

CITY OF MENLO PARK



GENERAL OBLIGATION BOND REFINANCING Summary Comparisons

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PiperJaffray®



Summary of Proposed Refunding Results

➤ Deferred Savings Summary

Par Amount	\$8,860,000
True Interest Cost (%)	3.96
Net PV Savings (\$)	1,277,916
Net PV Savings (%)	11.45

➤ Level Savings Summary

Par Amount	\$8,815,000
True Interest Cost (%)	3.77
Net PV Savings (\$)	1,128,360
Net PV Savings (%)	10.11

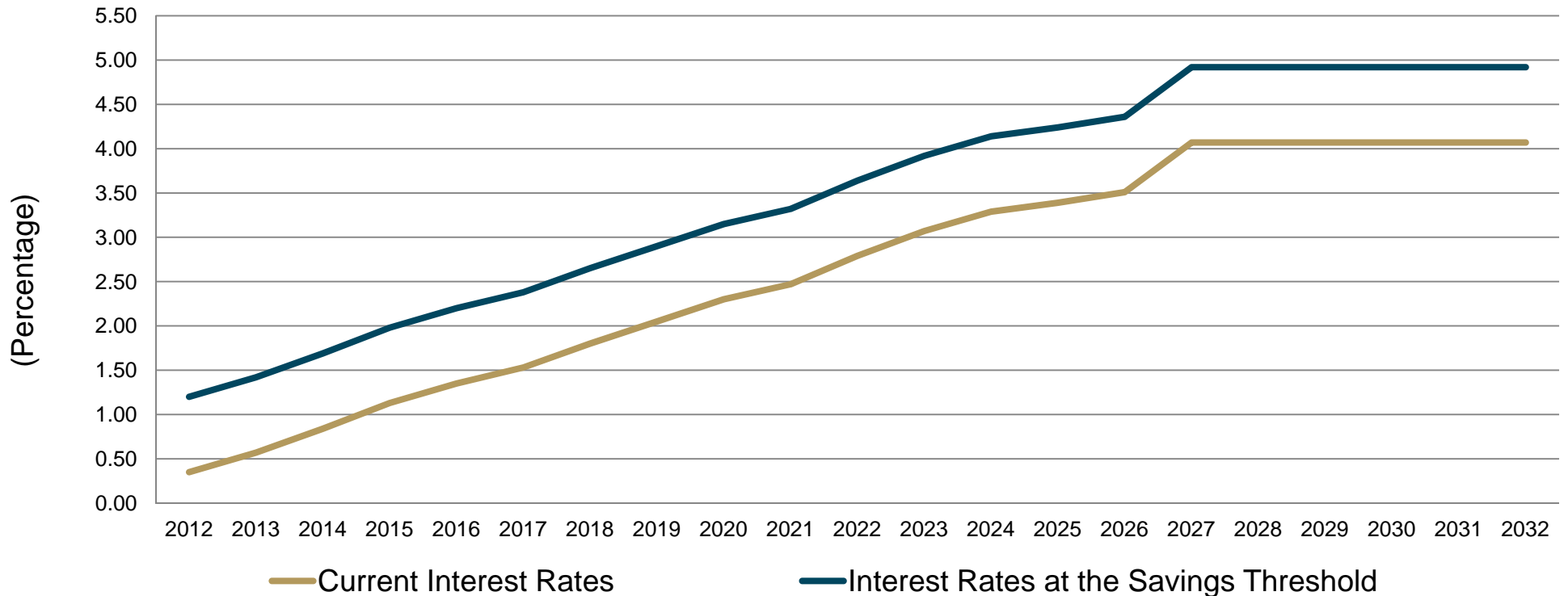
➤ Accelerated Bond Pre-Payment

Par Amount	\$8,795,000
True Interest Cost (%)	2.48
Net PV Savings (\$)	2,771,196
Net PV Savings (%)	24.82



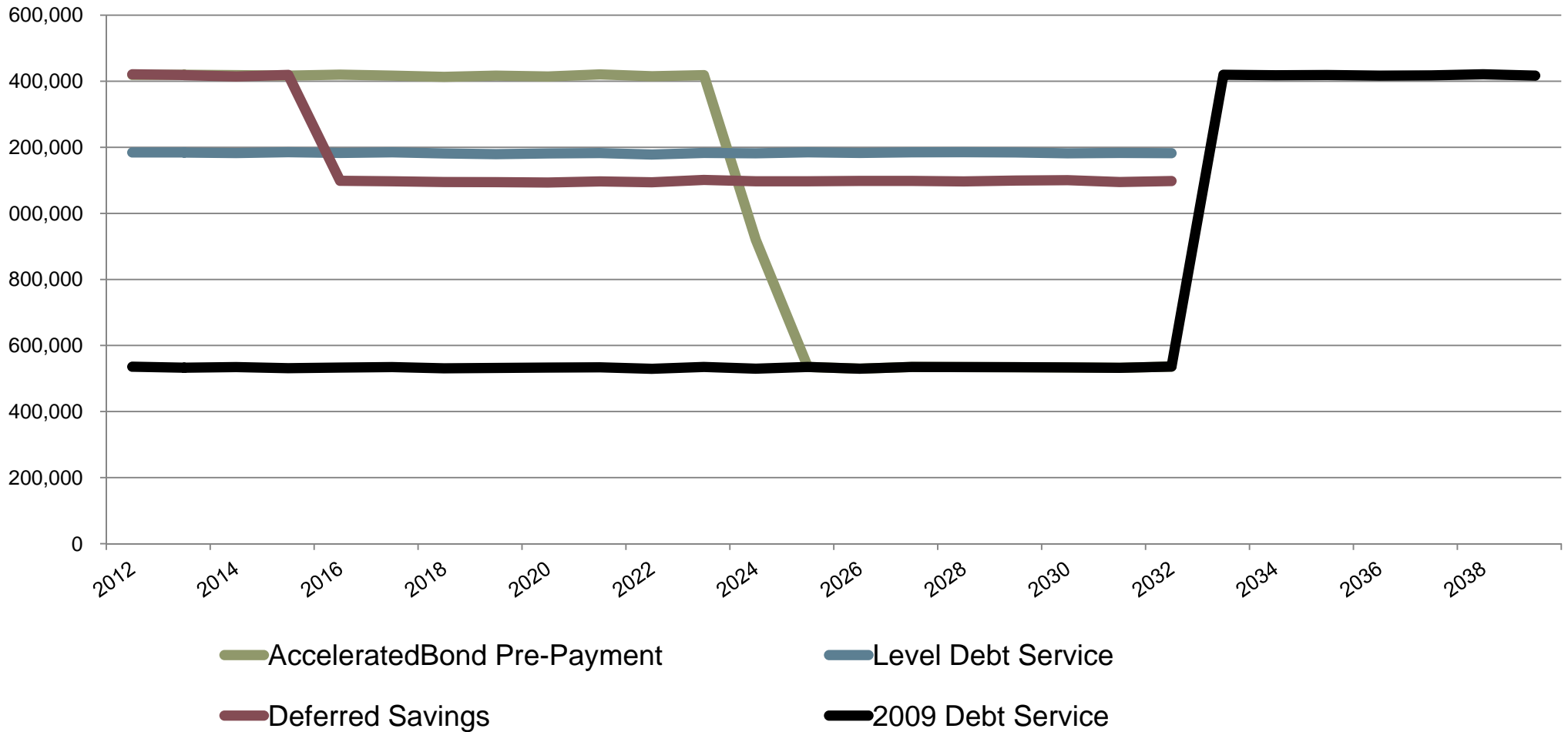
Series 2011 G.O. Refunding Bonds Yield Curve

- The below graph illustrates the spread between refunding the 2002 General Obligation Bonds in the current interest rate climate versus an interest rate climate that would result in the 3% savings floor





3 Refinancing Options' Debt Service Combined with 2009 Debt Service





EXIBIT I: Proposed Refinancing with Deferred Savings



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Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

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SOURCES AND USES OF FUNDS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Sources:

Bond Proceeds:	
Par Amount	8,860,000.00
Premium	688,555.15
	<hr/>
	9,548,555.15

Other Sources of Funds:	
Reserve Fund	2,500,000.00
	<hr/>
	12,048,555.15

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.69
SLGS Purchases	11,861,789.00
	<hr/>
	11,861,789.69

Cost of Issuance:	
Other Cost of Issuance	105,000.00

Underwriter's Discount:	
Other Underwriter's Discount	79,740.00

Other Uses of Funds:	
Additional Proceeds	2,025.46
	<hr/>
	12,048,555.15

BOND PRICING

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity
Serial Bonds through 2026:						
	08/01/2012	690,000	2.000%	0.350%	100.905	
	08/01/2013	545,000	3.000%	0.570%	103.744	
	08/01/2014	555,000	3.000%	0.840%	105.437	
	08/01/2015	580,000	3.000%	1.130%	106.488	
	08/01/2016	275,000	3.000%	1.350%	107.257	
	08/01/2017	280,000	3.000%	1.530%	107.792	
	08/01/2018	290,000	4.000%	1.800%	113.534	
	08/01/2019	300,000	4.000%	2.050%	113.574	
	08/01/2020	310,000	4.000%	2.300%	113.125	
	08/01/2021	325,000	4.000%	2.470%	112.944	
	08/01/2022	340,000	4.000%	2.790%	110.081 C	2.885%
	08/01/2023	355,000	4.000%	3.070%	107.646 C	3.203%
	08/01/2024	370,000	4.000%	3.290%	105.776 C	3.430%
	08/01/2025	380,000	5.000%	3.390%	113.039 C	3.763%
	08/01/2026	405,000	5.000%	3.510%	111.999 C	3.911%
		6,000,000				
Term Bond Due 2032:						
	08/01/2032	2,860,000	5.000%	4.070%	107.296 C	4.454%
		8,860,000				

Dated Date	01/13/2012	
Delivery Date	01/13/2012	
First Coupon	02/01/2012	
Par Amount	8,860,000.00	
Premium	688,555.15	
Production	9,548,555.15	107.771503%
Underwriter's Discount	-79,740.00	-0.900000%
Purchase Price	9,468,815.15	106.871503%
Accrued Interest		
Net Proceeds	9,468,815.15	

BOND DEBT SERVICE

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2012	690,000	2.000%	195,085	885,085
08/01/2013	545,000	3.000%	340,900	885,900
08/01/2014	555,000	3.000%	324,550	879,550
08/01/2015	580,000	3.000%	307,900	887,900
08/01/2016	275,000	3.000%	290,500	565,500
08/01/2017	280,000	3.000%	282,250	562,250
08/01/2018	290,000	4.000%	273,850	563,850
08/01/2019	300,000	4.000%	262,250	562,250
08/01/2020	310,000	4.000%	250,250	560,250
08/01/2021	325,000	4.000%	237,850	562,850
08/01/2022	340,000	4.000%	224,850	564,850
08/01/2023	355,000	4.000%	211,250	566,250
08/01/2024	370,000	4.000%	197,050	567,050
08/01/2025	380,000	5.000%	182,250	562,250
08/01/2026	405,000	5.000%	163,250	568,250
08/01/2027	420,000	5.000%	143,000	563,000
08/01/2028	440,000	5.000%	122,000	562,000
08/01/2029	465,000	5.000%	100,000	565,000
08/01/2030	490,000	5.000%	76,750	566,750
08/01/2031	510,000	5.000%	52,250	562,250
08/01/2032	535,000	5.000%	26,750	561,750
	8,860,000		4,264,785	13,124,785

PRIOR BOND DEBT SERVICE

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2012	310,000	5.750%	575,935.00	885,935.00
08/01/2013	330,000	5.750%	558,110.00	888,110.00
08/01/2014	345,000	4.500%	539,135.00	884,135.00
08/01/2015	365,000	4.600%	523,610.00	888,610.00
08/01/2016	380,000	4.600%	506,820.00	886,820.00
08/01/2017	395,000	4.700%	489,340.00	884,340.00
08/01/2018	415,000	4.800%	470,775.00	885,775.00
08/01/2019	435,000	4.900%	450,855.00	885,855.00
08/01/2020	455,000	5.000%	429,540.00	884,540.00
08/01/2021	480,000	5.000%	406,790.00	886,790.00
08/01/2022	505,000	5.250%	382,790.00	887,790.00
08/01/2023	530,000	5.250%	356,277.50	886,277.50
08/01/2024	560,000	5.250%	328,452.50	888,452.50
08/01/2025	585,000	5.250%	299,052.50	884,052.50
08/01/2026	620,000	5.250%	268,340.00	888,340.00
08/01/2027	650,000	5.250%	235,790.00	885,790.00
08/01/2028	685,000	5.300%	201,665.00	886,665.00
08/01/2029	720,000	5.300%	165,360.00	885,360.00
08/01/2030	760,000	5.300%	127,200.00	887,200.00
08/01/2031	800,000	5.300%	86,920.00	886,920.00
08/01/2032	840,000	5.300%	44,520.00	884,520.00
	11,165,000		7,447,277.50	18,612,277.50

SAVINGS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/13/2012 @ 3.1458241%
08/01/2012	885,935.00	885,085.00	850.00	5,013.70
08/01/2013	888,110.00	885,900.00	2,210.00	3,733.21
08/01/2014	884,135.00	879,550.00	4,585.00	5,792.71
08/01/2015	888,610.00	887,900.00	710.00	2,154.05
08/01/2016	886,820.00	565,500.00	321,320.00	280,254.24
08/01/2017	884,340.00	562,250.00	322,090.00	272,228.14
08/01/2018	885,775.00	563,850.00	321,925.00	263,662.57
08/01/2019	885,855.00	562,250.00	323,605.00	256,835.46
08/01/2020	884,540.00	560,250.00	324,290.00	249,411.03
08/01/2021	886,790.00	562,850.00	323,940.00	241,426.11
08/01/2022	887,790.00	564,850.00	322,940.00	233,225.11
08/01/2023	886,277.50	566,250.00	320,027.50	223,956.05
08/01/2024	888,452.50	567,050.00	321,402.50	217,930.51
08/01/2025	884,052.50	562,250.00	321,802.50	211,420.05
08/01/2026	888,340.00	568,250.00	320,090.00	203,776.94
08/01/2027	885,790.00	563,000.00	322,790.00	199,116.84
08/01/2028	886,665.00	562,000.00	324,665.00	194,054.69
08/01/2029	885,360.00	565,000.00	320,360.00	185,536.84
08/01/2030	887,200.00	566,750.00	320,450.00	179,819.77
08/01/2031	886,920.00	562,250.00	324,670.00	176,518.69
08/01/2032	884,520.00	561,750.00	322,770.00	170,023.64
	18,612,277.50	13,124,785.00	5,487,492.50	3,775,890.33

Savings Summary

PV of savings from cash flow	3,775,890.33
Less: Prior funds on hand	-2,500,000.00
Plus: Refunding funds on hand	2,025.46
Net PV Savings	1,277,915.79

SUMMARY OF REFUNDING RESULTS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Dated Date	01/13/2012
Delivery Date	01/13/2012
Arbitrage yield	3.145824%
Escrow yield	0.050122%
Bond Par Amount	8,860,000.00
True Interest Cost	3.691198%
Net Interest Cost	3.938647%
Average Coupon	4.594535%
Average Life	10.477
Par amount of refunded bonds	11,165,000.00
Average coupon of refunded bonds	5.217819%
Average life of refunded bonds	12.339
PV of prior debt to 01/13/2012 @ 3.145824%	13,677,113.64
Net PV Savings	1,277,915.79
Percentage savings of refunded bonds	11.445730%
Percentage savings of refunding bonds	14.423429%

ESCROW REQUIREMENTS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
02/01/2012		287,967.50			287,967.50
08/01/2012	310,000.00	287,967.50	10,525,000.00	105,250.00	11,228,217.50
02/01/2013		9,487.50			9,487.50
08/01/2013	330,000.00	9,487.50			339,487.50
	640,000.00	594,910.00	10,525,000.00	105,250.00	11,865,160.00

ESCROW STATISTICS

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 11,861,789.69	0.567	0.050122%	0.050122%	11,657,257.53	204,532.14	0.02
11,861,789.69				11,657,257.53	204,532.14	0.02

Delivery date 01/13/2012
 Arbitrage yield 3.145824%

SUMMARY OF BONDS REFUNDED

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Election of 1995, Series 2002 General Obligation Bonds, 2002GO:					
SERIAL1	08/01/2012	5.750%	310,000.00		
	08/01/2013	5.750%	330,000.00		
SERIAL2	08/01/2014	4.500%	345,000.00	08/01/2012	101.000
	08/01/2015	4.600%	365,000.00	08/01/2012	101.000
	08/01/2016	4.600%	380,000.00	08/01/2012	101.000
	08/01/2017	4.700%	395,000.00	08/01/2012	101.000
	08/01/2018	4.800%	415,000.00	08/01/2012	101.000
	08/01/2019	4.900%	435,000.00	08/01/2012	101.000
TERM1	08/01/2021	5.000%	935,000.00	08/01/2012	101.000
TERM2	08/01/2027	5.250%	3,450,000.00	08/01/2012	101.000
TERM3	08/01/2032	5.300%	3,805,000.00	08/01/2012	101.000
			11,165,000.00		

BOND SUMMARY STATISTICS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Deferred Savings)

Dated Date	01/13/2012
Delivery Date	01/13/2012
Last Maturity	08/01/2032
Arbitrage Yield	3.145824%
True Interest Cost (TIC)	3.691198%
Net Interest Cost (NIC)	3.938647%
All-In TIC	3.829699%
Average Coupon	4.594535%
Average Life (years)	10.477
Duration of Issue (years)	8.228
Par Amount	8,860,000.00
Bond Proceeds	9,548,555.15
Total Interest	4,264,785.00
Net Interest	3,655,969.85
Total Debt Service	13,124,785.00
Maximum Annual Debt Service	887,900.00
Average Annual Debt Service	638,675.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	9.000000
Total Underwriter's Discount	9.000000
Bid Price	106.871503

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds through 2026	6,000,000.00	107.998	4.077%	6.799	10/31/2018
Term Bond Due 2032	2,860,000.00	107.296	5.000%	18.192	03/23/2030
	8,860,000.00			10.477	

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,860,000.00	8,860,000.00	8,860,000.00
+ Accrued Interest			
+ Premium (Discount)	688,555.15	688,555.15	688,555.15
- Underwriter's Discount	-79,740.00	-79,740.00	
- Cost of Issuance Expense		-105,000.00	
- Other Amounts			
Target Value	9,468,815.15	9,363,815.15	9,548,555.15
Target Date	01/13/2012	01/13/2012	01/13/2012
Yield	3.691198%	3.829699%	3.145824%



EXIBIT II: Proposed Refinancing with Level Savings



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Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

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SOURCES AND USES OF FUNDS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Sources:

Bond Proceeds:	
Par Amount	8,815,000.00
Premium	<u>735,579.90</u>
	9,550,579.90

Other Sources of Funds:	
Reserve Fund	2,500,000.00
	<hr/>
	12,050,579.90

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.69
SLGS Purchases	<u>11,861,789.00</u>
	11,861,789.69

Cost of Issuance:	
Other Cost of Issuance	105,000.00

Underwriter's Discount:	
Other Underwriter's Discount	79,335.00

Other Uses of Funds:	
Additional Proceeds	4,455.21
	<hr/>
	12,050,579.90

BOND PRICING

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity
Serial Bonds through 2026:						
	08/01/2012	445,000	2.000%	0.350%	100.905	
	08/01/2013	290,000	3.000%	0.570%	103.744	
	08/01/2014	295,000	3.000%	0.840%	105.437	
	08/01/2015	310,000	3.000%	1.130%	106.488	
	08/01/2016	315,000	3.000%	1.350%	107.257	
	08/01/2017	325,000	3.000%	1.530%	107.792	
	08/01/2018	335,000	4.000%	1.800%	113.534	
	08/01/2019	345,000	4.000%	2.050%	113.574	
	08/01/2020	360,000	4.000%	2.300%	113.125	
	08/01/2021	375,000	4.000%	2.470%	112.944	
	08/01/2022	390,000	4.000%	2.790%	110.081 C	2.885%
	08/01/2023	405,000	4.000%	3.070%	107.646 C	3.203%
	08/01/2024	425,000	4.000%	3.290%	105.776 C	3.430%
	08/01/2025	440,000	5.000%	3.390%	113.039 C	3.763%
	08/01/2026	465,000	5.000%	3.510%	111.999 C	3.911%
		<u>5,520,000</u>				
Term Bond Due 2032:						
	08/01/2032	3,295,000	5.000%	4.070%	107.296 C	4.454%
		<u>8,815,000</u>				

Dated Date	01/13/2012	
Delivery Date	01/13/2012	
First Coupon	02/01/2012	
Par Amount	8,815,000.00	
Premium	735,579.90	
Production	9,550,579.90	108.344639%
Underwriter's Discount	-79,335.00	-0.900000%
Purchase Price	9,471,244.90	107.444639%
Accrued Interest		
Net Proceeds	<u>9,471,244.90</u>	

BOND DEBT SERVICE

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2012	445,000	2.000%	203,692.50	648,692.50
08/01/2013	290,000	3.000%	361,450.00	651,450.00
08/01/2014	295,000	3.000%	352,750.00	647,750.00
08/01/2015	310,000	3.000%	343,900.00	653,900.00
08/01/2016	315,000	3.000%	334,600.00	649,600.00
08/01/2017	325,000	3.000%	325,150.00	650,150.00
08/01/2018	335,000	4.000%	315,400.00	650,400.00
08/01/2019	345,000	4.000%	302,000.00	647,000.00
08/01/2020	360,000	4.000%	288,200.00	648,200.00
08/01/2021	375,000	4.000%	273,800.00	648,800.00
08/01/2022	390,000	4.000%	258,800.00	648,800.00
08/01/2023	405,000	4.000%	243,200.00	648,200.00
08/01/2024	425,000	4.000%	227,000.00	652,000.00
08/01/2025	440,000	5.000%	210,000.00	650,000.00
08/01/2026	465,000	5.000%	188,000.00	653,000.00
08/01/2027	485,000	5.000%	164,750.00	649,750.00
08/01/2028	510,000	5.000%	140,500.00	650,500.00
08/01/2029	535,000	5.000%	115,000.00	650,000.00
08/01/2030	560,000	5.000%	88,250.00	648,250.00
08/01/2031	590,000	5.000%	60,250.00	650,250.00
08/01/2032	615,000	5.000%	30,750.00	645,750.00
	8,815,000		4,827,442.50	13,642,442.50

PRIOR BOND DEBT SERVICE

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2012	310,000	5.750%	575,935.00	885,935.00
08/01/2013	330,000	5.750%	558,110.00	888,110.00
08/01/2014	345,000	4.500%	539,135.00	884,135.00
08/01/2015	365,000	4.600%	523,610.00	888,610.00
08/01/2016	380,000	4.600%	506,820.00	886,820.00
08/01/2017	395,000	4.700%	489,340.00	884,340.00
08/01/2018	415,000	4.800%	470,775.00	885,775.00
08/01/2019	435,000	4.900%	450,855.00	885,855.00
08/01/2020	455,000	5.000%	429,540.00	884,540.00
08/01/2021	480,000	5.000%	406,790.00	886,790.00
08/01/2022	505,000	5.250%	382,790.00	887,790.00
08/01/2023	530,000	5.250%	356,277.50	886,277.50
08/01/2024	560,000	5.250%	328,452.50	888,452.50
08/01/2025	585,000	5.250%	299,052.50	884,052.50
08/01/2026	620,000	5.250%	268,340.00	888,340.00
08/01/2027	650,000	5.250%	235,790.00	885,790.00
08/01/2028	685,000	5.300%	201,665.00	886,665.00
08/01/2029	720,000	5.300%	165,360.00	885,360.00
08/01/2030	760,000	5.300%	127,200.00	887,200.00
08/01/2031	800,000	5.300%	86,920.00	886,920.00
08/01/2032	840,000	5.300%	44,520.00	884,520.00
	11,165,000		7,447,277.50	18,612,277.50

SAVINGS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/13/2012 @ 3.2459652%
08/01/2012	885,935.00	648,692.50	237,242.50	237,374.40
08/01/2013	888,110.00	651,450.00	236,660.00	226,656.73
08/01/2014	884,135.00	647,750.00	236,385.00	219,144.71
08/01/2015	888,610.00	653,900.00	234,710.00	210,658.46
08/01/2016	886,820.00	649,600.00	237,220.00	206,098.94
08/01/2017	884,340.00	650,150.00	234,190.00	196,979.80
08/01/2018	885,775.00	650,400.00	235,375.00	191,640.00
08/01/2019	885,855.00	647,000.00	238,855.00	188,255.16
08/01/2020	884,540.00	648,200.00	236,340.00	180,334.01
08/01/2021	886,790.00	648,800.00	237,990.00	175,783.31
08/01/2022	887,790.00	648,800.00	238,990.00	170,873.39
08/01/2023	886,277.50	648,200.00	238,077.50	164,768.91
08/01/2024	888,452.50	652,000.00	236,452.50	158,400.22
08/01/2025	884,052.50	650,000.00	234,052.50	151,764.65
08/01/2026	888,340.00	653,000.00	235,340.00	147,717.46
08/01/2027	885,790.00	649,750.00	236,040.00	143,415.39
08/01/2028	886,665.00	650,500.00	236,165.00	138,897.43
08/01/2029	885,360.00	650,000.00	235,360.00	133,988.98
08/01/2030	887,200.00	648,250.00	238,950.00	131,668.01
08/01/2031	886,920.00	650,250.00	236,670.00	126,227.92
08/01/2032	884,520.00	645,750.00	238,770.00	123,257.78
	18,612,277.50	13,642,442.50	4,969,835.00	3,623,905.66

Savings Summary

PV of savings from cash flow	3,623,905.66
Less: Prior funds on hand	-2,500,000.00
Plus: Refunding funds on hand	4,455.21
Net PV Savings	1,128,360.87

SUMMARY OF REFUNDING RESULTS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Dated Date	01/13/2012
Delivery Date	01/13/2012
Arbitrage yield	3.245965%
Escrow yield	0.050122%
Bond Par Amount	8,815,000.00
True Interest Cost	3.768397%
Net Interest Cost	4.009678%
Average Coupon	4.640511%
Average Life	11.801
Par amount of refunded bonds	11,165,000.00
Average coupon of refunded bonds	5.217819%
Average life of refunded bonds	12.339
PV of prior debt to 01/13/2012 @ 3.245965%	13,552,608.21
Net PV Savings	1,128,360.87
Percentage savings of refunded bonds	10.106233%
Percentage savings of refunding bonds	12.800464%

ESCROW REQUIREMENTS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
02/01/2012		287,967.50			287,967.50
08/01/2012	310,000.00	287,967.50	10,525,000.00	105,250.00	11,228,217.50
02/01/2013		9,487.50			9,487.50
08/01/2013	330,000.00	9,487.50			339,487.50
	640,000.00	594,910.00	10,525,000.00	105,250.00	11,865,160.00

ESCROW STATISTICS

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 11,861,789.69	0.567	0.050122%	0.050122%	11,650,758.34	211,031.33	0.02
11,861,789.69				11,650,758.34	211,031.33	0.02

Delivery date 01/13/2012
 Arbitrage yield 3.245965%

SUMMARY OF BONDS REFUNDED

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Election of 1995, Series 2002 General Obligation Bonds, 2002GO:					
SERIAL1	08/01/2012	5.750%	310,000.00		
	08/01/2013	5.750%	330,000.00		
SERIAL2	08/01/2014	4.500%	345,000.00	08/01/2012	101.000
	08/01/2015	4.600%	365,000.00	08/01/2012	101.000
	08/01/2016	4.600%	380,000.00	08/01/2012	101.000
	08/01/2017	4.700%	395,000.00	08/01/2012	101.000
	08/01/2018	4.800%	415,000.00	08/01/2012	101.000
	08/01/2019	4.900%	435,000.00	08/01/2012	101.000
TERM1	08/01/2021	5.000%	935,000.00	08/01/2012	101.000
TERM2	08/01/2027	5.250%	3,450,000.00	08/01/2012	101.000
TERM3	08/01/2032	5.300%	3,805,000.00	08/01/2012	101.000
			11,165,000.00		

BOND SUMMARY STATISTICS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (Level Savings)

Dated Date	01/13/2012
Delivery Date	01/13/2012
Last Maturity	08/01/2032
Arbitrage Yield	3.245965%
True Interest Cost (TIC)	3.768397%
Net Interest Cost (NIC)	4.009678%
All-In TIC	3.893623%
Average Coupon	4.640511%
Average Life (years)	11.801
Duration of Issue (years)	9.095
Par Amount	8,815,000.00
Bond Proceeds	9,550,579.90
Total Interest	4,827,442.50
Net Interest	4,171,197.60
Total Debt Service	13,642,442.50
Maximum Annual Debt Service	653,900.00
Average Annual Debt Service	663,865.82
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	9.000000
Total Underwriter's Discount	9.000000
Bid Price	107.444639

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds through 2026	5,520,000.00	108.971	4.152%	7.988	01/08/2020
Term Bond Due 2032	3,295,000.00	107.296	5.000%	18.189	03/22/2030
	8,815,000.00			11.801	

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,815,000.00	8,815,000.00	8,815,000.00
+ Accrued Interest			
+ Premium (Discount)	735,579.90	735,579.90	735,579.90
- Underwriter's Discount	-79,335.00	-79,335.00	
- Cost of Issuance Expense		-105,000.00	
- Other Amounts			
Target Value	9,471,244.90	9,366,244.90	9,550,579.90
Target Date	01/13/2012	01/13/2012	01/13/2012
Yield	3.768397%	3.893623%	3.245965%



EXIBIT III: Proposed Financing with Pre-Payment for Early Bond Retirement



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City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

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SOURCES AND USES OF FUNDS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Sources:

Bond Proceeds:

Par Amount	8,795,000.00
Premium	755,634.10
	9,550,634.10

Other Sources of Funds:

Reserve Fund	2,500,000.00
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12,050,634.10

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.69
SLGS Purchases	11,861,789.00
	11,861,789.69

Cost of Issuance:

Other Cost of Issuance	105,000.00
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Underwriter's Discount:

Other Underwriter's Discount	79,155.00
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Other Uses of Funds:

Additional Proceeds	4,689.41
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12,050,634.10

BOND PRICING

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity
Serial Bonds through 2026:						
	08/01/2012	715,000	2.000%	0.350%	100.905	
	08/01/2013	595,000	3.000%	0.570%	103.744	
	08/01/2014	610,000	3.000%	0.840%	105.437	
	08/01/2015	630,000	3.000%	1.130%	106.488	
	08/01/2016	650,000	3.000%	1.350%	107.257	
	08/01/2017	665,000	3.000%	1.530%	107.792	
	08/01/2018	685,000	4.000%	1.800%	113.534	
	08/01/2019	715,000	4.000%	2.050%	113.574	
	08/01/2020	740,000	4.000%	2.300%	113.125	
	08/01/2021	775,000	4.000%	2.470%	112.944	
	08/01/2022	805,000	4.000%	2.790%	110.081 C	2.885%
	08/01/2023	835,000	4.000%	3.070%	107.646 C	3.203%
	08/01/2024	375,000	4.000%	3.290%	105.776 C	3.430%
		8,795,000				

Dated Date	01/13/2012	
Delivery Date	01/13/2012	
First Coupon	02/01/2012	
Par Amount	8,795,000.00	
Premium	755,634.10	
Production	9,550,634.10	108.591633%
Underwriter's Discount	-79,155.00	-0.900000%
Purchase Price	9,471,479.10	107.691633%
Accrued Interest		
Net Proceeds	9,471,479.10	

BOND DEBT SERVICE

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2012	715,000	2.000%	168,300	883,300
08/01/2013	595,000	3.000%	291,700	886,700
08/01/2014	610,000	3.000%	273,850	883,850
08/01/2015	630,000	3.000%	255,550	885,550
08/01/2016	650,000	3.000%	236,650	886,650
08/01/2017	665,000	3.000%	217,150	882,150
08/01/2018	685,000	4.000%	197,200	882,200
08/01/2019	715,000	4.000%	169,800	884,800
08/01/2020	740,000	4.000%	141,200	881,200
08/01/2021	775,000	4.000%	111,600	886,600
08/01/2022	805,000	4.000%	80,600	885,600
08/01/2023	835,000	4.000%	48,400	883,400
08/01/2024	375,000	4.000%	15,000	390,000
	8,795,000		2,207,000	11,002,000

PRIOR BOND DEBT SERVICE

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2012	310,000	5.750%	575,935.00	885,935.00
08/01/2013	330,000	5.750%	558,110.00	888,110.00
08/01/2014	345,000	4.500%	539,135.00	884,135.00
08/01/2015	365,000	4.600%	523,610.00	888,610.00
08/01/2016	380,000	4.600%	506,820.00	886,820.00
08/01/2017	395,000	4.700%	489,340.00	884,340.00
08/01/2018	415,000	4.800%	470,775.00	885,775.00
08/01/2019	435,000	4.900%	450,855.00	885,855.00
08/01/2020	455,000	5.000%	429,540.00	884,540.00
08/01/2021	480,000	5.000%	406,790.00	886,790.00
08/01/2022	505,000	5.250%	382,790.00	887,790.00
08/01/2023	530,000	5.250%	356,277.50	886,277.50
08/01/2024	560,000	5.250%	328,452.50	888,452.50
08/01/2025	585,000	5.250%	299,052.50	884,052.50
08/01/2026	620,000	5.250%	268,340.00	888,340.00
08/01/2027	650,000	5.250%	235,790.00	885,790.00
08/01/2028	685,000	5.300%	201,665.00	886,665.00
08/01/2029	720,000	5.300%	165,360.00	885,360.00
08/01/2030	760,000	5.300%	127,200.00	887,200.00
08/01/2031	800,000	5.300%	86,920.00	886,920.00
08/01/2032	840,000	5.300%	44,520.00	884,520.00
	11,165,000		7,447,277.50	18,612,277.50

SAVINGS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/13/2012 @ 2.2521911%
08/01/2012	885,935.00	883,300.00	2,635.00	5,635.65
08/01/2013	888,110.00	886,700.00	1,410.00	2,810.73
08/01/2014	884,135.00	883,850.00	285.00	1,679.95
08/01/2015	888,610.00	885,550.00	3,060.00	4,220.09
08/01/2016	886,820.00	886,650.00	170.00	1,527.34
08/01/2017	884,340.00	882,150.00	2,190.00	3,287.45
08/01/2018	885,775.00	882,200.00	3,575.00	4,417.41
08/01/2019	885,855.00	884,800.00	1,055.00	2,227.17
08/01/2020	884,540.00	881,200.00	3,340.00	4,098.51
08/01/2021	886,790.00	886,600.00	190.00	1,495.43
08/01/2022	887,790.00	885,600.00	2,190.00	3,072.56
08/01/2023	886,277.50	883,400.00	2,877.50	3,560.03
08/01/2024	888,452.50	390,000.00	498,452.50	377,651.72
08/01/2025	884,052.50		884,052.50	653,898.97
08/01/2026	888,340.00		888,340.00	642,387.33
08/01/2027	885,790.00		885,790.00	626,230.84
08/01/2028	886,665.00		886,665.00	612,833.00
08/01/2029	885,360.00		885,360.00	598,241.67
08/01/2030	887,200.00		887,200.00	586,065.01
08/01/2031	886,920.00		886,920.00	572,758.26
08/01/2032	884,520.00		884,520.00	558,407.92
	18,612,277.50	11,002,000.00	7,610,277.50	5,266,507.03

Savings Summary

PV of savings from cash flow	5,266,507.03
Less: Prior funds on hand	-2,500,000.00
Plus: Refunding funds on hand	4,689.41
Net PV Savings	2,771,196.44

SUMMARY OF REFUNDING RESULTS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Dated Date	01/13/2012
Delivery Date	01/13/2012
Arbitrage yield	2.252191%
Escrow yield	0.050122%
Bond Par Amount	8,795,000.00
True Interest Cost	2.482311%
Net Interest Cost	2.629208%
Average Coupon	3.791298%
Average Life	6.619
Par amount of refunded bonds	11,165,000.00
Average coupon of refunded bonds	5.217819%
Average life of refunded bonds	12.339
PV of prior debt to 01/13/2012 @ 2.252191%	14,866,501.05
Net PV Savings	2,771,196.44
Percentage savings of refunded bonds	24.820389%
Percentage savings of refunding bonds	31.508771%

ESCROW REQUIREMENTS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
02/01/2012		287,967.50			287,967.50
08/01/2012	310,000.00	287,967.50	10,525,000.00	105,250.00	11,228,217.50
02/01/2013		9,487.50			9,487.50
08/01/2013	330,000.00	9,487.50			339,487.50
	640,000.00	594,910.00	10,525,000.00	105,250.00	11,865,160.00

ESCROW STATISTICS

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 11,861,789.69	0.567	0.050122%	0.050122%	11,715,575.60	146,214.07	0.02
11,861,789.69				11,715,575.60	146,214.07	0.02

Delivery date 01/13/2012
 Arbitrage yield 2.252191%

SUMMARY OF BONDS REFUNDED

City of Menlo Park Proposed Refunding 2011
 Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Election of 1995, Series 2002 General Obligation Bonds, 2002GO:					
SERIAL1	08/01/2012	5.750%	310,000.00		
	08/01/2013	5.750%	330,000.00		
SERIAL2	08/01/2014	4.500%	345,000.00	08/01/2012	101.000
	08/01/2015	4.600%	365,000.00	08/01/2012	101.000
	08/01/2016	4.600%	380,000.00	08/01/2012	101.000
	08/01/2017	4.700%	395,000.00	08/01/2012	101.000
	08/01/2018	4.800%	415,000.00	08/01/2012	101.000
	08/01/2019	4.900%	435,000.00	08/01/2012	101.000
TERM1	08/01/2021	5.000%	935,000.00	08/01/2012	101.000
TERM2	08/01/2027	5.250%	3,450,000.00	08/01/2012	101.000
TERM3	08/01/2032	5.300%	3,805,000.00	08/01/2012	101.000
			11,165,000.00		

BOND SUMMARY STATISTICS

City of Menlo Park Proposed Refunding 2011
Series 2011 General Obligation Refunding Bonds, Public Offering (2024 Final Maturity)

Dated Date	01/13/2012
Delivery Date	01/13/2012
Last Maturity	08/01/2024
Arbitrage Yield	2.252191%
True Interest Cost (TIC)	2.482311%
Net Interest Cost (NIC)	2.629208%
All-In TIC	2.673725%
Average Coupon	3.791298%
Average Life (years)	6.619
Duration of Issue (years)	5.911
Par Amount	8,795,000.00
Bond Proceeds	9,550,634.10
Total Interest	2,207,000.00
Net Interest	1,530,520.90
Total Debt Service	11,002,000.00
Maximum Annual Debt Service	886,700.00
Average Annual Debt Service	876,653.39
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	9.000000
Total Underwriter's Discount	9.000000
Bid Price	107.691633

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date
Serial Bonds through 2026	8,795,000.00	108.592	3.791%	6.619	08/26/2018
	8,795,000.00			6.619	

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,795,000.00	8,795,000.00	8,795,000.00
+ Accrued Interest			
+ Premium (Discount)	755,634.10	755,634.10	755,634.10
- Underwriter's Discount	-79,155.00	-79,155.00	
- Cost of Issuance Expense		-105,000.00	
- Other Amounts			
Target Value	9,471,479.10	9,366,479.10	9,550,634.10
Target Date	01/13/2012	01/13/2012	01/13/2012
Yield	2.482311%	2.673725%	2.252191%