



TOWN OF PORTOLA VALLEY
Finance Committee Meeting
Tuesday, June 11, 2024
4 PM

George Savage, Chair
Stephen Cassani, Member
Kenneth Lavine, Member
Chris Rittler, Member
Michele Takei, Member
William Urban, Member
Mark Waissar, Member

SPECIAL MEETING
HISTORIC SCHOOLHOUSE – 765 PORTOLA RD. – PORTOLA VALLEY, CA

REMOTE MEETING ADVISORY: On March 1, 2023, all committees in Portola Valley will return to conducting in-person meetings. A Zoom link will be provided for members of the public to participate remotely; however, the Town cannot guarantee there will be no technical issues with the software during the meeting. For best public participation results, attending the meeting in-person is advised.

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700 or by email at towncenter@portolavalley.net. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

VIRTUAL PARTICIPATION VIA ZOOM

To access the meeting by computer:

<https://us06web.zoom.us/j/89107937153?pwd=8kmTpoT7IHJ7qJFrmPgBRg6hcUlaJU.1>

Webinar ID: 891 0793 7153

Passcode: 684354

To access the meeting by phone:

1-669-900-6833 or 1-888-788-0099 (toll-free)

*Mute/Unmute – Press *6 / Raise Hand – Press *9*

- 1. CALL TO ORDER & ROLL CALL**
- 2. ORAL COMMUNICATIONS FOR ITEMS NOT ON THE AGENDA**
Speakers' time is limited to three minutes.
- 3. ANNOUNCEMENTS and PRESENTATIONS:**
- 4. APPROVAL OF MINUTES:**
 - a. Minutes of May 20, 2024 meeting
- 5. NEW BUSINESS:**
 - a. Review and discussion of FY2024-25 town budget
 - b. Update on audit progress
- 6. OTHER BUSINESS:**
- 7. ADJOURNMENT**
This meeting body meets on an as-needed basis.

Land Acknowledgement:

The Town of Portola Valley acknowledges the colonial history of this land we dwell upon—the unceded territory of the Ramaytush (rah-my-toosh) Ohlone, Tamien Nation, and Muwekma (mah-WEK-mah) Ohlone, who endured a human and cultural genocide that included removal from their lands and their sacred relationship to the land. Portola Valley recognizes that we profit from the commodification of land seized from indigenous peoples and now bear the ecological consequences. We seek to understand the impact of these legacies on all beings and to find ways to make repair.

**PV Finance Committee
25 March 2024
Meeting minutes**

1. Call to Order and Roll Call

Meeting called to order at 4:05pm

In attendance:

Bill Urban

Ken Lavine

Michele Takei

George Savage – Acting Secretary

Stephen Cassani

Lucy Neely

Absent:

Jason Pressman

2. Oral communications

First comment: hoping that this group can meet on a more regular basis. Hope to see FC member skills used to help our town.

Second comment: Acknowledge and thank Bill Urban for visiting Open Space Committee (in his personal capacity).

3. Announcements and Presentations

Lucy Neely announced her resignation from the Finance Committee following this meeting.

Jason Pressman looking to step down from the committee in the future.

Two finance committee openings available. Please contact George Savage if interested.

4. Approval of Minutes

Minutes for the November 28, 2023 meeting were approved

5. New Business

- a. Property tax revenue and trends. Paula Cone, President of HdL Coren & Cone made a presentation on Portola Valley property tax trends and the working of various laws affecting this major source of Town revenue.

- Mean YoY growth 6.68% over 30 years
- Property value change 2023 over 2022 -- ~\$230M -- 5.39%
- 2% CPI granted via Proposition 13 (36.7% of total growth)
- Properties sold last year → ~50% of growth. (2.7% of 5.39% YoY growth)
- New construction accounted for ~0.4% of YoY growth
- Not going to see this growth (5.39%) for 2024-2025
- Different cities see different revenue YoY growth – depends upon property sales

- Estimated revenue for 2023-2024: \$2,884,484
- VLF of \$705,924 → shortfall, so only ~\$400K received
- City receives 4.3% of property tax collected before ERAF applied
- Most money goes to other county priorities – schools, etc.
- Different towns get different property tax percentages, depending upon numerous factors
- Excess ERAF returned to Town, but not enough to pay for VLF shortfall

Discussion ensued with committee and community members.

- b. Town audits and other financial deliverables were discussed by Heather Rowden, Manager, Krisch & Company
- Reviewed PV Finance Department – what went smoothly and what needs work
- September 2023 start for review and report. Began working in earnest in January. First audit underway (FY2021). Audit, policies and procedures, staff training, fiscal health items. Implemented: best practices cash receipts, closing, asset tracking, etc.
- Fiscal review update: Cash handling, bank reconciliations, system reconciliations, software implementation, payroll journal, benefit reconciliation, payroll changes entry. Working to close FY2022.
- Concurrently working on FY22 and FY23 audits.
- Budget to actual reports – underway.
- Various other items to be addressed in future.

Discussion ensued with committee and community members.

When will 2024 audit be completed? Due within six months of FY close. Usually December or January following the FY close.

Questions about actual spend versus budget? Getting into shape for mid-year review, which is most important review. Ad hoc review as well. At most quarterly.

How many contractors do we have? Contractor work will reduce as internal staff increases.

Do we have project-level accounting? Internal staff reviewing all contracts

- c. PV Financial status and sustainability was discussed by Sharif Etman, PV Town Manager
- PV Thrive: We need to clean up our audits and financial reporting. Started with reset, refocus, restructure, but this will end soon, at end of FY23-24. We need a sustainable financial model for the town, one that does not rely on our reserves.
- April 24th study session with the Town Council to focus solely on our town finances.
- Three-year view. An election for revenue increase (e.g., parcel tax) would likely need to be held in FY25-26 – special election.

Sheriff contract increase (discounted for now), increased legal fees (over budget), consulting fees (housing element, staff needs, etc.). We used reserves to balance this year's budget.

FY24-25 – will have a VLF shortfall and decreased in property tax growth.

Sheriff's contract – county absorbing \$425K of ~\$850K increase on short term basis. Full increase phasing in over three years

Charter town? Additional local control over some taxes, notably documentary transfer tax (i.e., tax associated with property sales – say, 5%). Review cost of doing this.

Parcel tax? 1,800 parcels -- \$1,000 → \$1.8M revenue. Need to consider details. \$6-700 may be the sweet spot.

Annexation?

Land sale?

Some options may be crossed out. We should just review all options.

We could become unincorporated San Mateo County. Not meant to be alarming, just an option to cross off.

Sharif is optimistic about the future. All solvable. "Not doom and gloom"

UUT?

Consider options. Finance Committee to help review and discern

April 24th study session: please participate.

Brief discussion under time pressure (another meeting following us in the Schoolhouse venue).

Comments from members of the public. Interested in additional sessions. Some residents are exempt from parcel taxes. Need to get finances in order before raising revenue.

6. Other Business

7. Adjournment at 6:05pm