

TOWN OF PORTOLA VALLEY
Finance Committee Minutes
Monday, November 30, 2020 – 4:00pm Video
Conference

Attendees

Jeremy Dennis, Town Manager
Cindy Rodas, Finance Director
Jim Saco, Finance Consultant
Craig Hughes, Council Liaison
Ann Wengert, Council Liaison
Sarah Wernikoff, Incoming Council Liaison
Lucy Neely, Chair
Ken Lavine, Member
Jason Pressman, Member, Acting Secretary
George Savage, Member
Michele Takei, Member
Kristi Corley
Rita Comes
Caroline Vertongen
Betsy Morgenthaler
Nan Shostak
Other members of the Public

Call to Order

The Chair called the meeting to order at 4:00pm.

Roll Call

The Chair confirmed attendance as detailed above.

Oral Communications and Announcements

Nan Shostak discussed concerns about a potential earthquake or fire in Portola Valley and encouraged the Committee and Town Council to consider additional budgets.

Betsy Morgenthaler discussed her observation that the town reserves have decreased over the past few years. She also noted that several past meeting minutes were not available on the Town's website.

Approval of Minutes

The minutes of the September 17, 2020 meeting were approved as presented.

New Business

Committee/Council Workshop

Mr. Dennis discussed the upcoming committee/council workshop on January 27, 2021 for the upcoming 2020-21 fiscal year that enables committees to discuss new proposals that may be submitted to the town Council.

Designate new lead “educator” on Town Investments

With the departure of Bill Urban, who was previously the lead “educator” on Town Investments, there was a discussion as to whether someone from the committee could help in that role going forward. Jason Pressman volunteered to assist in this role.

Budget Study Sessions

Mr. Dennis discussed the upcoming budget sessions and how they will be presented to Council. He expressed a strong intent for the discussions to be open and unbiased. Ms. Neely asked the two council members, Ann Wengert and Craig Hughes to provide perspective on the guidance from Council about future budget direction, particularly around reserves management.

Mr. Dennis discussed some of the major changes that have occurred in the Town budget over the past 20 years and some other potential items that could change going forward.

Mr. Savage pointed out that the town has been quite aggressive, relative to other towns, at funding our pension liabilities with the conscious decision that in the event of a significant unforeseen expense such as repairs from a natural disaster could be funded with borrowing if needed.

Mr. Dennis reported that the ~\$1M OPEB investment into a diversified portfolio managed by CalPERS is being funded in four quarterly installments over the next year.

Mr. Dennis discussed the budget process and asked committee members what information would be useful to help drive discussions forward. Then Mr. Dennis provided an update on some major areas of spending and future uncertainty including public safety, pension obligations, wildfire prevention and safety.

Ms. Neely suggested that consideration be given to switching some funds from the UUT from Open Space Land Acquisition to Wildfire Prevention. Discussion ensued.

Betsey Morgenthaler pointed out that while she is new to the committee, she feels that the discussions could be more productive if historical financials were presented for context. She also suggested that some other unfunded state driven initiatives also should be considered.

Mr. Dennis note that until recently, the sort of historical financials and projections were not possible until this year with the implementation of OpenGov software.

Mr. Pressman and Mr. Lavine suggested that going forward a constructive way to forecast would be for Staff to put together a higher-level budget that showed some historical subjective commentary (e.g. law enforcement has increased by 3x over the past 20 years and we anticipate it to increase again when our contract expires in a few years) as well as areas for potential additional investment such as wildfire prevention. This budget and recommendation should be prepared and discussed and used to make recommendations to Council.

Adjournment

There being no further business, the Chair adjourned the meeting at 6:00pm.

Jason Pressman – Acting Secretary