



1 North San Antonio Road
Los Altos, California 94022-3087

MEMORANDUM

DATE: 5/24/22

TO: Councilmembers

FROM: City Manager

SUBJECT: COUNCIL Q&A FOR THE MAY 24, 2022 CITY COUNCIL REGULAR MEETING

Item 2 Approve Resolution: Authorize staff to submit the Los Altos Climate Action and Adaptation Plan for a Beacon Award for environmental excellence:

Question: If the City joins, what will we have to do to be competitive for achieving a Beacon Vanguard award?

Answer: If we submit now, we are more competitive. Once we have submitted as a participant for the award there are just standards that they look at in various categories and if we meet them, we receive an award.

Question: What are the City's obligations once (financial, etc.) upon joining the program?

Answer: There is no cost

Question: Is there a membership cost to ILG? Are we members now? Is there a cost to receiving this award or applying?

Answer: There is no cost

Item 4 Quarterly Investment Portfolio Report:

Question: Page 22 of the packet (page 2 of Item 4), the report states, "As part of these quarterly updates, a status report is prepared by PFM which is included as Attachment 3: Investment Performance Review for the Quarter Ended March 31, 2022." The Investment Performance Review is attachment 5 not 3, and it covers the period through Dec 2021 rather than March 2022, so the March report needs to be added.

Answer: The original attachment was incorrect. The attachment has been corrected for March and is included in the packet.

Question: What are our advisors doing to protect the City's investment portfolio from recent market fluctuations, especially due to inflation?

Answer: The City's investment portfolio consists only of bonds and fixed income components not Stocks. The fluctuations are primarily driven by the Fed discount rate. With a rising rate environment, the market value of the portfolio will be below cost, however, the strategy is to hold to maturity unless the total yield of selling the bond and buying a new investment would result in a net positive alpha (term used to describe an investment strategy's ability to beat the market).

Question: What economic factors would trigger a change in investment strategy and/or philosophy? Would such a change have to be approved by the Council or does the investment consultant have the authority to make nimble changes to protect our portfolio?

Answer: The investment manager works within the constraints laid out in our investment policy, In August of 2021 the investment manager had recommended some minor changes that were incorporated in the investment policy that was approved by the Financial Commission and the City Council in January of 2022. At the May 16th Financial Commission, the investment policy was discussed along with the March investment report and no changes are recommended at this time. City staff also met with PFM on May 10th to review the portfolio performance and staff asked if any adjustments were required, to which PFM affirmed that nothing needs to change at this time as our current Investment Policy provided them the flexibility to pivot as required in response to the market.

Item 5 Tree Protection Ordinance:

Question: What guidance will the environmental commission be given to ensure that their recommendations are in accordance with the City's policy of promoting the creation of new housing?

Answer: The Environmental Commission will be reviewing the technical components of the ordinance as well as the processes and making recommended changes around appropriate mitigation for trees that are removed, which trees (species and size, etc) should be protected, and what approval may be necessary to authorize removal or replacement.

The City Council will have the opportunity to provide policy direction, including creating an ordinance that will comply with City Council direction at a future study session. Of course, the Environmental Commission will be informed of the City's efforts in updating the Housing Element and the need to ensure that recommendations related to preservation of trees are in harmony with the goals of the Housing Element Update.

Item 6 Approve: Rental Fee Waiver Request by the Friends of the Library of Los Altos

Question: The first page of the report (page 96 of the packet) has conflicting information, in the Policy Question it says "Does Council wish to support a fee waiver equivalent to \$11,040 for the use of the Los Altos Community Center by the Friends of the Library **for their August book sale?**" Then in the Summary it says "Friends of the Library has requested a rental fee waiver in the amount of \$11,040 **per year.**" The rest of the report refers to the fee waiver for August only so please correct or clarify as appropriate.

Answer: "per year" is a typo. This request is only for the August 2022 book sale.

Item 7 Review and Approve: Recommended Process proposed by Alta Housing for establishing a Below Market Rate (BMR) Waiting List and Provide Direction to Staff

Question: Can ADUs that are built by homeowners participate in this program? Could they register the rental with Alta for inclusion?

Answer: Yes, we could add it with the BMR waiting list but it may need to be deed restricted.

Item 8 In-person City Council and Commission meetings

Question: Page 107 (page 1 of the report) says that seven jurisdictions are doing hybrid meetings, please explain what a hybrid meeting is for each of those jurisdictions. Does hybrid refer to the public or to Council, e.g. is Council wholly present in person and the public is virtual (with or without in person), or are some Council members present in person and some virtual?

Answer: In these cities, members of the public may participate either virtually or in person. Some of the cities (Campbell, Los Altos Hills, Milpitas, San Jose, Santa Clara) have some Council members participating either virtually or in person.

Question: What is the general sense among commissioners about the prospect of returning to in person meetings?

Answer: Staff does not have a strong sense of commissioners' preferences, however, some commissions have inquired about the possibility of meeting in person.

Question: When will the Council Chambers be ready to host meetings?

Answer: The Council Chambers project should be completed the first part of June 2022.

Question: Please describe how hybrid meetings will work. Will council members (and commissioners) have the option of participating remotely or in person?

Answer: Staff would need to work out final details of how a hybrid meeting would work but does anticipate that members of the Council or commissions, as well as staff and consultants/presenters, would have the option to participate virtually.

Minutes

- Minutes, page 7 for Wireless item: I've highlighted the correction, "The following members of the public commented on this matter: Melissa Smith, Joshua, Si Wai Lai yielded their time ... " (*corrected from Ms. Lye*)
- Also in Minutes, for Wireless item: Lloyd Zola is spelled incorrectly as "LLoyed" in a couple of places.
- Consent calendar: After item 8, please change "the City Attorney had cleared him to vote," to ". . . the City Attorney advised Councilmember Weinberg that he was not obligated to recuse himself due to a conflict of interest. . . ."
- Item 9: Please delete the word "quick" in the phrase "called for a quick recess at 9:19."
- Item 10: The two votes passed 4-0-1. There is an extra zero on both votes in the draft.

Noted