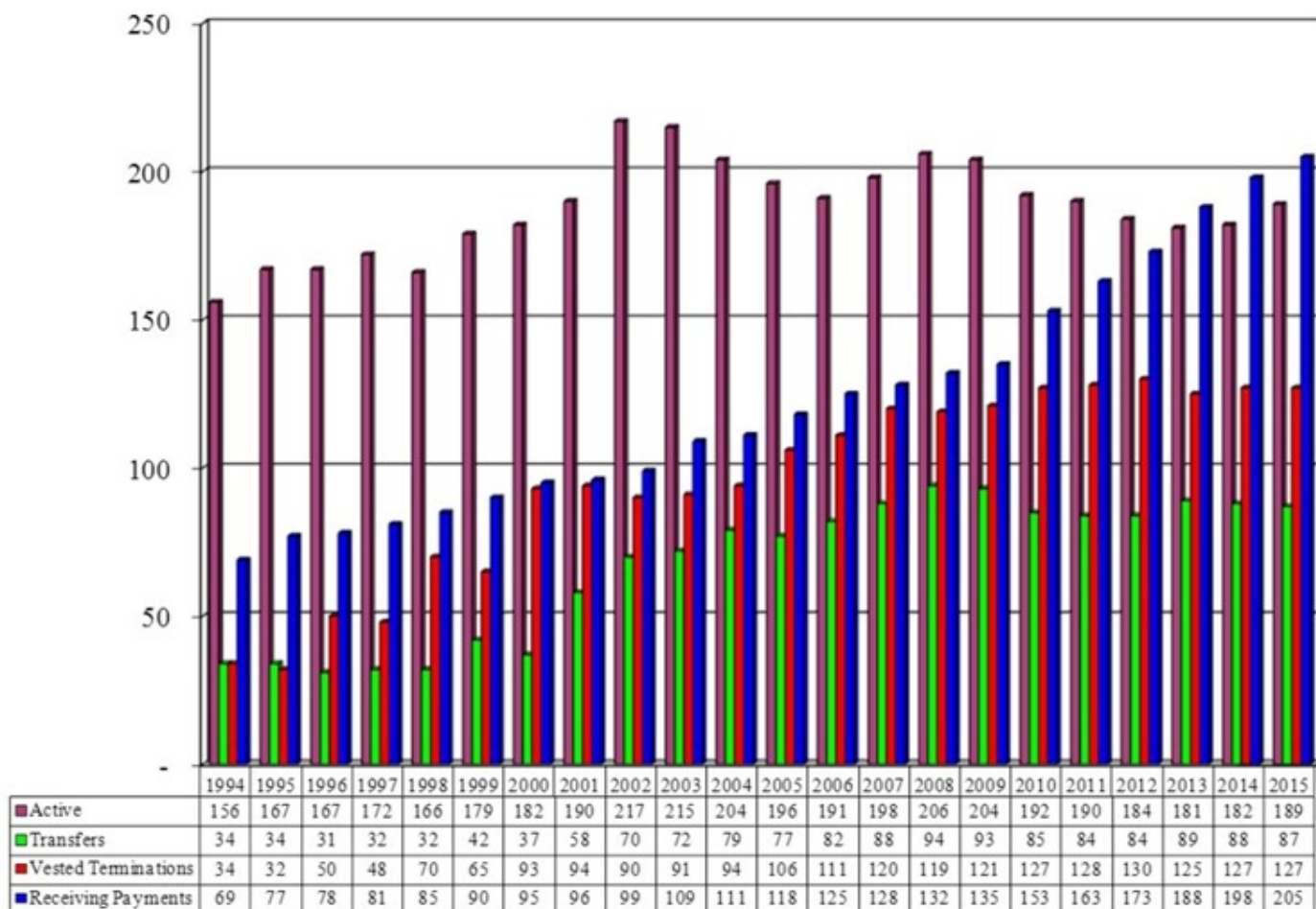


SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS

| | 1994 | 2005 | 2014 | 2015 |
|-----------------------------------------------------|----------|----------|----------|----------|
| Actives | | | | |
| ■ Counts | 156 | 196 | 182 | 189 |
| ■ Average | | | | |
| • Age | 43 | 44 | 45 | 46 |
| • City Service | 9 | 9 | 11 | 11 |
| • PERSable Wages | \$44,000 | \$63,500 | \$72,200 | \$76,500 |
| ■ Total PERSable Wages (millions) | 7.5 | 13.7 | 14.4 | 15.8 |
| Receiving Payments | | | | |
| ■ Counts | | | | |
| • Service | | 95 | 162 | 167 |
| • Disability | | 7 | 13 | 12 |
| • Beneficiaries | | 16 | 23 | 26 |
| • Total | 69 | 118 | 198 | 205 |
| ■ Average Annual City Provided Benefit ¹ | | | | |
| • Service | | \$13,700 | \$24,800 | \$25,200 |
| • Disability | | 7,200 | 9,000 | 9,600 |
| • Service Retirements in last 5 years | | 20,700 | 30,300 | 28,900 |

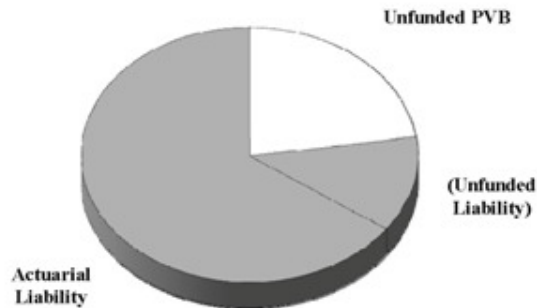
¹ Average City provided pensions are based on City service & City benefit formula, and are not representative of benefits for long service employees.

MEMBERS INCLUDED IN VALUATION - MISCELLANEOUS

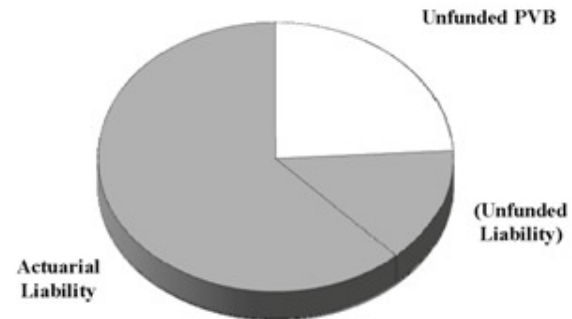


PLAN FUNDED STATUS - MISCELLANEOUS

**Present Value of Benefits
June 30, 2014**



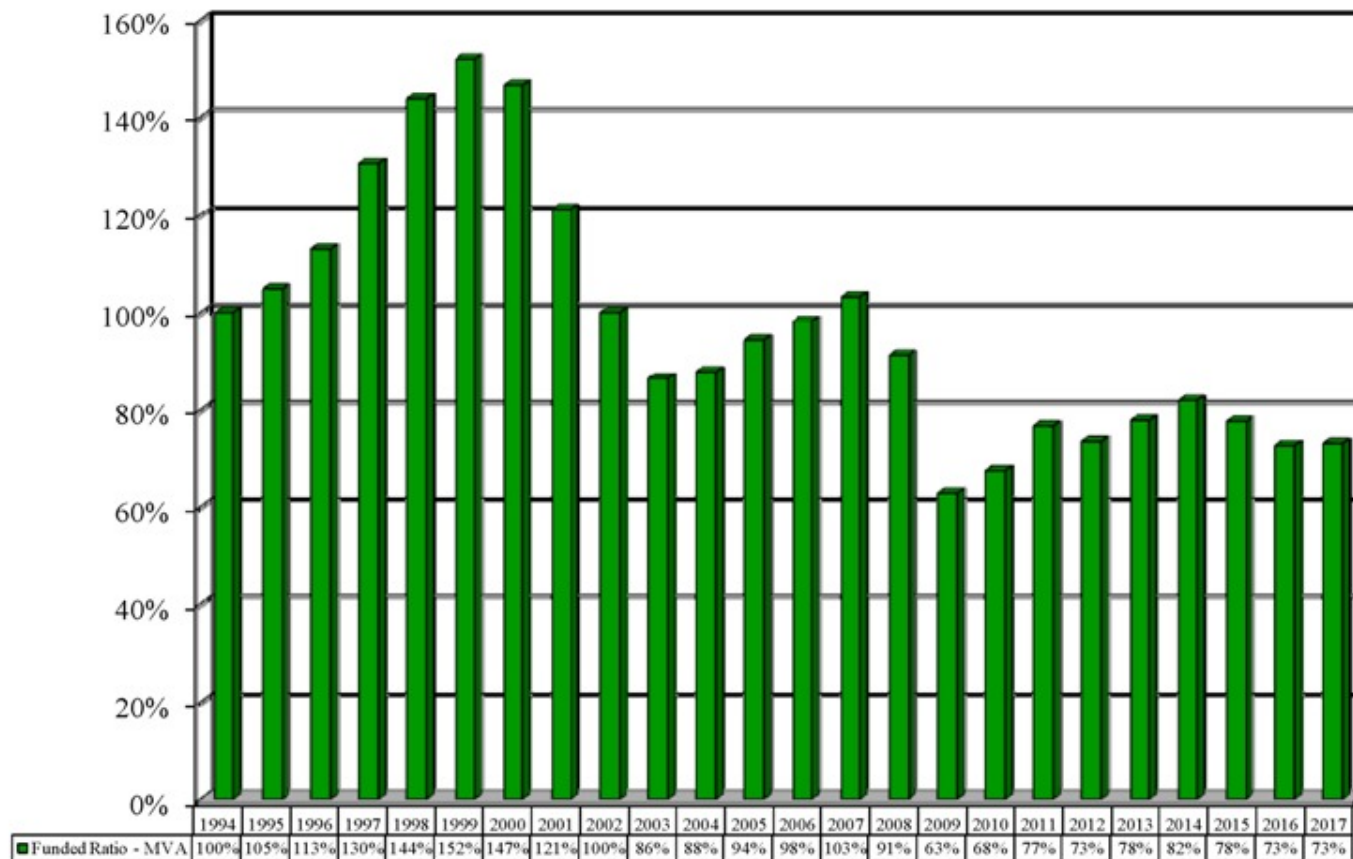
**Present Value of Benefits
June 30, 2015**



| <u>June 30, 2014</u> | | <u>June 30, 2015</u> | |
|-----------------------------|-----------------------------|-----------------------------|--|
| \$ 39,100,000 | Active AAL | \$ 42,100,000 | |
| 54,700,000 | Retiree AAL | 58,100,000 | |
| <u>11,500,000</u> | Inactive AAL | <u>11,700,000</u> | |
| 105,300,000 | Total AAL | 111,900,000 | |
| <u>85,800,000</u> | Market Asset Value | <u>86,800,000</u> | |
| (19,500,000) | (Unfunded Liability) | (25,100,000) | |



FUNDED RATIO - MISCELLANEOUS



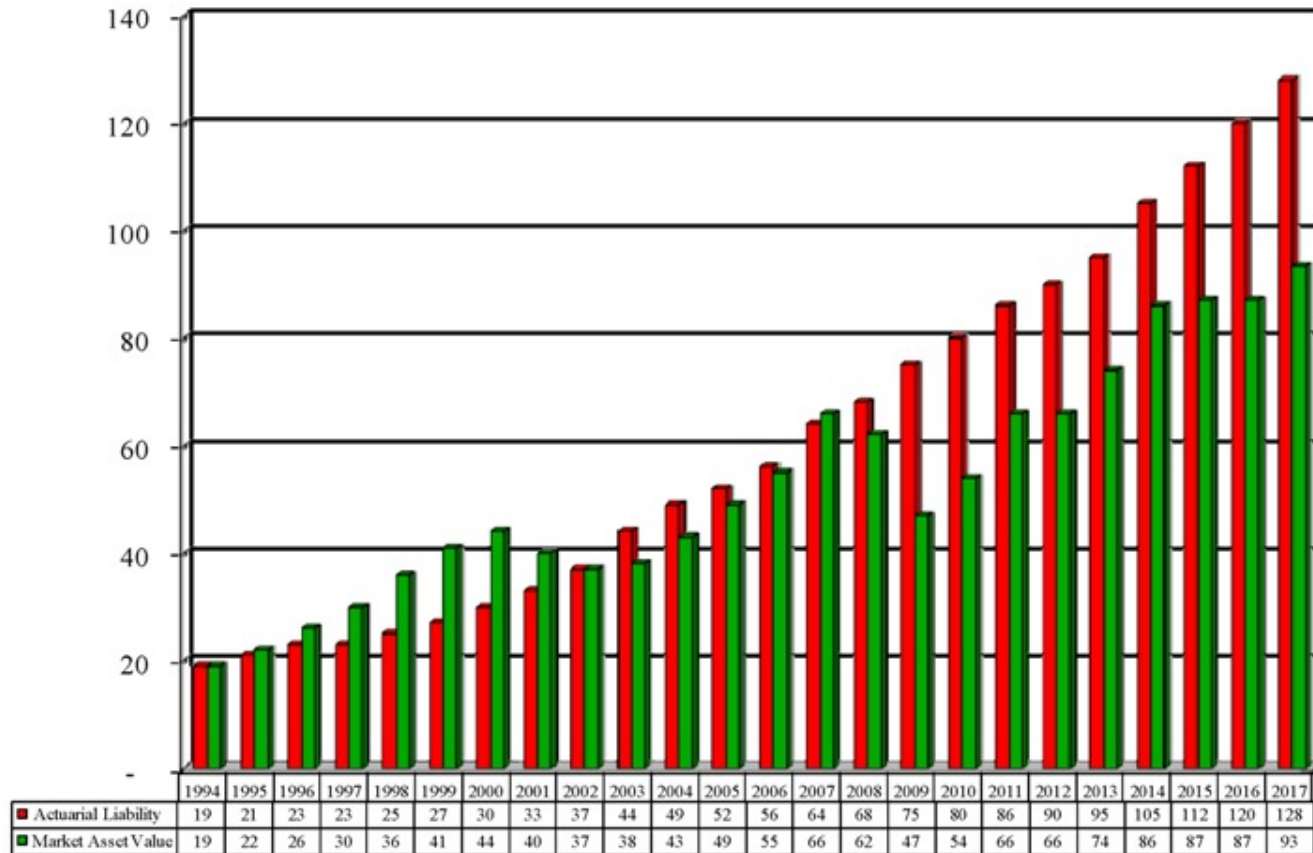
6/30/16 & 6/30/17 funded status estimated.



May 2, 2017



FUNDED STATUS (MILLIONS) - MISCELLANEOUS



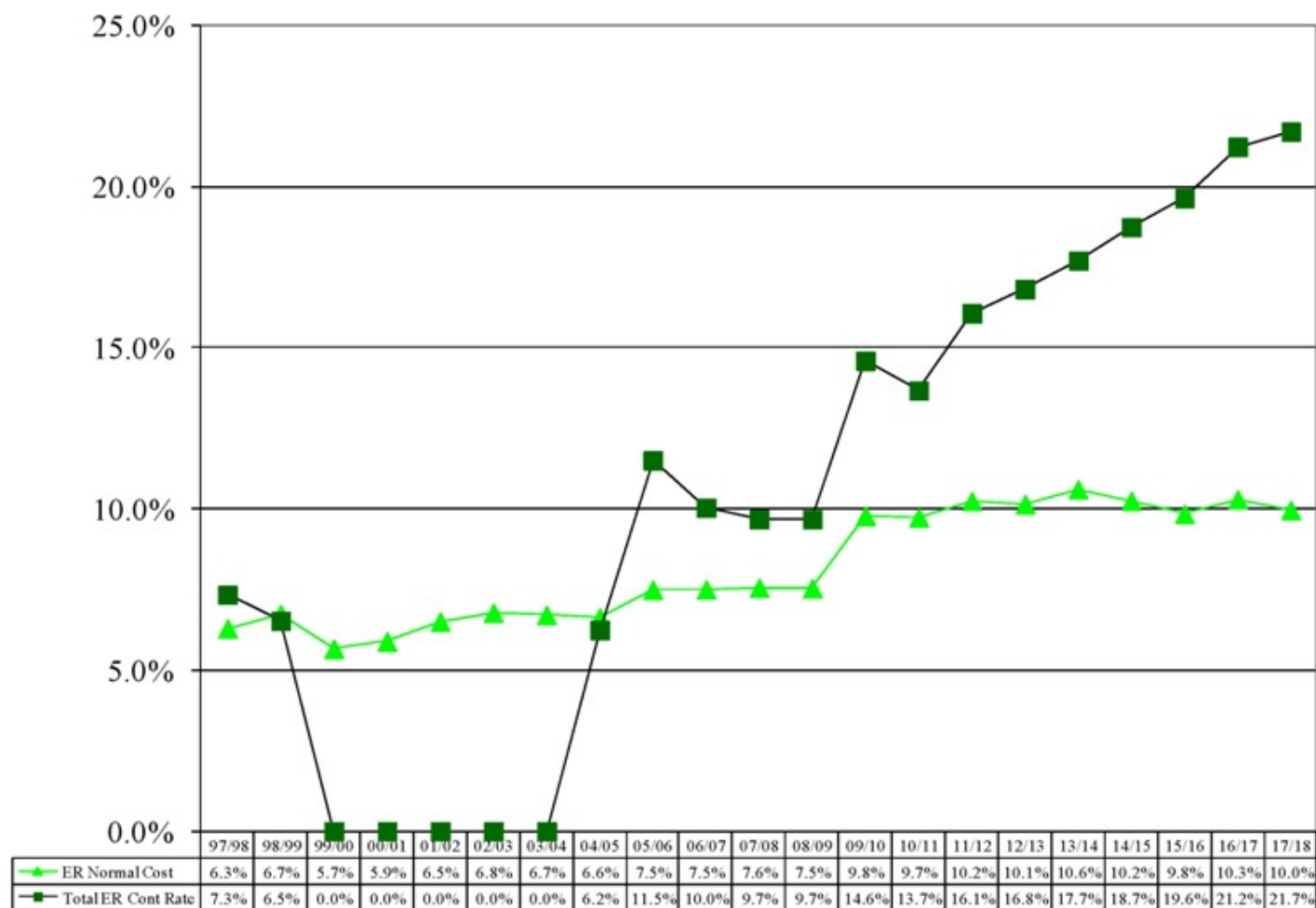
6/30/16 & 6/30/17 funded status estimated.



May 2, 2017



CONTRIBUTION RATES - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS

■ Market Value Investment Return:

- June 30, 2016 0.6%²
- June 30, 2017 9.4%³

- Future returns based on stochastic analysis using 1,000 trials

| <u>Single Year Returns at⁴</u> | <u>25th Percentile</u> | <u>50th Percentile</u> | <u>75th Percentile</u> |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| ● 7.0% Investment Mix | 0.1% | 7.0% | 14.8% |
| ● 6.0% Investment Mix | 0.8% | 6.0% | 11.4% |
| ● Assumes investment returns will be 6.5% (as compared to 7.0%) over the next 10 years and higher beyond that | | | |

- No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements
- Excludes Employer Paid Member Contributions (EPMC)

² Based on CalPERS CAFR.

³ June 30, 2017 return based on CalPERS return of 7.1% through 2/28/17 and assumed returns for 4 months..

⁴ Nth percentile means N percentage of our trials result in returns lower than the indicated rates.

CONTRIBUTION PROJECTIONS - MISCELLANEOUS

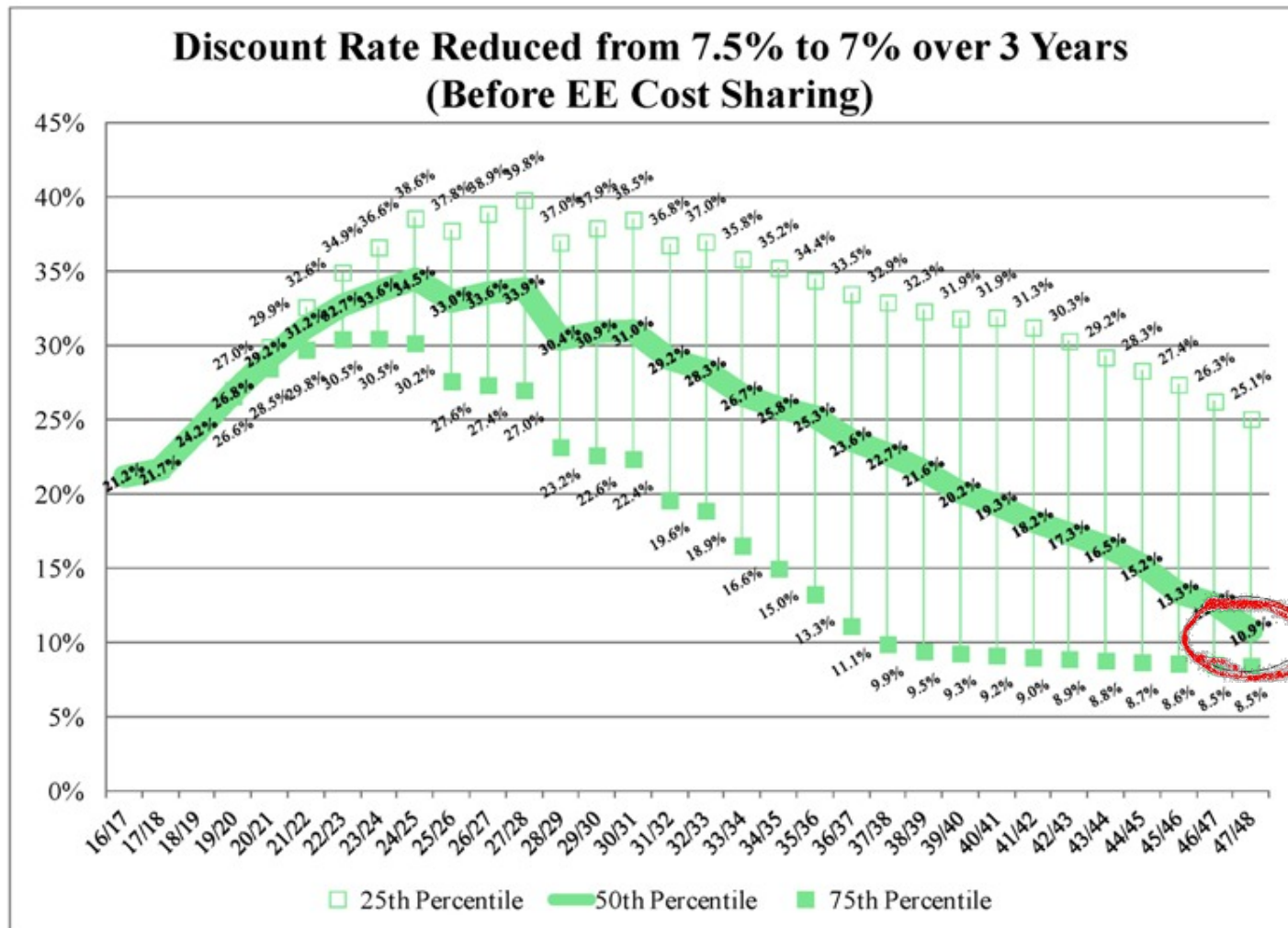
- Includes Tier 2 2%@60 effective February 12, 2012
- Tier 1 and Tier 2 employee cost sharing:
 - SEIU: 50/50 share begins when the employer rate rises above 14.597%
 - AFSCME and unrepresented: 50/50 share begins when the employer rate rises above 15.85%
 - Payroll: 75% for SEIU and 25% for AFSCME
- New hire assumptions:
 - Assumes 50% of 2013 new hires will be Classic Members (2%@60) and 50% will be New Members with PEPRA benefits.
 - Assumes Classic Members will decrease from 50% to 0% of new hires over 20 years.



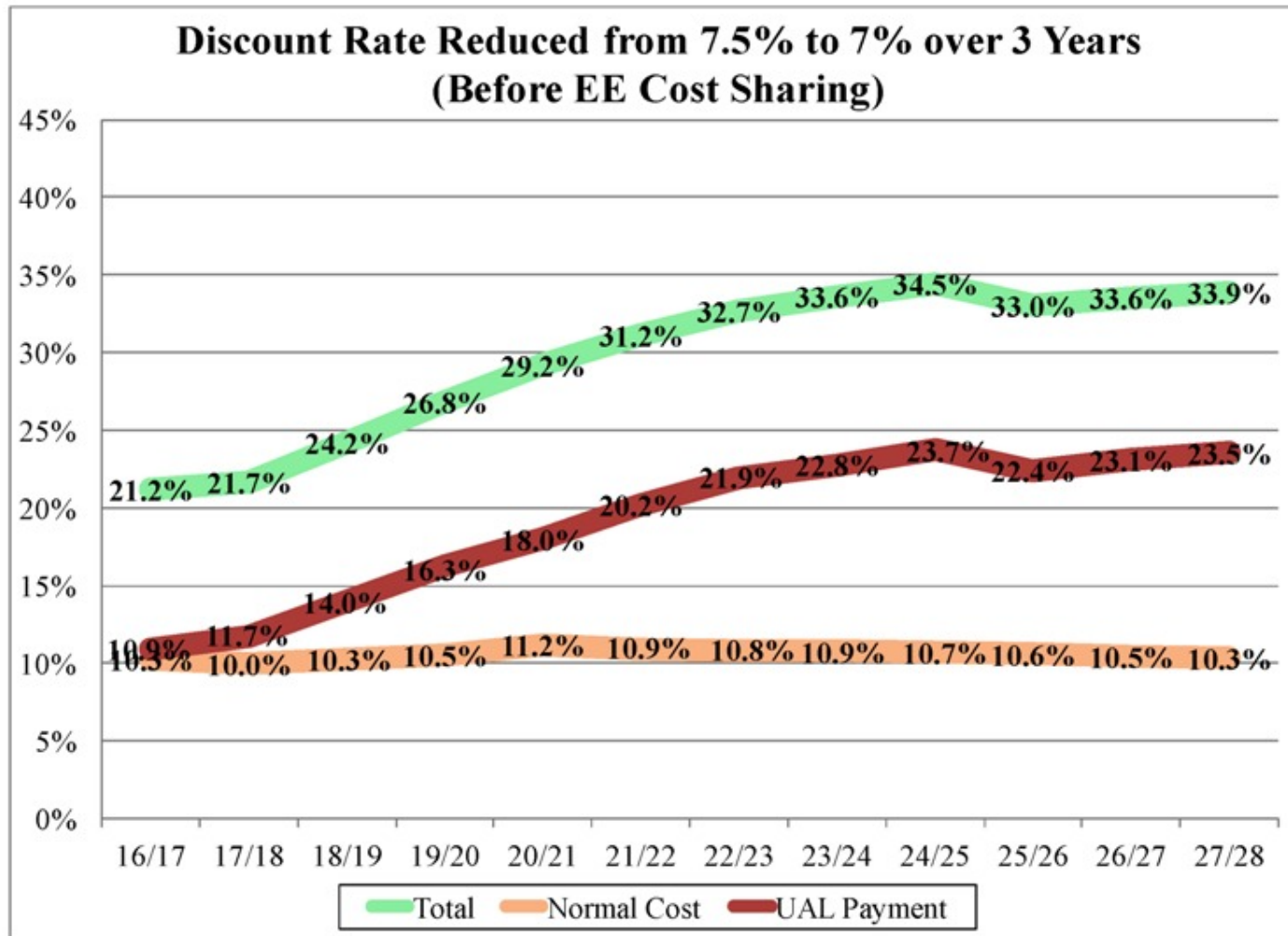
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



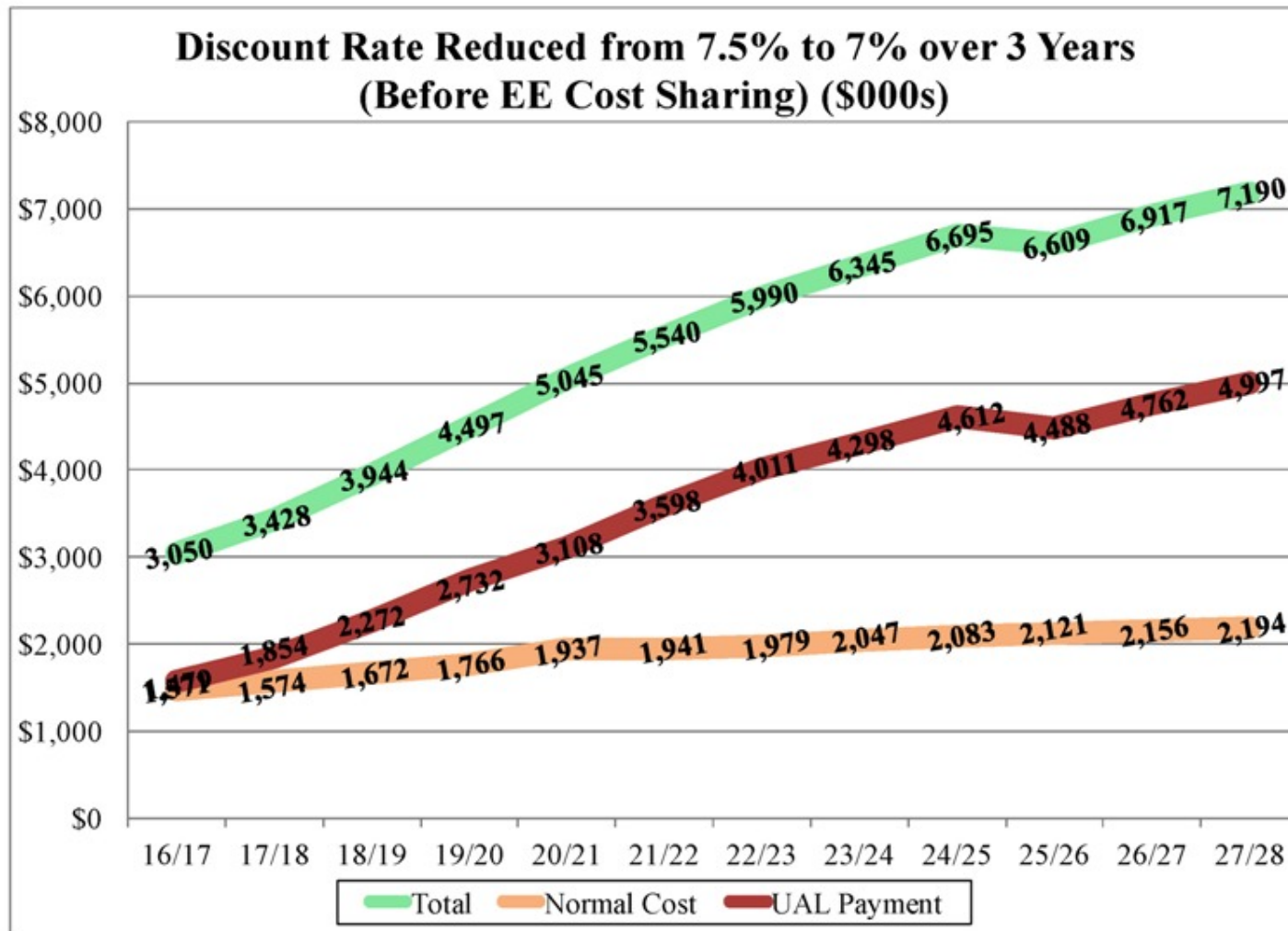
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS



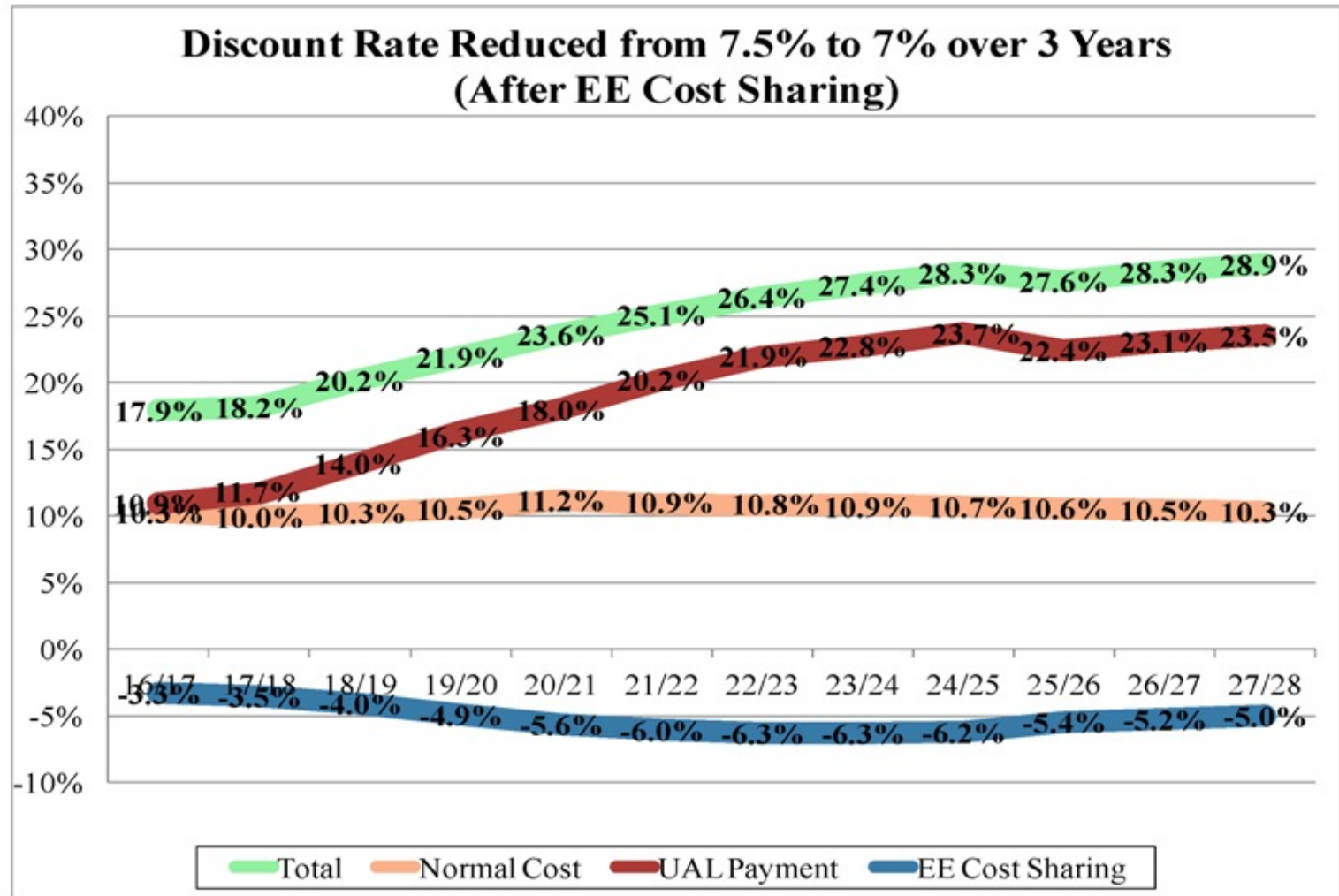
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



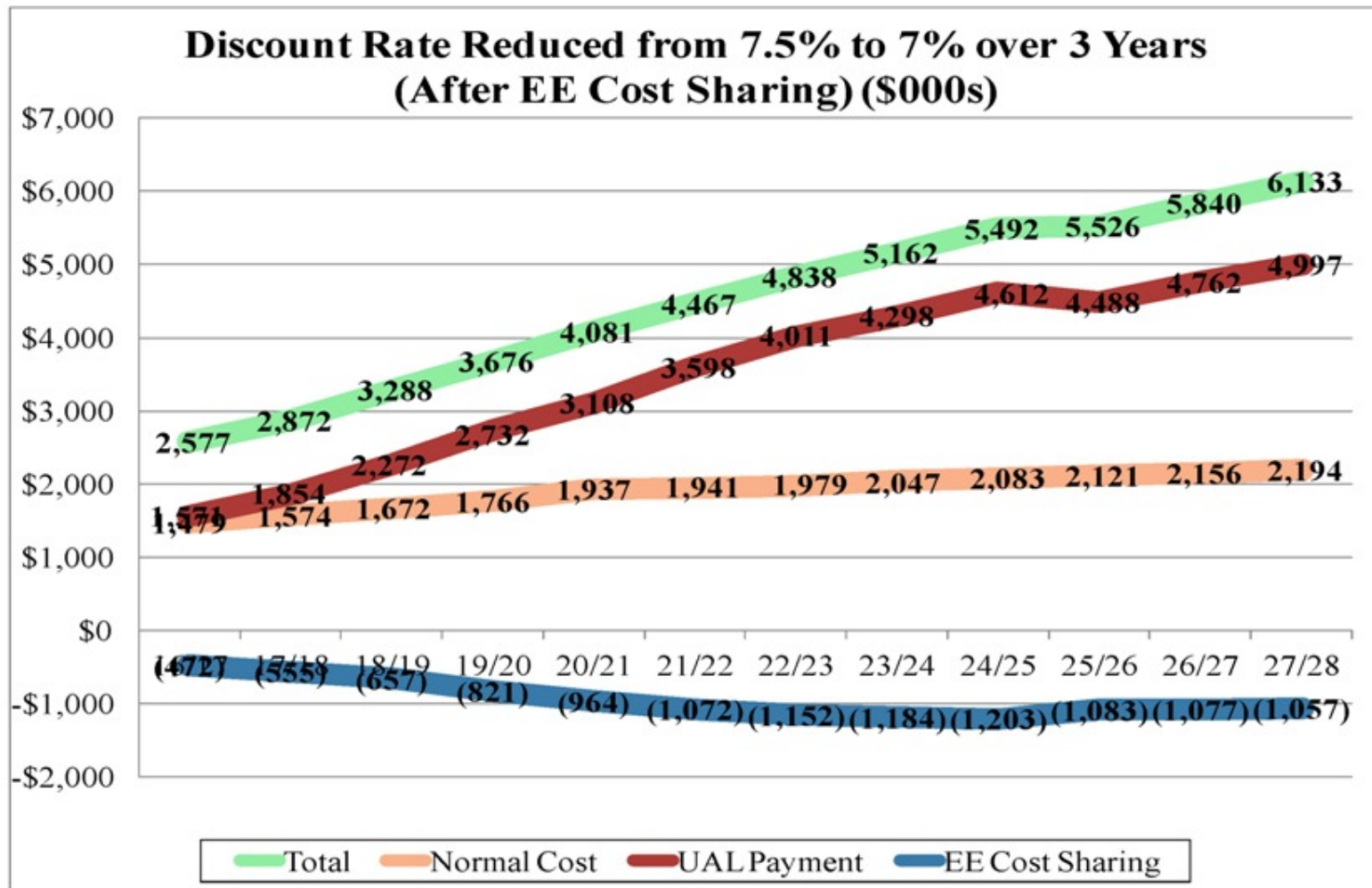
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



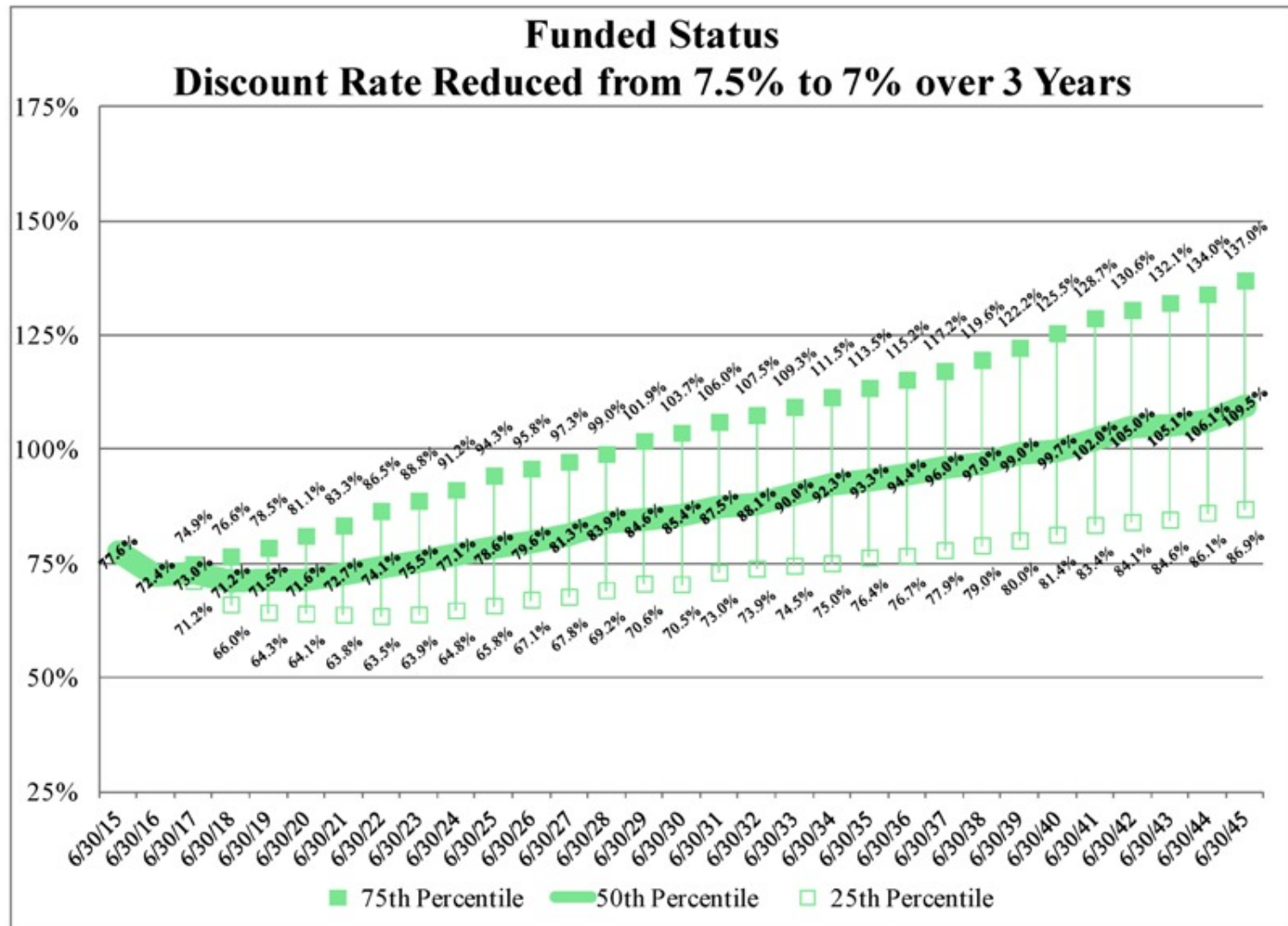
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS



FUNDED STATUS - MISCELLANEOUS

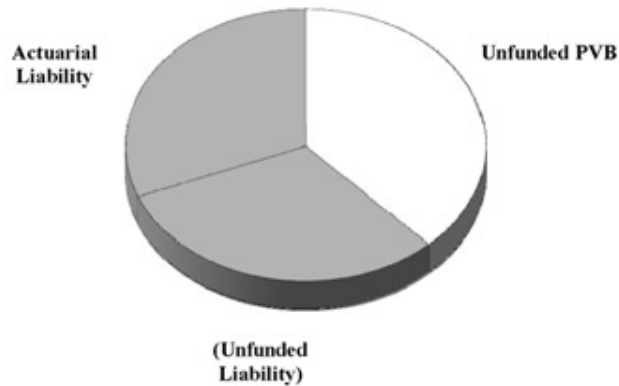


SUMMARY OF DEMOGRAPHIC INFORMATION - SAFETY

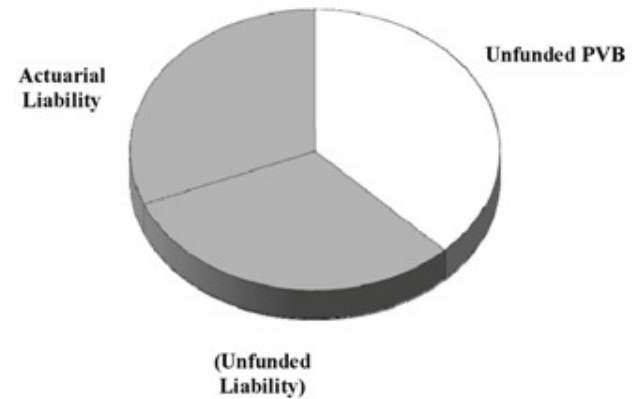
| | 1993 | 2011 | 2014 | 2015 |
|-----------------------------------|----------|-----------|-----------|-----------|
| Actives | | | | |
| ■ Counts | 43 | 45 | 45 | 46 |
| ■ Average PERSable Wages | \$56,600 | \$149,100 | \$144,900 | \$144,000 |
| ■ Total PERSable Wages (millions) | 2.4 | 6.7 | 6.5 | 6.6 |
| Inactive Counts | | | | |
| ■ Transferred | 15 | 28 | 25 | 25 |
| ■ Separated | 7 | 12 | 12 | 8 |
| ■ Retired | 32 | 93 | 103 | 107 |

PLAN FUNDED STATUS - SAFETY

Present Value of Benefits
June 30, 2014



Present Value of Benefits
June 30, 2015



| <u>June 30, 2014</u> | | <u>June 30, 2015</u> |
|----------------------|-----------------------------|----------------------|
| \$ 19,100,000 | Active AAL | \$ 21,100,000 |
| 52,300,000 | Retiree AAL | 54,800,000 |
| 5,700,000 | Inactive AAL | 5,000,000 |
| 77,100,000 | Total AAL | 80,900,000 |
| 62,500,000 | Market Asset Value | 62,400,000 |
| (14,600,000) | (Unfunded Liability) | (18,500,000) |



CONTRIBUTION PROJECTIONS - SAFETY

■ Market Value Investment Return:

- June 30, 2016 0.6%⁵
- June 30, 2017 9.4%⁶

- Future returns based on stochastic analysis using 1,000 trials

| <u>Single Year Returns at⁷</u> | <u>25th Percentile</u> | <u>50th Percentile</u> | <u>75th Percentile</u> |
|-------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| ● 7.0% Investment Mix | 0.1% | 7.0% | 14.8% |
| ● 6.0% Investment Mix | 0.8% | 6.0% | 11.4% |

- Assumes investment returns will be 6.5% (as compared to 7.0%) over the next 10 years and higher after that

- No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements
- Excludes Employer Paid Member Contributions (EPMC)
- Tier 2 (3%@55) effective April 1, 2012

⁵ Based on CalPERS CAFR

⁶ June 30, 2017 return based on CalPERS return of 7.1% through 2/28/17 and assumed returns for 4 months..

⁷ Nth percentile means N percentage of our trials result in returns lower than the indicated rates.

CONTRIBUTION PROJECTIONS - SAFETY

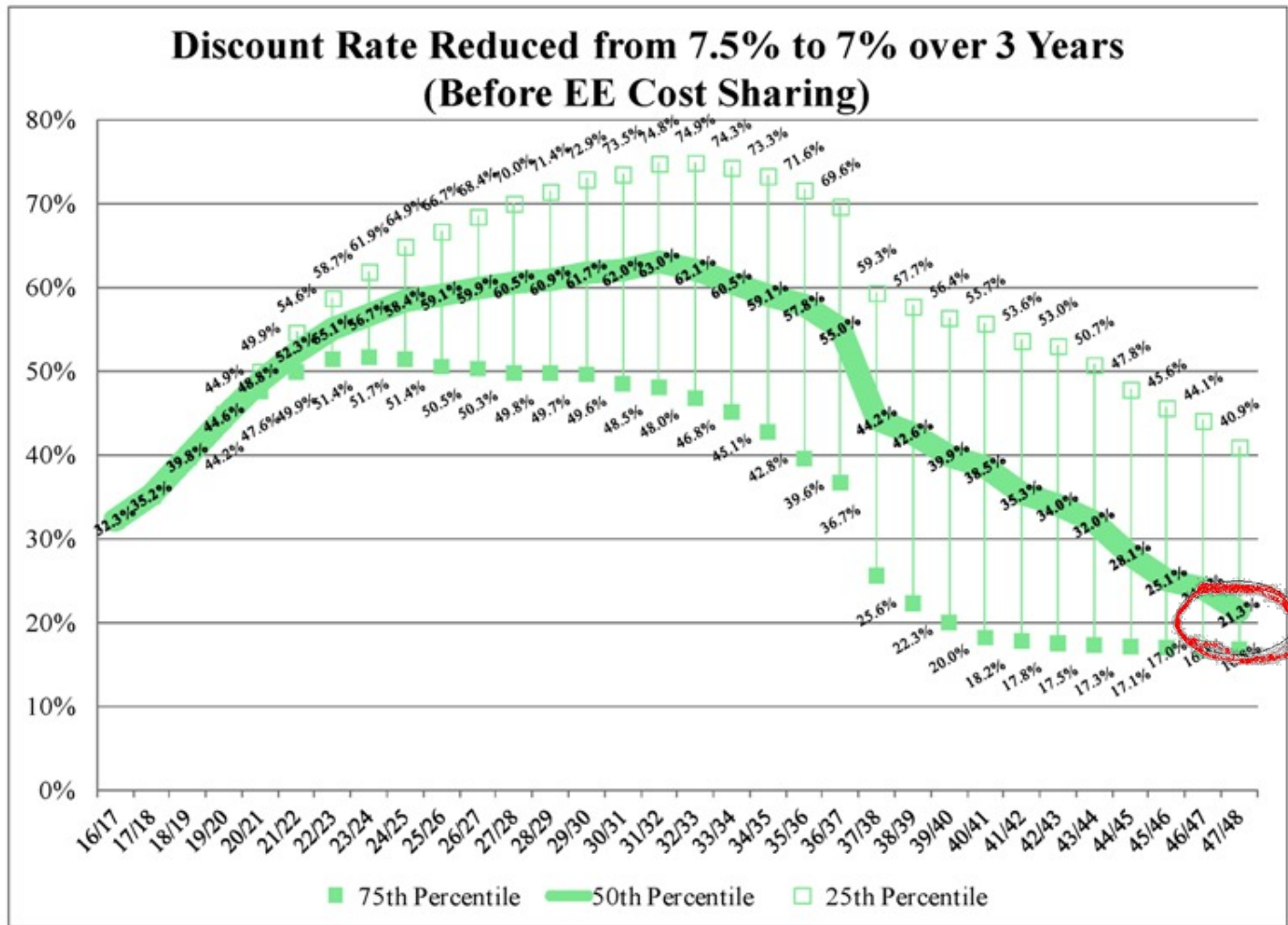
- EE Cost Sharing: Tier 1 and Tier 2 employees pay 3% toward employer rates
- New hire assumptions:
 - Assumes 50% of 2013 new hires will be Classic Tier 2 Members (3%@55) and 50% will be New Members with PEPRA benefits.
 - Assumes Classic Members will decrease from 50% to 0% of new hires over 10 years



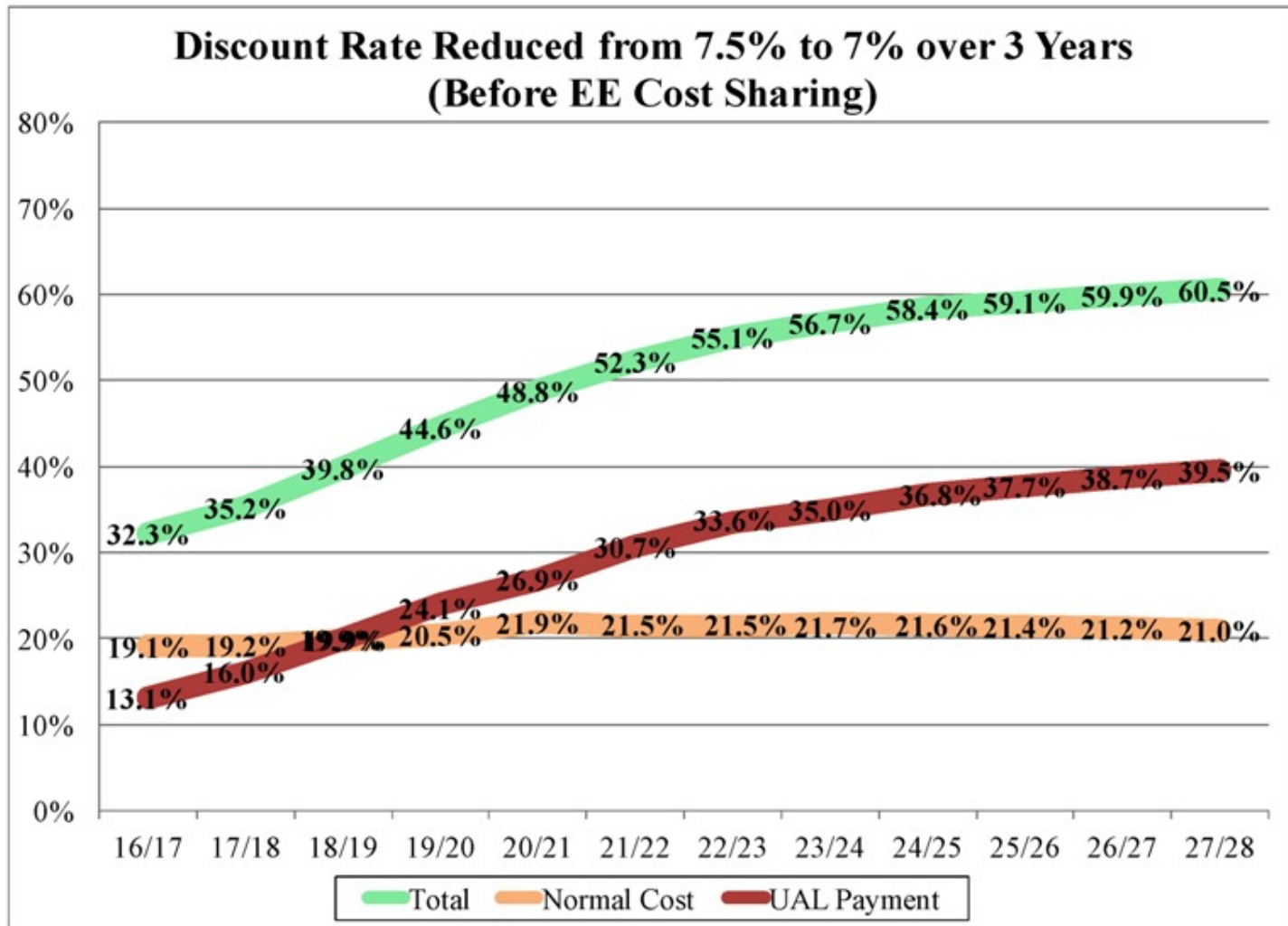
CONTRIBUTION PROJECTIONS - SAFETY



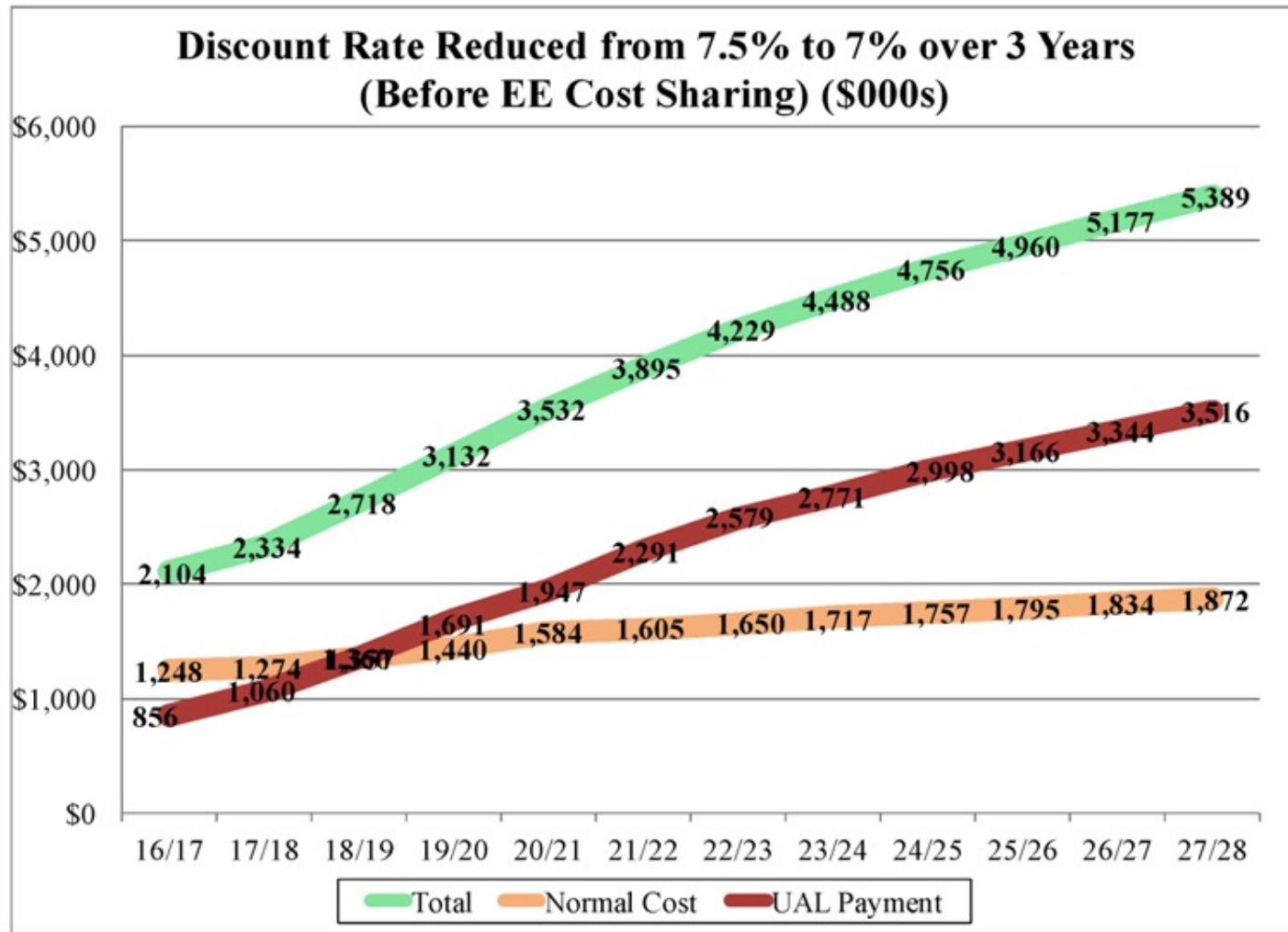
CONTRIBUTION PROJECTIONS - SAFETY



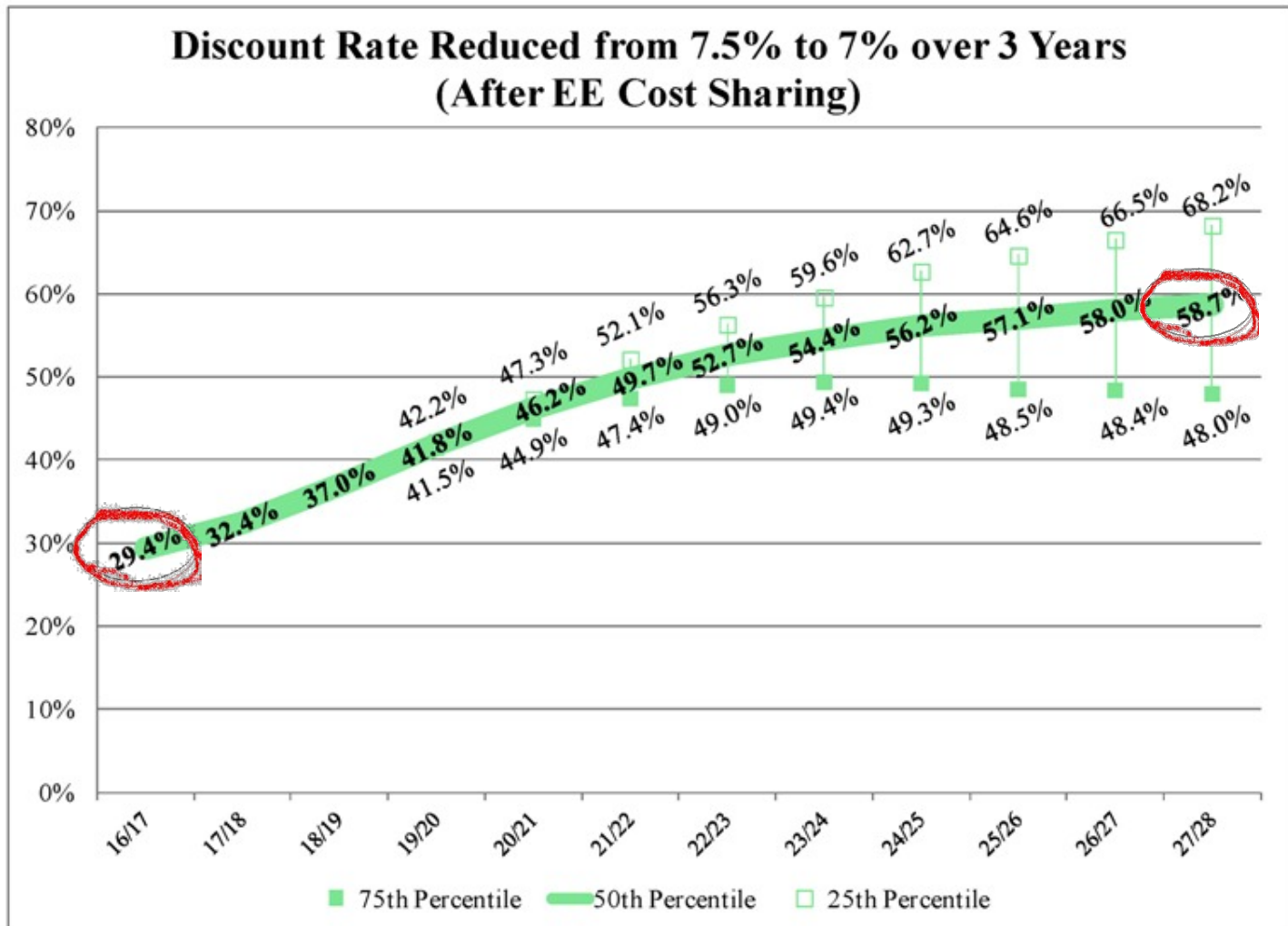
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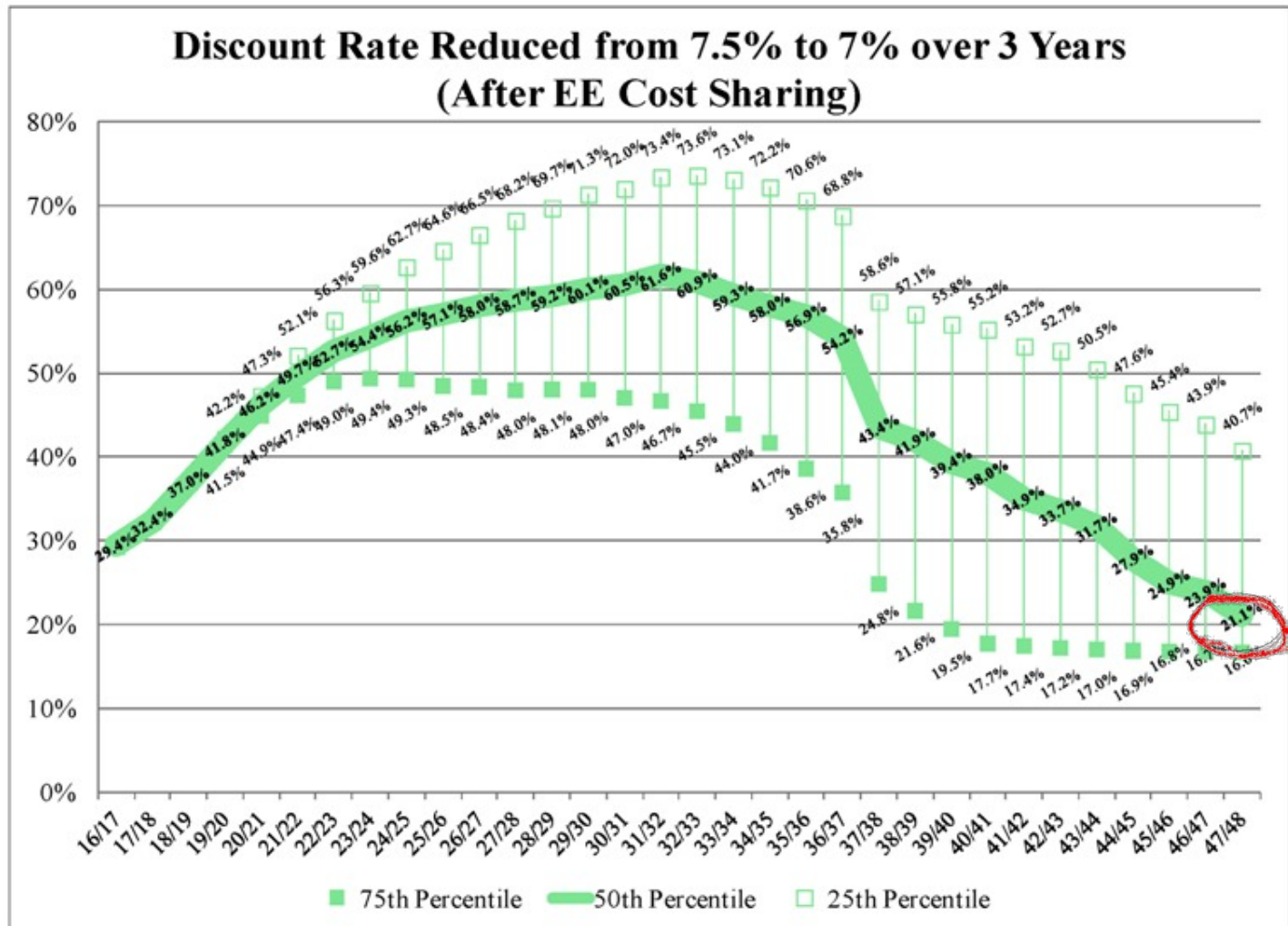
CONTRIBUTION PROJECTIONS - SAFETY



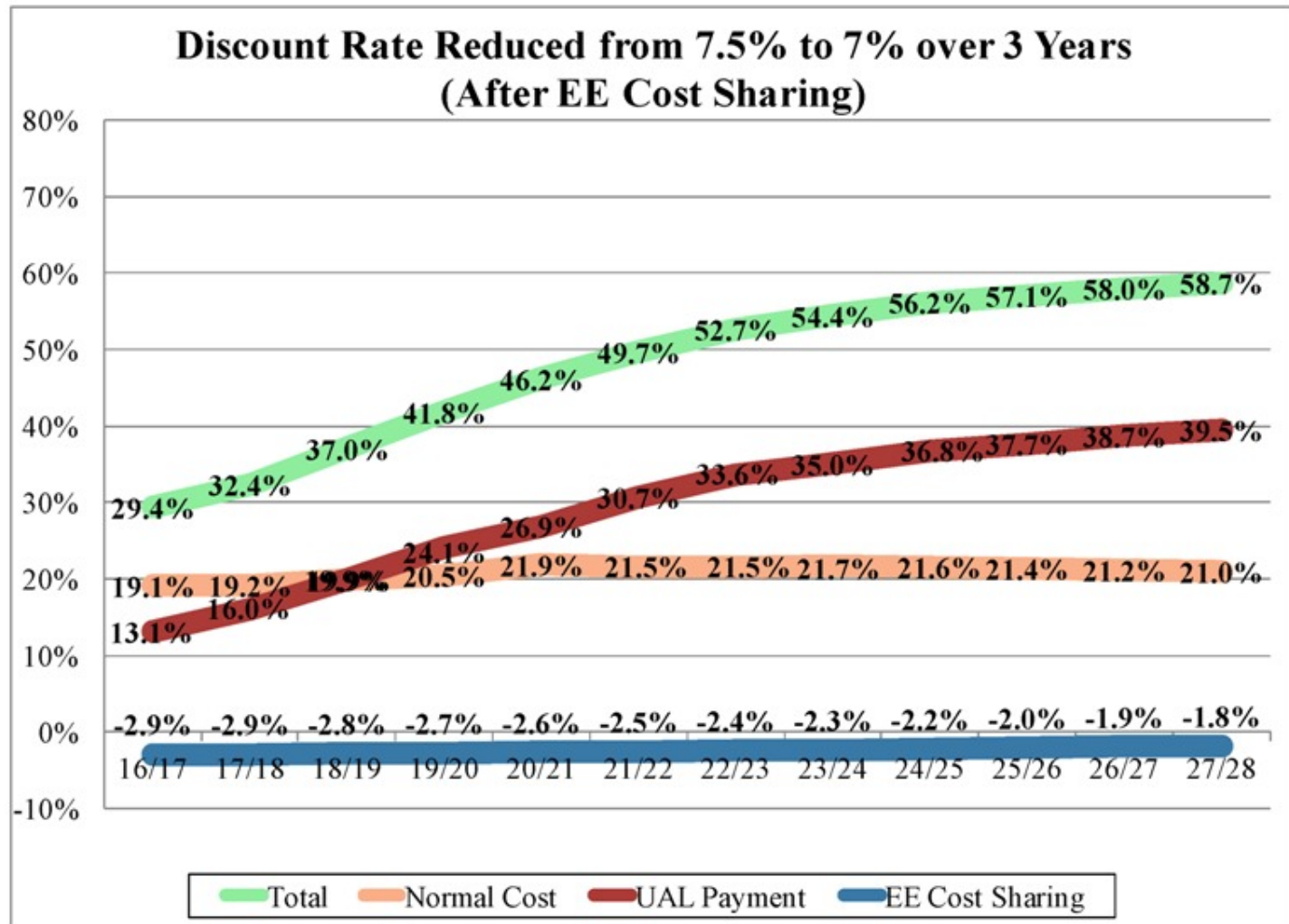
CONTRIBUTION PROJECTIONS - SAFETY



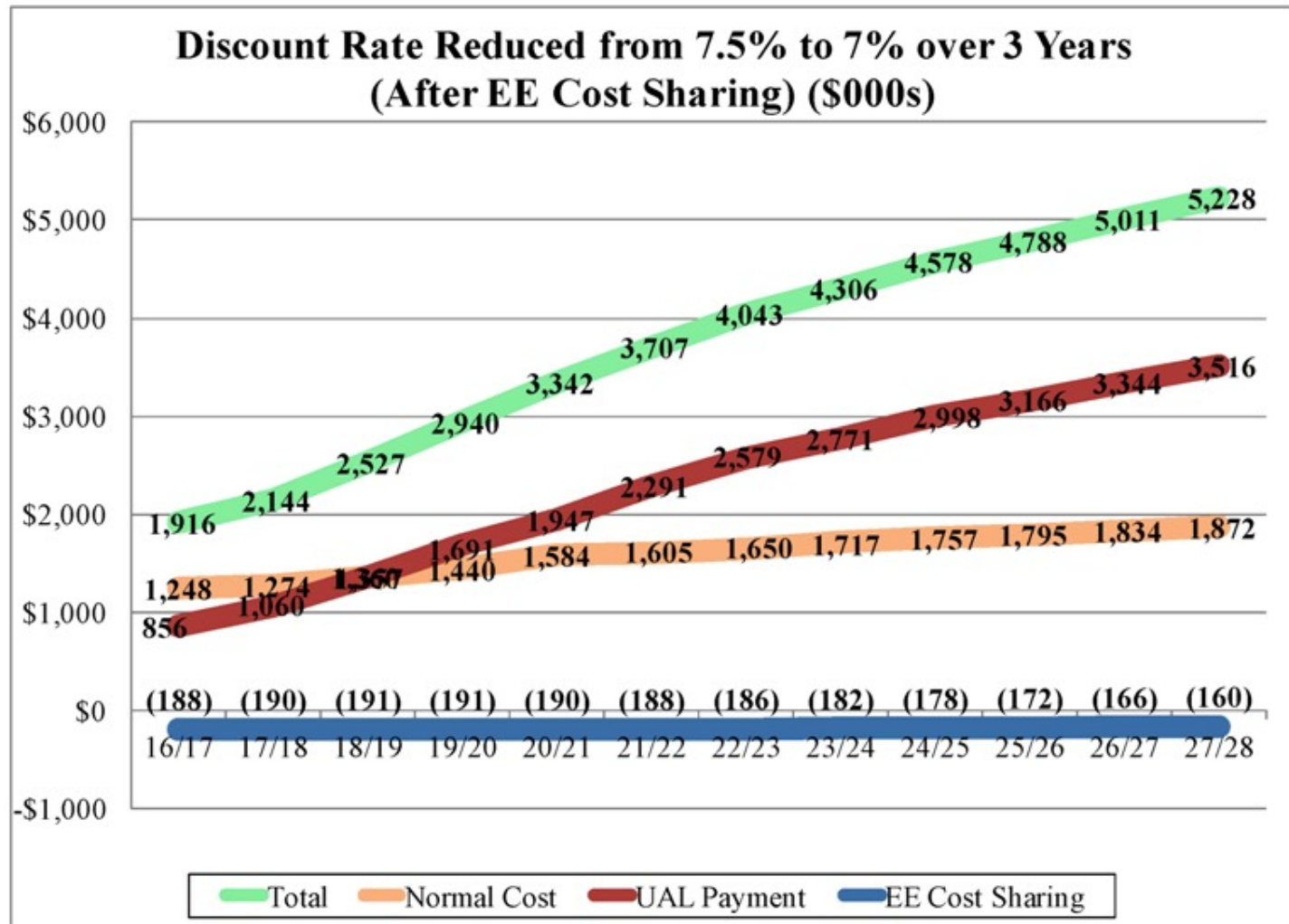
CONTRIBUTION PROJECTIONS - SAFETY



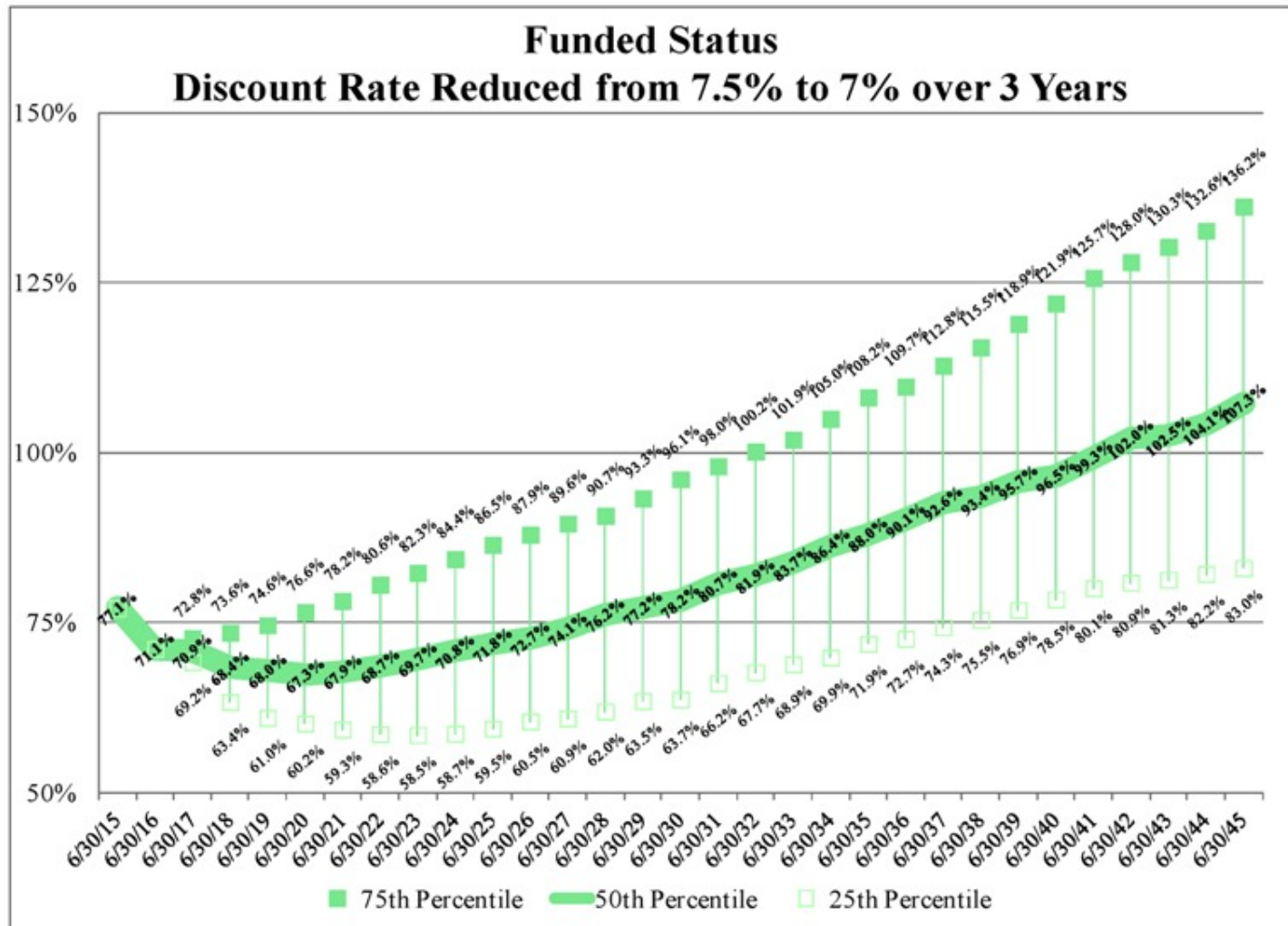
CONTRIBUTION PROJECTIONS - SAFETY



CONTRIBUTION PROJECTIONS - SAFETY



FUNDED STATUS - SAFETY



CALPERS TERMINATION LIABILITY

■ Terminated Agency Pool

- No future employer contributions
- More conservative investment policy and asset allocation strategy
- Lower expected return and lower discount rate assumption
 - Weighted average of the 10-year and 30-year US Treasury yields
 - Weights based on matching asset and liability duration as of termination date
 - 20 year Treasury yield was 2.75% on June 30, 2015

■ Unfunded Termination Liability @ June 30, 2015 (in \$000s)

| | Unfunded Liability @ 7.5% | Unfunded Termination Liability @ 2% | Unfunded Termination Liability @ 3.25% |
|---------------|------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|
| Miscellaneous | \$25,100 | \$134,700 | \$97,700 |
| Safety | 18,500 | 103,900 | 75,300 |
| Total | 43,600 | 238,600 | 173,000 |

PAYING DOWN THE UNFUNDED LIABILITY

- Pension Obligation Bond (POB)
 - Interest arbitrage between expected CalPERS earnings and rate paid on POB
 - Not guaranteed
- Borrow from General Fund
 - Pay GF back like a loan
 - Payments come from all funds
- One time payments
 - City resolution to use portion of one time money
- Internal Service Fund
 - Restricted investments
 - ☐ Likely low (0.5% - 1.0%) investment returns
 - ☐ Short term/high quality
 - ☐ Designed for preservation of principal
 - Assets could be used by Council for other purposes

PAYING DOWN THE UNFUNDED LIABILITY

Approximate Years to Attain Funded Percent

| | <u>80%</u> | <u>90%</u> | <u>100%</u> |
|-----------------------------------------------------------------------------------------------------------------------|------------|------------|-------------|
| ■ Miscellaneous | 12 | 18 | 26 |
| ■ Safety | 16 | 21 | 27 |
| ■ Ad-hoc payments applied to all amortization bases will not shorten amortization period but will reduce contribution | | | |
| ■ Only ways to shorten period are: | | | |
| ● Request shorter amortization period of CalPERS | | | |
| <input type="checkbox"/> Higher short term payments | | | |
| <input type="checkbox"/> Less interest and lower long term payments | | | |
| ● Make ad-hoc payment that targets specific bases with longer amortization periods | | | |
| <input type="checkbox"/> Modestly lower (short & long term) payments | | | |
| <input type="checkbox"/> Less interest | | | |

IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

- > 70 trusts established
- PARS & PFM
- Investments significantly less restricted than City investment funds
 - Designed for long term returns
 - Likely much higher (5% - 7%) investment return
- Assets could not be used by the Council for other purposes
- Can only be used to
 - Reimburse City for CalPERS contributions
 - Make payments directly to CalPERS
- GASB will almost certainly weigh in on certain accounting issues
 - Can Supplemental Pension Trust assets be included in Fiduciary Net Position?
 - If assets can be included would inclusion impact discount rate?

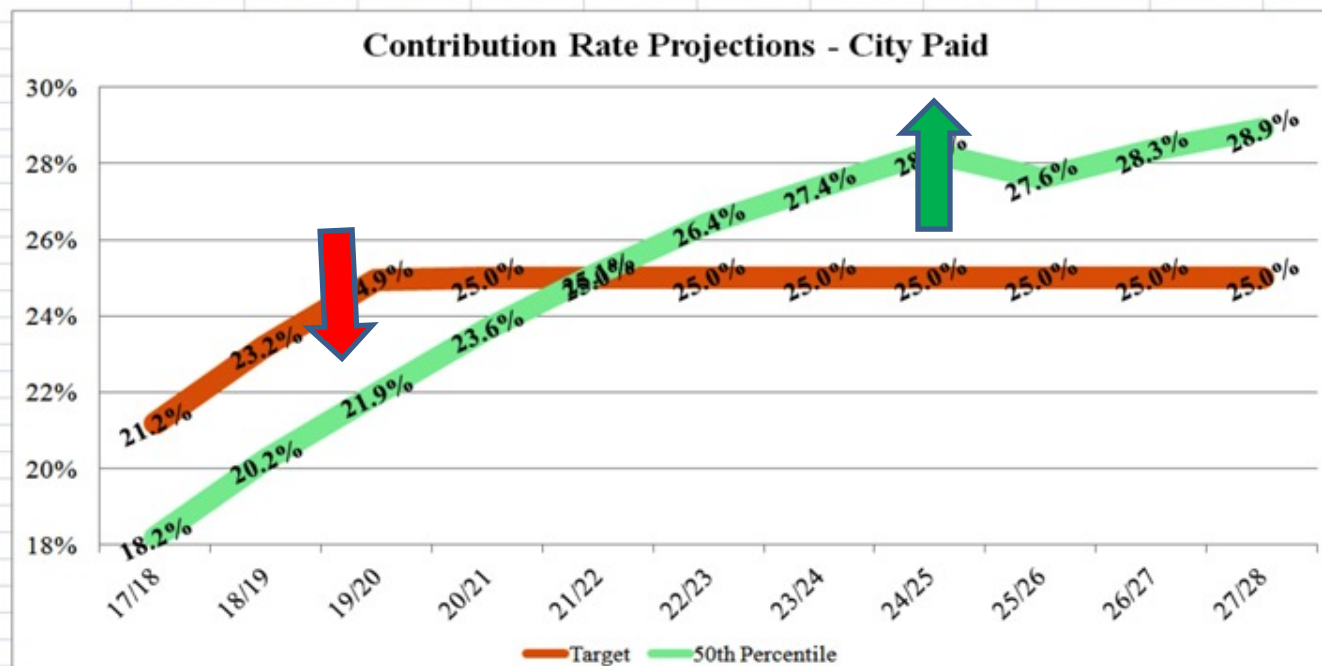
IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

- Parameters:
 - Initial seed money?
 - Additional amount contributed in future years?
 - Target budget rate?
 - Year target budget rate kicks in?
 - ☐ Before or after CalPERS rate exceeds budgeted rate?



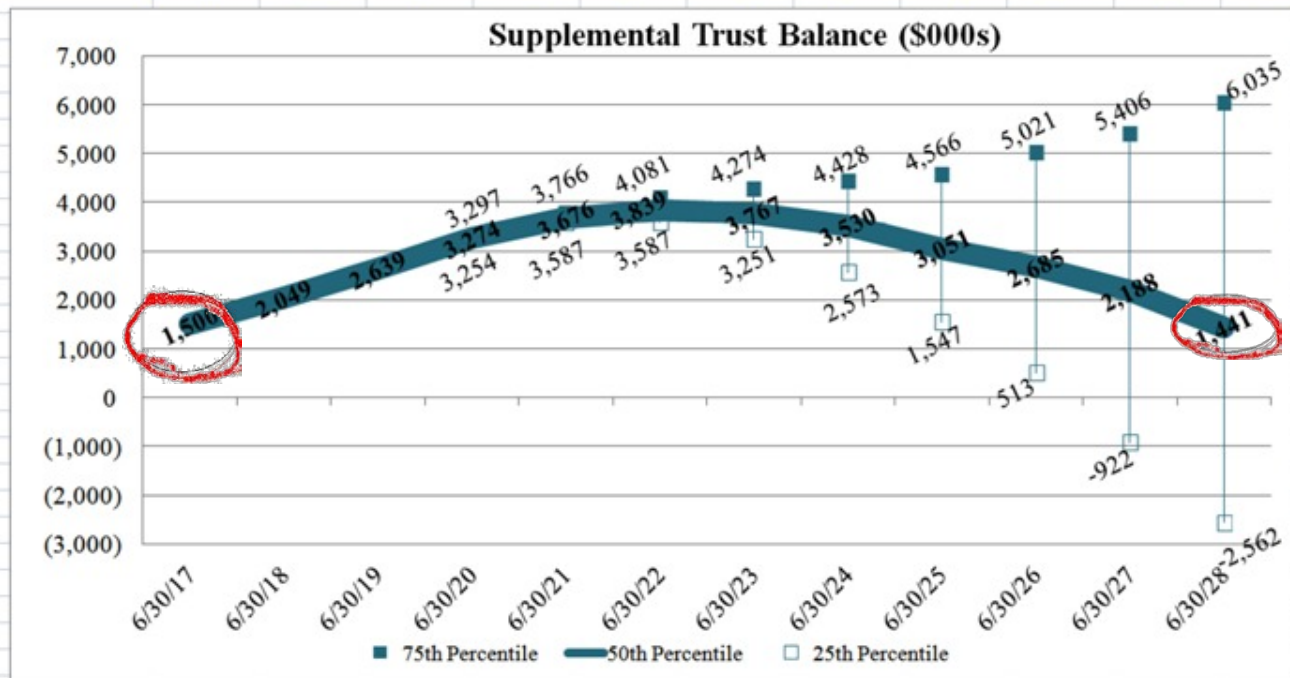
IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

| | | | | | | | | | | | | |
|--------------------------------------|-------|-----------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Initial 6/30/17 Fund Balance (\$000) | 1,500 | Miscellaneous Plan Rate Stabilization Fund Balance | | | | | | | | | | Calculate |
| Stabilization Fund - Rate of Return | 25.0% | | | | | | | | | | | |
| Target Rate | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | |
| (A) Add'l Contribution \$ (\$000) | - | - | - | - | - | - | - | - | - | - | - | |
| (B) Add'l Contribution - % of pay | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| (A) + (B) as % of Pay | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Budget - CalPERS Rate | 21.2% | 23.2% | 24.9% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | |
| Contribute at Target Rate? | N | N | N | Y | Y | Y | Y | Y | Y | Y | Y | |



IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

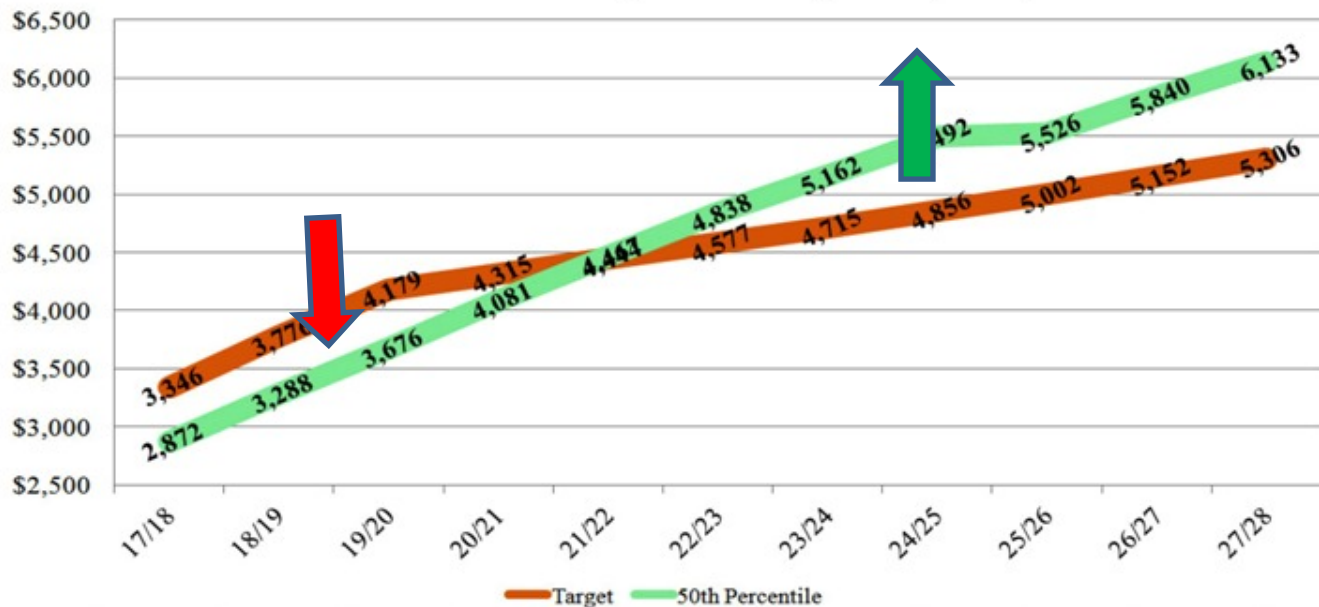
| | | | | | | | | | | | | |
|--------------------------------------|-------|----------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Initial 6/30/17 Fund Balance (\$000) | 1,500 | Miscellaneous Plan Rate Stabilization Fund Balance | | | | | | | | | | Calculate |
| Stabilization Fund - Rate of Return | 5.0% | | | | | | | | | | | |
| Target Rate | 25.0% | | | | | | | | | | | |
| | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | |
| (A) Add'l Contribution \$ (\$000) | - | - | - | - | - | - | - | - | - | - | - | |
| (B) Add'l Contribution - % of pay | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| (A) + (B) as % of Pay | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Budget - CalPERS Rate | 21.2% | 23.2% | 24.9% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | |
| Contribute at Target Rate? | N | N | N | Y | Y | Y | Y | Y | Y | Y | Y | |



IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

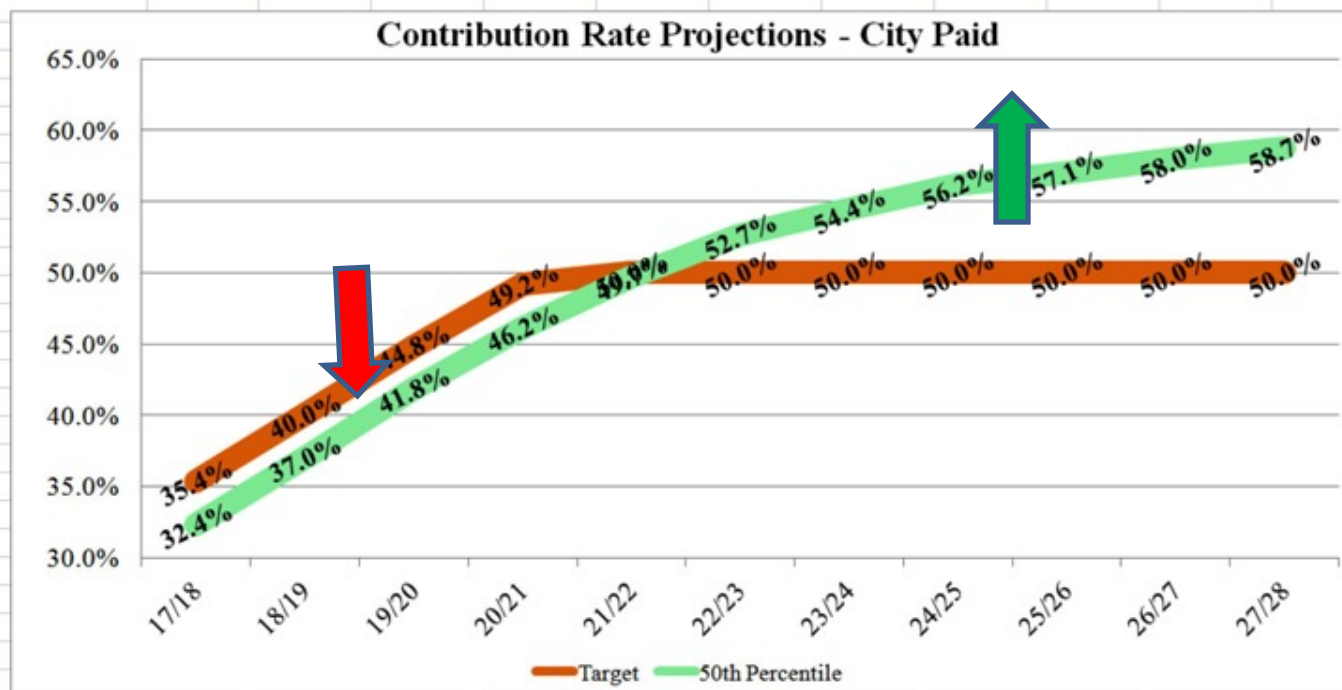
| | | | | | | | | | | | | |
|--------------------------------------|-------|----------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Initial 6/30/17 Fund Balance (\$000) | 1,500 | Miscellaneous Plan Rate Stabilization Fund Balance | | | | | | | | | | Calculate |
| Stabilization Fund - Rate of Return | 5.0% | | | | | | | | | | | |
| Target Rate | 25.0% | | | | | | | | | | | |
| | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | |
| (A) Add'l Contribution \$ (\$000) | - | - | - | - | - | - | - | - | - | - | - | |
| (B) Add'l Contribution - % of pay | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| (A) + (B) as % of Pay | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Budget - CalPERS Rate | 21.2% | 23.2% | 24.9% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | |
| Contribute at Target Rate? | N | N | N | Y | Y | Y | Y | Y | Y | Y | Y | |

Contribution Rate Projections - City Paid (\$000s)



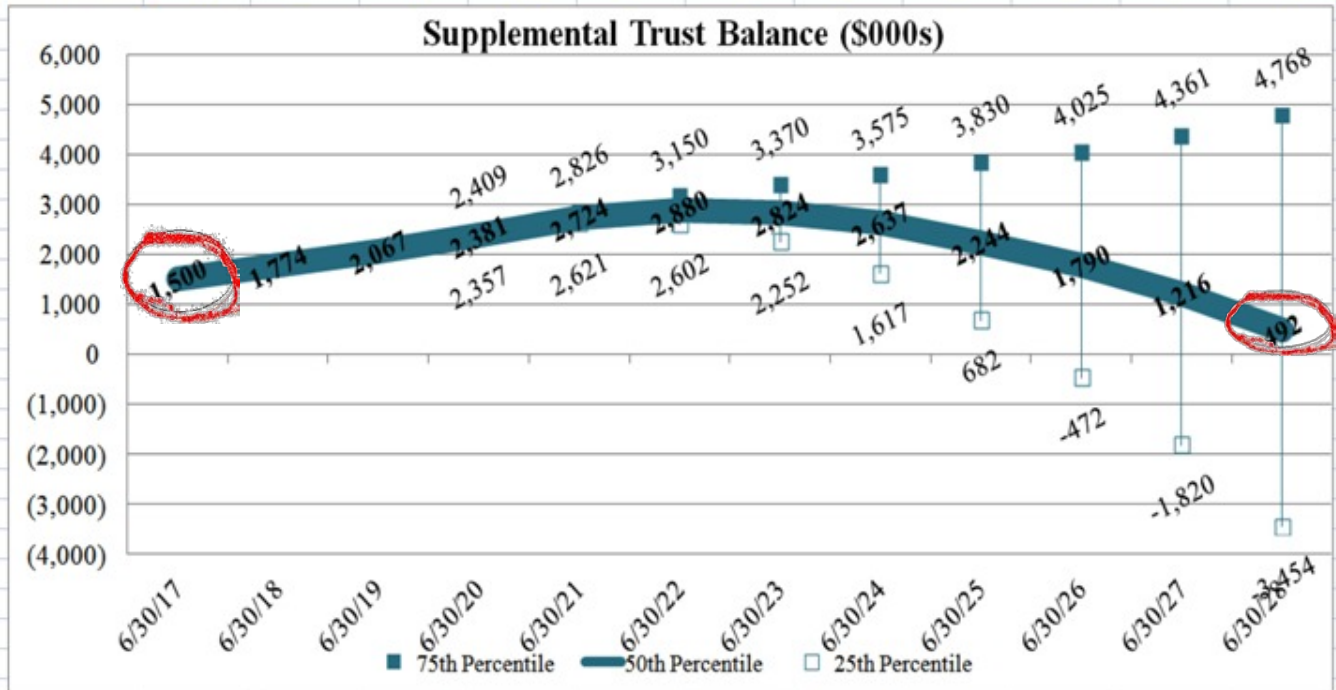
IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

| | | | | | | | | | | | |
|--------------------------------------|-------|-----------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Initial 6/30/17 Fund Balance (\$000) | 1,500 | <div>Safety Plan Rate Stabilization Fund Balance</div> <div>Calculate</div> | | | | | | | | | |
| Stabilization Fund - Rate of Return | 50.0% | | | | | | | | | | |
| Target Rate | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 |
| (A) Add'l Contribution \$ (\$000) | - | - | - | - | - | - | - | - | - | - | - |
| (B) Add'l Contribution - % of pay | 3.0% | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.00% |
| (A) + (B) as % of Pay | 3.0% | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Budget - CalPERS Rate | 35.4% | 40.0% | 44.8% | 49.2% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% |
| Pay (Budget-CalPERS) To/(From) Trust | N | N | N | N | Y | Y | Y | Y | Y | Y | Y |



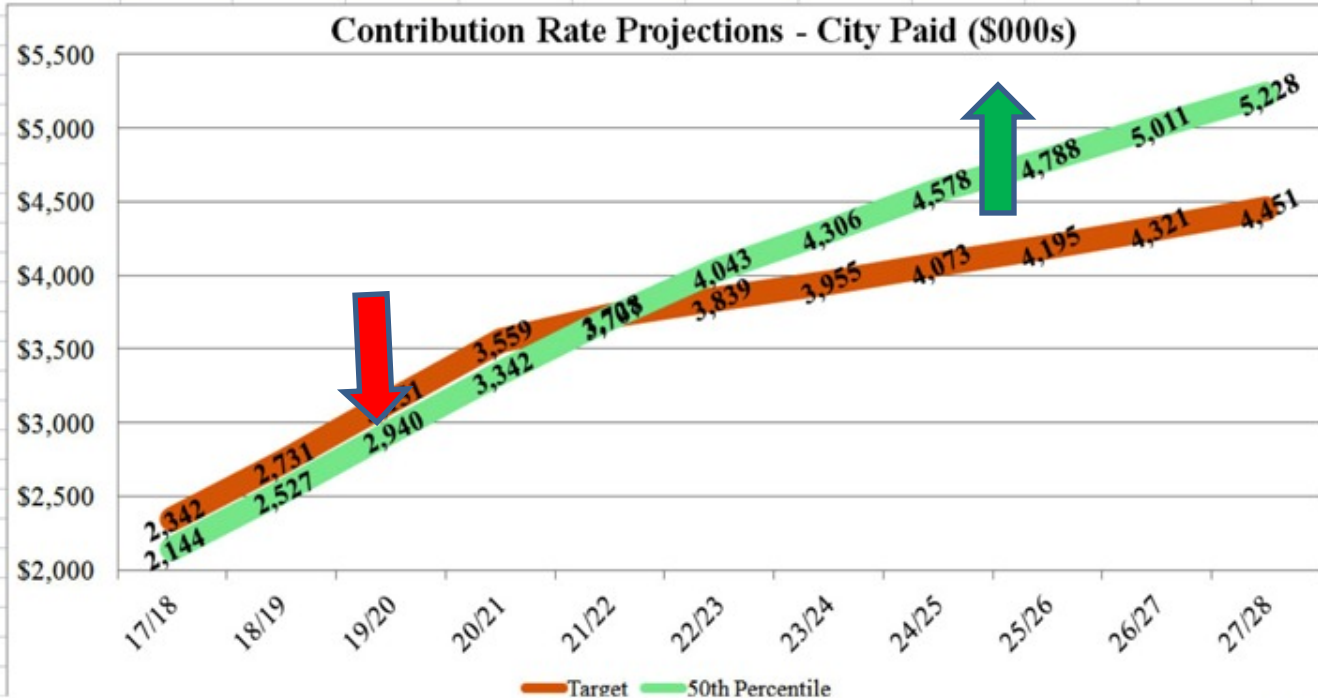
IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

| | | | | | | | | | | | | |
|--------------------------------------|-------|---------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Initial 6/30/17 Fund Balance (\$000) | 1,500 | Safety Plan Rate Stabilization Fund Balance | | | | | | | | | | Calculate |
| Stabilization Fund - Rate of Return | 5.0% | | | | | | | | | | | |
| Target Rate | 50.0% | | | | | | | | | | | |
| | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | |
| (A) Add'l Contribution \$ (\$000) | - | - | - | - | - | - | - | - | - | - | - | |
| (B) Add'l Contribution - % of pay | 3.0% | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.00% | |
| (A) + (B) as % of Pay | 3.0% | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Budget - CalPERS Rate | 35.4% | 40.0% | 44.8% | 49.2% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | |
| Pay (Budget-CalPERS) To/(From) Trust | N | N | N | N | Y | Y | Y | Y | Y | Y | Y | |



IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

| | | | | | | | | | | | | |
|--------------------------------------|-------|---------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Initial 6/30/17 Fund Balance (\$000) | 1,500 | Safety Plan Rate Stabilization Fund Balance | | | | | | | | | | Calculate |
| Stabilization Fund - Rate of Return | 5.0% | | | | | | | | | | | |
| Target Rate | 50.0% | | | | | | | | | | | |
| | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | |
| (A) Add'l Contribution \$ (\$000) | - | - | - | - | - | - | - | - | - | - | - | |
| (B) Add'l Contribution - % of pay | 3.0% | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.00% | |
| (A) + (B) as % of Pay | 3.0% | 3.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Budget - CalPERS Rate | 35.4% | 40.0% | 44.8% | 49.2% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% | |
| Pay (Budget-CalPERS) To/(From) Trust | N | N | N | N | Y | Y | Y | Y | Y | Y | Y | |



May 2, 2017





STAFF REPORT

City Council

Meeting Date:

5/2/2017

Staff Report Number:

17-109-CC

Informational Item:

Quarterly financial review of General Fund operations as of March 31, 2017

Recommendation

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

Policy Issues

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

Background

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

Analysis

The report, which is included as Table 1 on the following page, was developed to apprise Council of the year-to-date status of the General Fund. It provides year-to-date third quarter comparable data for fiscal years 2015-16 and 2016-17. Information included in this report is intended to highlight some of the critical elements of Table 1 and supplement that information with explanations of significant differences between fiscal years 2015-16 and 2016-17.

Overall, revenues in the General Fund for 2016-17 are 9 percent higher when compared to the same period in 2015-16. Year-to-date expenditures are also on track at 68 percent of the budget expended.

| Table 1: YTD General Fund Budget to Actuals | | | | | | |
|---------------------------------------------|-------------------|-------------------|---------------|-------------------|-------------------|---------------|
| | 2015-16 | | | 2016-17 | | |
| | Amended Budget | Actual 3/31/16 | % of Budget | Amended Budget | Actual 3/31/17 | % of Budget |
| Revenues | | | | | | |
| Property Tax | 17,241,813 | 11,999,641 | 69.60% | 17,393,400 | 13,092,315 | 75.27% |
| Charges For Services | 8,077,135 | 6,159,472 | 76.26% | 7,992,815 | 6,448,190 | 80.67% |
| Sales Tax | 5,202,594 | 3,054,848 | 58.72% | 5,502,000 | 3,782,390 | 68.75% |
| Licenses & Permits | 5,890,363 | 4,957,441 | 84.16% | 6,141,860 | 4,751,257 | 77.36% |
| Transient Occupancy Tax | 5,947,835 | 3,061,924 | 51.48% | 6,430,000 | 3,317,452 | 51.59% |
| Franchise Fees | 1,940,013 | 757,573 | 39.05% | 1,978,000 | 697,328 | 35.25% |
| Fines | 1,067,643 | 943,841 | 88.40% | 1,067,643 | 754,176 | 70.64% |
| Utility Users' Tax | 1,183,347 | 743,202 | 62.81% | 1,215,000 | 856,879 | 70.53% |
| Inter-Governmental Revenue | 928,467 | 860,103 | 92.64% | 990,052 | 614,310 | 62.05% |
| Interest and Rental Income | 1,128,598 | 469,566 | 41.61% | 1,101,199 | 325,036 | 29.52% |
| Transfers and Other | 478,849 | 340,934 | 71.20% | 484,919 | 441,051 | 90.95% |
| Use of Assigned Fund Balance | 1,261,644 | - | 0.00% | 1,300,000 | - | 0.00% |
| Total Revenues: | 50,348,301 | 33,348,544 | 66.24% | 51,596,888 | 35,080,383 | 67.99% |
| | | | | | | |
| Expenditures | | | | | | |
| Police | 16,537,885 | 11,578,386 | 70.01% | 16,680,895 | 12,320,451 | 73.86% |
| Public Works | 8,829,870 | 5,477,343 | 62.03% | 9,192,204 | 6,121,998 | 66.60% |
| Community Services | 7,692,668 | 5,367,011 | 69.77% | 7,969,036 | 5,619,991 | 70.52% |
| Community Development | 5,140,492 | 2,311,494 | 44.97% | 6,220,544 | 3,151,815 | 50.67% |
| Administrative Services | 3,059,147 | 1,739,106 | 56.85% | 3,031,414 | 2,037,518 | 67.21% |
| Library | 2,576,568 | 1,587,043 | 61.60% | 2,695,763 | 1,851,506 | 68.68% |
| City Managers Office | 2,478,416 | 1,573,555 | 63.49% | 2,539,509 | 1,537,711 | 60.55% |
| City Council | 424,666 | 277,730 | 65.40% | 484,481 | 387,012 | 79.88% |
| City Attorney | 385,651 | 244,427 | 63.38% | 385,525 | 412,212 | 106.92% |
| Total Operating Expenditures | 47,125,363 | 30,156,094 | 63.99% | 49,199,371 | 33,440,214 | 67.97% |
| | | | | | | |
| Transfers Out | 9,186,877 | 1,265,408 | 13.77% | 3,136,966 | 2,134,061 | 68.03% |

Revenue

Table 2 below shows a summary of third quarter budget-to-actual revenues for fiscal years 2015-16 and 2016-17.

| Table 2: Revenues | | | | | | |
|------------------------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
| Revenues | 2015-16 | | | 2016-17 | | |
| | Amended Budget | Actual 3/31/16 | % of Budget | Amended Budget | Actual 3/31/17 | % of Budget |
| Property Tax | \$ 17,241,813 | \$ 11,999,641 | 69.60% | \$ 17,393,400 | \$ 13,092,315 | 75.27% |
| Charges For Services | 8,077,135 | 6,159,472 | 76.26% | 7,992,815 | 6,448,190 | 80.67% |
| Sales Tax | 5,202,594 | 3,054,848 | 58.72% | 5,502,000 | 3,782,390 | 68.75% |
| Licenses & Permits | 5,890,363 | 4,957,441 | 84.16% | 6,141,860 | 4,751,257 | 77.36% |
| Transient Occupancy Tax | 5,947,835 | 3,061,924 | 51.48% | 6,430,000 | 3,317,452 | 51.59% |
| Franchise Fees | 1,940,013 | 757,573 | 39.05% | 1,978,000 | 697,328 | 35.25% |
| Fines | 1,067,643 | 943,841 | 88.40% | 1,067,643 | 754,176 | 70.64% |
| Utility Users' Tax | 1,183,347 | 743,202 | 62.81% | 1,215,000 | 856,879 | 70.53% |
| Inter-Governmental Revenue | 928,467 | 860,103 | 92.64% | 990,052 | 614,310 | 62.05% |
| Interest and Rental Income | 1,128,598 | 469,566 | 41.61% | 1,101,199 | 325,036 | 29.52% |
| Transfers and Other | 478,849 | 340,934 | 71.20% | 484,919 | 441,051 | 90.95% |
| Use of Assigned Fund Balance | 1,261,644 | 0 | 0.00% | 1,300,000 | 0 | 0.00% |
| Total Revenues: | \$ 50,348,301 | \$ 33,348,544 | 66.24% | \$ 51,596,888 | \$ 35,080,383 | 67.99% |

Through the third quarter of fiscal year 2016-17, year-to-date General Fund revenues are slightly above \$35.1 million, which is a 5 percent increase over the same time period in 2015-16. This increase is driven by several major revenue sources, including property tax, charges for services, transient occupancy tax, and sales tax.

Property tax revenues, which represent the largest source of General Fund revenue, are up 9 percent, or \$1.1 million over the last year; inclusive of Excess ERAF for both periods. This category consists of all property tax revenues, including the secured tax, unsecured tax, property transfer tax, and supplemental tax. The second half of property tax receipts are received in April of each year. While April falls outside of the reporting period, receipts already booked for April as of the date of this report indicate that property tax will exceed adopted budget.

Charges for services are up 5 percent, or \$289,000, over the third quarter of fiscal year 2015-16. When compared to the budget, charges for services are trending 6 percent favorable to the budget. Revenue increases in this category are primarily being driven by the City's recreation programs.

Sales tax revenues are up 24 percent when compared to the same period in fiscal year 2015-16. Revenues in this category are based on estimates made by the State Board of Equalization (BOE) with "true-up" payments made once a quarter which lags as much as six months from the original sales transaction. Projections from the City's sales tax consultant suggest that year-end actual sales tax revenue will fall short of the adopted budget for 2016-17 by as much as \$300,000.

Transient occupancy tax (TOT) revenues are up 8 percent over the same period from last fiscal year. Overall, the largest hotels in Menlo Park are reporting increased taxable room revenue compared to the prior fiscal year. Revenues in this category are trending slightly higher than expected and it should be noted that due to the delay in transient occupancy tax return filings, which occur on a quarterly basis, the receipts as of March 31st reflect only 50% of the year.

License and permit revenues are down 4 percent over the third quarter results from last fiscal year. This decrease is primarily due to the timing of receipts for business license renewals which are mailed in December but not considered delinquent until February 1st of each year. It is anticipated that Business License revenue will meet the amended budget amount for the end of the fiscal year.

Expenditures

As expected through the third quarter, General Fund operating expenditures are up \$4.2 million or 13 percent when compared to the previous fiscal year. This year over year increase in expenditures is in line with the City Council adopted budget and the mid-year review approved by the City Council on February 28, 2017. Overall, expenditures in the General Fund are trending as expected at 68 percent of the budget through the third quarter.

The majority of the City's departments are trending below the 75 percent third quarter target with the exception of the City Attorney and City Council programs. Expenditures in the City Attorney program are trending higher than expected due to increased legal fees for private development projects which are reimbursed by developers. When adjusted for reimbursable legal fees, the City Attorney department's budget is slightly above the 75% target as of the end of the third quarter. Expenditures in the City Council program are trending higher when compared to the previous year due to the Community Funding program. At the December 6, 2016 meeting, City Council approved an additional appropriation of \$29,000 to provide funding to community organizations eligible to participate in the Community Funding program. Expenditures are also trending higher, when compared to last year, in this program due to the timing of payments made to organizations who are participating in the program.

It is important to remember that personnel expenditures were adjusted downward as result of the City's vacancy factor which assumes personnel cost savings as a result of vacant positions. The fact that expenditures are at or below 75% reflects that the City is meeting its vacancy factor assumption as of the end of the third quarter.

| Table 3: Expenditures | | | | | | |
|----------------------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
| Departments | 2015-16 | | | 2016-17 | | |
| | Amended Budget | Actual 3/31/16 | % of Budget | Amended Budget | Actual 3/31/17 | % of Budget |
| Police | \$ 16,537,885 | \$ 11,578,386 | 70.01% | \$ 16,680,895 | \$ 12,320,451 | 73.86% |
| Public Works | 8,829,870 | 5,477,343 | 62.03% | 9,192,204 | 6,121,998 | 66.60% |
| Community Services | 7,692,668 | 5,367,011 | 69.77% | 7,969,036 | 5,619,991 | 70.52% |
| Community Development | 5,140,492 | 2,311,494 | 44.97% | 6,220,544 | 3,151,815 | 50.67% |
| Administrative Services | 3,059,147 | 1,739,106 | 56.85% | 3,031,414 | 2,037,518 | 67.21% |
| Library | 2,576,568 | 1,587,043 | 61.60% | 2,695,763 | 1,851,506 | 68.68% |
| City Managers Office | 2,478,416 | 1,573,555 | 63.49% | 2,539,509 | 1,537,711 | 60.55% |
| City Council | 424,666 | 277,730 | 65.40% | 484,481 | 387,012 | 79.88% |
| City Attorney | 385,651 | 244,427 | 63.38% | 385,525 | 412,212 | 106.92% |
| Transfers Out | 9,186,877 | 1,265,408 | 13.77% | 3,136,966 | 2,134,061 | 68.03% |
| Total Expenditures: | \$ 56,312,240 | \$ 31,421,502 | 55.80% | \$ 52,336,337 | \$ 35,574,275 | 67.97% |

Impact on City Resources

There is no impact on City resources.

Environmental Review

This report is not subject to the California Environmental Quality Act (CEQA).

Public Notice

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

Attachments

None.

Report prepared by:
Rosendo Rodriguez, Finance and Budget Manager

Reviewed by:
Nick Pegueros, Administrative Services Director

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STAFF REPORT

City Council

Meeting Date:

5/2/2017

Staff Report Number:

17-095-CC

Informational Item:

Review of the City's Investment Portfolio as of March 31, 2017

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 March 31, 2017

The historical (book) value of the City's total portfolio at the end of March was \$113 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) | \$51,693,895 | \$51,693,895 | 45.9% |
| Corporate Bonds | \$18,294,060 | \$18,186,524 | 16.1% |
| Government Agencies | \$31,488,761 | \$31,377,820 | 27.8% |
| Government Bonds | \$11,484,121 | \$11,485,545 | 10.2% |
| Government Mortgage Backed | \$1,155 | \$1,085 | 0.0% |
| Total | \$112,961,992 | \$112,744,869 | 100.0% |

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 \$217,123 less than the historical cost at the end of March. 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.

Economic Conditions in the U.S. as of Quarter Ended March 31, 2017

The meeting of the Federal Open Market Committee (FOMC) concluded on March 15 with the anticipated decision to increase the federal funds target rate by 25 basis points. In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate to .75 to 1 percent. The FOMC statement retained language indicating future increases in the fed funds target rate would be "gradual".

The payroll report released on March 10, showed US employers added 235,000 jobs in February, better than expectations of 200,000 new jobs. January job growth was revised up to 238,000 from the prior release of 227,000 jobs added. The February unemployment rate decreased to 4.7% from 4.8% in January, and the underemployment rate decreased to 9.2% from 9.4%. Average hourly earnings rose by 0.2% in February to a year-over-year rate of 2.8%.

The final estimate of fourth quarter 2016 GDP was released on March 30. Largely in response to stronger consumer spending, fourth quarter GDP was revised upward to 2.1% from the previous estimate of 1.9% growth. Personal consumption was revised to 3.5% growth in the fourth quarter from the previous estimate of 3.0%. For the third quarter of last year, GDP was 3.5% and personal consumption was 3.0%.

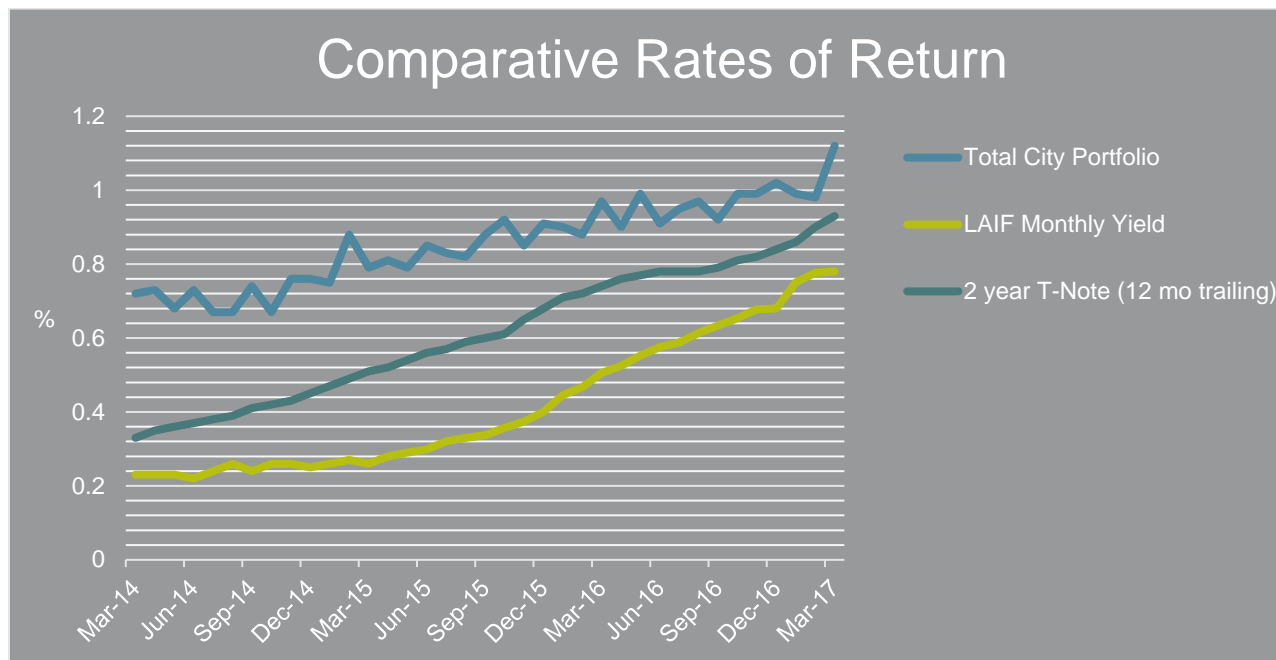
Investment Yield

The annualized return on the City's portfolio as of March 31, 2017, was 1.12% net of fees. This quarter's return is up from the previous quarter which had a net return of 1.02%. The current quarter's return is higher than both the 2-year Treasury note paying 0.93% and the rate of return earned through LAIF over the past quarter which was 0.78%.

| Table 2: Investment Yield | | |
|---------------------------|-------------------|----------------|
| Term | December 31, 2016 | March 31, 2017 |
| 3-month | 0.3 | 0.37 |
| 6-month | 0.41 | 0.48 |
| 2-year | 0.84 | 0.93 |
| 5-year | 1.34 | 1.47 |

As previously stated, over 40 percent of the portfolio resides in the City's LAIF account, yielding 0.78 percent for the quarter ended March 31, 2017. 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 \$12,118 for the quarter ended March 31, 2017) 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 First Quarter of 2017

During the first quarter of 2017, staff obtained guidance from the City's investment advisors (Insight Investments) to make prudent investment decisions that follow the City's investment policy. Insight continues to look for 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 first quarter of 2017.

| Table 3: Investment Transactions | | | | | |
|----------------------------------|-------------|--------------------------|------|---------|--------------|
| Date | Transaction | Description | Term | % Yield | Principal |
| 1/12/2017 | MATURITY | TOYOTA MOTOR CREDIT CORP | 2.76 | 2.05 | \$ 1,000,000 |
| 1/13/2017 | PURCHASE | USA TREASURY | 2.72 | 1.75 | 1,010,313 |
| 1/17/2017 | CALL | FREDDIE MAC FG | 4.20 | 6.00 | 4,762 |
| 1/31/2017 | MATURITY | BERKSHIRE HATHAWAY INC | 5.01 | 1.90 | 1,500,000 |
| 2/15/2017 | CALL | FREDDIE MAC FG | 4.20 | 6.00 | 4,403 |
| 2/2/2017 | PURCHASE | BERKSHIRE HATHAWAY INC | 2.54 | 1.30 | 1,485,345 |
| 2/6/2017 | MATURITY | IBM CORP | 3.08 | 1.25 | 1,500,000 |
| 2/8/2017 | PURCHASE | CISCO SYSTEMS INC | 2.06 | 2.13 | 1,486,743 |
| 3/15/2017 | PURCHASE | COCA-COLA CO | 2.21 | 1.38 | 993,640 |
| 3/15/2017 | PURCHASE | USA TREASURY | 2.01 | 1.00 | 496,113 |
| 3/15/2017 | CALL | FREDDIE MAC FG | 4.20 | 6.00 | 3,380 |
| 3/15/2017 | MATURITY | JOHN DEERE CAPITAL CORP | 2.00 | 1.40 | 1,500,000 |

Impact on City Resources

Due to the liquidity of LAIF accounts, the City has more than sufficient funds available to meet its expenditure requirements for the next six months.

Environmental Review

There is no Environmental Review Impact

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 March 31, 2017.
- B. Insight Investments report for the quarter ended March 31, 2017.
- C. LAIF Quarterly report for the period ended March 31, 2017.

Report prepared by:
Rosendo Rodriguez, Finance and Budget Manager

City of Menlo Park

Quarterly Consolidated Portfolio Report

March 31, 2017

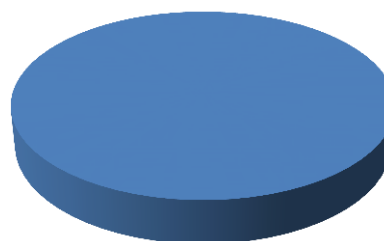
City Managed Assets

| | | | | |
|---------------------------------|-----------|-------------------|------------|-------|
| LAIF | \$ | 51,693,895 | 46% | 0.78% |
| Total Internally Managed | \$ | 51,693,895 | 46% | |

Weighted Average Yield **0.78%**

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

LAIF, 46%

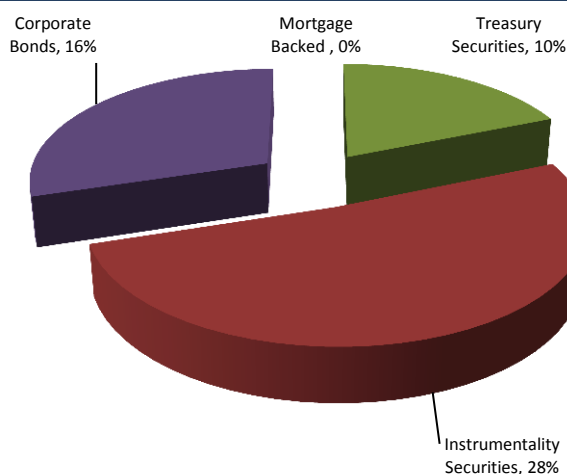


Advisor Managed Assets

| | | | | |
|---------------------------------|-----------|-------------------|------------|-------|
| Treasury Securities | \$ | 11,485,545 | 10% | 1.00% |
| Instrumentality Securities | \$ | 31,377,820 | 28% | 1.09% |
| Corporate Bonds | \$ | 18,186,524 | 16% | 1.24% |
| Mortgage Backed | \$ | 1,085 | 0% | 2.31% |
| Total Externally Managed | \$ | 61,050,974 | 54% | |

Weighted Average Yield **1.12%**

| | |
|---------------------------------------|-------|
| | Years |
| Effective Average Duration - External | 1.27 |
| Weighted Average Maturity - External | 1.33 |

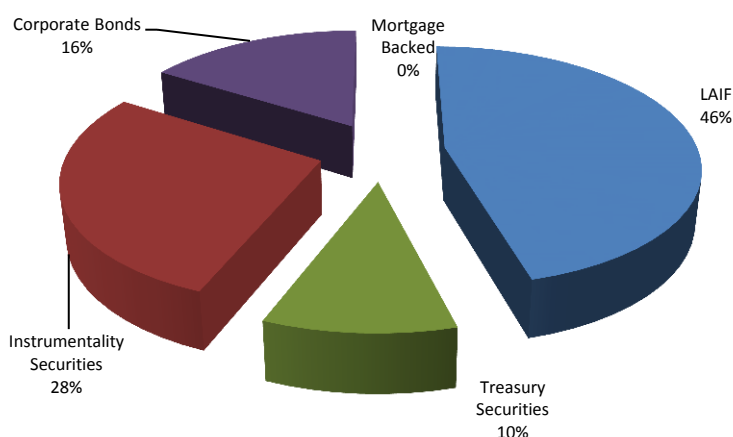


Total Portfolio Assets

| | | | | |
|-------------------------------|-----------|--------------------|-----|-------|
| LAIF | \$ | 51,693,895 | 46% | 0.78% |
| Treasury Securities | \$ | 11,485,545 | 10% | 1.00% |
| Instrumentality Securities | \$ | 31,377,820 | 28% | 1.09% |
| Corporate Bonds | \$ | 18,186,524 | 16% | 1.24% |
| Mortgage Backed | \$ | 1,085 | 0% | 2.31% |
| Total Portfolio Assets | \$ | 112,744,869 | | |

Weighted Average Yield **0.96%**

| | |
|------------------------------------|-------|
| | Years |
| Effective Average Duration - Total | 0.69 |
| Weighted Average Maturity - Total | 0.72 |



Portfolio Change

| | | |
|-------------------|----|-------------|
| Beginning Balance | \$ | 112,716,986 |
| Ending Balance | \$ | 112,744,869 |

* 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

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ANY FORM WITHOUT PRIOR WRITTEN APPROVAL

CITY OF MENLO PARK

March 2017

➤ A BNY MELLON COMPANYSM



ACTIVITY AND PERFORMANCE SUMMARY

CITY OF MENLO PARK

For the period January 1, 2017 - March 31, 2017

Amortized Cost Basis Activity Summary

| | |
|---------------------------------------|---------------|
| Opening balance | 61,245,698.77 |
| Participant contributions | 0.01 |
| Income received | 206,176.24 |
| Total receipts | 206,176.25 |
| Expenses paid | (291.67) |
| Total disbursements | (291.67) |
| Interportfolio transfers | (246,275.48) |
| Total Interportfolio transfers | (246,275.48) |
| Realized gain (loss) | (32.88) |
| Total amortization expense | (25,217.25) |
| Total OID/MKT accretion income | 8,780.79 |
| Return of capital | 0.00 |
| Closing balance | 61,188,838.53 |
| Ending fair value | 61,050,973.94 |
| Unrealized gain (loss) | (137,864.59) |

Detail of Amortized Cost Basis Return

| | Interest earned | Accretion (amortization) | Realized gain (loss) | Total income |
|---------------------------------------|-------------------|--------------------------|----------------------|-------------------|
| Corporate Bonds | 67,134.84 | (12,070.56) | 0.00 | 55,064.28 |
| Government Agencies | 91,268.75 | (5,399.65) | 0.00 | 85,869.10 |
| Government Bonds | 25,588.44 | 1,052.79 | 0.00 | 26,641.23 |
| Government Mortgage Backed Securities | 72.11 | (19.04) | (32.88) | 20.19 |
| Total | 184,064.14 | (16,436.46) | (32.88) | 167,594.80 |

Comparative Rates of Return (%)

| | * Twelve month trailing | * Six month trailing | * Three month trailing |
|--------------------------------|-------------------------|----------------------|------------------------|
| Fed Funds | 0.48 | 0.29 | 0.17 |
| Overnight Repo | 0.49 | 0.25 | 0.15 |
| Merrill Lynch 3m US Treas Bill | 0.37 | 0.24 | 0.14 |
| Merrill Lynch 6m US Treas Bill | 0.48 | 0.30 | 0.17 |
| ML 1 Year US Treasury Note | 0.69 | 0.41 | 0.22 |
| ML 2 Year US Treasury Note | 0.93 | 0.56 | 0.30 |
| ML 5 Year US Treasury Note | 1.47 | 0.88 | 0.48 |

* rates reflected are cumulative

Summary of Amortized Cost Basis Return for the Period

| | Total portfolio |
|-----------------------------------------|-----------------|
| Interest earned | 184,064.14 |
| Accretion (amortization) | (16,436.46) |
| Realized gain (loss) on sales | (32.88) |
| Total income on portfolio | 167,594.80 |
| Average daily amortized cost | 61,141,805.92 |
| Period return (%) | 0.27 |
| YTD return (%) | 0.27 |
| Weighted average final maturity in days | 485 |

ACTIVITY AND PERFORMANCE SUMMARY

For the period January 1, 2017 - March 31, 2017

Fair Value Basis Activity Summary

| | | |
|----------------------------------------------|--------------|---------------|
| Opening balance | | 61,097,517.20 |
| Participant contributions | 0.01 | |
| Income received | 206,176.24 | |
| Total receipts | | 206,176.25 |
| Expenses paid | (291.67) | |
| Total disbursements | | (291.67) |
| Interportfolio transfers | (246,275.48) | |
| Total Interportfolio transfers | | (246,275.48) |
| Unrealized gain (loss) on security movements | | 0.00 |
| Return of capital | | 0.00 |
| Change in fair value for the period | | (6,152.36) |
| Ending fair value | | 61,050,973.94 |

Detail of Fair Value Basis Return

| | Interest earned | Change in fair value | Total income |
|---------------------------------------|-------------------|----------------------|-------------------|
| Corporate Bonds | 67,134.84 | (7,183.74) | 59,951.10 |
| Government Agencies | 91,268.75 | 4,226.20 | 95,494.95 |
| Government Bonds | 25,588.44 | (3,165.78) | 22,422.66 |
| Government Mortgage Backed Securities | 72.11 | (29.04) | 43.07 |
| Total | 184,064.14 | (6,152.36) | 177,911.78 |

Comparative Rates of Return (%)

| | * Twelve month trailing | * Six month trailing | * Three month trailing |
|--------------------------------|----------------------------|-------------------------|---------------------------|
| Fed Funds | 0.48 | 0.29 | 0.17 |
| Overnight Repo | 0.49 | 0.25 | 0.15 |
| Merrill Lynch 3m US Treas Bill | 0.36 | 0.19 | 0.10 |
| Merrill Lynch 6m US Treas Bill | 0.58 | 0.26 | 0.13 |
| ML 1 Year US Treasury Note | 0.56 | 0.21 | 0.16 |
| ML US Treasury 1-3 | 0.25 | (0.17) | 0.26 |
| ML US Treasury 1-5 | (0.10) | (0.72) | 0.37 |

* rates reflected are cumulative

Summary of Fair Value Basis Return for the Period

| | Total portfolio |
|-----------------------------------------|-----------------|
| Interest earned | 184,064.14 |
| Change in fair value | (6,152.36) |
| Total income on portfolio | 177,911.78 |
| Average daily total value * | 61,168,712.37 |
| Period return (%) | 0.29 |
| YTD return (%) | 0.29 |
| Weighted average final maturity in days | 485 |

* Total value equals market value and accrued interest

ADDITIONAL INFORMATION

As of March 31, 2017

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.

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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.

For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

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.

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ADDITIONAL INFORMATION

As of March 31, 2017

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BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

MENLO PARK

As of 04/14/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2017.

| | | |
|-------------------------------|----|--------------------|
| Earnings Ratio | | .00002126194403179 |
| Interest Rate | | 0.78% |
| Dollar Day Total | \$ | 4,844,557,446.16 |
| Quarter End Principal Balance | \$ | 51,693,895.10 |
| Quarterly Interest Earned | \$ | 103,004.71 |

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City of Menlo Park
2017 City Council Work Plan

February 7, 2017

Council Goal Setting Workbook Overview

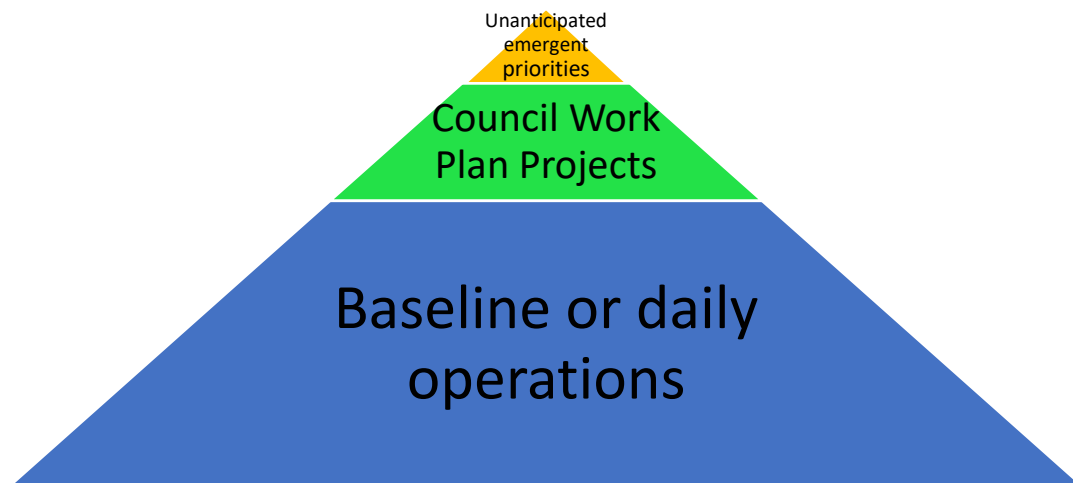
Council members and staff have previously set goals in order to better align Council priorities, staff's work plans, commission's work plans and, ultimately, the City budget. The product of the goal setting process that has evolved over the past several years is a detailed work plan that lists high level themes, specific projects, project sources, the lead department and the status of the item.

The work plan covers a roughly 18 month period beginning in February with work plan adoption, with many items commencing work in July following the budget adoption. This year's work plan includes a field to indicate those items that are progressing or will progress over multiple years.

In reviewing the work plan and considering which projects to prioritize, staff suggests Council consider differentiation of elements of overall staff capacity into three categories:

- Baseline work
- Work plan projects
- Unanticipated new priorities.

John Nalbandian, local government management expert and professor of Public Administration at the University of Kansas, says roughly 80% of staff capacity should be allocated to ongoing operations and "daily" work (baseline), 15% to priority work plan projects and 5% for unanticipated and emergent priorities. For purposes of this work plan,



staff has not only removed completed items, but has reassigned items that, although they began as projects in the previous work plan, are now considered "baseline work". For example, development projects were considered a project when staff capacity did not exist to complete them and now, given Council approved additions to staffing levels, can be considered part of normal operations. This implies that Council will be focusing their work at the goal setting session on prioritizing 15% of staff's total capacity.

This doesn't mean that other, non-prioritized projects are not doable, just that they will be addressed as staff capacity permits. Council is encouraged to propose projects and initiatives that are achievable given the current capacity and demand for services, and to engage in a realistic prioritization of the projects.

Table of Contents

| | |
|-------------------------------------------------------------------------------------------------------|-----------|
| Responding to the development needs of private residential and commercial property owners..... | 5 |
| ➤ Address Housing Element Implementation Programs | |
| ➤ Implement Downtown/El Camino Real Specific Plan Biennial Review | |
| ➤ Enhanced Housing Program | |
| ➤ Stanford University 2018 General Use Permit Review | |
| ➤ Single Family Residential Requirements and Guidelines | |
| Realizing Menlo Park’s vision of environmental leadership and sustainability..... | 11 |
| ➤ Green Infrastructure Plan | |
| ➤ Community Zero Waste Plan | |
| ➤ Update the Heritage Tree Ordinance | |
| Attracting thoughtful and innovative private investment to Menlo Park..... | 14 |
| ➤ Downtown Streetscape Improvement Project (Specific Plan) | |
| ➤ Downtown Parking Structure and Mix of Uses Design Contest | |
| Providing high-quality resident enrichment, recreation, and discovery..... | 17 |
| ➤ Belle Haven Pool Analysis and Audit | |
| ➤ Parks and Recreation Facilities Master Plan Update | |
| ➤ Bedwell Bayfront Park Master Plan | |
| ➤ Park Playground Equipment | |
| ➤ Jack Lyle Park Restroom | |
| ➤ Library Space Needs Study | |
| ➤ Willow Oaks Park Improvements | |
| ➤ Burgess Park Snack Shack | |
| Maintaining and enhancing Menlo Park’s municipal infrastructure and facilities..... | 24 |
| ➤ Water System Master Plan | |
| ➤ Sidewalks on Santa Cruz Ave | |
| ➤ Trash Capture Device Installation | |
| ➤ Administration Building Emergency Generator | |
| ➤ Chrysler Pump Station Improvements | |
| ➤ Emergency Water Supply | |
| ➤ Library Landscaping | |
| ➤ Arrillaga Family Recreation Center HVAC System Upgrade | |
| ➤ Belle Haven Child Development Center Kitchen and Bathroom Remodel | |
| ➤ Burgess Pool Capital Improvements | |
| ➤ San Francisquito Creek Upstream of 101 Flood Protection Project | |
| ➤ Nealon Park Sports Field Sod and Irrigation System Replacement | |
| ➤ Gatehouse Fence Replacement | |
| ➤ Facilities Maintenance Master Plan | |

Table of Contents (Continued)

- Reservoir Reroof and Mixers

Furthering efficiency in city service delivery models.....34

- Complete Streets Commission Pilot
- Complete an updated cost allocation plan, user fee study for non-utility operations, and cost recovery models for services
- City Hall Remodel Project
- Complete a fee study for solid waste services
- Information Technology Master Plan implementation
- Development of a Citywide Communications Program
- Organizational study for Public Works maintenance services
- Organizational study for Development Services
- Community Services Strategic Plan Implementation
- Federal and State Lobbying Initiative

Improving Menlo Park's multimodal transportation system to move people and goods through Menlo Park more efficiently.....43

- Haven Avenue Streetscape Improvement
- Willow/101 Interchange
- Transportation Master Plan
- Transit Improvements
- Chilco Street Scape and Sidewalk Installation
- High Speed Rail Coordination & Environmental Review
- Oak Grove, University, Crane Bicycle Improvement Project
- Ravenswood Avenue/Caltrain Grade Separation Study
- Willows Neighborhood Complete Streets
- Initiate Cityside Safe Routes to School Program
- Middle Avenue Caltrain Crossing Study
- El Camino Real Corridor Study
- Middlefield Rd/Ravenswood and Ringwood Avenues Traffic Signals Modification

**Responding to the development needs of private residential
and commercial property owners.**

| |
|----------------------------|
| Extremely Important |
|----------------------------|

1. Address Housing Element Implementation Programs

| New or Existing | Lead Department |
|-----------------|-----------------------|
| New | Community Development |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Housing Element includes a number of Implementation Programs, each with a specific timeline for completion. The City is required to report annually to the State on the progress of the Programs. |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The following three implementation programs are targeted for completion in 2017. Where appropriate, the work on the Implementation Programs will be coordinated with other housing initiatives and goals:</p> <ul style="list-style-type: none"> • (a) Amend the Zoning Ordinance to be consistent with State law and limit the loss of existing residential units or the conversion of existing units to commercial space (Program H2.C) • (b) Amend the Zoning Ordinance to modify R-2 zoning to tie floor area to dwelling units to minimize underutilization of R-2 zoned lots and maximize unit potential, unless unique features of a site prohibit additional units being constructed (Program H2.C) • (c) Adopt an Anti-Discrimination Ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs (Program H1.G). |

| Other department involvement | Multi-Year |
|--------------------------------------|------------|
| City Manager's Office, City Attorney | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

| |
|-----------------------|
| Very Important |
|-----------------------|

2. Implement Downtown/El Camino Real Specific Plan Biennial Review

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | Community Development |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------|
| Complete the implementation of the changes to the Specific Plan directed by the Council during the 2015 biennial review. |

| Key Milestones |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project is being conducted in two phases. Phase 1, consisting of text and graphic changes related to setbacks, sidewalk widths, hotel incentives and parking, and TDM programs among others will be completed in 2017. Phase 2, which includes more extensive research, environmental review and policy changes is expected to be completed in 2018. The directed changes require consultant assistance. |

| Other department involvement | Multi-Year |
|----------------------------------------------------|------------|
| Public Works, City Manager's Office, City Attorney | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

3. Enhanced Housing Program

| New or Existing | Lead Department |
|-----------------|-----------------------|
| New | City Manager's Office |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project is a response to the City Council's direction at the January 10th City Council Study Session on responding to residential displacement. The Council gave direction for staff to increase the Housing Commission meeting frequency from quarterly to monthly. In addition, the Council referred 15 policies and projects to the Commission for their recommendation on prioritization. This is likely to be a significant increase in workload and will result in a need for additional resources. Some of this policy work overlaps or is related to the implementation programs for the approved 2015-2023 Housing Element. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Draft agendas, staff reports and attend monthly Housing Commission meetings. Work with Housing Commission to present prioritized list of actions to Council. Present recommended actions to Housing Commission and Council for items the Council prioritizes for 2017. Conduct public outreach on any new requirements or programs. |

| Other department involvement | Multi-Year |
|-----------------------------------------------------------------------------|------------|
| Administrative Services, Community Development, Public Works, City Attorney | Yes |

| Funding source | State Mandate |
|---------------------------|---------------|
| General Fund and BMR Fund | No |

| |
|------------------|
| Important |
|------------------|

4. Stanford University 2018 General Use Permit Review

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stanford University has initiated an update to its General Use Permit, originally adopted in 2000 to guide campus development, through Santa Clara County. Key elements proposed for the 2018 General Use Permit include completion of the development (academic and academic support space, housing, and parking) authorized by the 2000 General Use Permit; construction of new academic and academic support uses; construction of new housing units for students, faculty and staff; creation of parking supply reserve; and construction of new child care centers and facilities. City staff would track the project's progress through the County review process, and review the draft environmental review documents, with emphasis on the transportation analysis and proposed mitigation measures. The draft environmental documents are anticipated to be released as early as mid-2017 with project approval by Santa Clara County targeted for late 2017 to 2018. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include tracking the project, attending public meetings, and preparing comments on the Notice of Preparation and draft environmental documents. The schedule for this project is dependent on an outside agency. |

| Other department involvement | Multi-Year |
|-------------------------------------------------------------|------------|
| Community Development, City Manager's Office, City Attorney | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

5. Single Family Residential Requirements and Guidelines

| New or Existing | Lead Department |
|-----------------|-----------------------|
| New | Community Development |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project would update the Zoning Ordinance requirements for single-family residential developments as well as develop new design guidelines to create a more predictable and expeditious process while providing a method for encouraging high-quality design in new and expanded residences. |

| Key Milestones |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 include the development of project goals and a work program through the Planning Commission and City Council and obtaining consultant assistance. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| City Attorney | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

**Realizing Menlo Park's vision of environmental leadership
and sustainability.**

| |
|----------------------------|
| Extremely Important |
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6. Green Infrastructure Plan

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| As part of the new stormwater municipal regional permit, the City is required to develop a Green Infrastructure Plan that identifies areas throughout the watershed that can be disconnected from the storm system to reduce storm runoff and improve water quality. The regulations expect this effort to span four years. During the first year, or Phase 1 of this project, the City will be required to develop and approve the framework. Prioritization and mapping of potential areas for green infrastructure will be required during the second year. As part of this effort, the study will require an assessment of the land uses in the watershed and a hydraulic evaluation of the City's existing stormwater system. In the third and fourth years, the plan is to be finalized and submitted to the State for approval. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------|
| The milestone for 2017 will be approval of the work plan for the Green Infrastructure Plan, and future implementation phases will follow. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| Storm Drainage | Yes |

| |
|------------------|
| Important |
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7. Community Zero Waste Plan

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop a plan of action, including program descriptions, milestones and estimated costs to bring the Menlo Park community closer to zero waste and thus reduce Greenhouse Gas (GHG) emissions. |

| Key Milestones |
|-----------------------------|
| The plan will be completed. |

| Other department involvement | Multi-Year |
|--------------------------------------------------------------|------------|
| Administrative Services, Community Development, Public Works | No |

| Funding source | State Mandate |
|-----------------|---------------|
| CalRecycle, CIP | No |

8. Update the Heritage Tree Ordinance

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|----------------------------------------------------|
| Update the City's current Heritage Tree Ordinance. |

| Key Milestones |
|---------------------------------------------------------------------------------------------|
| The consultant will be selected, community outreach, and commission meetings will commence. |

| Other department involvement | Multi-Year |
|----------------------------------------------------|------------|
| Community Development, Public Works, City Attorney | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| CIP | No |

**Attracting thoughtful and innovative private investment
to Menlo Park.**

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|----------------------------|
| Extremely Important |
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9. Downtown Streetscape Improvement Project (Specific Plan)

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project will consist of planning and implementing improvements in the downtown area per the Specific Plan considering the street café program, Chestnut Paseo and Santa Cruz Avenue Sidewalk and the development of new streetscape plans. The first phase of the project includes installation street cafes at up to six locations and installation of the Chestnut Paseo. Both projects includes coordination with property owners and businesses, design and construction work. The street cafes will be completed at the end of January and the evaluation of the Paseo will begin. Later phases of this project may be added in future years for the downtown Santa Cruz Avenue Sidewalk improvements and development of new streetscape plans. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include completion of the first round of street cafés and evaluation of the Paseo at a Council study session in order to determine whether to construct a permanent Paseo and at what location (i.e., Chestnut Street or Curtis Street). |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| City Manager's Office | Yes |

| Funding source | State Mandate |
|---------------------------|---------------|
| Merchants contribution/GF | No |

10. Downtown Parking Structure and Mix of Uses Design Contest

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The City has been approached by Facebook to assist with our effort to design a parking development for one or a number of our downtown parking plazas. They would like to help facilitate a design competition. It is staff's desire to coordinate this effort with the biennial review of the El Camino Real/Downtown Specific Plan in the event that revisions are necessary to accommodate a project that receives Council and community support. |

| Key Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Confirm City's legal rights to develop on parking plazas 1-3. Present proposed contest to Council. Conduct outreach for project submissions. Facilitate evaluation of submitted projects, ensuring that at least one of the options is a single-use parking garage. Present a final proposal to Council (It may be necessary for this process to extend into 2018, based on community input.) |

| Other department involvement | Multi-Year |
|-------------------------------------|------------|
| Public Works, Community Development | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| Parking | No |

Providing high-quality resident enrichment, recreation, and discovery.

| |
|----------------------------|
| Extremely Important |
|----------------------------|

11. Belle Haven Pool Analysis and Audit

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project is analyzing the current and future use of the Belle Haven Pool. The Study would include a review of the pump house and pool for ADA and current building code requirements in order to maximize the pool use. The Belle Haven Pool has traditionally been a seasonal pool only operating during the summer months. The pool has seen increased demand and usage as a result of the expanded programming. The current pool infrastructure is not likely to support the long term impacts of a year round operation. |

| Key Milestones |
|----------------------------------------------------|
| The milestone for 2017 is completion of the study. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | No |

| Funding source | State Mandate |
|----------------|---------------|
| Rec in lieu | No |

| |
|-----------------------|
| Very Important |
|-----------------------|

12. Parks and Recreation Facilities Master Plan Update

| New or Existing | Lead Department |
|-----------------|--------------------|
| Existing | Community Services |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will consist of community engagement activities to determine community facilities needs in order to update the Parks and Recreation Master Plan (1999) and eventually establish priorities for a potential third phase of Measure T bonds in fiscal year 2017-18. |

| Key Milestones |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Milestones for 2017 include: development of RFQ; release of scope of work and RFP; Council approval of consultant contract; analysis of existing conditions, opportunities and constraints completed; some community engagement will have begun. |

| Other department involvement | Multi-Year |
|-----------------------------------------------------------------------|------------|
| Administrative Services, City Manager's Office, Public Works, Library | Yes |

| Funding source | State Mandate |
|-----------------------------|---------------|
| General Capital Improvement | No |

13. Bedwell Bayfront Park Master Plan

| New or Existing | Lead Department |
|-----------------|--------------------|
| Existing | Community Services |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The master plan will provide a long-term vision and general development guide for the park and its facilities, including how to protect park resources, provide quality visitor experiences, manage visitor use and plan for future park development. The plan will also identify infrastructure needs related to the methane gas and leachate collection systems and other issues associated with managing the closed landfill. |

| Key Milestones |
|-------------------------------------------------------------------------------|
| The milestone for 2017 would be development of the plan and Council approval. |

| Other department involvement | Multi-Year |
|-------------------------------------|------------|
| Public Works, Community Development | Yes |

| Funding source | State Mandate |
|----------------------|---------------|
| Bedwell/ Rec in Lieu | No |

14. Park Playground Equipment

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A comprehensive Playground Safety Inspection Report was completed for each of the City's playgrounds in 2015. The findings of the report were used to prioritize the City's playground replacement schedule, with the first three being Burgess Park, Nealon Park, and Willow Oaks Park. Along with meeting the updated California Safety Standards, the new playgrounds may incorporate theme-based educational and interactive components. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 include identification of the first park (likely to be Nealon Park), determination of the proposed equipment, and going out to bid. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

| |
|------------------|
| Important |
|------------------|

15. Jack Lyle Park Restroom

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------|
| This project will involve engaging the neighborhood in developing a conceptual design, then constructing restroom. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 include completing the construction drawings, obtaining the building permit, going out to bid, awarding the construction contract, and constructing the restroom. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | No |

| Funding source | State Mandate |
|----------------|---------------|
| Rec in lieu | No |

16. Library Space Needs Study

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Library Spaces Needs Study will help to determine how the building can be modified and updated to best accommodate changes to library services for the next twenty years. The goal will be to use the existing space to create greater flexibility, capacity and efficiency. There may also be a need to expand parts of the building to accommodate programs, such as those for children and teens, that have grown substantially. The library needs increased connectivity and spaces for quiet study and group work. The main library, originally constructed in 1957, was expanded in 1968 and 1992, and has internal load bearing walls and substructures that complicate internal remodeling. |

| Key Milestones |
|----------------------------------------------------|
| The Space Needs Study should be completed in 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Library | No |

| Funding source | State Mandate |
|-------------------------------------------|---------------|
| Library Foundation donation/ General Fund | No |

17. Willow Oaks Park Improvements

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project includes improvements to Willow Oaks Park, including the reconstruction of the dog park and the construction of a new restroom facility. Public meetings are scheduled for February 9 and 11. Depending on the feedback received, milestones for the year will be established. |

| Key Milestones |
|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include completing the community engagement process, designing the improvements and going out to bid. |

| Other department involvement | Multi-Year |
|-------------------------------------------|------------|
| Community Services, Community Development | No |

| Funding source | State Mandate |
|----------------|---------------|
| Rec in lieu | No |

18. Burgess Park Snack Shack

| New or Existing | Lead Department |
|-----------------|--------------------|
| New | Community Services |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project would involve private entities proposing an expansion of the existing Burgess Park Snack Shack to accommodate a commercial grade kitchen and construct an adjacent building to accommodate the storage needs of AYSO and Little League. The new kitchen could be used for events and catering similar to the kitchen at Arrillaga Family Recreation Center. The project also would include opportunities to display aspects of local history on exterior walls. Private funds for design and construction of the project would be used; the City contribution would be limited to the use of the land and potential staff time for the review and coordination of the project. |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 would include the identification of the project scope and location and determination of the future use of the improvements in order for the City Council to authorize the private fundraising to proceed in a manner similar to the Menlo Gates project along Ravenswood Avenue. |

| Other department involvement | Multi-Year |
|------------------------------------------------------------------------------------|------------|
| Public Works, Community Development, City Manager's Office, City Attorney's Office | Yes |

| Funding source | State Mandate |
|--------------------------------|---------------|
| Private Donations/General Fund | No |

Maintaining and enhancing Menlo Park's municipal infrastructure and facilities.

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|----------------------------|
| Extremely Important |
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19. Water System Master Plan

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Water System Master Plan will provide a guide for operations and maintenance standards and prioritizing future investments in the water distribution system. The Plan should be completed and ready for acceptance by the Council in 2017. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include presenting components of the plan phases, such as staffing options for operations and maintenance, and ultimately Council acceptance of the entire Plan. |

| Other department involvement | Multi-Year |
|----------------------------------------|------------|
| Administrative Services, City Attorney | No |

| Funding source | State Mandate |
|----------------|---------------|
| Water | No |

20. Sidewalks on Santa Cruz Ave

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will install sidewalks and associated storm drain improvements on Santa Cruz Avenue from Johnson Street and Olive Street. The City has selected a contractor who is ready to begin construction upon Calwater's completion of its water main replacement project. |

| Key Milestones |
|------------------------------------------------------------|
| Construction of the sidewalks should be completed in 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | No |

| Funding source | State Mandate |
|------------------|---------------|
| General Fund/TIF | No |

21. Trash Capture Device Installation

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will install trash capture devices in storm drain inlets as required by the Municipal Regional Permit to reduce the amount of pollutants going into the Bay from high trash generating areas. |

| Key Milestones |
|-------------------------------------------------|
| The devices should be installed by summer 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

22. Administration Building Emergency Generator

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project will replace the existing emergency generator at the administration building that provides emergency power to the administration building when power from PG&E is temporarily lost. The existing generator is over 25 years old and supports the operation of the police dispatch 911 system and other essential City services during an emergency. |

| Key Milestones |
|----------------------------------------------------------------------|
| The project is out bid and construction should be completed in 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

23. Chrysler Pump Station Improvements

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Chrysler Pump Station in Bohannon Park is over 50 years old and at the end of its useful life. This project involves the complete replacement of this critical stormwater pump and is being coordinated with the Menlo Gateway project. |

| Key Milestones |
|-----------------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 include completing the design and going out to bid. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Development | Yes |

| Funding source | State Mandate |
|----------------------|---------------|
| Gas Tax/General Fund | No |

24. Emergency Water Supply

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will involve the first phase of construction of up to three emergency wells to provide a secondary water supply to the Menlo Park Municipal Water District eastern service area. |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The first well at the Corporation Yard is scheduled for completion by the end of 2017. For the second well, staff is evaluating different sites and plans to make a recommendation on the proposed well to the City Council in the summer of 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| Water | Yes |

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|-----------------------|
| Very Important |
|-----------------------|

25. Library Landscaping

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project consists of replacing the landscaping and irrigation system around the Library. The existing landscaping and irrigation system is in need of major upgrades and a portion of the system is over thirty years old. The full landscaping around the Library will be delayed until the outcome of the Library space needs is completed. |

| Key Milestones |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A smaller landscaping project between the main public entrance and the staff/service entrance will be completed by the fall of 2017. Additional improvements for 2017 include the installation of additional outdoor tables. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Library | Yes |

| Funding source | State Mandate |
|----------------------------------|---------------|
| Rec in lieu and General Fund CIP | No |

26. Arrillaga Family Recreation Center HVAC System Upgrade

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| When the Arrillaga Family Recreation Center was remodeled in 2011, a new HVAC system was installed that cooled/heated solely outside air as opposed to a more traditional recirculating system similar to those in many residential homes. The advantage of an HVAC system configured to pull air from the outside was cost and time savings during the renovation project. The decision at the time, however, came at the expense of energy efficiency and has resulted in extreme wear and tear on the cooling condensers due wide fluctuations in temperature experienced outside when compared to relatively constant indoor temperatures. This project will evaluate options to reduce the energy to control temperatures in the Recreation Center with a more efficient HVAC system and install the improvements. |

| Key Milestones |
|-----------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 including system design and going out to bid. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

27. Belle Haven Child Development Center Kitchen and Bathroom Remodel

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will remodel bathrooms and classroom kitchens by removing and replacing toilets with more child friendly ones, removing and replacing counter tops, sinks, faucets with hand held sprayer, air gaps for dishwasher, better shelving, carpet and vinyl floors and remodeling the kitchen and bathrooms. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include preparing the applicable plans and specifications, obtaining any applicable permits, hiring the contractors, and completion of construction. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | No |

| Funding source | State Mandate |
|------------------------|---------------|
| General Fund and Grant | Yes |

28. Burgess Pool Capital Improvements

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| As part of the lease negotiation for the Burgess Pool, the City and the operator are identifying specific improvements to the aquatics facility to protect the asset. A capital replacement schedule will be used to identify specific improvements over the next five years. Upon completion of the lease negotiations, the milestones will be identified. |

| Key Milestones |
|---------------------------------------------------------------------------------------|
| Key milestones for 2017 will be determined upon completion of the lease negotiations. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

29. San Francisquito Creek Upstream of 101 Flood Protection Project

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The San Francisquito Creek Joint Powers Authority is pursuing a potential project to provide flood protection, ecosystem restoration and recreation upstream of Highway 101. The project is being designed to protect communities from a flood event similar to the one that occurred in 1998. One potential component, could include modifications to the Pope Street/Chaucer Street bridge. |

| Key Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones of 2017 are anticipated to include tracking the project, attending public meetings, and preparing comments on the draft environmental impact report, which is currently targeted for release in September 2017 for a 60-day review period. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

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|------------------|
| Important |
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30. Nealon Park Sports Field Sod and Irrigation System Replacement

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project will consist of removing the existing sod, adjusting the irrigation system and installing new sod. The existing field, dating from 2002, has had to annually be patched with new sod due to wear which has created irregular grades in the field. The project will also add a new booster pump to increase the water pressure at Nealon Softball field so that the irrigation system has full coverage. |

| Key Milestones |
|------------------------------------------------------|
| The completion of the project is targetted for 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

31. Gatehouse Fence Replacement

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Portions of the existing Gatehouse fence along Ravenswood Avenue are rotting and in need of repair. Given the historic nature of the adjacent Gatehouse, great care is needed in replacing the fence. |

| Key Milestones |
|------------------------------------------------------------------------------|
| The milestone for 2017 is preparing the design details and going out to bid. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Development | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

32. Facilities Maintenance Master Plan

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will create an asset management system for preserving existing City facilities in order to pursue proactive, preventative maintenance instead of reacting to failures of building components, which often necessitates more expensive emergency repairs. |

| Key Milestones |
|--------------------------------------------------------------------------------------|
| The milestone for 2017 would be the selection of a consultant to prepare the report. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Services | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

33. Reservoir Reroof and Mixers

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project involves re-constructing the roof of one of two water reservoirs serving the Menlo Park Municipal Water District customers. The project also consists of installing two submersible mixers in each of reservoirs to maximize turnover of the water and maintain the quality of the water in the tanks. |

| Key Milestones |
|------------------------------------------------------------------------|
| The project is going out to bid and scheduled to be completed in 2017. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | No |

| Funding source | State Mandate |
|----------------|---------------|
| Water | No |

Furthering efficiency in city service delivery models.

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|----------------------------|
| Extremely Important |
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34. Complete Streets Commission Pilot

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The project would involve the consolidation of the Bicycle Commission and Transportation Commission on a trial basis (pilot) into a Complete Streets Commission. The City is embarking on a major effort over the next 18 months to prepare a Transportation Master Plan. In order to ensure a successful process, the consolidation of the Bicycle Commission and Transportation Commission would be a helpful tool in creating efficiencies by channeling efforts to a single commission that can be a conduit for the outreach to the community on transportation issues. The Combined Commission would be comprised of the 10 members that are currently on the commission and are eligible for reappointment as of May 2017 and the pilot would run through April 2018 with the next round of annual appointments.</p> |

| Key Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The anticipated milestones for 2017 would include establishing the mission/charge for the Commission, updating the Commissions/Committees Policies and Procedures and Roles and Responsibilities by March, and consolidating the Commission meetings as of May 2017.</p> |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| City Clerk, City Attorney | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

35. Complete an updated cost allocation plan, user fee study for non-utility operations, and cost recovery models for services

| New or Existing | Lead Department |
|------------------------|-------------------------|
| Existing | Administrative Services |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The user fee study and cost allocation plan will establish the maximum defensible fees that the City may charge for services provide to the public. Once complete, staff will present the study as well as a recommendation to City Council in accordance with the City Council's adopted cost recovery plan.</p> <p>The City has selected the vendor to complete the study and staff is currently working to finalize the professional services agreement.</p> |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The City Council will receive the report in May/June 2017 and any fee changes approved by the City Council will go into effect approximately 60 days following final City Council action. |

| Other department involvement | Multi-Year |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Administrative Services, Community Services, Police, Public Works, Community Development, Library, City Manager's Office, City Attorney | No |

| Funding source | State Mandate |
|-----------------------|----------------------|
| General Fund | Yes |

36. City Hall Remodel Project

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The project consists of remodeling the 1st and 2nd floors of the Administration Building to create efficiencies and accommodate additional staff. This requires re-designing the 1st and 2nd floors of the Administration Building to improve existing work stations and increase the number of work stations. |

| Key Milestones |
|--------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include completion of construction. |

| Other department involvement | Multi-Year |
|------------------------------------------------|------------|
| Administrative Services, Community Development | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

37. Complete a fee study for solid waste services

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|-------------------------------------------------------------------------------------------------------------------|
| Review and revise solid waste rate structure to reflect current case law, service needs, and revenue requirements |

| Key Milestones |
|----------------------------------|
| The fee study will be completed. |

| Other department involvement | Multi-Year |
|----------------------------------------|------------|
| Administrative Services, City Attorney | No |

| Funding source | State Mandate |
|------------------|---------------|
| Solid waste fund | No |

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|-----------------------|
| Very Important |
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38. Information Technology Master Plan implementation

| New or Existing | Lead Department |
|-----------------|-------------------------|
| Existing | Administrative Services |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In 2017, the Administrative Services Department staff will work with user departments to coordinate delivery of the multi-year Information Technology Master Plan. |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Recruit new staff and contractors to implement the ITMP recommended wireless network, network redesign, core switch replacement, virtual server migration, and storage area network upgrades. 2. Establish an 2017-18 ITMP implementation team comprised of existing staff and other outside consultants as necessary; identify backfill resources as necessary. 3. Launch implementation of the application upgrades as determined by resources available (e.g. budget, available staff capacity, etc.). 4. Provide project updates to the City Council on the ITMP implementation project in August and January. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| ALL | Yes |

| Funding source | State Mandate |
|-----------------|---------------|
| IT Capital Fund | No |

39. Development of a Citywide Communications Program

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop, fund and staff a comprehensive and modern communications program with the primary goal of communicating City matters to the public. This effort might be through the use of news media, social media and other communications tools. |

| Key Milestones |
|---------------------------------------------------|
| Hire a consultant, Develop a plan, Fund the plan. |

| Other department involvement | Multi-Year |
|---------------------------------------------------------------------------------------------------|------------|
| Administrative Services, Community Development, Community Services, Library, Police, Public Works | Yes |

| Funding source | State Mandate |
|---------------------------------------------------------|---------------|
| Primarily General Fund and other funds where allowable. | No |

| |
|------------------|
| Important |
|------------------|

40. **Organizational study for Public Works maintenance services**

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The organization study will review the current maintenance processes, document their current form and propose improvements. The review process will use industry standard practices as appropriate to provide a better understanding of how the current processes could be improved. The review will incorporate other studies that have been completing or are in process such as the Water System Master Plan to provide data for the review. The review will include all the maintenance functions performed by the City. |

| Key Milestones |
|------------------------------|
| The study will be completed. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Public Works | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

41. Organizational study for Development Services

| New or Existing | Lead Department |
|-----------------|-----------------------|
| Existing | City Manager's Office |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The organization study will review the current development review process, document its current form and propose improvements. The review process will use industry standard practices as appropriate to provide a better understanding of how the current process could be improved. The review will include the functions in planning, building, transportation and engineering. |

| Key Milestones |
|-------------------------------------------------------------------|
| Consultant will be selected, background and review will commence. |

| Other department involvement | Multi-Year |
|---------------------------------------------------------------------------|------------|
| City Manager's Office, Community Development, Public Works, City Attorney | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

42. Community Services Strategic Plan Implementation

| New or Existing | Lead Department |
|-----------------|--------------------|
| Existing | Community Services |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In 2016, the Community Services Department completed a 5-year strategic plan designed to support increased participation and program cost-recovery goals while implementing needs assessments to guide future department services. |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2017 milestones include: Complete a community needs analysis determining need for after school programs including age groups, services, partnerships and efficiencies to meet changing community needs; Complete a community needs analysis determining opportunities for new/additional programs expanding participation at Onetta Harris Community Center, Senior Center and Belle Haven Youth Center. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

43. Federal and State Lobbying Initiative

| New or Existing | Lead Department |
|-----------------|-----------------------|
| New | City Manager's Office |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| As the City's need for large scale regional infrastructure improvements particularly in the area of transportation/transit, the City needs a consistent voice in Sacramento as well as in Washington, DC. |

| Key Milestones |
|--------------------------------------------------|
| Develop legislative platform, and hire lobbyist. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Public Works | Yes |

| Funding source | State Mandate |
|-----------------------------------------------------------------|---------------|
| Primarily General Fund and other restricted funds as allowable. | No |

Improving Menlo Park's multimodal transportation system to move people and goods through Menlo Park more efficiently.

| |
|----------------------------|
| Extremely Important |
|----------------------------|

44. Haven Avenue Streetscape Improvement

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Haven Avenue Streetscape Project will provide new bicycle and pedestrian facilities to Haven Avenue, connecting Menlo Park, San Mateo County and Redwood City residents and employees. The project area includes Haven Avenue, between Marsh Road and the San Mateo County border (where the existing bicycle lanes terminate). It provides a direct connection to the San Francisco Bay Trail, and will function as an interim gap closure of the Bay Trail between Bedwell-Bayfront Park and Seaport Avenue, better serving both commute and recreational needs. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include 1) completing the work in the City right-of-way (between the San Mateo County line and the bridge over the Atherton Channel) following completion of the Anton Menlo apartments and 2) obtaining an encroachment permit for work within Caltrans right-of-way. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | Yes |

| Funding source | State Mandate |
|-------------------------------|---------------|
| Measure A Grant/TIF/Developer | Yes |

45. Willow/101 Interchange

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reconstruction of the US 101/Willow Interchange is anticipated to begin in early 2017 and last approximately 2 years. Caltrans will lead construction efforts. City role will be to support the project through construction by assisting with communication efforts on construction impacts, traffic controls, and detours; provide local coordination, required permit review for local street impacts; and provide inspection of construction within City right-of-way. |

| Key Milestones |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include responding to ongoing construction issues as they arise. The schedule for this project is dependent on an outside agency. |

| Other department involvement | Multi-Year |
|------------------------------------------------------|------------|
| Community Development, Police, City Manager's Office | Yes |

| Funding source | State Mandate |
|-------------------------------------------------|---------------|
| TA for Construction/General Fund for Staff Time | Yes |

46. Transportation Master Plan

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The ConnectMenlo Circulation Element includes a number of forthcoming transportation-related programs, including those to encourage multi-modal transportation, provide opportunities for active transportation to encourage health and wellness, minimize cut-through traffic on residential streets, and consider changes to the transportation impact metrics the City uses to evaluate development proposals. The highest priority transportation-related program is the development of a Transportation Master Plan and updates to the Transportation Impact Fee (TIF) program.</p> <p>Transportation challenges, including multi-modal safety, traffic congestion, neighborhood quality of life, and regional coordination are significant concerns to the City of Menlo Park. A Transportation Master Plan would provide a bridge between the policy framework adopted within the Circulation Element and project-level efforts to modify the transportation network within Menlo Park. Broadly, it provides the ability to identify appropriate projects to enhance the transportation network, conduct community engagement to ensure such projects meet the communities' goals and values, and prioritize projects based on need for implementation. The Transportation Master Plan, when completed, would provide a detailed vision, set goals and performance metrics for network performance, and outline an implementation strategy for both improvements to be implemented locally and for local contributions towards regional improvements. Following development of the Master Plan, the TIF program update would provide a mechanism to modernize the City's fee program to collect funds towards construction of the improvements identified and prioritized in the Master Plan.</p> <p>The Transportation Master Plan, however, is not designed to identify project-level, specific solutions to individual neighborhood cut-through traffic concerns, specific Safe Routes to School infrastructure plans, or provide detailed engineering designs of the improvements that will be identified in the Plan. These efforts would be prioritized in the Plan for future work efforts.</p> |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones anticipated to be completed in 2017 include finalizing scope of work, awarding a consultant contract, initiating community engagement, and developing draft list of projects for consideration. |

| Other department involvement | Multi-Year |
|----------------------------------------------|------------|
| City Manager's Office, Community Development | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

47. Transit Improvements

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The purpose of this project is to support development of transit options and improvements in Menlo Park. Opportunities to be evaluated and prioritized include: enhancements to the existing shuttle program, coordination with SamTrans' current and future fixed-route service options, a transportation management association for the downtown and/or M2 areas, and bus stop amenities in Menlo Park. |

| Key Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include beginning service for revised shuttle routes, initiating Transportation Management Association (TMA) study, and installing new bus stop amenities (new, redesigned signs and shelters in Belle Haven). |

| Other department involvement | Multi-Year |
|--------------------------------------|------------|
| Community Development, City Manager' | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| TIF | No |

48. Chilco Street Scape and Sidewalk Installation

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project will involve engineering design and construction of landscaping, sidewalks, and bicycle facility improvements as identified during the Belle Haven Visioning/Implementation Plans and Connect Menlo General Plan Update process. The project would include landscaping, lighting, signing/stripping modifications, and pedestrian and bicycle facility improvements. The current funding shown for this project is anticipated to provide staff time for design support, and is funded from a contribution by the Sobrato Organization provided during the approvals of the Commonwealth Corporate Center Project. Construction of the improvements would be completed by Facebook, as required within the Development Agreement for the Facebook Campus Expansion Project. |

| Key Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 include finalizing the concept plans for all phases, final design plans for Phases 3a, 3b, and 4a, and beginning construction of Phases 3a and 3b. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Development | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| Developer | No |

| |
|-----------------------|
| Very Important |
|-----------------------|

49. High Speed Rail Coordination & Environmental Review

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The California High Speed Rail Bay Area to Central Valley route is being planned along the existing Caltrain tracks through the City of Menlo Park. This project involves City staff coordination with the Peninsula Cities Coalition, neighboring jurisdictions, the High Speed Rail Authority and elected officials to protect the City's interests during the planning and implementation stages of the California High Speed Rail project. Funding will be used for technical expertise and consulting support. |

| Key Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 include authorization of a reimbursement agreement with the High Speed Rail Authority and participating in expected environmental review milestones for the San Francisco-San Jose project section. |

| Other department involvement | Multi-Year |
|-------------------------------------------------------------------------------|------------|
| Community Development, City Manager's Office, City Attorney (Outside Counsel) | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | Yes |

50. Oak Grove, University, Crane Bicycle Improvement Project

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------|
| This project would construct the approved one-year pilot of the Oak Grove, University, Crane Bicycle Improvement Project. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include finalizing design plans, awarding a construction contract, construction, finalizing trial metrics to be evaluated, and collecting before and after data. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | No |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

51. Ravenswood Avenue/Caltrain Grade Separation Study

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The existing Ravenswood Avenue at-grade crossing of Caltrain is a critical rail crossing within the Menlo Park corridor. This crossing is within the Menlo Park El Camino Real/Downtown Specific Plan Area, and falls within the City's Priority Development Area. The proposed project, the Ravenswood Avenue Grade Separation Project Study Report (PSR), would expand on the 2003-2004 Grade Separation Studies prepared by BKF Engineers on behalf of the City, and complete an in depth study of alternatives for the Ravenswood Avenue crossing. The prior study identified six alternatives for Ravenswood Avenue; however, no alternative has been recommended as a preferred alternative. This PSR would refine the preliminary concepts identified in the prior study in order to develop design concepts and gain community consensus around a preferred alternative. |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include completion of the final PSR and identification of a preferred alternative for grade separation at Ravenswood Avenue. |

| Other department involvement | Multi-Year |
|-----------------------------------------------------------------------------------|------------|
| Community Development, City Manager's Office, Library, Community Services, Police | No |

| Funding source | State Mandate |
|-----------------|---------------|
| Measure A Grant | No |

52. Willows Neighborhood Complete Streets

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project expands the previously identified Laurel Upper School Safe Routes to School Plan to also address cut-through traffic concerns in the Willows neighborhood as directed by the City Council on February 28, 2017. The scope of the project is anticipated to include Safe Routes to Schools improvements to the Laurel Upper School enrollment area (extending across Willow Road) to facilitate travel by students to the school site, as well as cut-through traffic analysis in the Willows neighborhood (generally bounded by Woodland Avenue, Willow Road, US 101 and University Avenue). It is expected that the potential improvements identified in this study would benefit students traveling to other nearby schools including Willow Oaks Elementary, the Alto International School and Menlo-Atherton High School due to their proximities to the study area. |

| Key Milestones |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones anticipated in 2017 include hosting an initial community meeting in Spring 2017 to share the history of the project, developing a scope of work, and awarding a consultant contract to conduct the study. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Police | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

53. Initiate Citywide Safe Routes to School Program

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This work effort would initiate the creation of a new program to promote the 6Es of Safe Routes to School for all schools serving Menlo Park: Evaluation, Engineering, Education, Encouragement, Enforcement, and Equity. |

| Key Milestones |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 include identifying a staff person to lead this effort, making contact with each school within the five public school districts serving Menlo Park, convening a quarterly stakeholder meeting (starting in Q4) with representatives of each school and other relevant groups to be identified, identify a prioritized list and schedule for Safe Routes infrastructure plans for each school, and potentially hiring a consultant to develop a recommended program approach to implement a comprehensive, future Safe Routes to Schools program. |
| To accomplish this work, staff would need to complete the reorganization of the Bicycle and Transportation Commissions to a Complete Streets Commission no later than May 2017; other internal staff assignments may need to be shifted to accomplish this item. |

| Other department involvement | Multi-Year |
|-------------------------------|------------|
| Police, City Manager's Office | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| General Fund | No |

54. Middle Avenue Caltrain Crossing Study

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>This project will provide a grade separated crossing through the Caltrain railway to create a pedestrian and bicycle connection and bridge the gap between east and west Menlo Park. The crossing will be located near Middle Avenue, connecting Alma Street near Burgess Park to El Camino Real at the proposed open space plaza as identified in the El Camino Real/Downtown Specific Plan. This crossing would improve connectivity for neighborhoods on both sides of the Caltrain tracks with city amenities, schools and access to public transit and downtown Menlo Park. The project would expand on the undercrossing study completed in fiscal year 2007-08 where the preferred Middle Avenue crossing location was selected. This project would develop preliminary design alternatives, seek community feedback around a preferred alternative and complete environmental clearance.</p> |

| Key Milestones |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Key milestones anticipated in 2017 include awarding a consultant contract, conducting community engagement on potential alternatives, and developing preliminary designs for potential alternatives.</p> |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| Community Development | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| Measure A/TIF | No |

| |
|------------------|
| Important |
|------------------|

55. El Camino Real Corridor Study

| New or Existing | Lead Department |
|-----------------|-----------------|
| Existing | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project consists of a traffic study to determine the level of service at the intersections on El Camino Real when a bicycle lane or a third through lane is added for both the northbound and southbound directions between Encinal Avenue and Live Oak. The study also evaluated impacts of removing the on-street parking on El Camino Real, business (parking) effects, safety and aesthetics. |

| Key Milestones |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key milestones for 2017 are anticipated to include submitting encroachment permit applications to Caltrans for the east-west crossing improvements and completing the additional analysis requested by the City Council for northbound traffic conditions. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| Measure A | No |

56. Middlefield Rd/Ravenswood and Ringwood Avenues Traffic Signals Modification

| New or Existing | Lead Department |
|-----------------|-----------------|
| New | Public Works |

| Project Description |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This project would modify the existing traffic signals on Middlefield Road at Ravenswood Avenue and Ringwood Avenue to improve bicycle and pedestrian safety and accessibility. A new traffic signal phase and signal equipment will be added to allow Menlo-Atherton High School students to cross Middlefield Road at Ravenswood Avenue to proceed directly west onto Ravenswood Avenue. This project would also evaluate the potential removal of the triangular median island on the southwest corner of Middlefield Road/Ravenswood Avenue. |

| Key Milestones |
|---------------------------------------------------------------------------------------|
| Key milestones anticipated for 2017 include finalizing scope of planned improvements. |

| Other department involvement | Multi-Year |
|------------------------------|------------|
| N/A | Yes |

| Funding source | State Mandate |
|----------------|---------------|
| TIF | No |