



## **FINANCIAL COMMISSION MEETING**

**Monday, June 17, 2019 - 6:00 P.M.**  
Hillview Community Center, Room #2  
97 Hillview Avenue, Los Altos, California

### **ESTABLISH QUORUM**

### **PLEDGE OF ALLEGIANCE**

### **PUBLIC COMMENTS**

Members of the audience may bring to the Commission's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Staff Liaison. Speakers are generally given two or three minutes, at the discretion of the Chair. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "the Brown Act") items must first be noticed on the agenda before any discussion or action.

### **ITEMS FOR CONSIDERATION/ACTION**

1. Approve minutes of the special meeting of May 15, 2019
2. Election of Chair and Vice Chair
3. Review the Fiscal Year 2018/19 Workplan and discuss the Fiscal Year 2019/20 Goals.

### **INFORMATIONAL ITEMS**

4. Receive updates from Staff

### **COMMISSIONERS' REPORTS AND COMMENTS**

### **POTENTIAL FUTURE AGENDA ITEMS**

### **ADJOURNMENT**

#### **SPECIAL NOTICES TO PUBLIC**

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at <http://www.losaltosca.gov/meetings>.

If you wish to provide written materials, please provide the Commission Staff Liaison with **10 copies** of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.



**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.

## Financial Commission 2018/19 Workplan

Goal	Projects	Assignments	Frequency	Target Date(s)	Status
<b>Recurring Goals</b>					
#1	Investment Performance	Review Investment Performance	Quarterly	Q2 -August 2018 Q3 - November 2018 Q4 - February 2019 Q1 - May 2019	Last reviewed Q1 on 5/15/2019
#2	Comprehensive Annual Financial Report	Review draft CAFR	Annually	November 2018	Last reviewed 11/15/2018
#3	Financial Communication	Review PAFR	Annually	November 2018	Last reviewed 11/15/2018
#4	PERS Unfunded Liability	Evaluate PERS Unfunded Liability	Annually	Winter 2019	Subcommittee last met 2/21/2019
#5	Operating Budget	Review current Annual Budget	Annually	April/May 2019	Last reviewed 5/15/2019
#6	Capital Improvement Budget	Review 5-Year CIP Budget	Annually	April/May 2019	Last reviewed 5/15/2019
#7	Capital Improvement Program	Review 10-Year Plan	Annually	April/May 2019	Last reviewed 10/16//2017
#8	Financial Policies	Review/update City's Financial Policy	Annually	Spring 2019	Last reviewed 1/20/2015
#9	Investment Policy	Review/update City's Investment Policy	Annually	Spring 2019	Last reviewed 4/15/2019
#10	Cross Commission Collaboration	Finance Commission responds to requests from other commissions	Ad hoc	As needed	N/A
<b>Non-recurring Goals</b>					
#11	Project Financing	Analyze financing options for Los Altos Community Center Project	Non-recurring	August 2018	Subcommittee presented to Council at Study Session on August 28, 2018
#12	Storm Drain Funding	Review Public Works proposed recommendations and make recommendations to City Council	Non-recurring	September 2018	FC approved 9/17/18 Council Adopted 10/9/2018
#13	Financial Communication	Review new ERP System Financial Dashboard; Superior to provide FC with status update and software demo	Non-recurring	Fall 2018	Last reviewed 1/29/2019