

**MINUTES OF THE SPECIAL MEETING OF THE FINANCIAL COMMISSION OF
THE CITY OF LOS ALTOS, HELD ON WEDNESDAY, MAY 15, 2019, AT 6:00 P.M. AT
HILLVIEW ROOM #2, 97 HILLVIEW AVENUE, LOS ALTOS, CALIFORNIA**

ROLL CALL

PRESENT: Vice Chair McClatchie, Commissioners Martin, Marek, Kalbach, and Richmond

ABSENT: Commissioner Kalkat and Roat

PUBLIC COMMENTS

None

ITEMS FOR CONSIDERATION/ACTION

1. Approved minutes of the regular meeting of April 15, 2019

Action: Upon a motion by Commissioner Kalbach and seconded by Commissioner McClatchie, the Commission approved the minutes of the meeting of April 15, 2019, pending the changes below, by the following vote:

AYES: McClatchie, Martin, Marek, Kalbach, and Richmond; NOES: None; ABSTAIN: None; ABSENT: Kalkat and Roat

PUBLIC COMMENTS

1. Divestment Policy Request

Cheryl Leaden with Green Town Los Altos provided public comment on divesting from investments in fossil fuel companies and financial institutions that invest in fossil fuel companies. Cheryl noted the surrounding cities of Mountain View, Palo Alto, and Sunnyvale have incorporated divestment policies.

In light of the time involved in revising the Los Altos Investment Policy and having the City Council adopt the revised policy prior to the start of the next Fiscal Year on July 1, 2019, the commission would like to revisit this item during the next review of the City's Investment Policy in 2020.

2. Review the Investment Performance as of March 31, 2019

Action: Upon a motion by Commissioner Richmond and seconded by Commissioner Kalbach, the Commission accepted the investment performance as of March 31, 2019 by the following vote:

AYES: McClatchie, Martin, Marek, Kalbach, and Richmond; NOES: None; ABSTAIN: None; ABSENT: Kalkat and Roat

3. Accept the Proposed FY 2019-20 and FY 2020-21 Operating Budgets and Proposed Five-year FY 2020-24 Capital Improvement Plan

Administrative Services Director Etman thanked Commissioners Kalkat, Kalbach, and Richmond for providing input on behalf of the Financial Commission at the City Council Study Session on the proposed Two-Year Operating Budget and Five-Year Capital Improvement Plan on Tuesday, May 14, 2019.

Administrative Services Director Etman provided the Financial Commission with an overview of the Two-Year Operating Budget and Five-Year Capital Improvement Plan.

Commissioners inquired about the City's CalPERS unfunded liability. Administrative Services Director Etman explained that enough money had been set aside to make a sizable CalPERS payment of \$4-5 million dollars to begin paying down the amortization basis that have the highest ongoing payments.

Action: Upon a motion by Commissioner Kalbach and seconded by Commissioner Marek, the Commission accepted the Proposed FY 2019-20 and FY 2020-21 Operating Budgets and Proposed Five-year FY 2020-24 Capital Improvement Plan by the following vote:

AYES: McClatchie, Martin, Marek, Kalbach, and Richmond; NOES: None; ABSTAIN: None; ABSENT: Kalkat and Roat

INFORMATIONAL ITEMS

4. Cost Allocation Plan & User Fee Study

Administrative Services Director Etman gave a presentation on the City's Cost Allocation Plan and User Fee Study that has been in development over the past six months in conjunction with the City's consultant, Willdan Financial Services, and City Staff.

Willdan Financial Services, Administrative Services Director Etman, and Financial Services Manager Revillar met with each city department and discussed each fee and the time required of every staff member that is involved. The outcome of the User Fee Study is a matrix of all city fees with the current fee, the maximum chargeable fee allowed according to the Cost Allocation Plan, and the proposed fee. Approximately 70% of City's fees increased, while a handful of fees decreased. The City has a three-year contract with Willdan to update the Cost Allocation Plan and User Fee annually moving forward.

The Cost Allocation Plan & User Fee Study is scheduled to be brought to City Council for adoption at the regular City Council meeting on Tuesday, June 11, 2019.

COMMISSION AND STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

None

ADJOURNMENT

Vice Chair McClatchie adjourned the meeting at 6:56 PM.