

**MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY
OF LOS ALTOS, HELD ON MONDAY, SEPTEMBER 17, 2018, AT 6:00 P.M. AT
COMMUNITY MEETING CHAMBERS, 1 NORTH SAN ANTONIO ROAD,
LOS ALTOS, CALIFORNIA**

ROLL CALL

PRESENT: Vice Chair McClatchie, Commissioners Marek (Arrived 6:36 PM), Martin, Richmond, and Roat

ABSENT: Chair Kalkat, Commissioners Kalbach

PUBLIC COMMENTS

None

ITEMS FOR CONSIDERATION/ACTION

1. Approved minutes of the regular meeting of August 20, 2018

Action: Upon a motion by Commissioner Roat seconded by Commissioner Richmond the Commission approved the minutes of the meeting of August 20, 2018 by the following vote: AYES: McClatchie, Martin, Richmond, Roat; NOES: None; ABSTAIN: None; ABSENT: Marek, Kalkat, Kalbach

2. Review information on Clean Water Program and recommend moving the program forward for Council approval

The Public Works Director, Susanna Chan, and Jerry Bradshaw from SCI Consulting Group presented on the City's Clean Water Program. The City of Los Altos currently allocates roughly \$300,000 annually from the General Fund for clean water projects. According to the 2016 Stormwater Master Plan, there are \$31.59 million worth of CIP clean water projects and a need for a more secure funding source. If the City only handles the high and moderate priority capital improvement projects (\$15.81 million of the \$31.59 million) and amortized the costs over the next ten years, the City will have a \$1.13 million yearly operating expense. To establish a more stable funding mechanism, the City is proposing a per parcel fee for residential properties and per acre fee for non-residential properties based on fair share of stormwater runoff. These rates would equate to roughly \$7.33/month for single family residential, \$11.45/month for commercial/industrial property, and \$0.97/month for vacant properties.

The Financial Commission requested that the presentation be revised to include more local images and include a slide on clean water rates that other cities have adopted. The presentation is scheduled to be presented to City Council on October 9, 2018.

Action: Upon a motion by Commissioner Martin seconded by Commissioner Roat the Commission recommended moving the Clean Water Program forward for Council approval with requested changes by the following vote: AYES: McClatchie, Marek, Martin, Roat; NOES: None; ABSTAIN: None; ABSENT: Richmond, Kalkat, Kalbach

2A. Review the Investment Performance as of June 30, 2018

Action: Upon a motion by Commissioner Martin seconded by Commissioner Richmond the Commission accepted the Quarterly Investment Report by the following vote: AYES: McClatchie, Marek, Martin, Roat; NOES: None; ABSTAIN: None; ABSENT: Richmond, Kalkat, Kalbach

INFORMATIONAL ITEMS

3. Receive update from Project Financing Subcommittee

Commissioners Martin and Marek from the Project Financing Subcommittee presented to City Council at a Study Session on Tuesday, August 28th, 2018 from 6 – 7 PM. The presentation went well but a formal bid for the Los Altos Community Center Project is needed before any steps are taken to finance the project.

4. Receive update on Cost Allocation Plan and User Fee Study

Staff Liaison Etman notified the Commission that ClearSource Financial Consulting was selected after a competitive RFP process as the firm to provide the City with a Comprehensive User Fee Study and Full Cost Allocation Plan (CAP). ClearSource will start work in October 2018 and is scheduled to complete work by December 2018. The findings from the CAP and User Fee Study will be incorporated during next budget cycle.

COMMISSION AND STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

CalPERS Annual Actuarial Valuation Report as of June 30, 2017 is anticipated to come out any day now. The Financial Commission will form a subcommittee to evaluate the City's unfunded liability once the report is released.

In either October or November 2018, a demo of the new Superion software upgrade will be presented to the Financial Commission.

ADJOURNMENT

Vice Chair McClatchie adjourned the meeting at 7:25 PM.