

Submitter DB ID 7373
IP Address [REDACTED]
Submission Recorded On 10/07/2024 12:23 AM
Time to Take the Survey 4 minutes, 23 secs.

Page 1

1. First and Last Name

Majda Jones

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

None

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

Portola valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/07/2024

9. Agenda Item number or name

Majda Jones

10. Comment

Although I am traveling overseas, news of the dire situation we face has reached me.

I am deeply concerned and urge the TC to act prudently and swiftly. Karen Vahtra's email makes sense to me.

Thank you.

Majda Jones

11. Optional: You can upload a copy of your comments.

Submitter DB ID 7369
IP Address [REDACTED]
Submission Recorded On 10/05/2024 5:09 PM
Time to Take the Survey 7 minutes, 50 secs.

Page 1

1. First and Last Name

Maria Southgate

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

Portola valley

6. State

Ca6

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/08/2024

9. Agenda Item number or name

Town Finances

10. Comment

I am very concerned about the status of town finances and how we arrived at current state. It appears previous management did not pay enough attention to the details, but I hope you will.

11. Optional: You can upload a copy of your comments.

Submitter DB ID 7370

Submission Recorded On 10/06/2024 10:59 AM

Time to Take the Survey 6 minutes, 14 secs.

Page 1

1. First and Last Name

Valerie Baldwin

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/08/2024

9. Agenda Item number or name

Town Finances

10. Comment

Please stop shopping for ways to extract more tax money from residents who are already overburdened with taxes and look for ways to reduce expenses such as the millions spent on consultants and attorneys. Everyone has been kept in the dark about our dire financial situation while the town staff kept handing off problems to expensive consultants. I mainly blame the Town Council for sleeping through the crisis. Wake up!

11. Optional: You can upload a copy of your comments.

Submitter DB ID 7377
IP Address [REDACTED]
Submission Recorded On 10/07/2024 11:51 AM
Time to Take the Survey 5 minutes, 21 secs.

Page 1

1. First and Last Name

Patricia

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/07/2024

9. Agenda Item number or name

Town financial issues

10. Comment

I am commenting to express my concern about our town's finances. I understand that none of the following items are part of the agenda for this meeting:

1. Declaring a "Fiscal Emergency"
2. Discussing reducing expenses in order to survive this next year
3. Understanding what went so wrong, and what processes that we can enact to ensure it never happens again

I would be interested to know when these important items will be discussed by the Town Council (after appropriate review by the finance committee, which no doubt is ongoing). Lessons learned on what happened here seems critically important not only to ensure this doesn't happen again, but also to put in place solutions and steps that will have the desired positive impact, both near term and longer term.

Thank you for your consideration of this comment.

Tricia Suvari

11. Optional: You can upload a copy of your comments.

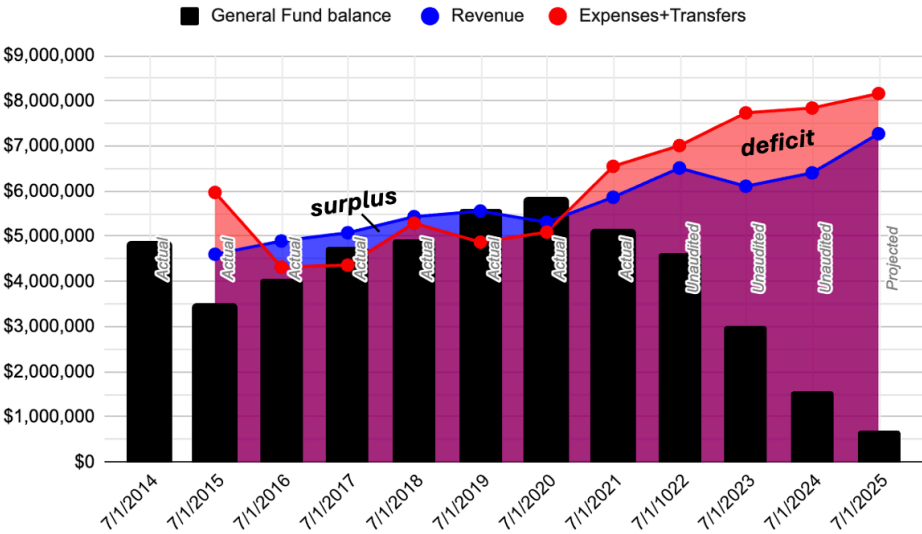
10/7/2024

Dear Portola Valley Town Council members, Interim Town Manager, Finance Director, Town Attorney, Finance Committee, and other interested parties,

As I'm sure you are aware, over the past couple weeks information has emerged from the Finance Department indicating that our financial situation is much worse than expected. I'd like to call your attention to a few items which may not already be on your radar.

- 1) In your 6/12/2024 meeting where you adopted a [Preliminary 2024-25 Budget](#), the General Fund balance was expected to be \$5.4M at the beginning of the fiscal year on 7/1/2024. Now, the Finance Director is estimating that the General Fund balance was \$1.58M on 7/1/2024. This is a shocking drop of \$3.86M, and it has thrown the town into a financial crisis. While it was always known that the \$5.4M estimate might come down somewhat as finances were reconciled, and it's likewise known that the \$1.58M estimate might increase a bit, the magnitude of the change seems far beyond expectations. **You should ask the Finance Director to explain how the General Fund balance estimate was revised down by almost \$4M (a 70% reduction) within the span of a few months.** And frankly I think you need to make sure it's not a mistake.
- 2) Assuming the Finance Director's estimates of the General Fund balance are correct, Portola Valley may become insolvent within a year. I would not rely on the Finance Director's estimate that we will end this fiscal year with \$694k in the General Fund, as that could easily be off given the trend over the past couple of years. **There is a real risk that insolvency will force Portola Valley to disincorporate and become part of unincorporated San Mateo County.**

I made this chart using the financial numbers presented in the 10/1/2024 Finance Committee meeting. It highlights the large deficits we have experienced since 2021, and the General Fund balance dropping at a precipitous rate. **We are on the brink.**



- 3) Per the 10/1/2024 Finance Committee meeting, **you will need to declare a Fiscal Emergency by December, 2024**, so that we can get a revenue enhancing measure on a special election ballot in March, 2025. The deadline for defining the ballot measure may also be before the end of this year. I would point out that after this week you only have 4 more regular meetings scheduled this year. As such, you can't wait for back and forth with the Finance Committee, you need to take steps to at least initiate the Fiscal Emergency step immediately.

- 4) You previously tasked the Finance Committee with evaluating revenue enhancing options to resolve our structural deficit, a job which is even more critical now. However, given the recent material change in our financial position, we should also urgently explore emergency nearer term measures. **You should reach out to San Mateo County and any other relevant agencies immediately to inquire about our ability to obtain emergency loans or similar support.** For example, in other municipal bankruptcies (Vallejo, Stockton, San Bernardino) the county stepped in to assist with vital services such as sheriff and fire. The goal would be to buy more time to develop robust long term solutions.

Regards,
Ronny Krashinsky

Submitter DB ID 7383
IP Address [REDACTED]
Submission Recorded On 10/08/2024 7:29 PM
Time to Take the Survey 6 minutes, 41 secs.

Page 1

1. First and Last Name

Scott Elrod

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

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Portola Valley

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94028

8. Date of Meeting you are submitting comment for.

10/09/2024

9. Agenda Item number or name

6a, 6c

10. Comment

In view of shocking financial situation of the Town, and the prospect of possible insolvency within roughly 1 year, please do the following at this meeting{

1. Do not approve the \$60K expenditure for the Nexus study. We cannot continue with business-as-usual paying large amounts for anything that is not clearly essential. While the Nexus study result would likely justify higher fees in some instances, the effect of that on the overall financial situation will be limited and in the future. We should be hoarding every dollar we can until we have a robust plan for increasing revenue and/or decreasing expenditures

2. Declare a Fiscal Emergency immediately, so that we can benefit from a special election in March, 2025, in order to put possible solutions in front of voters.

Thanks for your consideration, Scott Elrod

11. Optional: You can upload a copy of your comments.

Submitter DB ID 7385
IP Address [REDACTED]
Submission Recorded On 10/09/2024 10:00 AM
Time to Take the Survey 2 minutes, 42 secs.

Page 1

1. First and Last Name

Karen Askey

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

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7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/09/2024

9. Agenda Item number or name

6a. Matrix Consulting Contract Proposal

10. Comment

October 9, 2024

Dear Town Council,

I am in disbelief at the state of our Town Finances, and the lack of oversight, checks and balances that began years ago by our Town Leaders to put us in this situation. That said, we “are where we are,” and we need to make every effort, no matter how large or small, to tackle this debacle and create a solvent Town.

Regarding the proposed \$66,000 contract to Matrix Consulting, let’s start there...

I am in support of raising our User Fees in order to put us at market parity and increase Town revenues (not updating our parking contract with the Alpine Inn at Rossotti Field is a great example of some low-hanging fruit.). I am NOT in favor of paying an outside consultant for this study given the state of our finances.

I would like the Town Council to strongly consider creating an Ad Hoc Committee of skilled residents to create a User Fee/Nexus Study. Perhaps this Ad Hoc Committee works in conjunction with or in guidance from our Finance Committee and Tony McFarland, all skilled financial professionals. Whatever works best - I’ll leave that to you.

The benefits from creating this Ad Hoc Committee include:

We save \$66,000, and every bit counts!

We begin a path of less reliance on expensive, outside consultants who may not understand the nuances of our Town.

We utilize our resident talent pool, who may have stronger experience than some consultants, as well as a deeper understanding of our Town

We begin to build back our community and relationships between the Town Council, residents and staff.

Thank you for your consideration of this idea. We must consider all our options during this difficult time.

Karen Askey

11. Optional: You can upload a copy of your comments.

Submitter DB ID 7382
IP Address [REDACTED]
Submission Recorded On 10/08/2024 4:58 PM
Time to Take the Survey 5 minutes, 58 secs.

Page 1

1. First and Last Name

Rebecca Flynn

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/09/2024

9. Agenda Item number or name

6 C Revenue Enhancement Options

10. Comment

Dear Town Council Members,

Thank you for your efforts on behalf of the Town.

I want to thank Tony McFarlane and our new Finance Department staff for working hard on updating our financial records and in putting in place best accounting practices for proper controls.

I want to thank the Finance Committee for diving in to explore options for our Town to avoid insolvency.

As we learned at the Finance Committee meeting last week, our finances are in far worse shape than we thought. With only 6 months of reserves (we are now depleting our assigned reserves (healthcare, pensions, e.g.) having already blown through our unassigned reserves), the Town must take action immediately.

We need to scour the finances to find every “nice to have” expenditure and cut them. We need to find any revenue source that we are not collecting and start collecting them.

We need to declare a Financial Emergency before December and already start planning for revenue enhancement actions. We need to start dialogs with the county and state.

We need to move forward with either a Real Property Transfer tax (with a Charter City Lite) or a parcel tax. We need to vote on providing more flexibility to Town Council on the allocation of our Utility Users Tax so the entire amount can go to our operating expenses. We need to start charging the Open Space fund for open space maintenance costs, current and past. We need to change the way investment earnings are allocated and have them all go to our operating expenses instead of back to the funds. We need to understand the ramifications of potentially taking out temporary loans from our own restricted funds or from the County.

With only 6 months left, we have to solve the problem now because otherwise we will have to make even more drastic cuts at Town Hall. It will hit the maintenance of our playing fields, our fire safety efforts, the clearance of brush from our evacuation routes, our street cleaning, our permitting times, the open hours at Town Hall, among hundreds of other tasks that our Town Administration is involved in to keep our town open and running.

To make these decisions, the Town Council and the Finance Committee (and the residents) need more granularity of the financial information provided

We need to work with our interim Town Manager and our Finance Department to figure out better ways to display our financial information that doesn't require people to dig through multiple levels of Opengov to manually pull data out.

There needs to be a distinction in the summary documents between fees collected by the planning and building department that directly go to pay for the concomitant consultants. Those fees and expenses need to be indicated and displayed in their own section, so they aren't included in our normal operating expenses. The same situation arises for expenses paid for by restricted grants. The Town needs to be able to see the flow of money that impact our operating expenses vs. the flow where we have money dedicated from other sources.

The largest by far (and more than half of our budget) is listed as “Supplies and Service” on the summary financial documents. That line item hides hundreds of different expenses. We need to figure out with the Finance department how to make that more granular in the summary budget document.

“Consultants” is another line item that hides at least five different types of consulting: Fire safety and evacuation, Financial (Krist and co), Planning and

Building, Housing Element, and Zoning amendments. All of these different consultant types need to be parsed out. The lack of adequate visibility on our consultant use has resulted in excessive use of consultants, particularly for the housing element and zoning amendments, massively going over budget to the tune of around \$1 Million for three years running compared to \$426K in FY20.

It's only thanks to the efforts of the Finance Department that we now know that the Town was not collecting Business License fees in 2022-2023 because that line item is called out in the Summary documents. The Town can now work to determine what we need to change to make sure we are collecting business license fees. Same with our franchise fees. They went from ~\$400K down to \$246K. The Town can now work to figure out why ATT, Comcast, etc. weren't paying their full fees.

The more granularity displayed in the summary documents, the more we are aware of what areas needing further exploration and follow up.

I don't know if we need to make changes to the Opengov software to be able to provide that granularity or design new reports or if we need to explore getting a different software package. We seem to be paying \$45K a year on our financial software so we should definitely be getting the reports we need to make good decisions.

Please have the Finance Department explore how to provide more granular financial reports and to change the design of the summary reports so we understand the impact on our operating expenses compared to expenses covered by other revenue sources. Please share the modeling spreadsheet so we can all understand the potential levers for new revenue sources. Please move forward quickly with a declaration of a fiscal emergency, and please start executing on plans for multiple potential options while decisions are still being explored.

Regards,

Rebecca Flynn

Candidate for Town Council 2024.

11. Optional: You can upload a copy of your comments.